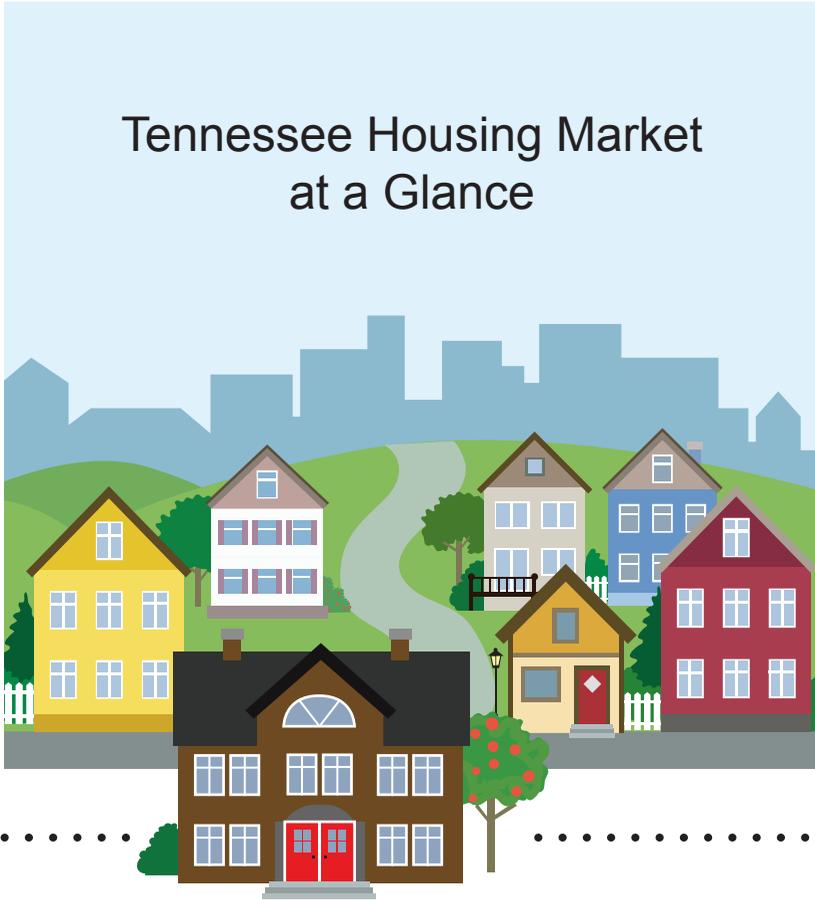
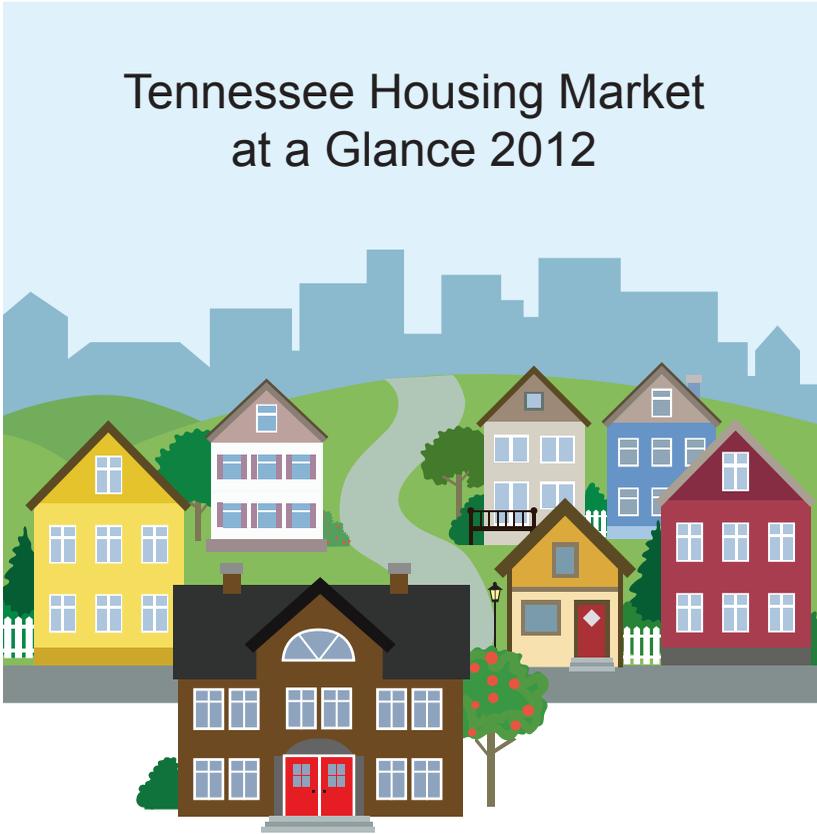


2012

Tennessee Housing Market
at a Glance



Tennessee Housing Market at a Glance 2012



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Special thanks to:

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Tennessee Housing Trends

There were both positive and not so positive developments in the Tennessee housing market in 2011. While the declining median home prices in some areas increased the housing affordability for those who wanted to purchase a home, it also depressed the housing markets and decreased the number of available options for those struggling homeowners who wanted to sell their homes.

In August 2012, the unemployment rate in Tennessee declined to 8.5 percent from 9.2 percent in August 2011; even though the annual decline in the unemployment rate was an improvement from its high level of 10.5 percent in 2009, it was significantly higher than the 6.7 percent unemployment rate in 2008 when the housing problems in Tennessee started. Still high unemployment rates in the state continued to limit the affordable housing opportunities for many Tennesseans.

Total building permits in Tennessee slightly increased in the second quarter of 2012 compared to the first quarter of 2012. Compared to the same quarter last year single family building permits are 22 percent higher.

Statewide, the median prices of single family homes increased slightly from 2010. However, with the help of favorable borrowing conditions, home buying became more affordable for a family earning the median income. Even with lower home prices in some areas and favorable borrowing conditions, single wage earner households working mostly in service sector jobs were not able to buy or rent a median-priced home without being cost burdened in 2011.

While the number of cost burdened owner households in the state declined, the renter households who are paying more than 30 percent of their income increased. In recent years, homeownership rates declined slightly in the state. The declining homeownership rates created additional demand for rental housing, which pushed the rents higher and created affordability problems for renter households in some areas.

According to First American Core Logic, 16.2 percent of Tennessee mortgage holders were underwater, which means their homes were worth less than the balance of their mortgage, at the end of the first quarter of 2012. When the seven percent of borrowers who are near underwater are also included, the percent of Tennessee mortgage holders who may be at a greater risk for foreclosure reaches 19 percent of outstanding mortgages at the end of the first quarter of 2012.

The total number of properties with foreclosure filings in the state declined in the second quarter of 2012 both from the previous quarter and the previous year. There were wide variations in the foreclosure trends by county. For example, Shelby County foreclosure filings declined by seven percent from the first quarter of 2012; however, compared to the same quarter last year, the number of foreclosure filings substantially increased, by 51 percent. Rutherford County had considerable increases in the number of foreclosure filings from the previous quarter and the previous year.

