

# Tennessee's Economic Outlook 2025 Q2

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August 27, 2025



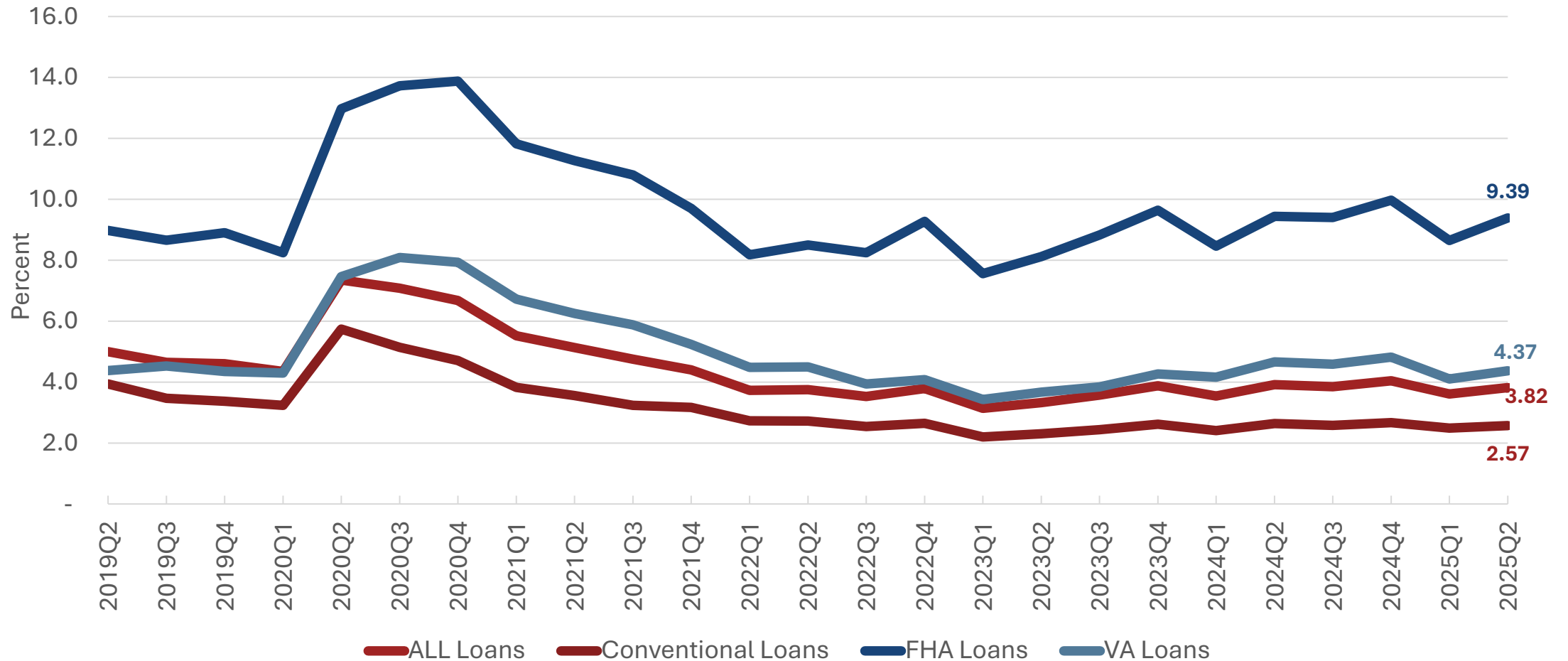
# Mortgage Delinquency\*

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

# Total Delinquent Loans by Loan Type

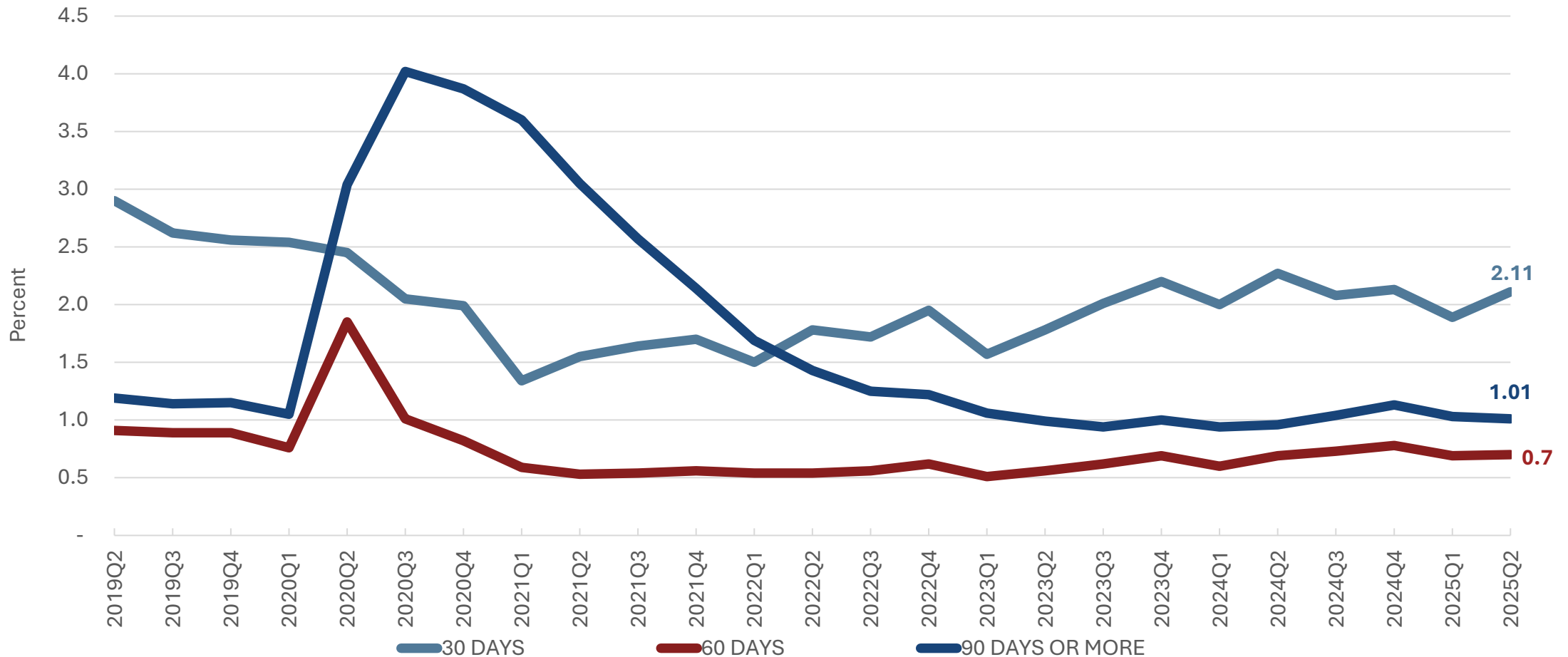
## (Tennessee)

- 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 lower 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, 30-day delinquency rate was higher than it was 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. 6% of all active THDA loans in East Tennessee were 60+ days delinquent (not including loans in foreclosure).

