

Tennessee's Economic Outlook 2025 Q1

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Mortgage Delinquency*

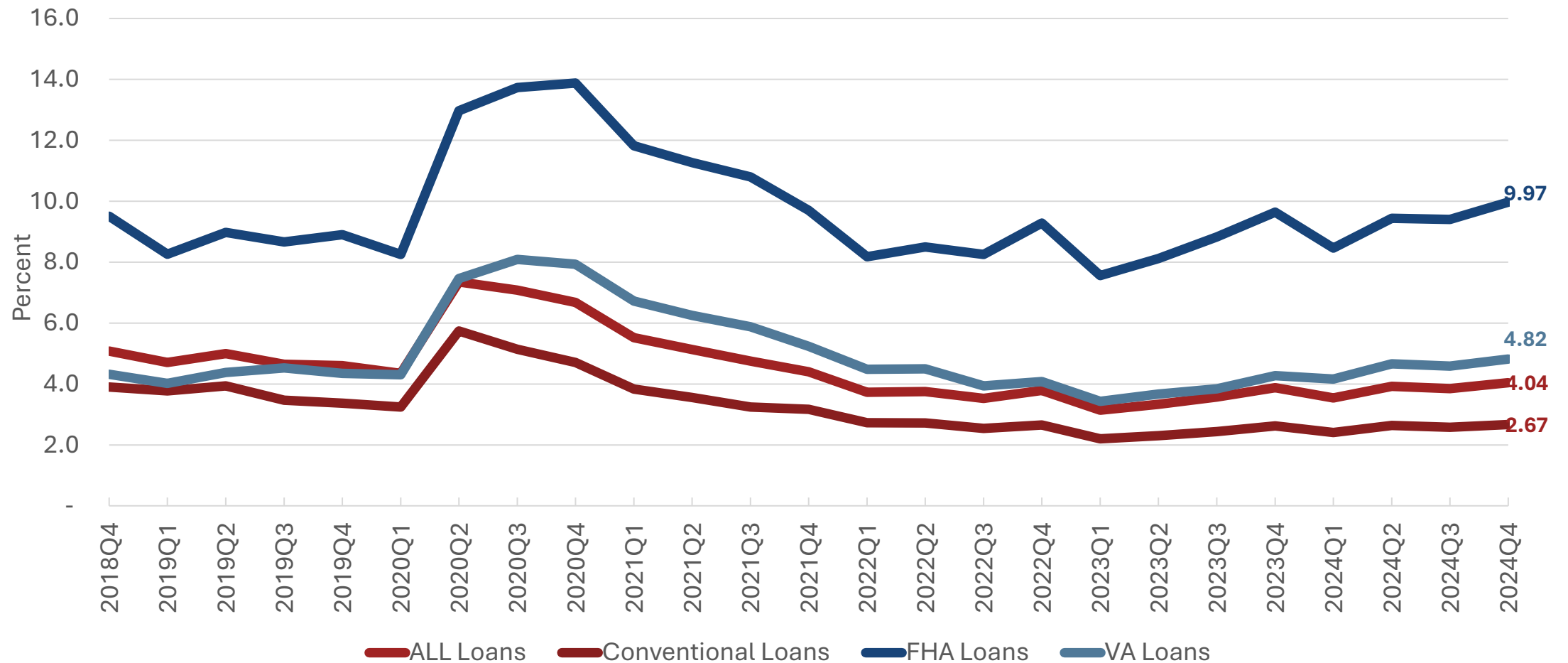
Source: Mortgage Bankers Association National Delinquency Surveys ([Link](#))

** Due to staffing changes, mortgage delinquency data was not available for the first quarter of 2025. These charts will be updated in the second quarter of 2025.*

Total Delinquent Loans by Loan Type

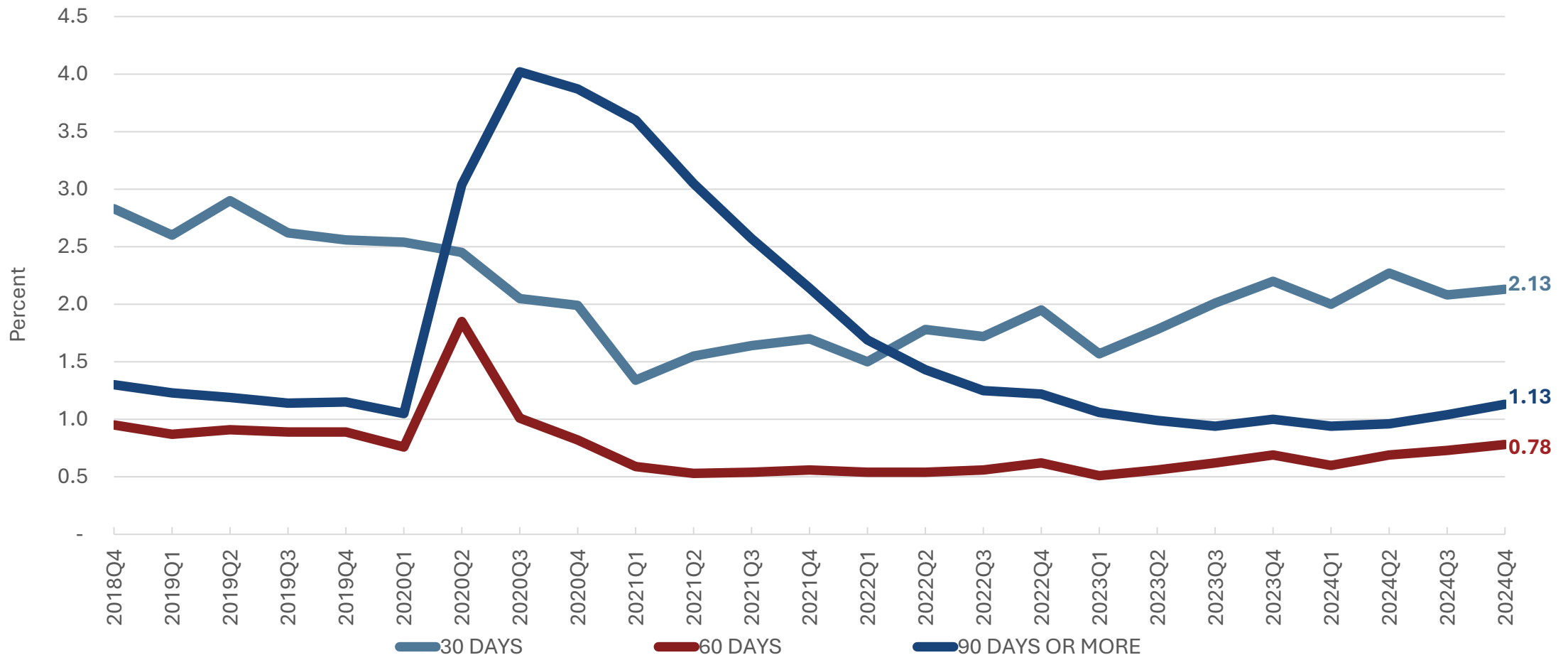
(Tennessee)

- FHA-insured loans had higher delinquencies than other loan types and experienced a greater quarterly increase compared to other loan types.
- The total delinquency rate for all loans in this quarter was higher than one year ago.