Tennessee Housing Development Agency (THDA) continued helping Tennesseans with many housing programs. For example, in 2011, THDA started the Keep My Tennessee Home Program (Tennessee's Hardest Hit Fund Program) to help homeowners who lost their jobs and are struggling to pay their mortgages. Additionally, new choices were created to provide homeownership opportunities for veterans through lower interest rates. Those THDA-related activities helping low- and moderate-income Tennesseans created additional jobs, incomes and business revenue in the local economies. The total economic impact of THDA-related activities in 2011 was estimated at \$728.6 million.

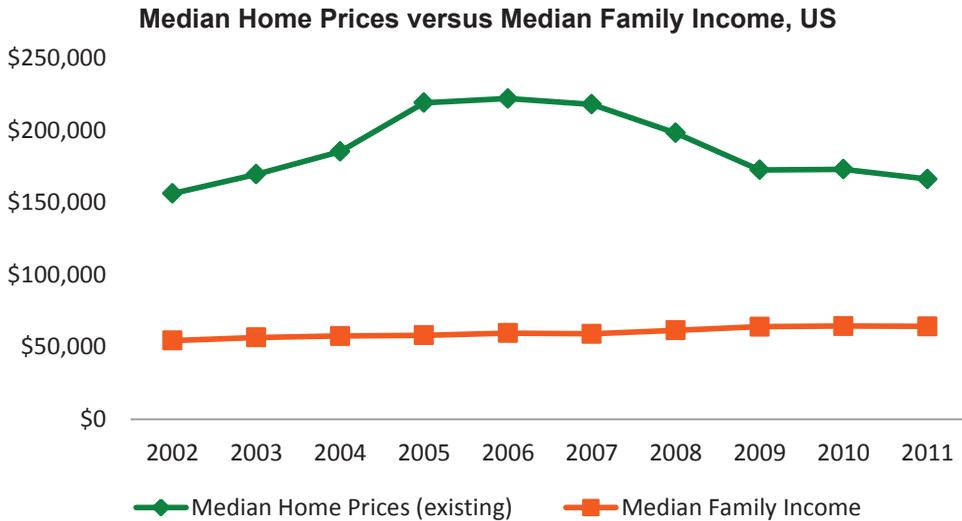


Home Prices

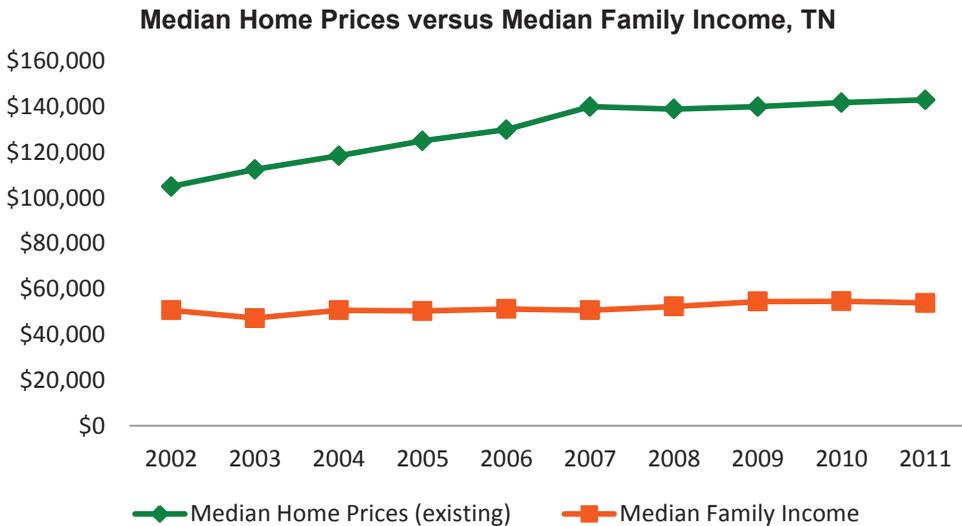
Home Prices (Existing) vs. Median Income

In 2011, median existing home prices in Tennessee increased by one percent compared to 2010. In the same period, the median family income of Tennesseans declined by 1.3 percent from 2010. Although the higher median home prices and lower median family incomes slightly lowered housing affordability in Tennessee, the median priced home was still affordable to a median income earning family in 2011. The lower borrowing cost for home purchases also helped homebuyers.

The median price of existing homes in the U.S. declined by four percent compared to the previous year. The lower cost of median priced homes combined with a negligible decline in median family income improved the housing affordability in the nation compared to 2010.



Source: U.S. median (existing) home prices – National Association of Realtors® . Median Family Income – U.S. Department of Housing and Urban Development (HUD)



Source: Tennessee median (existing) home prices – THDA tabulations of data obtained from the Property Assessment Division, Comptroller's Office. Median Family Income – U.S. Department of Housing and Urban Development (HUD)

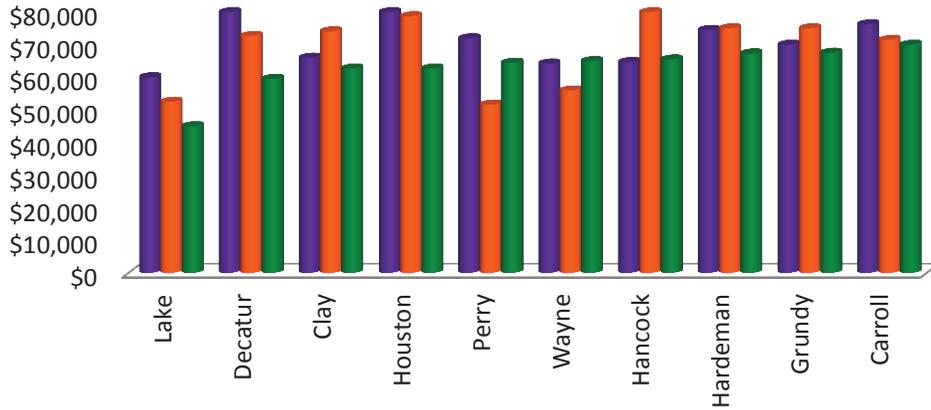
Home Prices

2011 Single-Family Median Home Prices (New and Existing) in Tennessee Counties

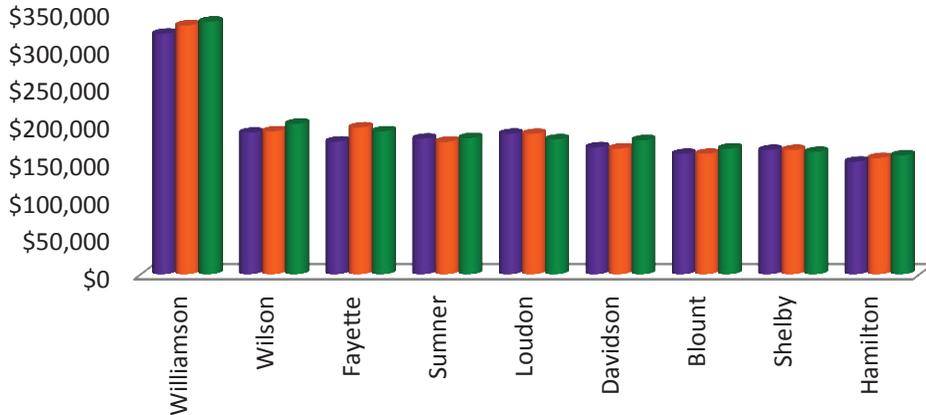
The median prices of all homes (new and existing) increased from \$149,900 in 2010 to \$150,925 in 2011, a one percent increase. In 43 counties, median home sale prices declined from 2010. Van Buren County experienced the largest home price depreciation, with 41 percent, followed by Hancock and Cocke Counties, with 30 percent and 21 percent depreciation, respectively. Median prices for all homes in Lewis, McMinn, and Sullivan Counties did not change. The most significant increase in median prices was in Pickett County where the median prices of all homes increased from \$106,100 in 2010 to \$136,950 in 2011.