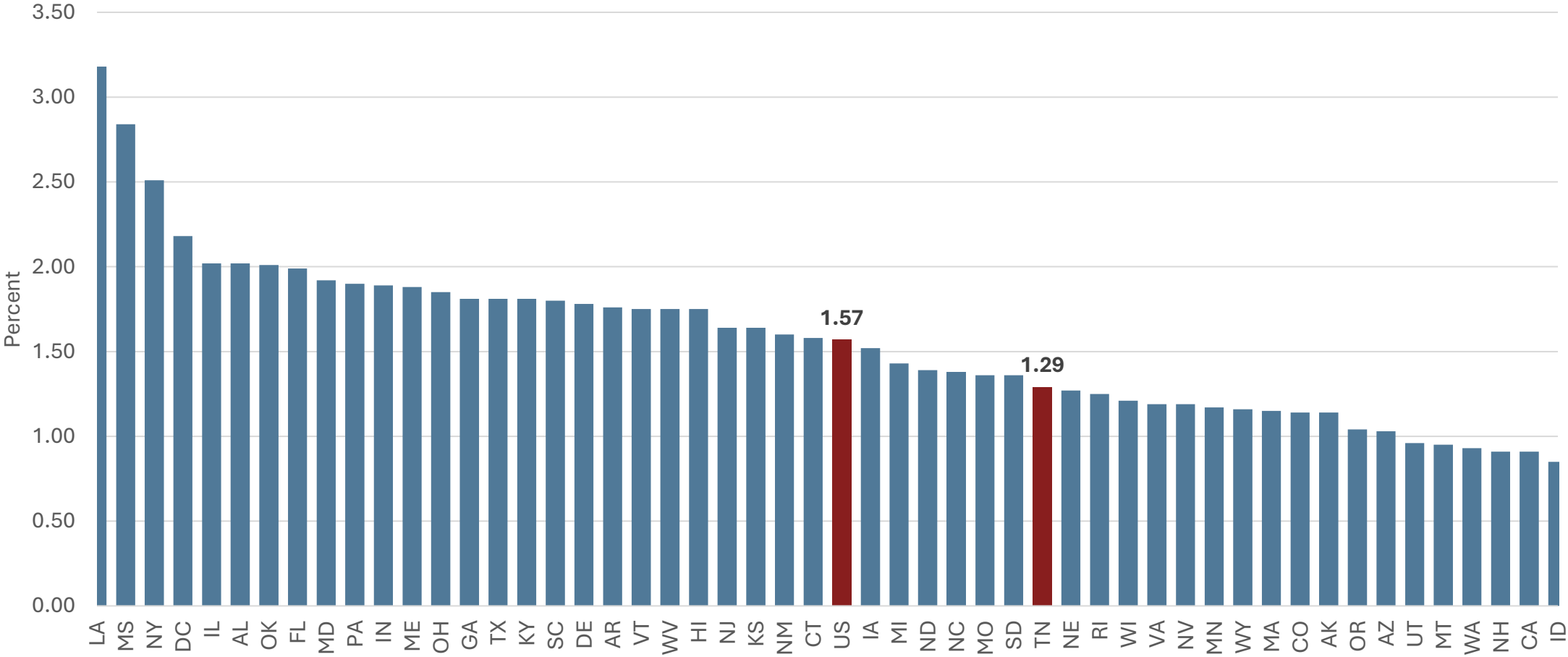




# Serious Delinquencies for All Loans

(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 second quarter of 2025.