30-, 60- and 90+ day Delinquencies for All Loans (Tennessee)

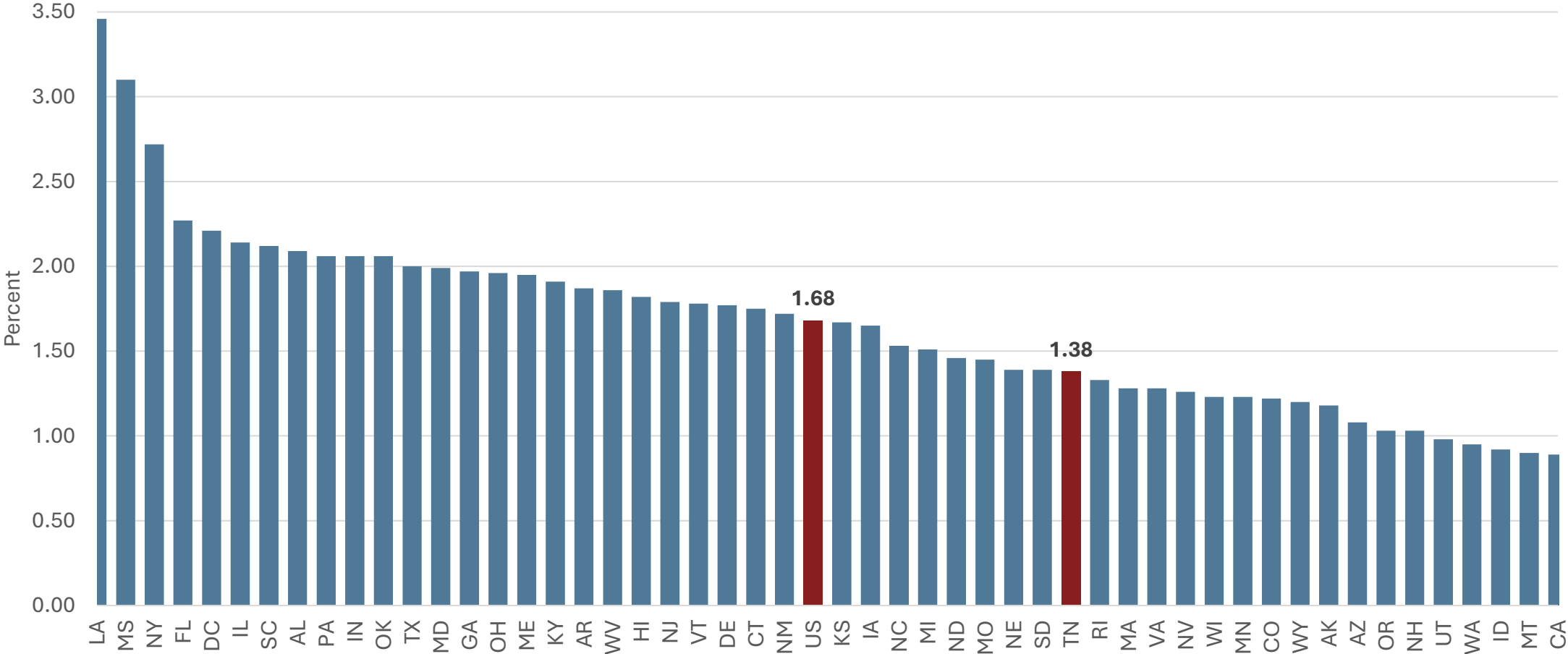
- The overall delinquency rate for all loans was still lower than its peak immediately after the pandemic started.
- However, the delinquency rates in all stages were higher than they were a year ago.
- Delinquency rates among THDA borrowers (serviced by VMLS) were higher than the previous quarter and the prior year for all grand divisions. Nearly 6.5% of all active THDA loans in East Tennessee were 60+ days delinquent (not including loans in foreclosure).



Serious Delinquencies for All Loans

(Nation)

- The percent of seriously delinquent loans (90+ days delinquent and all loans in the process of foreclosure) in Tennessee was less than the national average in the fourth quarter of 2024.



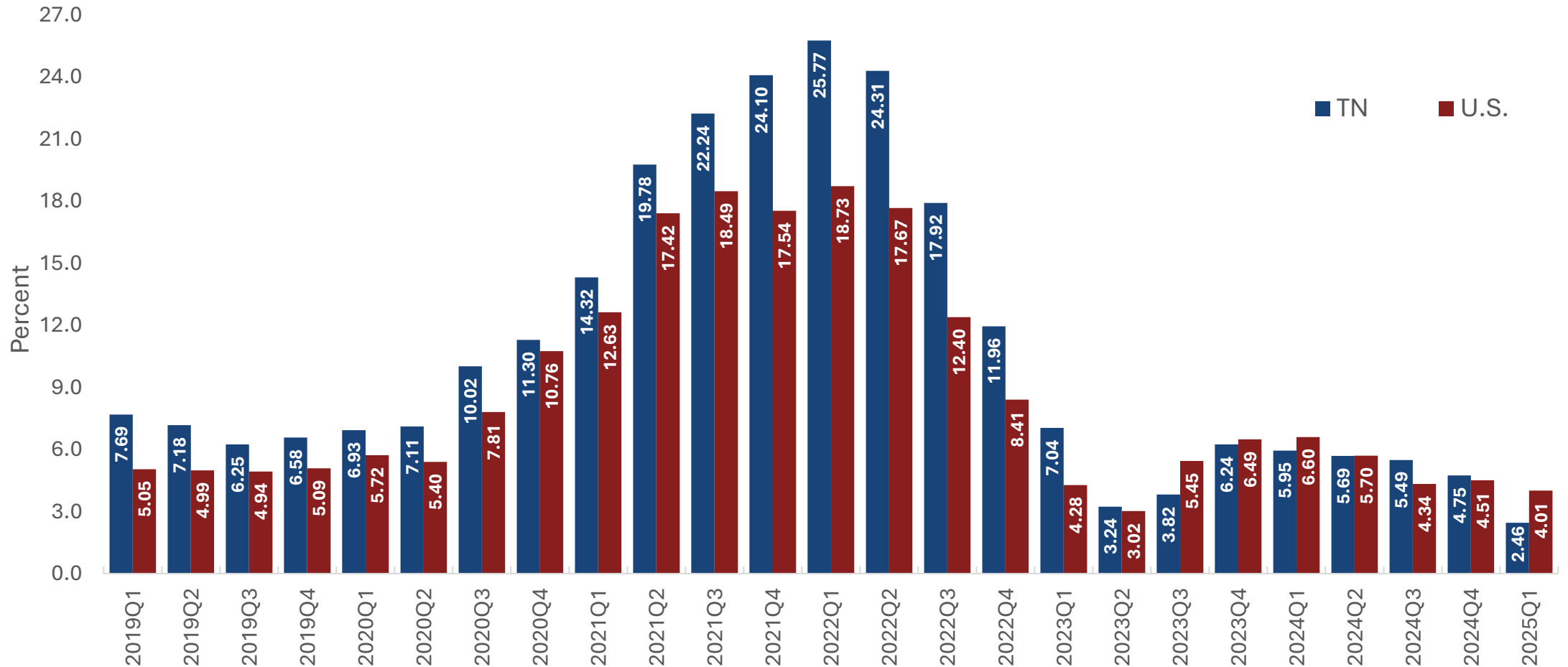
House Price Index

Source: Federal Housing Finance Agency ([Link](#))

Percent Change in House Prices

(Seasonally-Adjusted, 1-Year, Purchase Only in TN and U.S.)