At \$335,000, Williamson County had the highest median price. Lake County, at \$45,000, had the lowest median price in the state. The median sales price in Williamson County was more than seven times higher than the median sales price in Lake County.

Lowest Median Home Price Counties - 2011 (2009 - 2011)



Highest Median Home Price Counties - 2011 (2009 - 2011)



■ 2009 Median Home Price ■ 2010 Median Home Price ■ 2011 Median Home Price

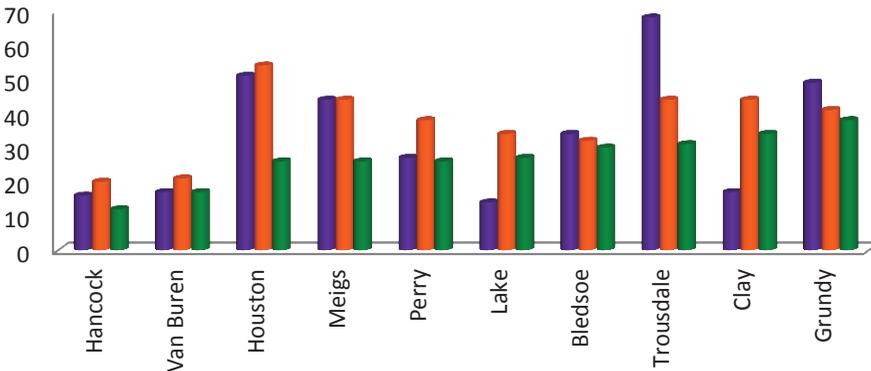
Source: THDA tabulations of home sales based on data obtained from the Property Assessment Division, Comptroller's Office, State of Tennessee. To find median home sales volume and prices for other counties, MSAs and previous years, go to: <http://www.thda.org/index.aspx?NID=178>.

Home Sales

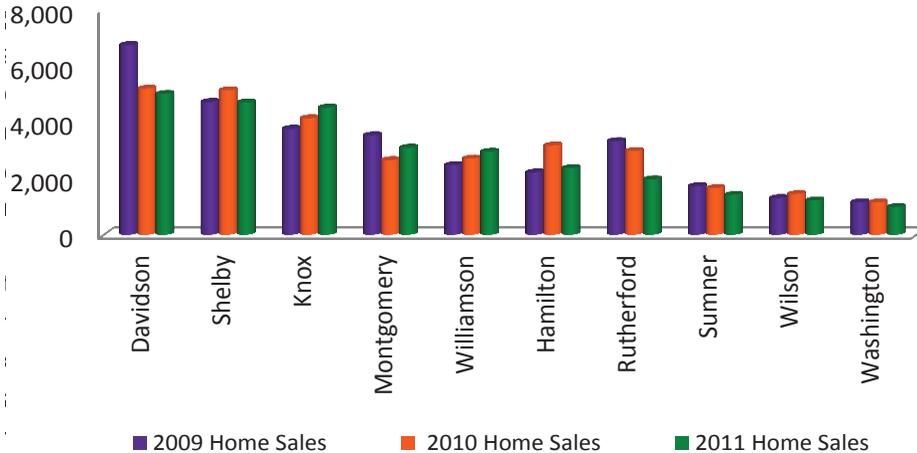
2011 Single-Family Home Sales in Tennessee Counties

In 2011, single-family home sales in Tennessee declined by eight percent compared to 2010. Including both new and existing homes, 45,470 homes were sold in 2011. In 70 counties, home sales declined from the previous year. The county with the largest year-over-year decline in home sales was Rutherford County, in which the home sales declined from 2,987 in 2010 to 1,980 in 2011, a 34 percent annual decline. With 12 sales, Hancock County had the fewest homes sold in 2011. Davidson County had the most homes sold in the state with 5,017 single family homes sold during 2011.

Counties with the Fewest Single Family Homes Sold - 2011 (2009 - 2011)



Counties with the Most Single Family Homes Sold - 2011 (2009 - 2011)



■ 2009 Home Sales ■ 2010 Home Sales ■ 2011 Home Sales

Source: THDA tabulations of home sales based on data obtained from the Property Assessment Division, Comptroller's Office, State of Tennessee. To find median home sales volume and prices for other counties, MSAs and previous years, go to:

<http://www.thda.org/index.aspx?NID=178>

Home Prices

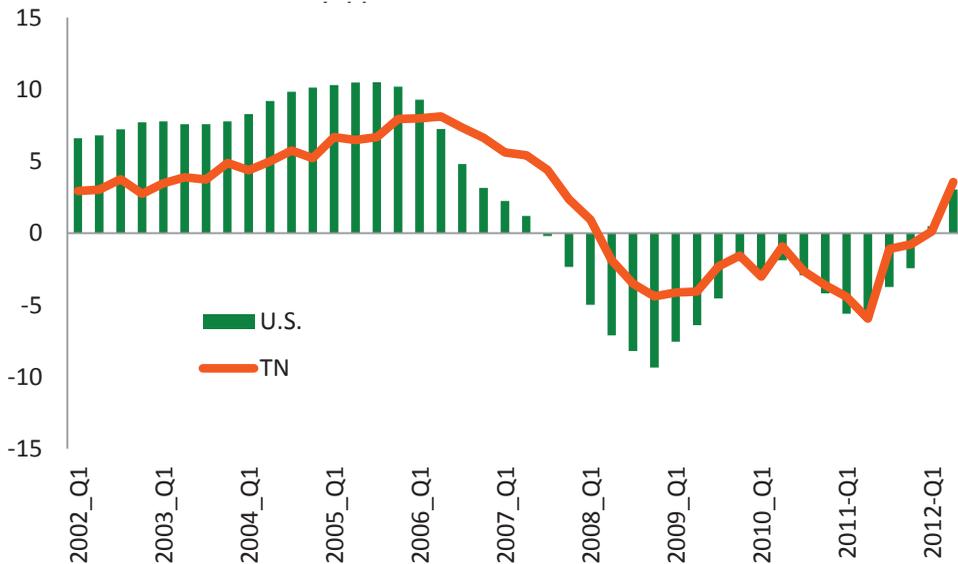
House Price Index (HPI) – Tennessee vs. U.S.

The House Price Index (HPI) is a measure of single-family home prices. The index can show price trends for various geographic levels and captures roughly 85 percent of all U.S. sales (limited to homes with repeated sales whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975).