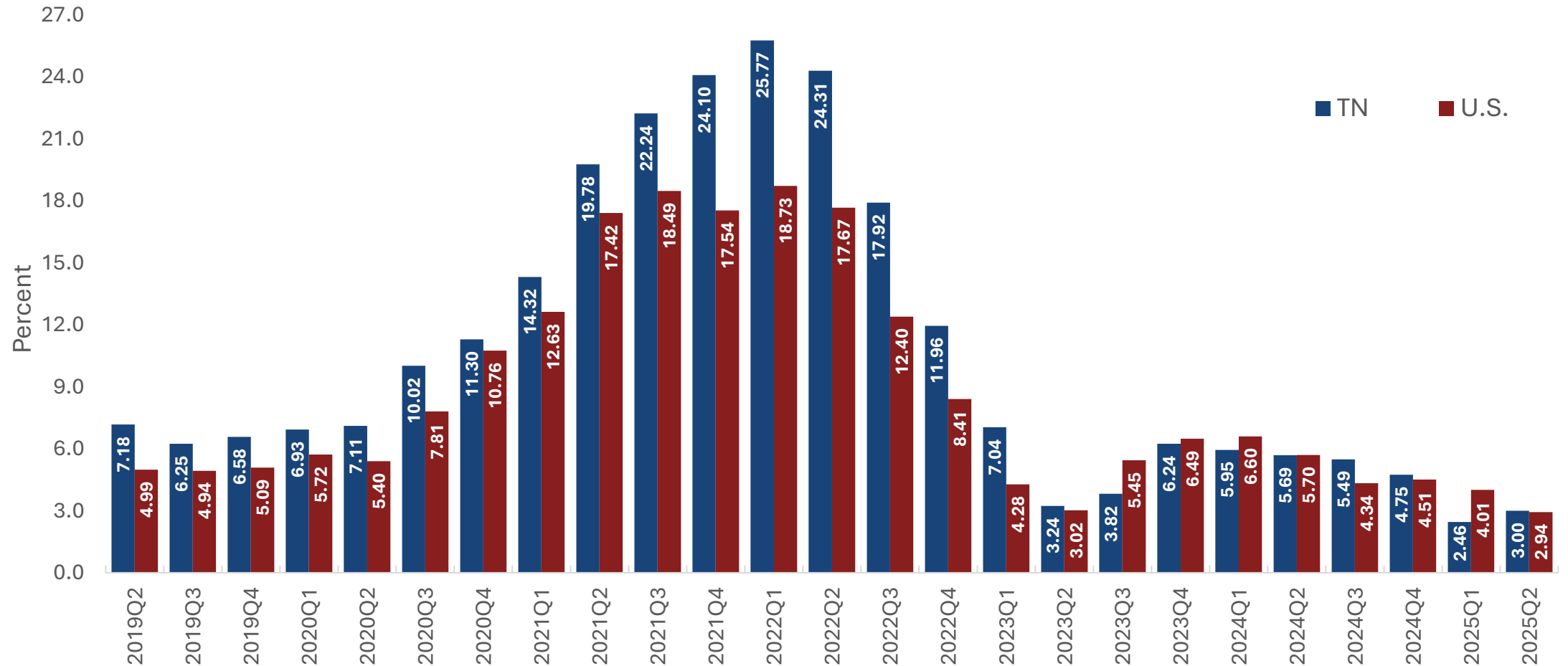
# House Price Index

**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

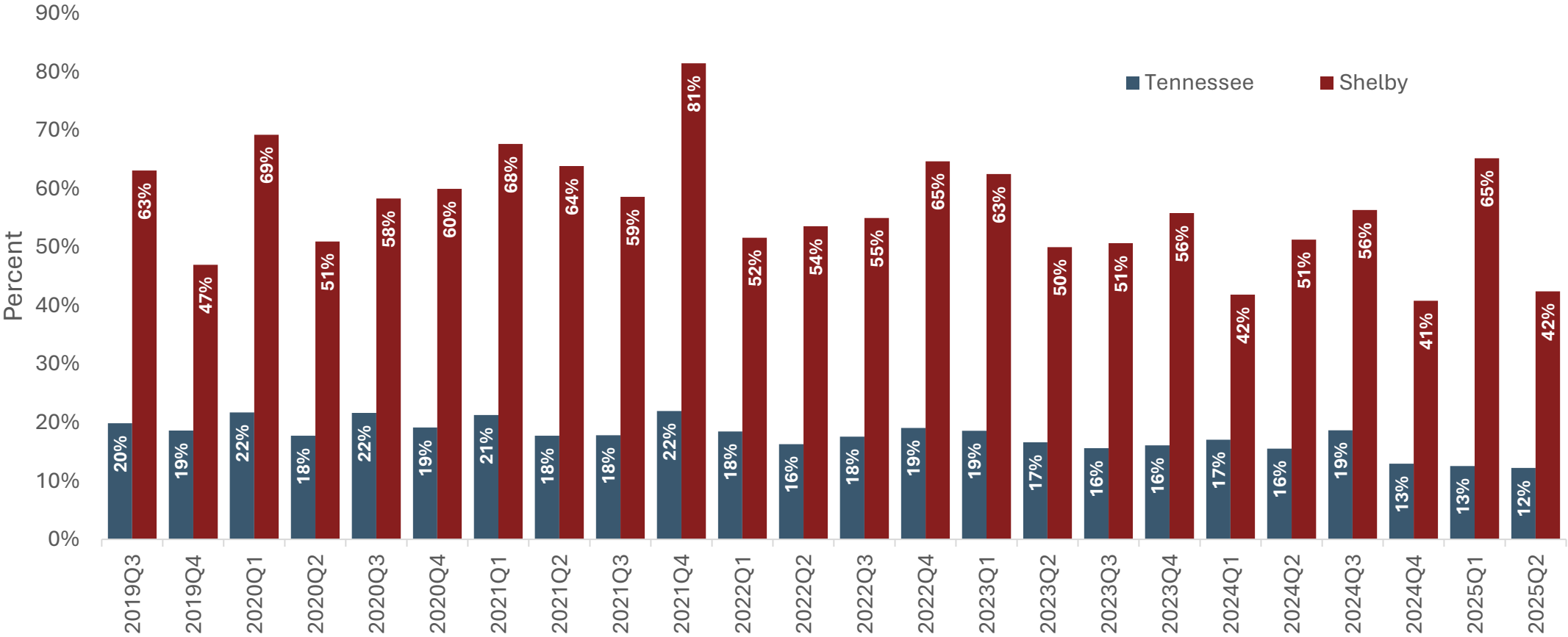
**Sources:** THDA; American Community Survey (ACS) 1-Year Estimates ([Link](#))



# Black Borrowers as Percent of Total Borrowers

## (THDA Loans)

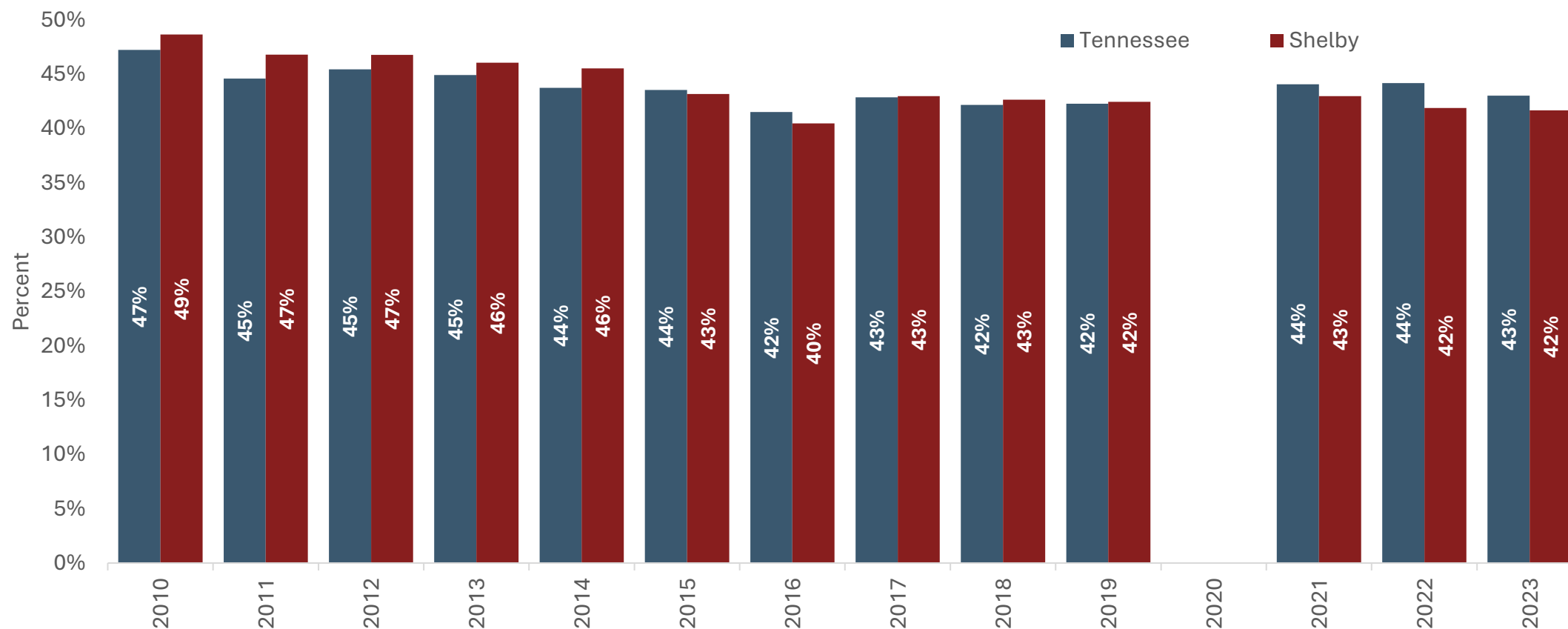
- In the second quarter of 2025, 42% of THDA borrowers in Shelby County were Black, declining from 65% in the previous quarter. In the state, 12% of THDA borrowers were Black.