- The Federal Housing Finance Agency's (FHFA) House Price Index (HPI) is a measure of single-family home prices, showing the average price change in repeat sales on the same properties for various geographic levels and captures roughly 85 percent of all U.S. sales.
- After the Covid-19 pandemic started, house prices appreciated significantly in Tennessee and across the nation. This trend slowed down until the second quarter of 2023, after which it began to appreciate slightly again.



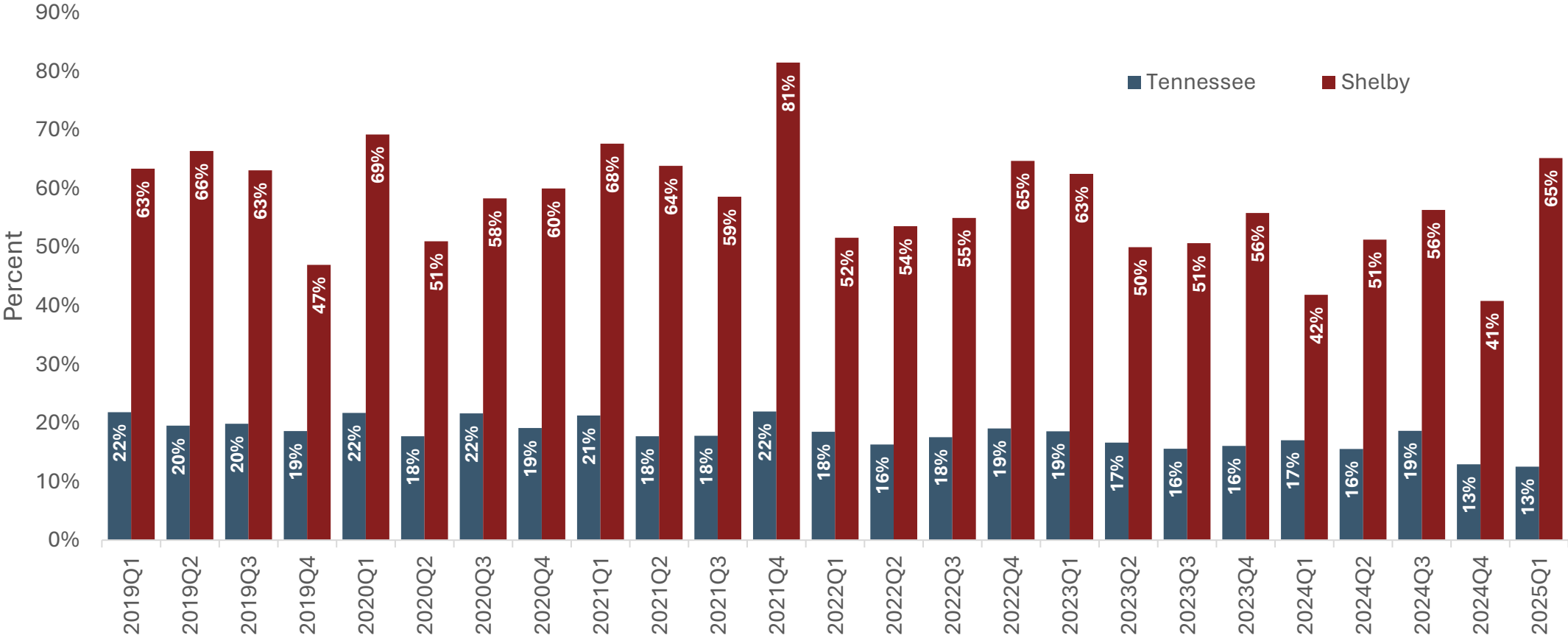
Black Homeownership Rates in Shelby County & Tennessee

Sources: THDA; American Community Survey (ACS) 1-Year Estimates ([Link](#))

Black Borrowers as Percent of Total Borrowers

(THDA Loans)

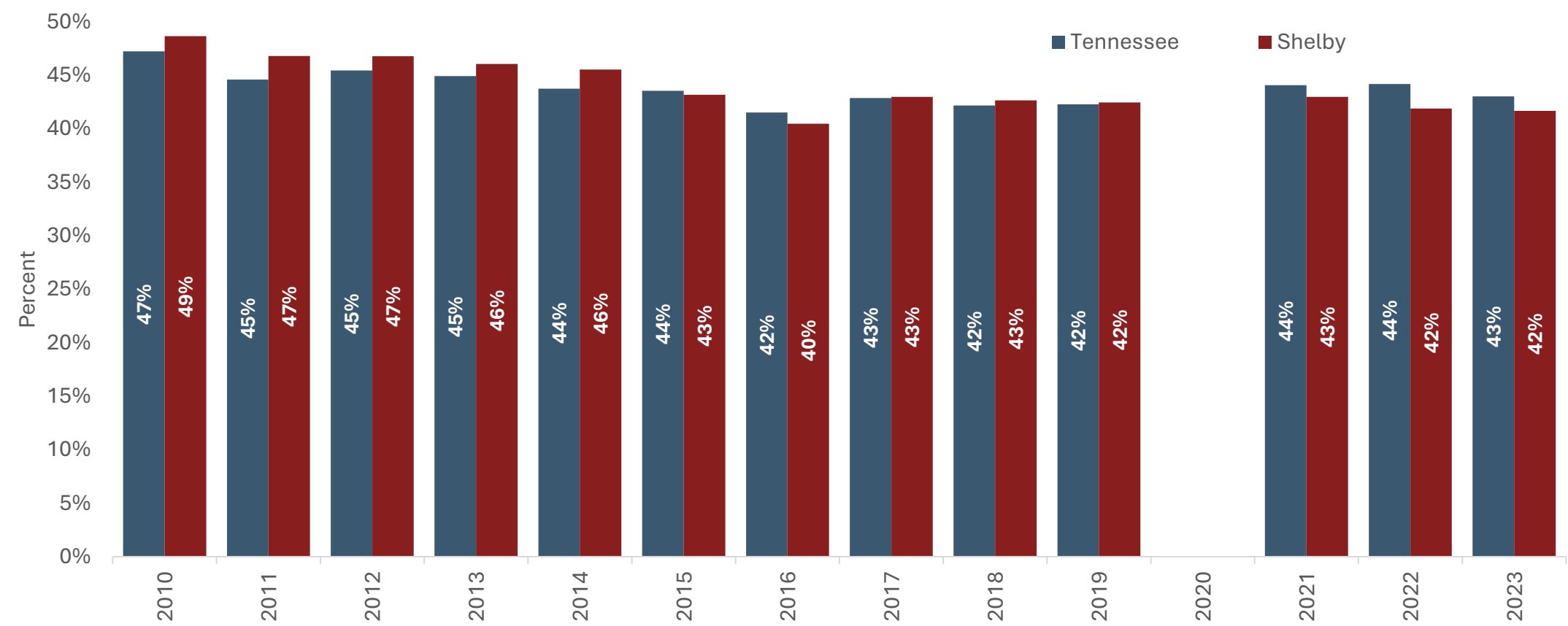
- In the first quarter of 2025, 65% of THDA borrowers in Shelby County were Black, increasing from 41% in the previous quarter. In the state, 13% of THDA borrowers were Black.