In Tennessee, home prices increased by 3.6 percent in the second quarter of 2012 compared to the second quarter of 2011. The U.S. home prices increased by three percent in the second quarter compared to the same quarter in the previous year. The home prices in Tennessee were declining since the second quarter of 2008 and slightly increased for the first time in the first quarter of 2012. This is the first substantial annual price appreciation in both Tennessee and the United States since 2008 after a slight annual increase in the first quarter of 2012.

House prices in the second quarter of 2012 appreciated by 1.8 percent both in the U.S. and in Tennessee from the first quarter of 2012.

**Annual Percentage Change in House Price Index
United States vs. Tennessee
2002-2012**



Source: Federal Housing Finance Agency's seasonally adjusted, purchase-only House Price Index (HPI)

Home Prices

House Price Index (HPI) – Tennessee Compared to Highest and Lowest Performing States and to Neighbors

In the second quarter of 2012, Arizona had the highest home price appreciation in the nation. This is a substantial improvement in the state, considering that in the second quarter of 2011, the home prices depreciated by 15 percent compared to the previous year. Annual home price appreciation of 3.55 percent in Tennessee was also quite substantial considering that in the second quarter of 2011, home prices declined by six percent from the previous year. The HPI shows that home prices started to improve in most parts of the nation, including Tennessee. The seasonally adjusted purchase-only HPI increased in 43 states in the second quarter of 2012.

Home prices in Tennessee appreciated compared to both the same quarter last year and the previous quarter in 2012. Tennessee ranked as 17th in the nation among the states with its annual price appreciation in the second quarter of 2012.

Among the neighboring states, Arkansas had the highest annual price appreciation with 7.2 percent in the second quarter of 2012. Annual price appreciation in Mississippi and North Carolina was negligible. For the second quarter of 2012, home prices in Mississippi declined by 1.6 percent compared to the prior quarter.

Annual and Quarterly Percentage Changes in Home Prices

State	National Rank*	Annual Percentage Change (2011 Q2-2012 Q2)	Quarterly Percentage Change (2012 Q1-2012 Q2)
States with the highest annual price increase			
Arizona	1	12.93	5.95
Idaho	2	8.67	3.89
Florida	3	7.44	3.25
Tennessee and its neighbors			
Arkansas	5	7.18	1.87
Alabama	12	4.03	1.16
Missouri	16	3.74	0.19
Tennessee	17	3.55	1.79
Kentucky	23	3.24	1.80
Virginia	30	2.03	0.81
Mississippi	40	0.87	-1.60
North Carolina	41	0.62	0.23
States with the highest annual price decrease			
Massachusetts	49	-1.14	0.48
Delaware	50	-3.40	-0.6
Connecticut	51	-4.69	-1.36
U.S. Average	-	3.03	1.80

* Based on annual price change

Source: Federal Housing Finance Agency (FHFA)'s seasonally adjusted, purchase only House Price Index (HPI)

Home Prices

House Price Index (HPI) - Metropolitan Statistical Area

In the second quarter of 2012, home prices appreciated in some Tennessee metro areas while they depreciated in some others. With 4.37 percent annual price appreciation, Johnson City had the highest price increase among Tennessee metros, followed by Cleveland with 3.02 percent. The Johnson City MSA ranked as 6th in the nation among 304 MSAs. The MSA with the highest price appreciation, Phoenix-Mesa-Glendale, AZ, had a 5.98 percent home price increase in the same period.

The home prices in the Chattanooga MSA increased by one percent annually, while it declined by two percent from the previous quarter (the first quarter of 2012). The Nashville MSA had slight price appreciation from the previous quarter and the same quarter last year.

Annual and Quarterly Percentage Changes in Home Prices for Tennessee MSAs

MSAs	National Rank ^a	Annual Percentage Change (2011 Q2-2012 Q2)	Quarterly Percentage Change (2012 Q1-2012 Q2)
Chattanooga	71	1	-2.05
Clarksville*		-0.36	
Cleveland*		3.02	
Jackson*		1.05	
Johnson City	6	4.37	1.15
Kingsport-Bristol	184	-1.19	1.03
Knoxville	145	-0.32	-1.01
Memphis	176	-1.02	-1.46
Morristown*		1.41	
Nashville/Davidson, Murfreesboro & Franklin	119	0.16	0.34

*Federal Housing Finance Agency (FHFA) publishes rankings and quarterly, annual, and five-year rates of changes for the MSAs and Metropolitan Divisions that have at least 15,000 transactions over the prior 10 years (304 MSA and Metro Divisions satisfied that criteria for the second quarter 2012). For the remaining areas, MSAs and Divisions, one-year rates of change are provided. Estimates use all-transaction HPI, which includes both purchase and refinance mortgages.

a Rankings based on annual percentage change, for all MSAs containing at least 15,000 transactions over the last 10 years.

Source: Federal Housing Finance Agency (FHFA) all-transactions House Price Index (HPI)

Foreclosure Activity

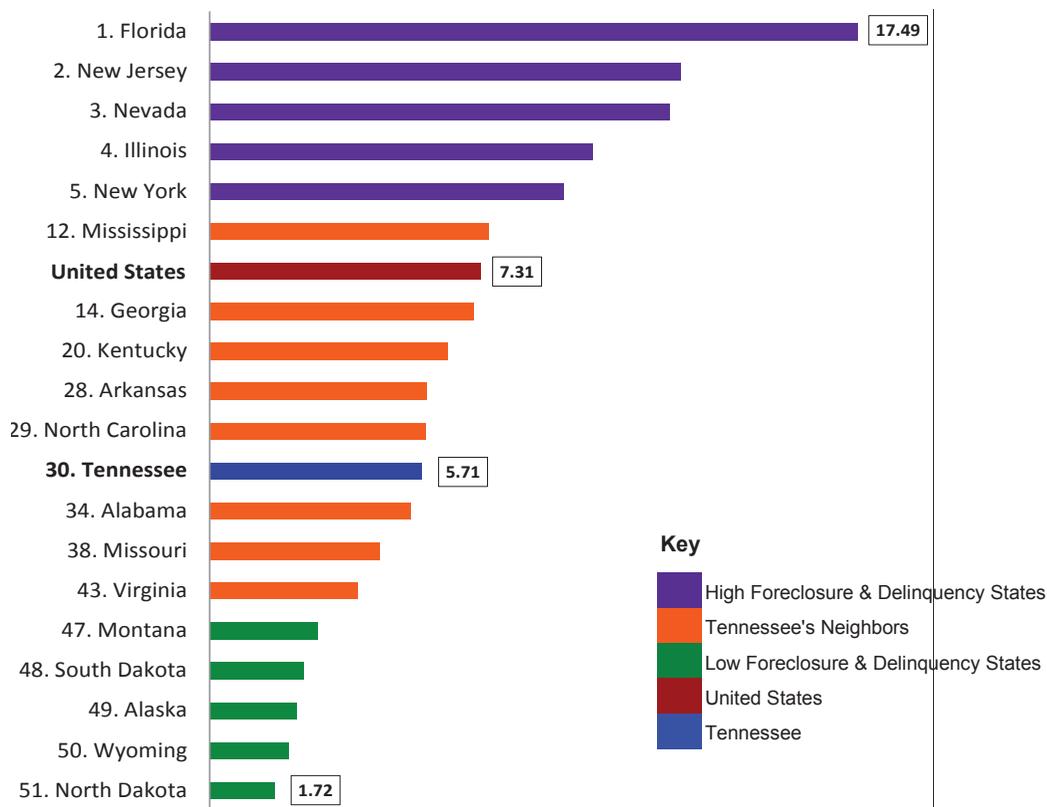
State Foreclosure & Delinquency Rate*

National Comparison (2012 Q2)

The combined foreclosure and delinquency rate is the percentage of all loans that are 90 days or more delinquent and the loans in the foreclosure inventory at the end of a given quarter.