# 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.

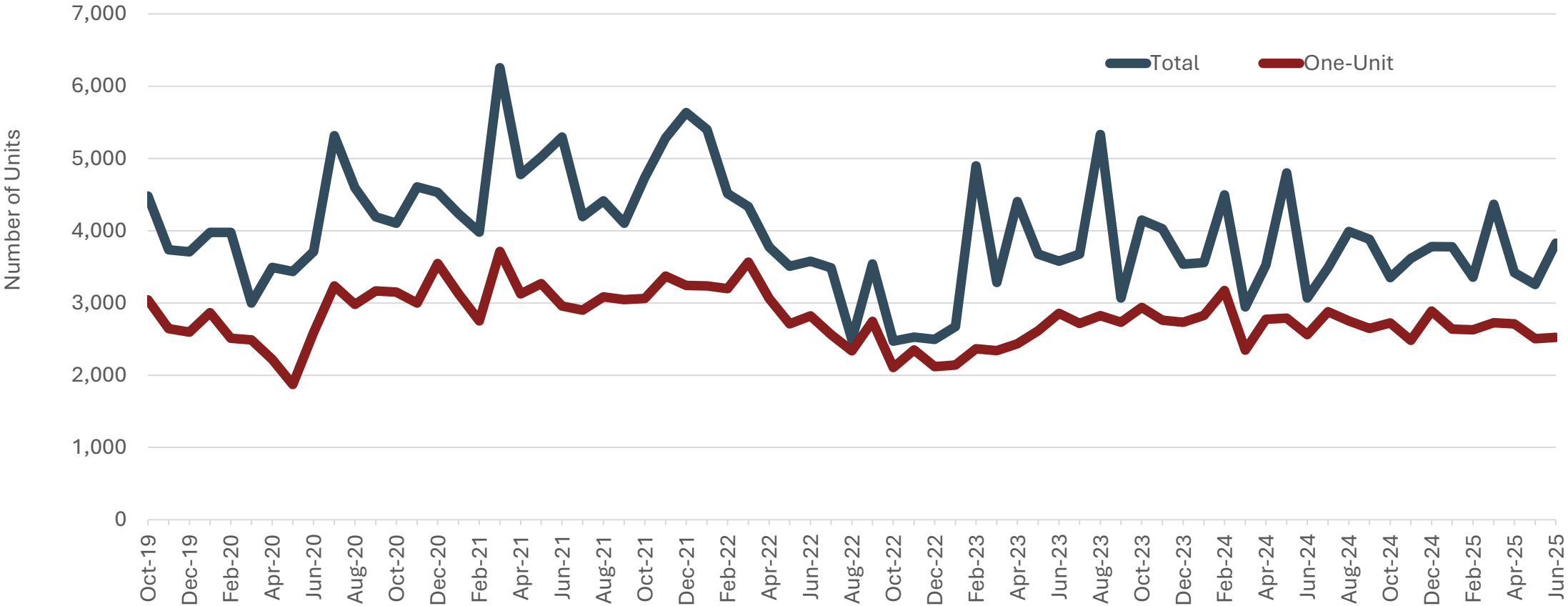
# Building Permits

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

# New Private Housing Units Authorized by Building Permits

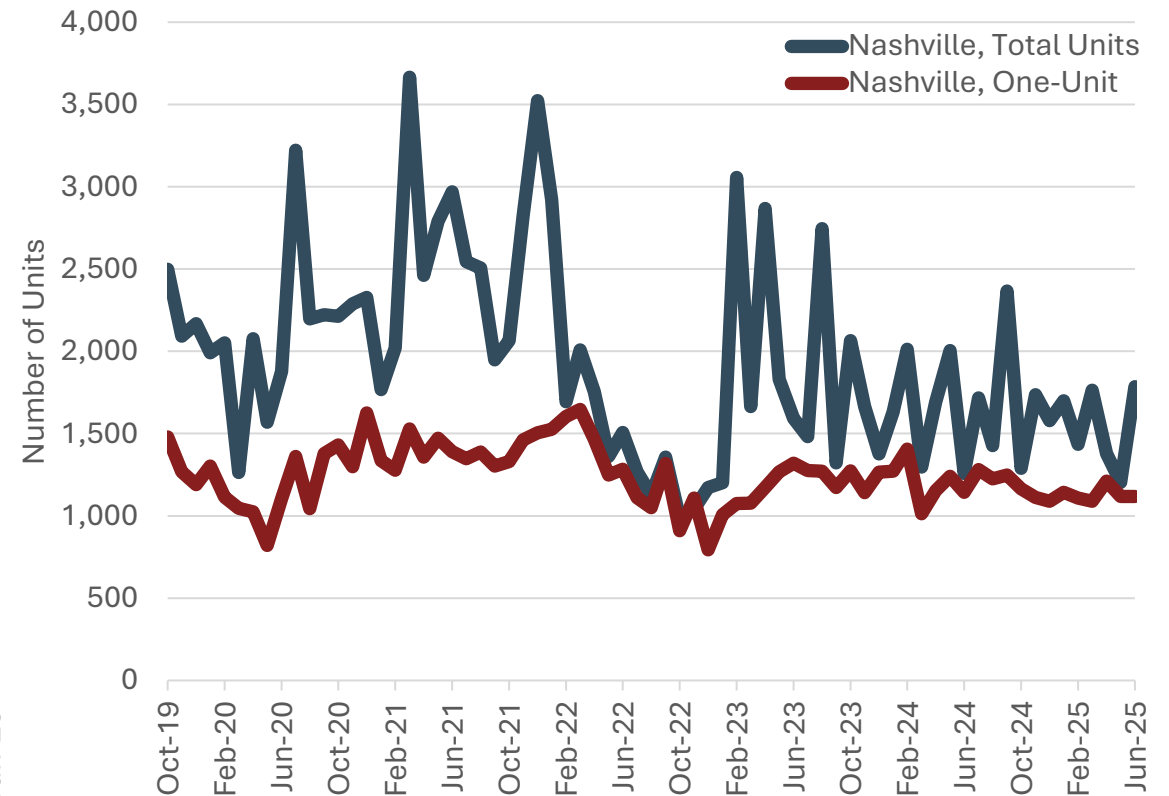
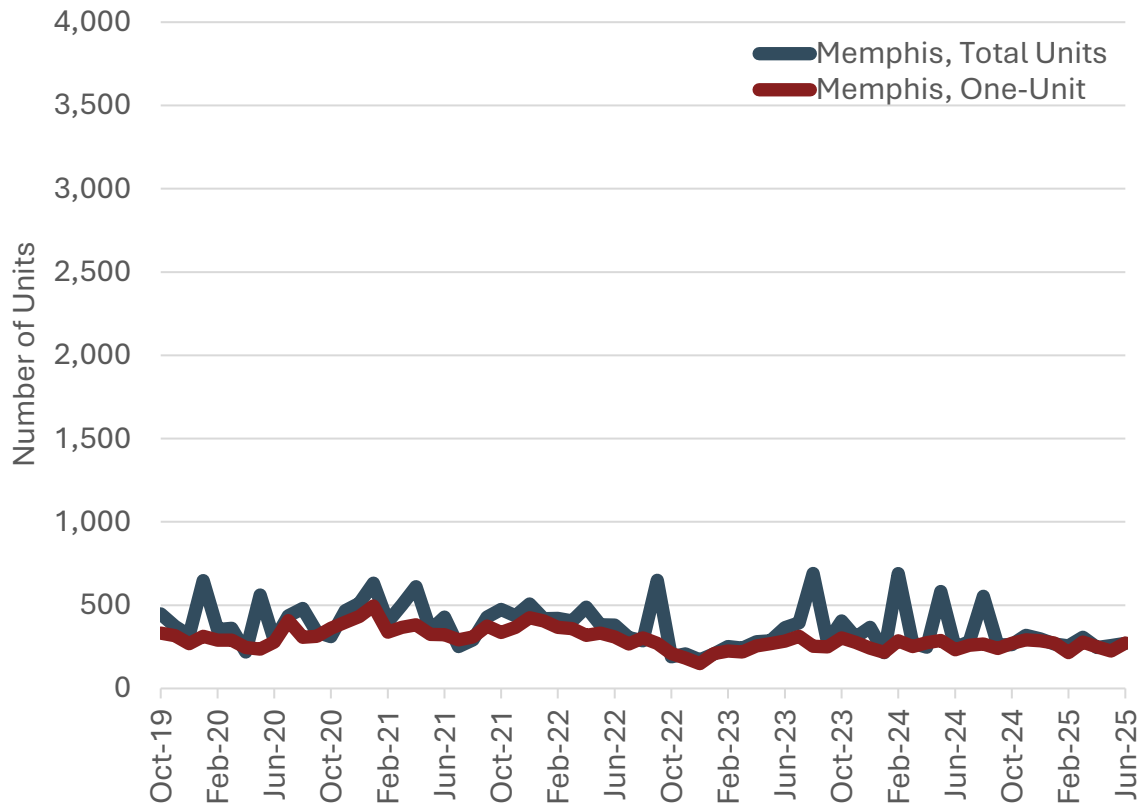
## (Tennessee)