Percent of Black Households who are Homeowners

(Overall Market)

- In 2023, 42% of Black households in Shelby County were homeowners, compared to 49% in 2010.
- The Black homeownership rate in the state was 43% in 2023. It was 47% in 2010.
- While the Black homeownership rate in 2023 was lower than it was in 2010, Black households in Shelby County experienced larger declines than the state.



*The American Community Survey 1-year survey was not conducted in 2020, due to the COVID-19 pandemic. Therefore, there is no data for 2020.

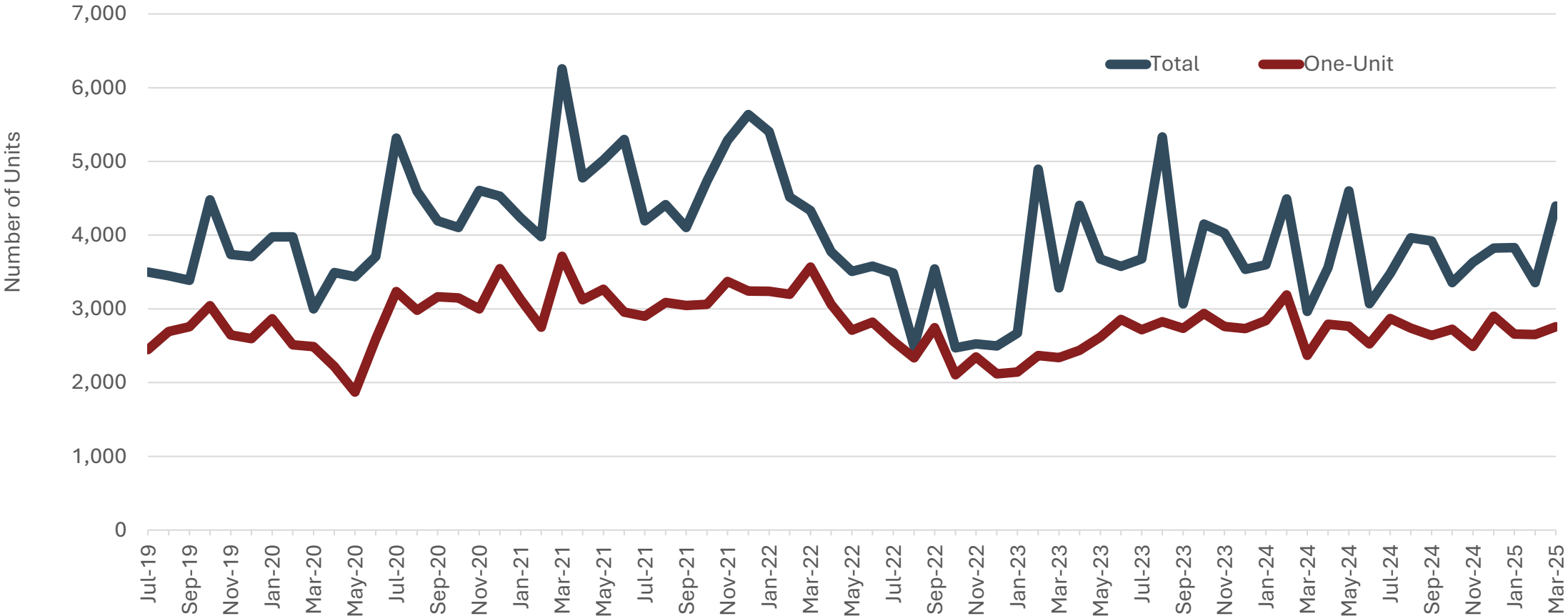
Building Permits

Source: Census Bureau Building Permits Survey ([Link](#))

New Private Housing Units Authorized by Building Permits

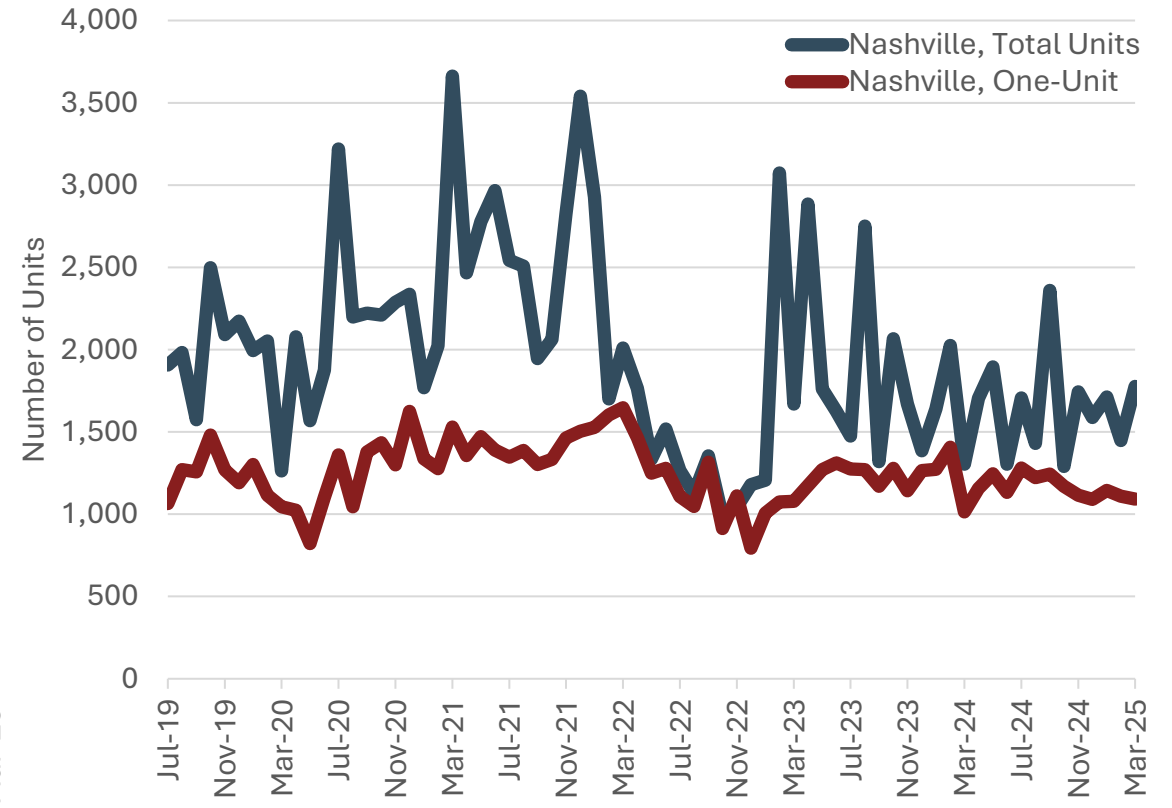
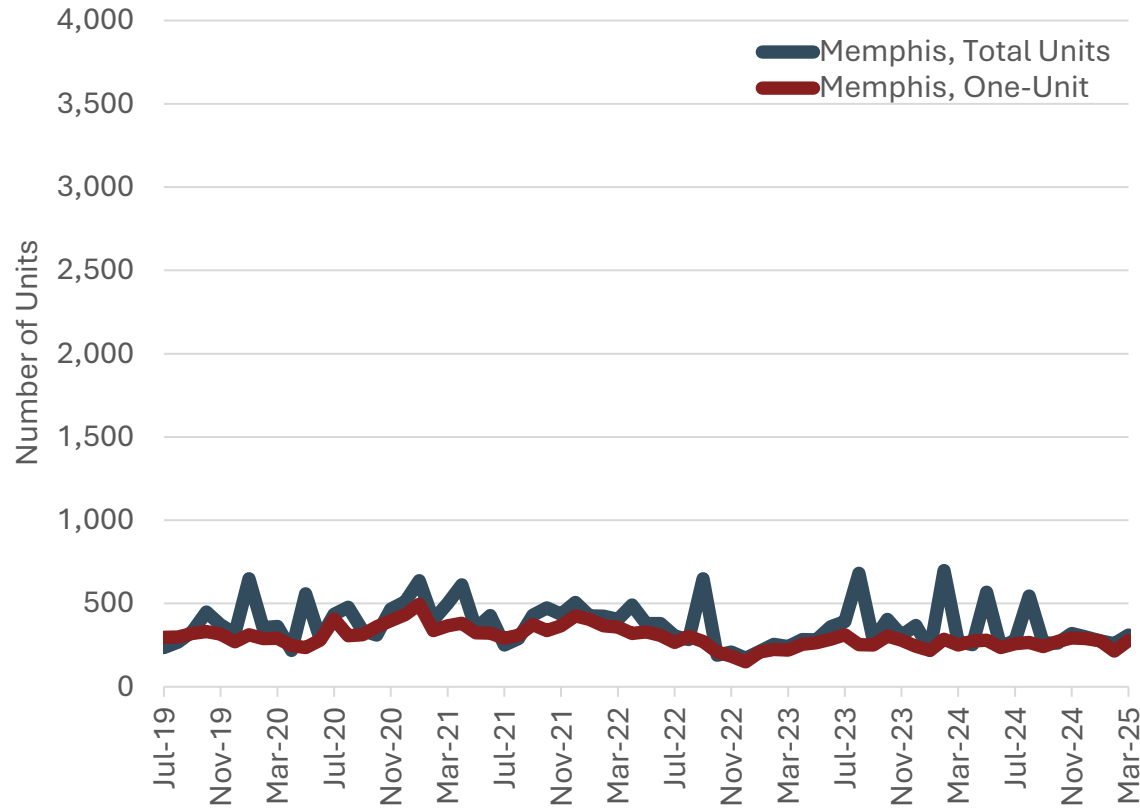
(Tennessee)