Nationwide, 7.31 percent of all outstanding mortgages were seriously delinquent. Tennessee's foreclosure and delinquency rate of 5.71 percent was approximately two percentage points lower than the national average and 11.8 percentage points lower than Florida (the state with the highest percentage of seriously delinquent mortgages).

Foreclosures & Delinquency Rates* of Selected States Q2 2012



Source: MBA Quarterly Delinquency Survey

* The foreclosure and delinquency rate includes loans that are 90 days or more delinquent and the foreclosure inventory at the end of the quarter

Foreclosure & Delinquency Rates* of Selected States

	Second Quarter of 2012		First Quarter of 2012		Second Quarter of 2011	
	Total Loans	Percent of Loans Seriously Delinquent	Total Loans	Percent of Loans Seriously Delinquent	Total Loans	Percent of Loans Seriously Delinquent
States with the highest percent of loans seriously delinquent						
Florida	3,112,886	17.49 (1)	3,146,877	17.92 (1)	3,278,022	18.68 (1)
New Jersey	1,227,354	12.69 (2)	1,232,749	12.39 (3)	1,252,958	11.36 (3)
Nevada	467,540	12.39 (3)	471,598	12.63 (2)	502,786	14.34 (2)
Illinois	1,643,182	10.33 (4)	1,648,224	10.57 (4)	1,700,016	10.59 (4)
New York	1,926,652	9.53 (5)	1,965,808	9.26 (5)	1,999,181	9.02 (5)
Tennessee and its neighbors						
Mississippi	250,022	7.52 (12)	251,811	7.64 (12)	255,880	7.8 (13)
Georgia	1,558,261	7.1 (14)	1,570,502	7.36 (13)	1,612,014	7.7 (14)
Kentucky	422,487	6.41 (20)	426,147	6.59 (18)	436,262	6.59 (21)
Arkansas	309,014	5.84 (28)	310,211	5.7 (30)	315,774	4.92 (36)
North Carolina	1,386,244	5.8 (29)	1,389,805	5.92 (28)	1,405,845	5.93 (27)
Tennessee	849,222	5.71 (30)	852,105	5.85 (29)	866,305	6.25 (24)
Alabama	590,992	5.39 (34)	594,153	5.42 (34)	601,891	5.53 (33)
Missouri	814,235	4.56 (38)	821,525	4.74 (37)	847,541	4.72 (38)
Virginia	1,387,661	3.97 (43)	1,392,059	4.03 (44)	1,421,908	4.2 (45)
States with the lowest percent of loans seriously delinquent						
Montana	134,588	2.9 (47)	135,254	3.03 (46)	137,619	3.31 (46)
South Dakota	79,376	2.5 (48)	79,766	2.66 (48)	80,403	2.81 (48)
Alaska	94,752	2.33 (49)	95,018	2.27 (49)	95,320	2.24 (50)
Wyoming	78,308	2.1 (50)	78,790	2.26 (50)	80,099	2.73 (49)
North Dakota	57,805	1.72 (51)	58,103	1.8 (51)	59,377	1.76 (51)
United States	42,506,797	7.31	42,843,704	7.44	43,884,839	7.85

Note: Numbers in the parentheses present the states' rankings based on delinquency. Original order of "states with the highest and the lowest percent of seriously delinquent" is determined based on their rates in the second quarter of 2012.

* The foreclosure & delinquency rate includes loans that are 90 days or more delinquent and the foreclosure inventory at the end of the quarter.

Source: MBA Quarterly Delinquency Surveys, various quarters

Foreclosure Activity

Properties with Foreclosure Filings

The number of properties with foreclosure filings in Tennessee declined from 7,757 in the first quarter of 2012 to 7,376 in the second quarter of 2012, a five percent decrease compared to both the previous quarter and the same quarter last year (Q2 2011). Tennessee had one foreclosure filing for every 360 housing units.

Lewis County, with one filing for every 210 housing units, had the highest foreclosure rate in the state. The total number of properties with foreclosure filings in Lewis County increased from three in the first quarter to 26 in the second quarter of 2012. The county with the highest number of properties with foreclosure filings in the state was Shelby, with 1,594 properties. In Shelby County, the total volume of foreclosure filings decreased by seven percent from the previous quarter and increased by 51 percent from the same quarter last year (Q2 2011).

Total Number of Properties with Foreclosure Filings-Tennessee Counties - Q2 2012

County Name	Second Quarter of 2012			Q1_2012	Q2_2011	Percent Changes	
	Total # of Properties with Foreclosure Filings	1/every X Housing Unit (Rate)	Ranking among all counties*	Total # of Properties with Foreclosure Filings	Total # of Properties with Foreclosure Filings	Quarterly Change (from Q1_2012)	Annual Change (from Q2_2011)
Shelby	1,594	250	6	1,707	1,056	-7%	51%
Davidson	818	347	17	930	944	-12%	-13%
Knox	485	402	32	478	655	1%	-26%
Rutherford	463	222	3	421	377	10%	23%
Hamilton	322	469	46	338	421	-5%	-24%
Sumner	218	303	11	227	214	-4%	2%
Montgomery	154	455	42	176	154	-13%	0%
Sevier	153	365	24	177	266	-14%	-42%
Maury	134	263	7	146	145	-8%	-8%
Williamson	128	535	55	164	204	-22%	-37%
Wilson	128	356	21	166	119	-23%	8%
Sullivan	116	636	62	115	208	1%	-44%
Madison	115	364	23	126	145	-9%	-21%
Bradley	107	387	29	87	95	23%	13%
Blount	106	521	53	117	84	-9%	26%
Tennessee	7,376	360		7,757	7,788	-5%	-5%

* County ranking is based on the rate of foreclosure filings, a rank of one means the county had the highest ratio of foreclosure to housing units.

Source: RealtyTrac®

Note: RealtyTrac's report incorporates documents filed in two phases of foreclosure: Auction - Notice of Trustee Sale (NTS); and Real Estate Owned, or REO properties (that have been foreclosed on and repurchased by a bank). Foreclosure filings include both pre-foreclosure properties and foreclosed properties. To get updates of foreclosure trends and foreclosure filings in other counties in Tennessee, go to: <http://www.thda.org/index.aspx?NID=177>.

Affordability

Housing Opportunity Index

The National Association of Home Builders (NAHB) developed the housing opportunity index (HOI), a measure of the share of homes sold in an area in a certain time that would have been affordable to a family earning the area median income, based on standard mortgage underwriting criteria.¹

We calculated a housing opportunity index for Tennessee counties in 2010 and 2011² similar to the NAHB/Wells Fargo HOI. The index ranges from zero percent to 100 percent. The higher the index is, the more homes sold in the area are affordable to a family earning the median income. In 2011, the index values ranged from 34 percent in Williamson County to 100 percent in Hancock, Houston, Lake, and Smith Counties.