- In June 2025, 3,827 new privately-owned housing units authorized by building permits (a seasonally adjusted annual rate), which is 18% higher than the revised May permits and 25% higher than the June 2024 permits.
- In June 2025, 2,525 single-family or one-unit building permits were pulled, comprising 66% 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

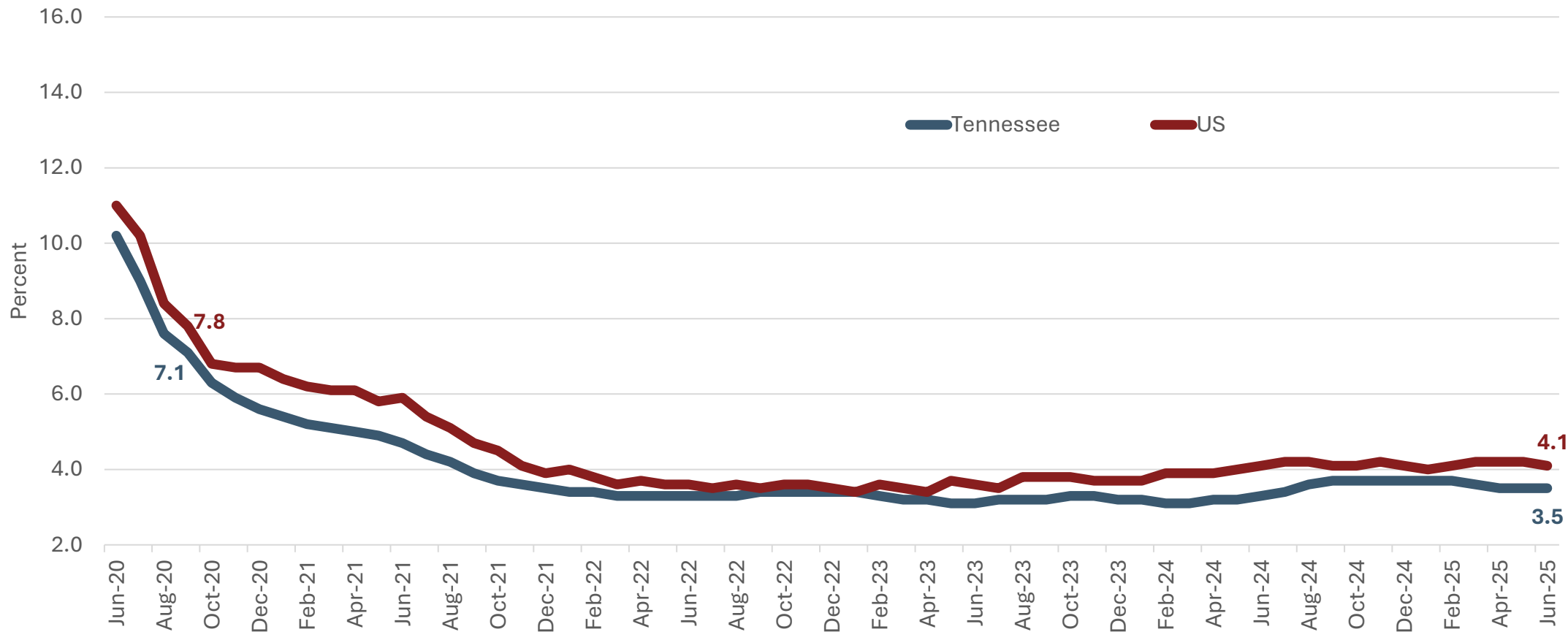




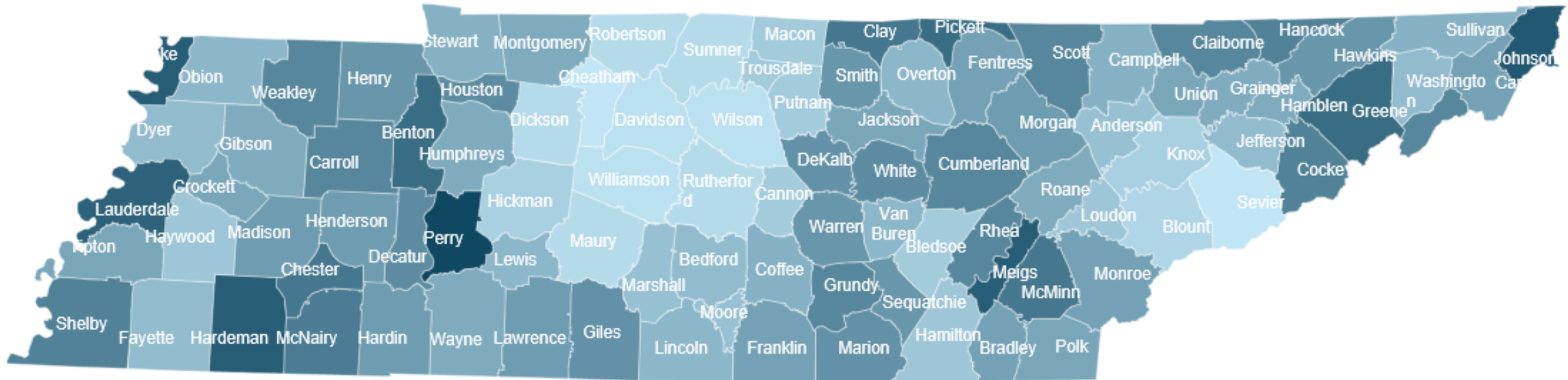
# Unemployment Rates

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