- In March 2025, 4,396 new privately-owned housing units authorized by building permits (a seasonally adjusted annual rate), which is 31% higher than the revised February permits and 48% higher than the March 2024 permits.
- In March 2025, 2,756 single-family or one-unit building permits were pulled, comprising 63% of total permits.



New Private Housing Units Authorized by Building Permits

(Memphis and Nashville MSAs)



Mortgage Interest Rates

Source: Freddie Mac ([Link](#)), Primary Mortgage Market Survey ([Link](#))

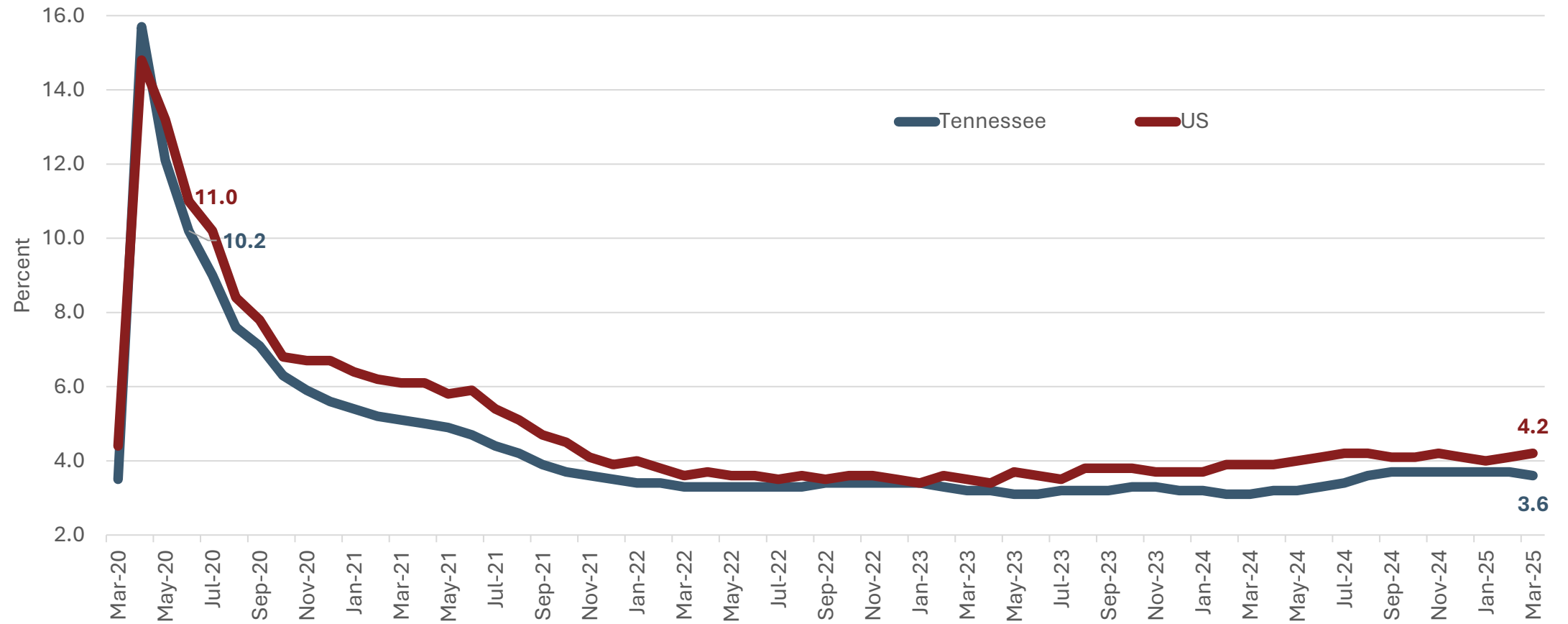
Weekly Mortgage Rates



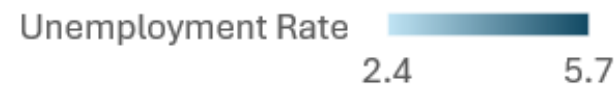
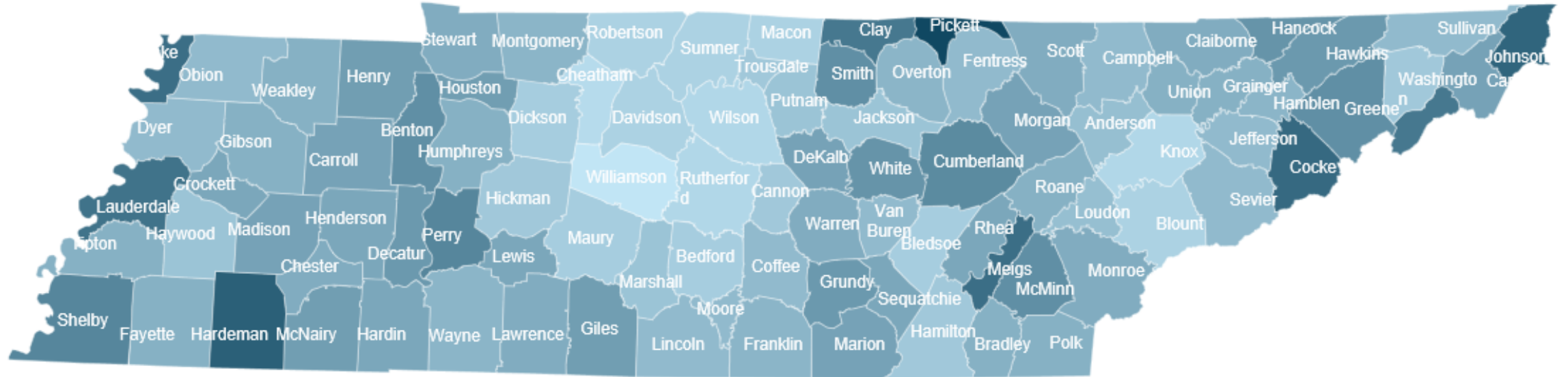
Unemployment Rates