On average, in 2011, 78 percent of homes sold in Tennessee would have been affordable to a family earning the median income. Only 34 percent of homes sold in Williamson County were affordable to a family earning \$66,200, the median family income in Williamson County in 2011. Housing affordability in Davidson, Hamilton, and Knox Counties were close to the state average with 77 percent, 75 percent, and 78 percent, respectively.

In 2011, both at the county level and the state level, there were slight improvements in housing affordability compared to 2010. The housing affordability declined slightly from 2010 in Davidson County, while it improved in Hamilton and Knox Counties. The most significant improvement in housing affordability compared to 2010 was in Meigs County with a 16 percentage point increase in the housing opportunity index. The most significant deterioration in housing affordability was in Pickett County where the housing opportunity index declined from 80 percent in 2010 to 48 percent in 2011.

The maps on the following page show the housing opportunity index in Tennessee counties and the change in affordability from 2010 to 2011.³

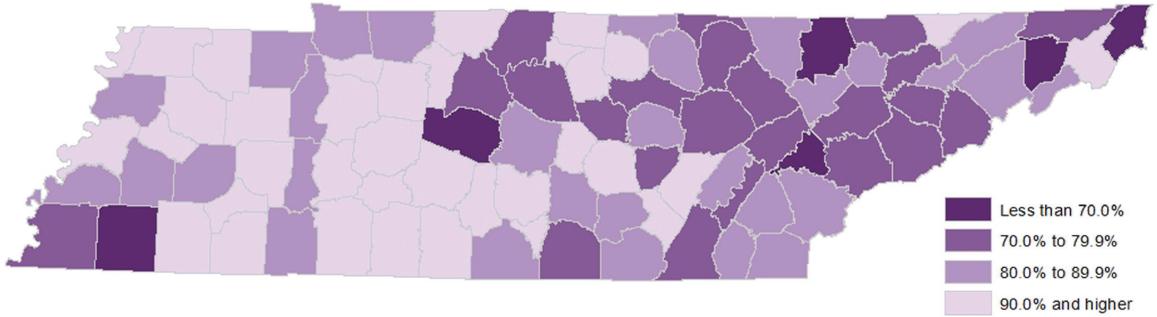
1 More information about NAHB/Wells Fargo Housing Opportunity Index (HOI) and historical HOI for metropolitan areas can be found at http://www.nahb.org/reference_list.aspx?sectionID=135.

2 We used the sales price and volume data we receive from the Property Assessment Division, Comptroller's Office for the prices of homes purchased during the year. We assumed 10 percent downpayment and average fixed interest rate for a 30-year mortgage as reported by Federal Housing Finance Agency at <http://www.fhfa.gov/Default.aspx?Page=252>. We added insurance and property tax payments to find monthly principal, interest, tax and insurance (PITI) payments. We compared the monthly PITI for each homes purchased to the monthly area median family income (we assumed that a family paying 28 percent of its income for PITI will not be cost burdened). Median family income is from U.S. Department of Housing and Urban Development (HUD).

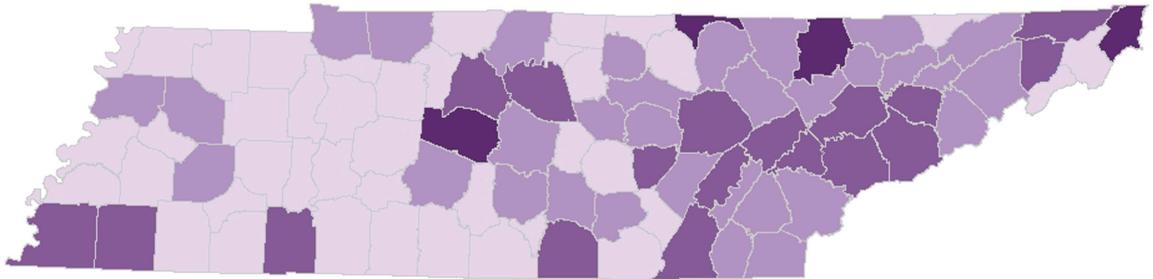
3 The county level housing opportunity index values for 2010 and 2011 can be found in Appendix A located online at: <http://www.thda.org/DocumentView.aspx?DID=2791>.

Housing Opportunity Index

2010



2011



Source: Tennessee home prices – THDA tabulations of data obtained from the Property Assessment Division, Comptroller's Office. Median Family Income – U.S. Department of Housing and Urban Development (HUD)

Affordability

Housing Cost Burden

Households that spend more than 30 percent of their income on housing are considered to be cost burdened. In Tennessee, 30 percent of all households (renters and homeowners) are cost burdened (2006-2010, ACS). In the nation, 36 percent of all households are cost burdened. Statewide, more renter households are cost burdened than the homeowners, with 43.8 percent compared to 24.5 percent. Similarly, in a majority of the counties, more renters are cost burdened than the homeowners. Only in Morgan, Hancock, Meigs, Cannon, and Pickett Counties the percent of cost burdened homeowners is higher than the percent of renters.

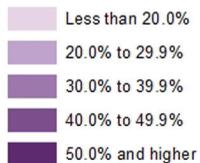
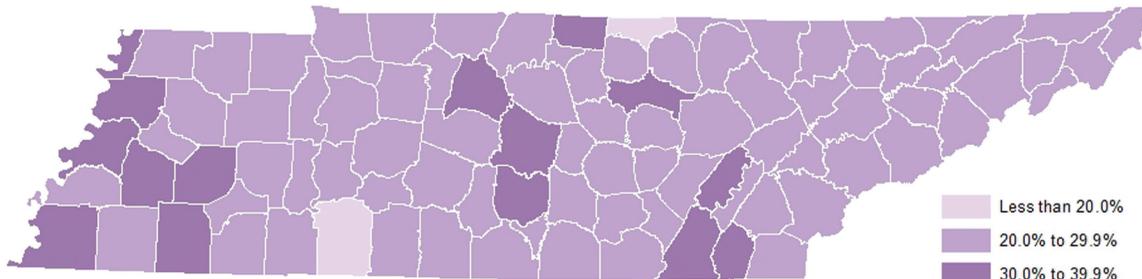
Among the counties, the cost burden for all households varies from 19.3 percent in Clay County to 39.5 percent in Shelby County. Stewart County has the highest renter cost burden rate with 52.6 percent, followed by Madison and Haywood Counties, 52.4 and 52.2 percent, respectively. Pickett County, with 15 percent, has the lowest renter cost burden rate in the state.

The county with the highest rate of homeowners who are cost burdened is Pickett County, 32.5 percent. Weakley County has the lowest percent of owner households who are cost burdened, 15.9 percent.