# Seasonally Adjusted Monthly Unemployment Rates



# Unemployment Rates, June 2025



Unemployment Rate

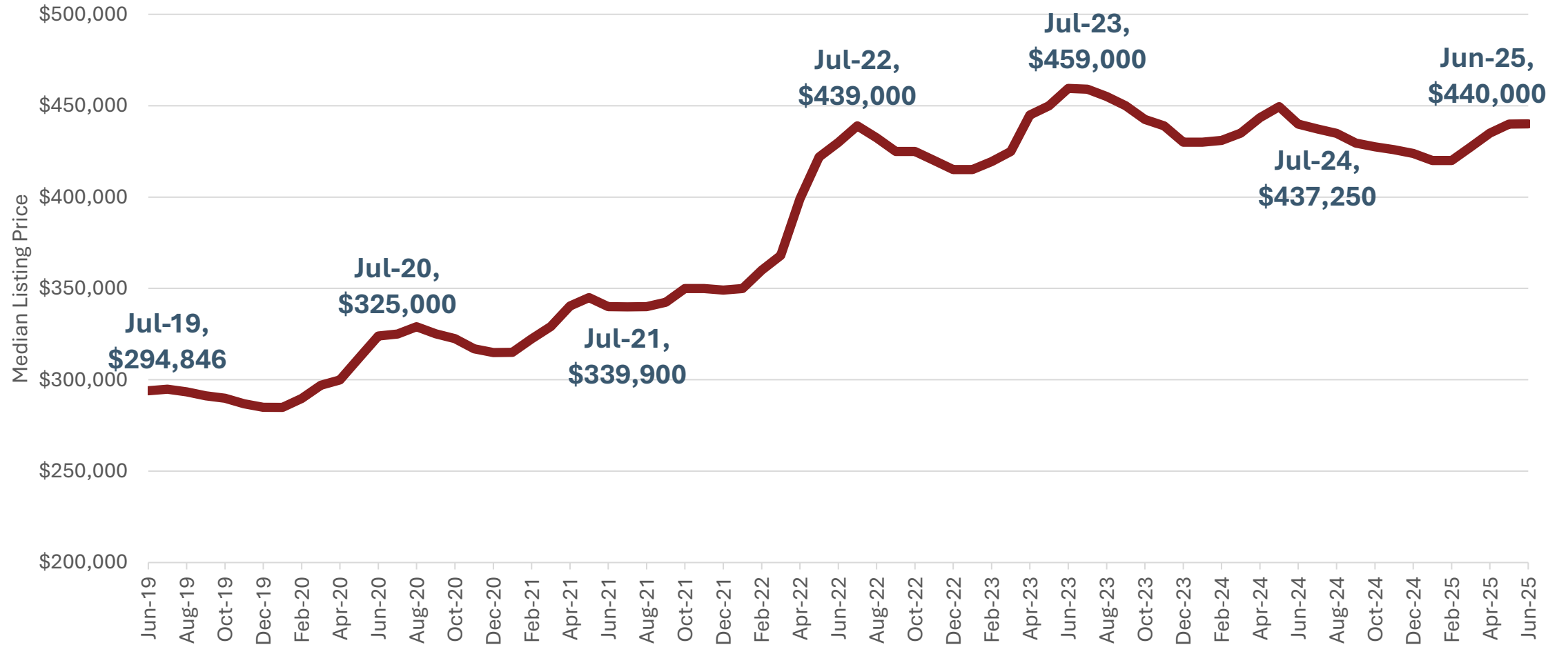


# Housing Market Trends

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

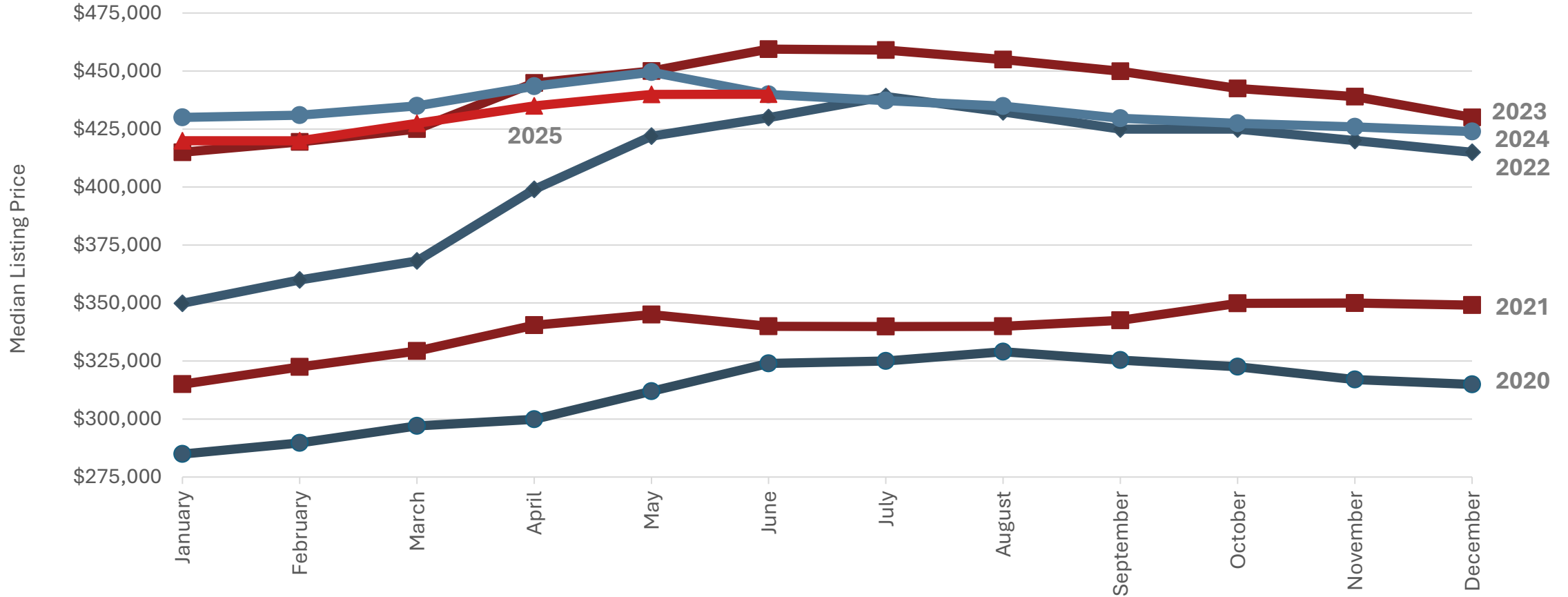
# Median Listing Price

## (Tennessee)



# Median Listing Price By Season

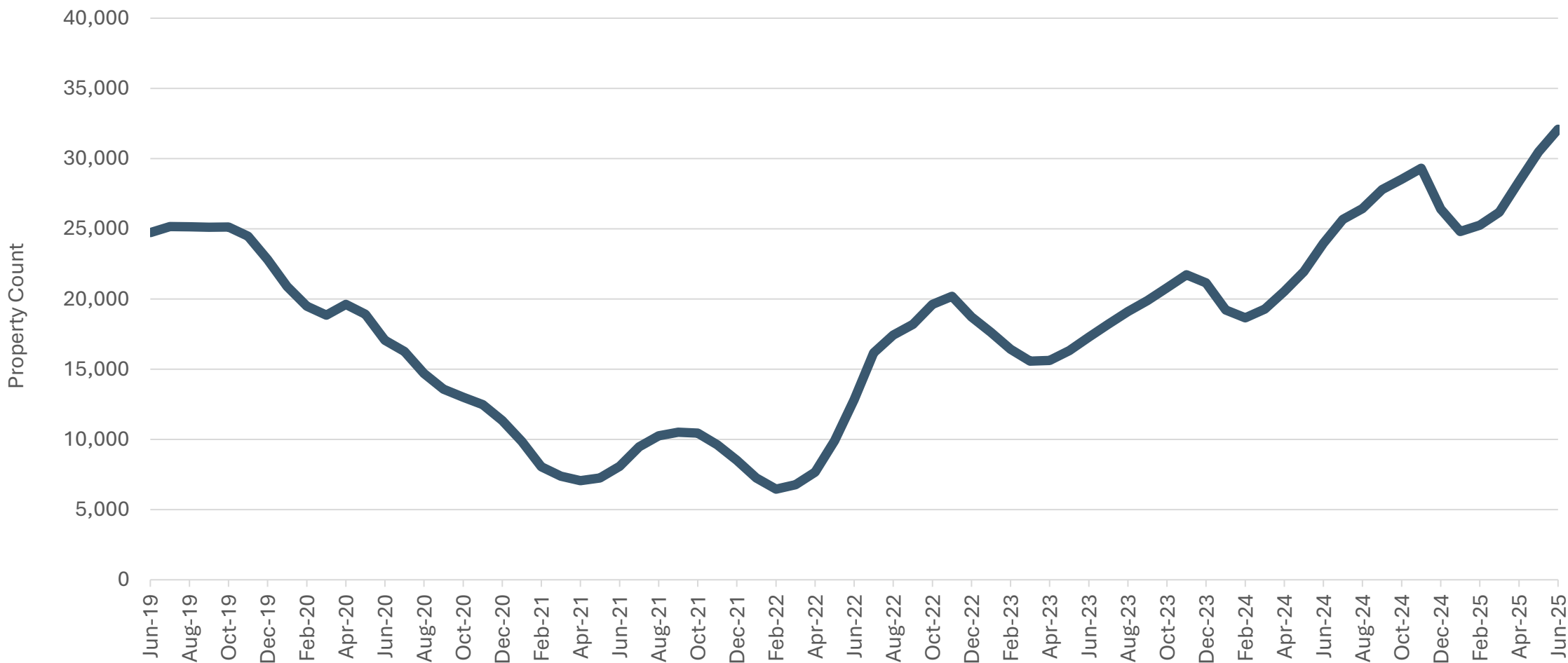
## (Tennessee)



# Active Listing Count

## (Tennessee)

- In June 2025, there were 34% 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.