Source: Bureau of Labor Statistics ([Link](#))

Seasonally Adjusted Monthly Unemployment Rates



Unemployment Rates, March 2025

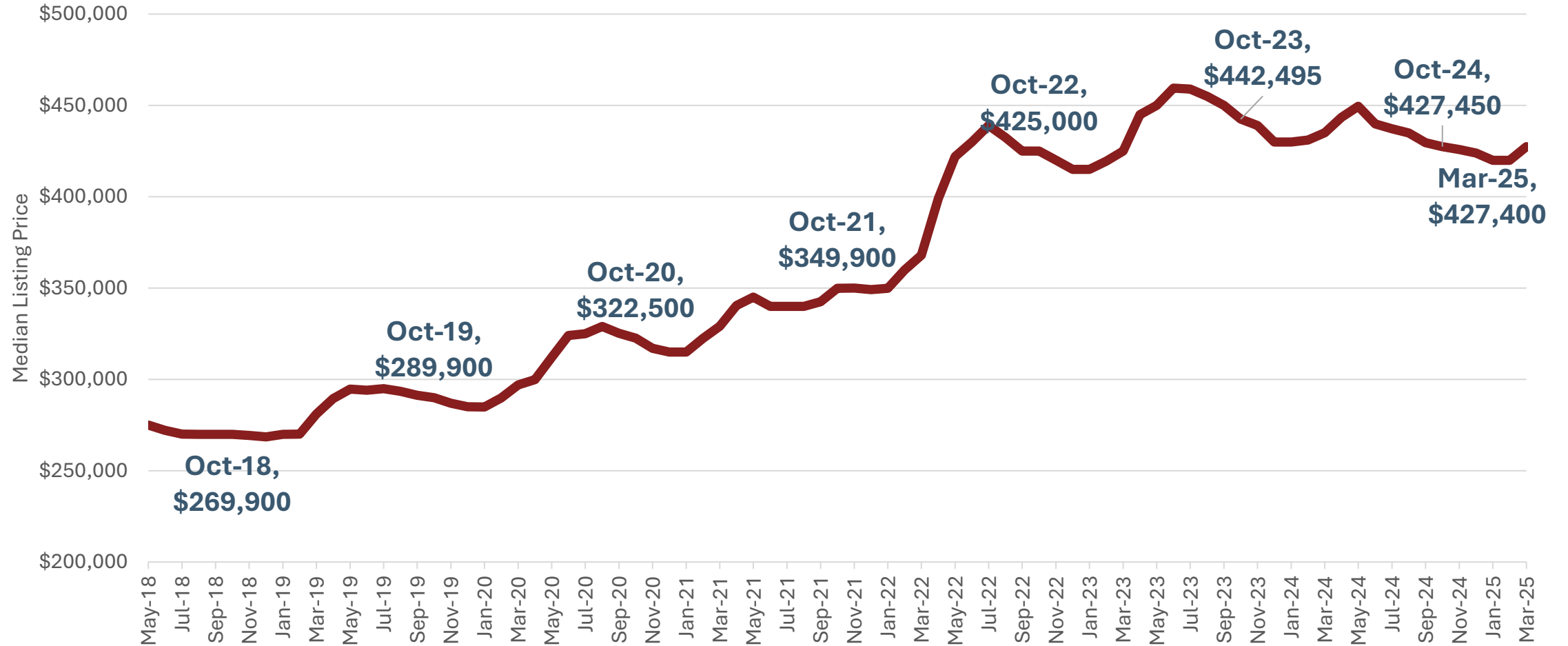


Housing Market Trends

Source: Realtor.com ([Link](#))

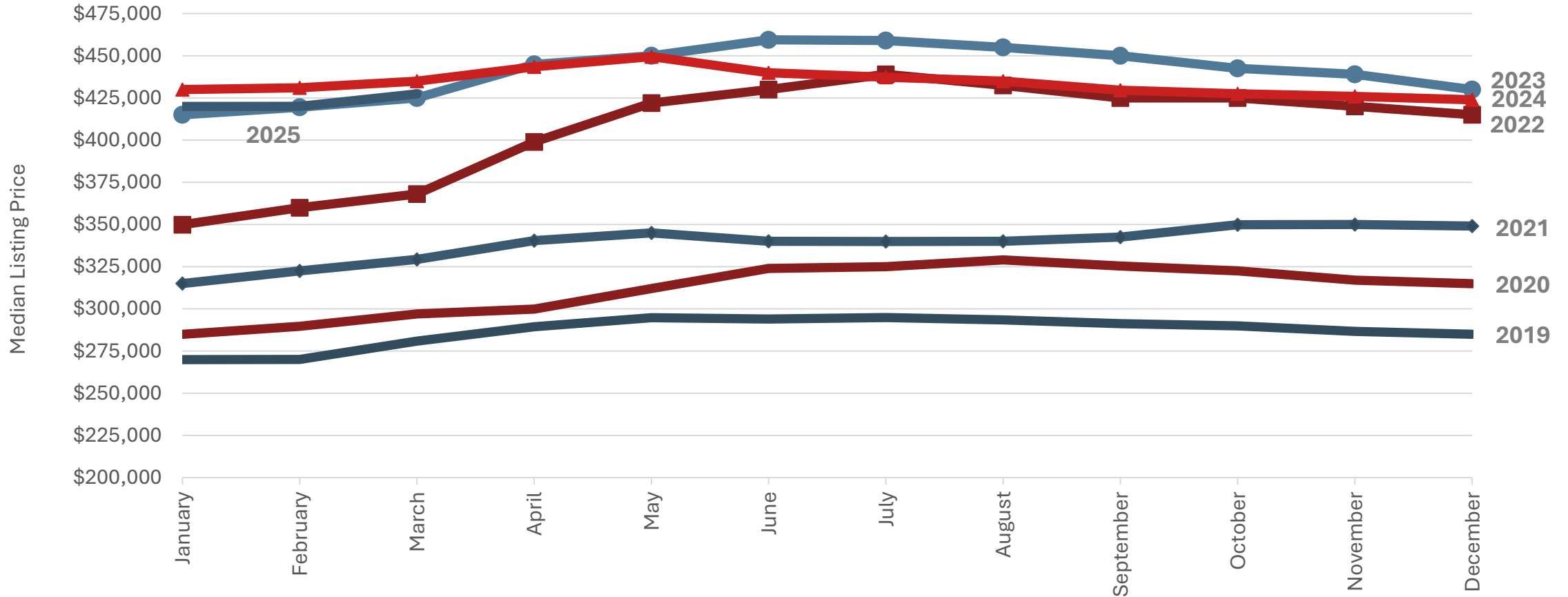
Median Listing Price

(Tennessee)