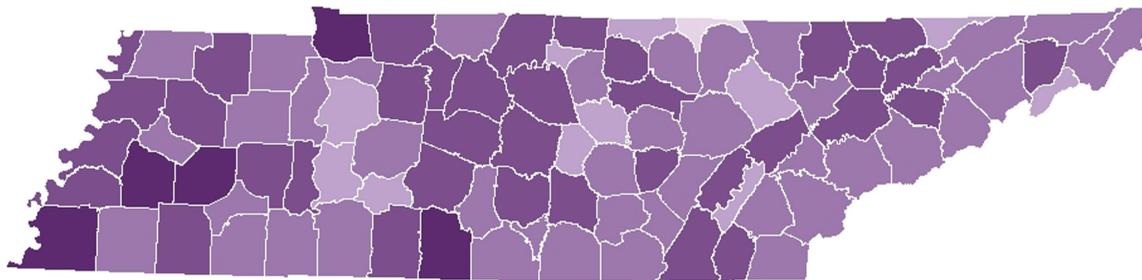
The maps on the following page show the housing cost burden for renters, homeowners and all households.¹

¹ The percentages of renter and homeowner households that are cost burdened by county can be found in Appendix B located online at: <http://www.thda.org/DocumentView.aspx?DID=2791>.

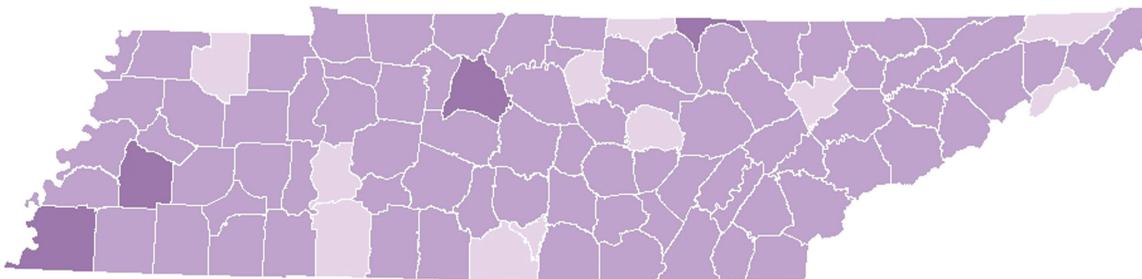
All Households (Homeowners and Renters)



Renter-Occupied Households



Owner-Occupied Households



Workforce Housing Affordability – 2011

Housing Affordability for Home Buyers and Renters with Selected Occupations in Tennessee and Metropolitan Statistical Areas (MSAs)

As the housing opportunity index on the earlier pages showed, in 2011, buying a home became more affordable for a family earning the median income of the area compared to 2010. However, housing affordability was still a problem for single wage earners working at various occupations. Registered nurses, police officers and educators were generally able to purchase or rent a median-priced home without being cost burdened in most MSAs and in the state as a whole. Educators in Nashville and police officers and educators in Morristown could not afford to buy at the median price, but they could afford to rent. Homeownership was out of reach for many single wage earners when the average hourly wage rate for all occupations is considered. Wait staff, cashiers, and retail sales persons could not afford to buy or rent a median-priced home in any MSA.

2011

Median Hourly Wage by Occupation 2011

Metropolitan Statistical Areas (MSAs)	Median Home Price	Wage Needed to Buy	2-BDRM Aptmnt Monthly Rent	Wage Needed to Rent	Education**	Registered Nurse	Police	Wait Person	Cashier	Retail Salesperson	All Occupations
Chattanooga	\$155,000	\$17.93	718	\$13.81	\$21.42	\$26.11	\$17.60	\$8.53	\$8.61	\$9.66	\$14.31
Clarksville	\$154,000	\$17.82	663	\$12.75	\$19.74	\$26.97	\$17.90	\$8.71	\$8.67	\$9.07	\$13.90
Cleveland	\$132,000	\$15.27	621	\$11.94	\$19.41	\$24.68	\$16.88	\$8.64	\$8.65	\$9.59	\$13.41
Jackson	\$114,000	\$13.19	700	\$13.46	\$18.93	\$23.83	\$18.41	\$8.53	\$8.70	\$9.66	\$14.02
Johnson City	\$142,000	\$16.43	589	\$11.33	\$16.64	\$26.95	\$16.78	\$8.44	\$8.68	\$9.48	\$13.39
Kingsport-Bristol	\$124,900	\$14.45	588	\$11.31	\$18.95	\$23.48	\$17.83	\$8.55	\$8.66	\$9.49	\$14.12
Knoxville	\$157,000	\$18.17	709	\$13.63	\$19.98	\$26.02	\$18.65	\$8.64	\$8.77	\$9.50	\$14.70
Memphis	\$161,150	\$18.65	758	\$14.58	\$21.22	\$29.35	\$23.92	\$8.50	\$8.76	\$10.18	\$15.07
Morristown	\$130,000	\$15.04	556	\$10.69	\$17.48	\$25.24	\$14.76	\$8.65	\$8.60	\$9.58	\$13.20
Nashville/Davidson-Murfreesboro-Franklin	\$190,000	\$21.98	823	\$15.83	\$19.52	\$28.88	\$21.55	\$8.69	\$9.01	\$10.22	\$15.63
TENNESSEE*	\$150,925	\$17.46	700	\$13.46	\$20.16	\$29.16	\$20.00	\$9.00	\$9.13	\$11.62	\$14.56

*Tennessee represents the whole state, not the balance of the state.

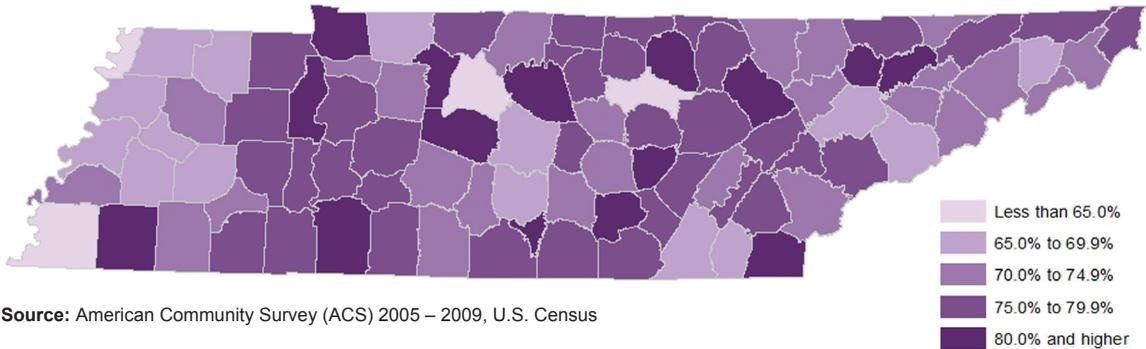
***"Education" represents education, training and library occupations.

Source: "Median Home Price" is THDA calculations based on data from the Property Assessment Division, Comptroller's Office, State of Tennessee, "2-bedroom Apartment Rent" is Fair Market Rent (FMR) by room size from US Department of Housing and Urban Development (HUD). "Median Hourly Wages" are from Bureau of Labor Statistics (BLS) Occupational Employment Statistics.

	can afford to buy and rent
	can afford to only rent
	cannot afford to buy or rent

Homeownership

Tennessee Homeownership Rates



Source: American Community Survey (ACS) 2005 – 2009, U.S. Census

Tennessee's homeownership rate of 69.6 percent was higher than the national homeownership rate of 66.6 percent. Last year, using 2005-2009 American Community Survey estimates, the homeownership rate in Tennessee was 69.7 percent.