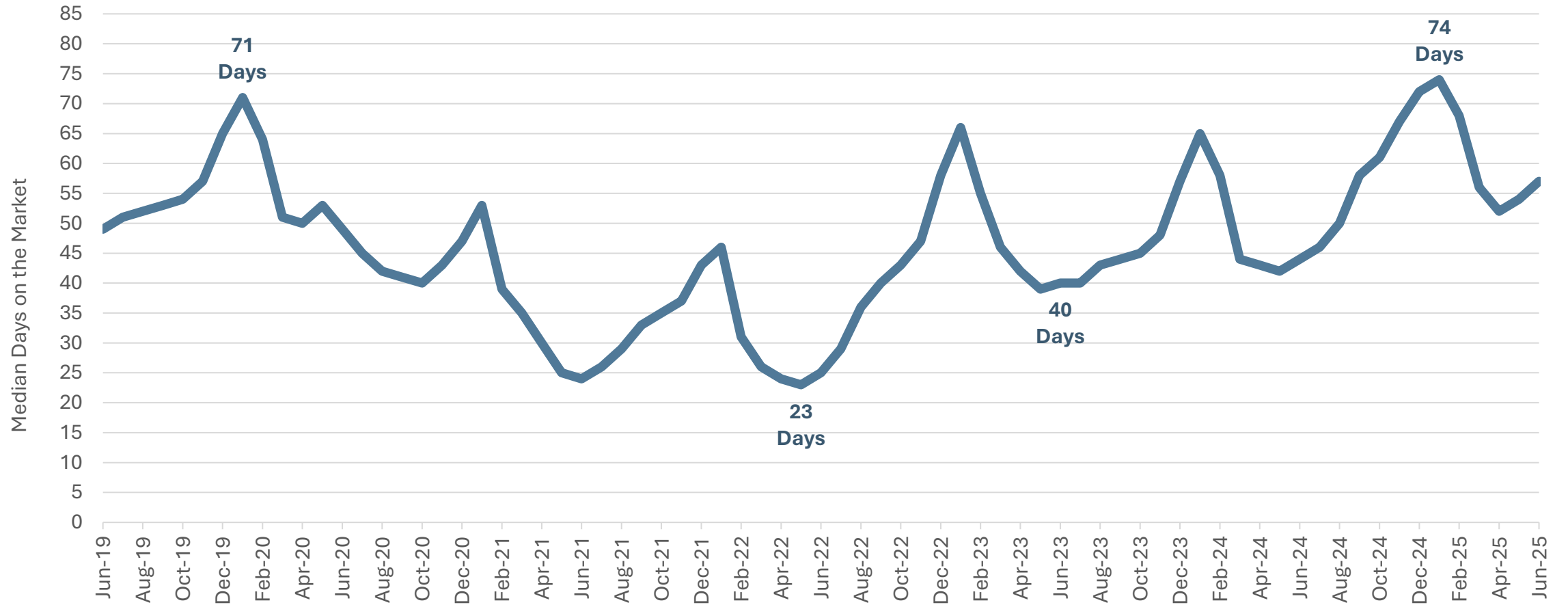




# Days on the Market

## (Tennessee)

- In June 2025, a typical home spent 57 days on the market, which is 13 days more than the same time last year.