Median Listing Price By Season

(Tennessee)



Active Listing Count

(Tennessee)

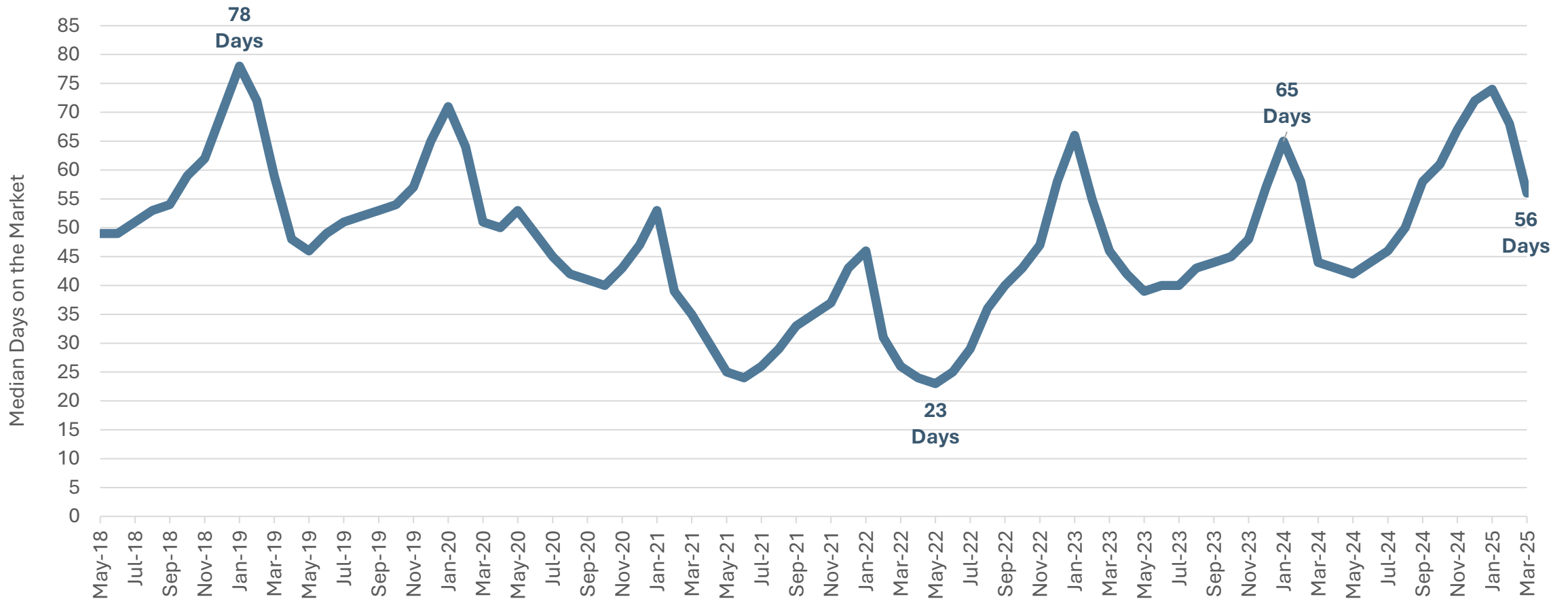
- In March 2025, there were 36% more homes actively for sale than same month in 2024. This is a big improvement from the active listing count in much of 2021 and early 2022.



Days on the Market

(Tennessee)

- In March 2025, a typical home spent 56 days on the market, which is 12 days more than the same time last year.

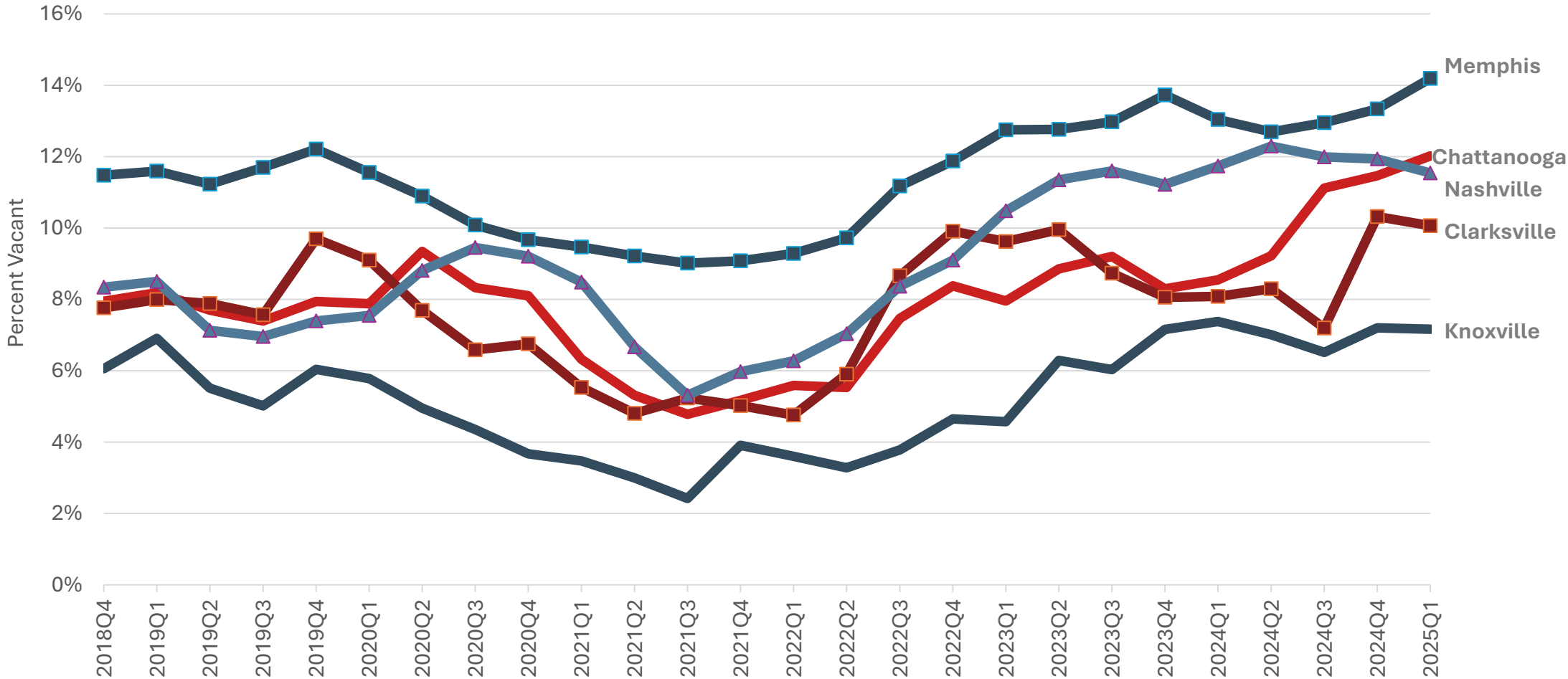


Rental Indicators

Source: CoStar ([Link](#))