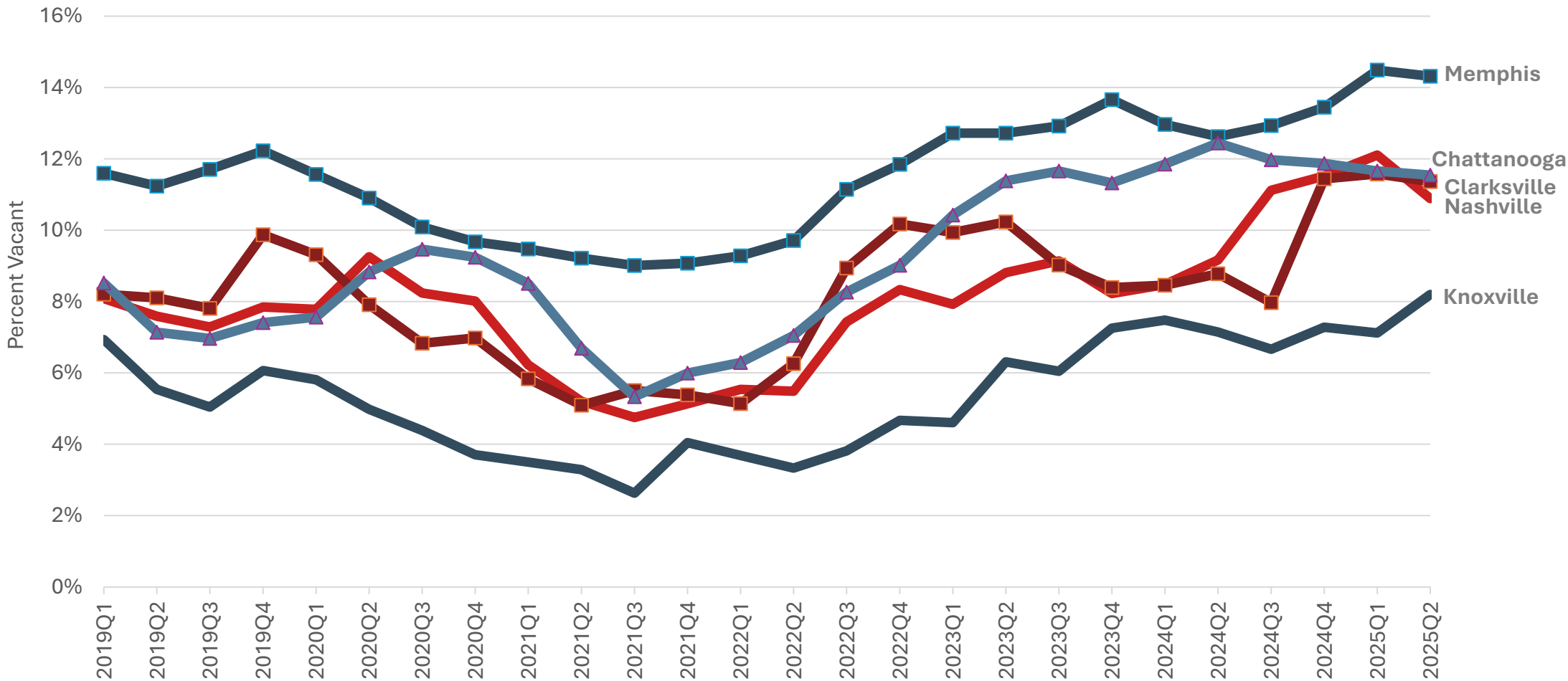


# Rental Indicators

**Source:** CoStar ([Link](#))

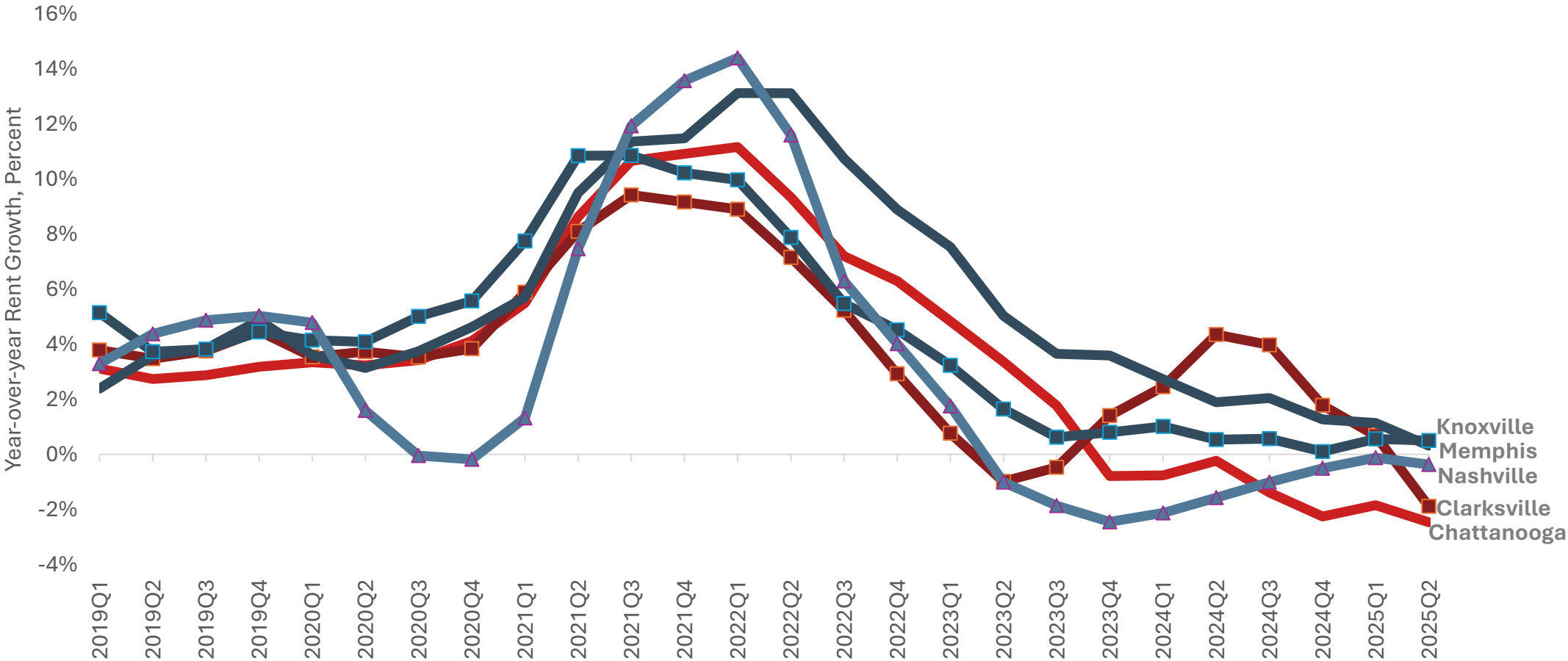
# Quarterly Rental Vacancy Rates by Metro Area

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



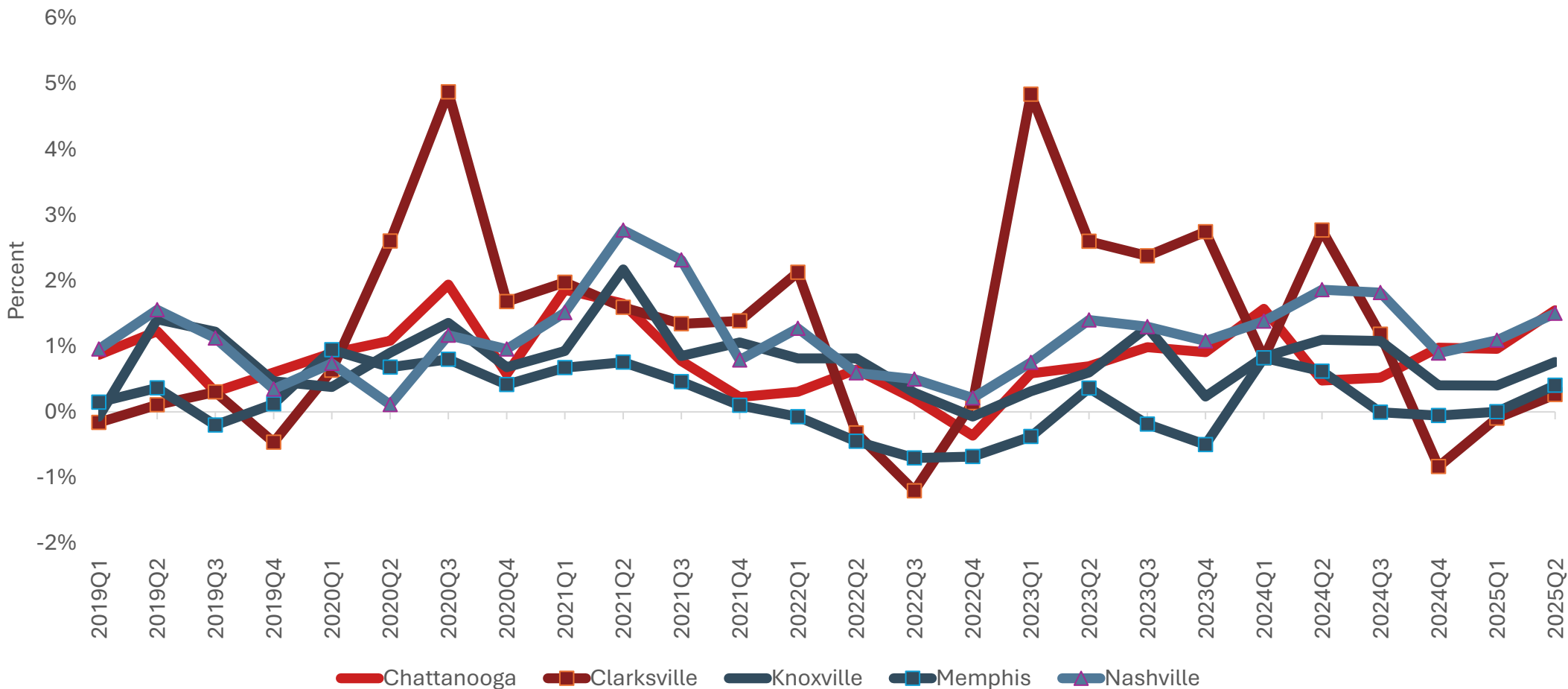
# Quarterly Market Effective Rent Growth by Metro Area

- The effective rent (asking rent minus the concessions) slightly increased in Knoxville and Memphis, while declining in other three large metro areas



# Quarterly Absorption Rate by Metro Area

- The absorption rate\* was lower in the second quarter of 2025 than the second 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