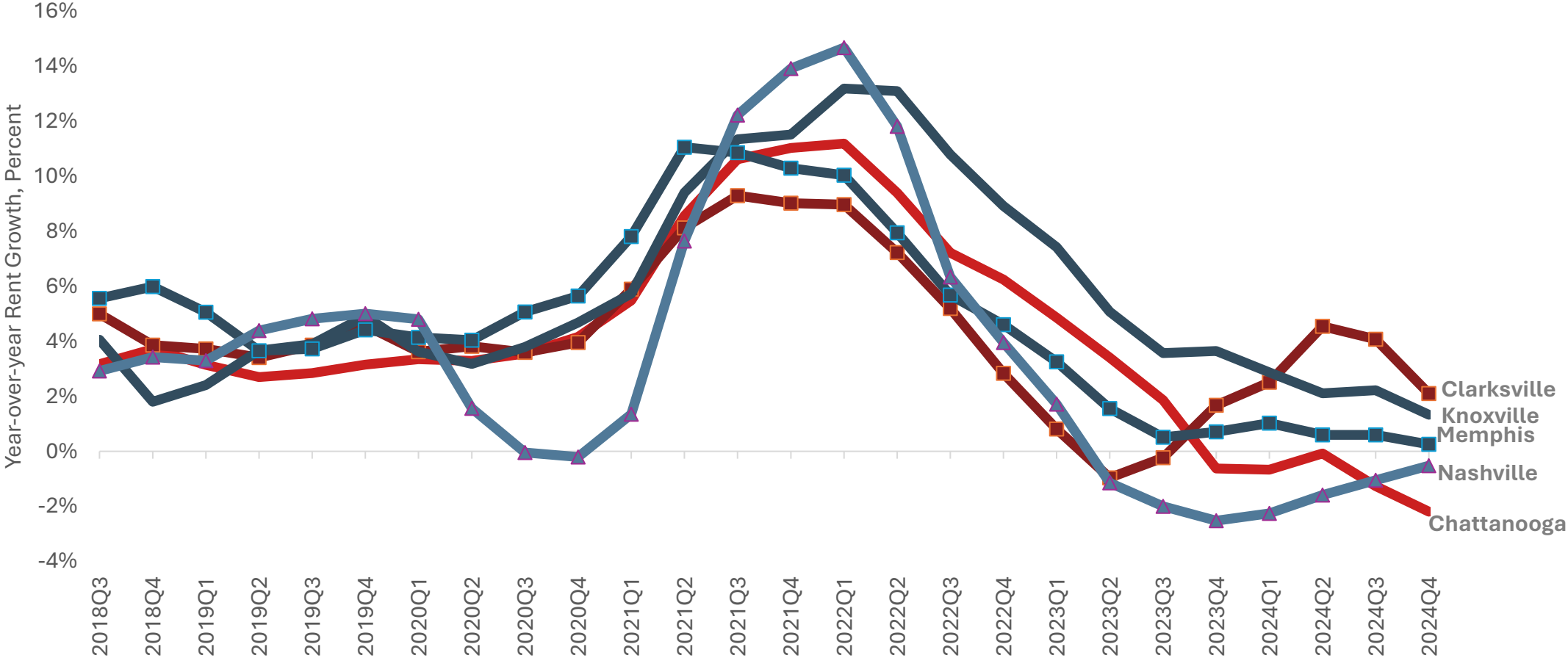
Quarterly Rental Vacancy Rates by Metro Area

- The rental vacancy rates in three of the five largest Tennessee metros were higher than a year ago.



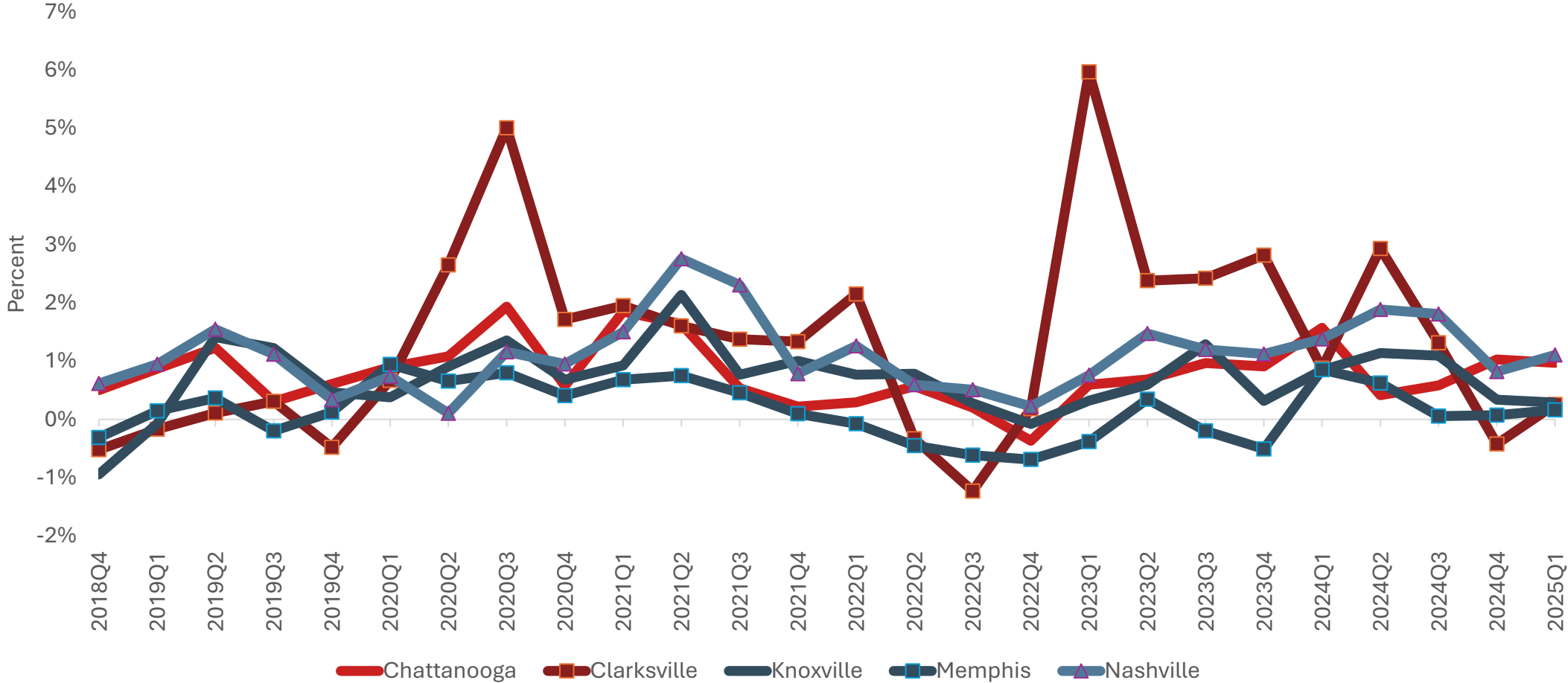
Quarterly Market Effective Rent Growth by Metro Area

- The effective rent (asking rent minus the concessions) declined in Chattanooga and Nashville, while increasing in other three large metro areas



Quarterly Absorption Rate by Metro Area

- The absorption rate* was lower in the first quarter of 2025 than the first quarter of 2024 in the five large metro areas of Tennessee.



*This is the difference between the total vacated units and the newly leased units by tenants within a set time frame, relative to the initial total amount of units marketed as available for lease

Data Sources and Availability