Homeownership rates in Tennessee ranged from 57.6 percent in Davidson County to 85.1 percent in Wayne County. Sixteen counties in the state had 80 percent or higher homeownership rates. Four large urban counties (Davidson, Hamilton, Knox, and Shelby) had relatively lower homeownership rates compared to smaller cities and the state average.¹

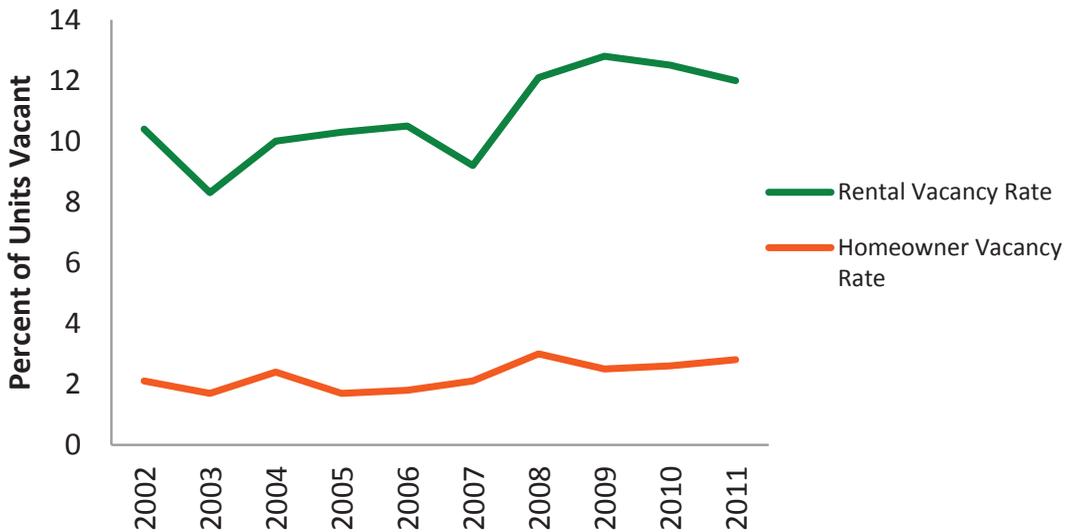
¹ Percentages of Tennessee households that are owner occupied by county can be found in Appendix C located online at: <http://www.thda.org/DocumentView.aspx?DID=2791>.

Vacancy Rates

Homeowner and Rental Vacancy Rates

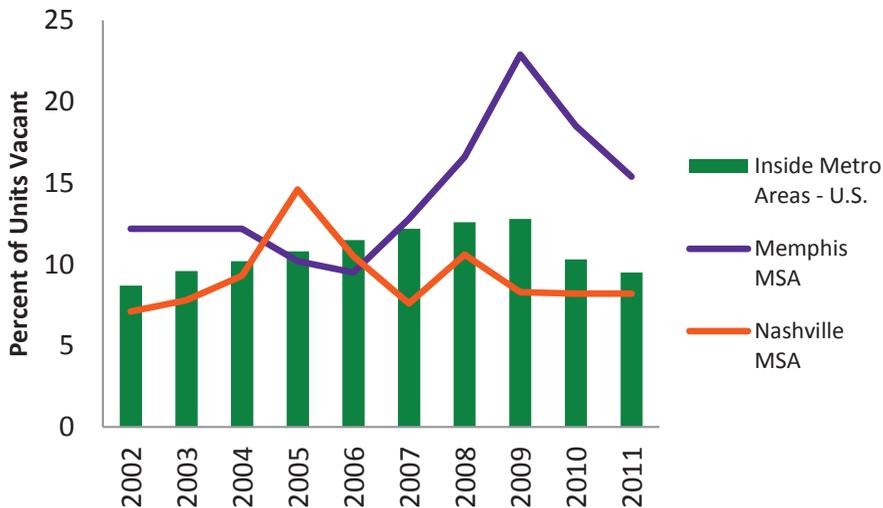
Tennessee's overall vacancy rates have returned to 2000 levels, with 11.3 percent of the state's housing units standing vacant. This is a reduction of the vacancy rate from years past. The rental vacancy rates declined slightly in the past year, reversing a three year trend of increases. The rental rate moved from 12.8 percent in 2009 to 12.5 percent in 2010. The homeowner vacancy rate increased slightly from 2.5 percent last year to 2.6 percent this year.

Vacancy Rates - Tennessee 2002-2011

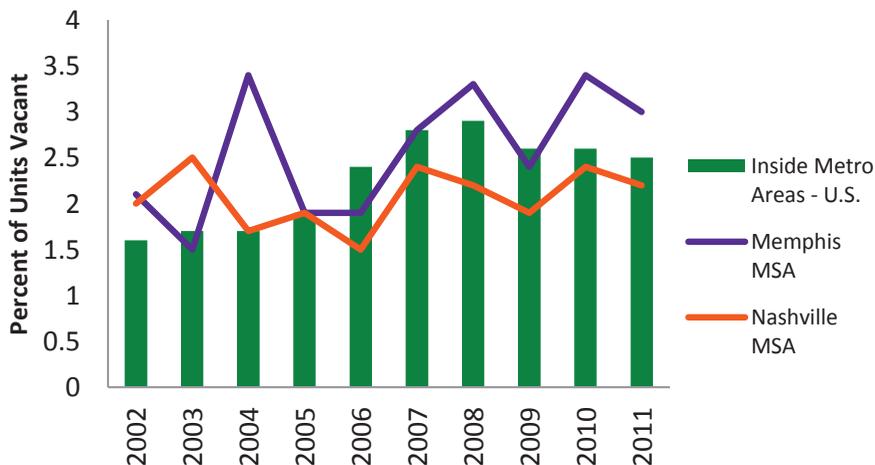


Both rental and homeowner vacancy rates in the Memphis MSA were substantially higher than the vacancy rates of metro areas across the nation, while the vacancy rates in the Nashville MSA closely followed the average nationwide metro area vacancy rates.

Rental Vacancy Rates: Memphis and Nashville MSAs 2002-2011



Homeowner Vacancy Rates: Memphis and Nashville MSAs 2002-2011



THDA Program Summary

Programs Administered during the Year

In calendar year 2011, THDA administered the following programs to provide safe, sound and affordable housing solutions to Tennesseans.

Program	Families/Housing Units	CY11 Dollars
Mortgage Products: Great Start, Great Advantage, Great Rate, New Start, Great Save and Preserve	2,161 mortgages	\$226.4 million
Homebuyer's Education	1,939 families	\$457,074
Keep My Tennessee Home (Tennessee's Hardest Hit Fund Program)	752 families	\$5.3 million
Foreclosure Prevention Counseling	1,983 families	\$915,120
Multi-Family Bond Authority	282 apartments	\$14.6 million
Low-Income Housing Tax Credit (LIHTC)*	1,866 apartments	\$185.3 million
HOME	331 homes and apartments	\$15.7 million
Section 8 Housing Choice Vouchers	6,746 households	\$33.3 million
Section 8 Project Based Assistance	35,393 households	\$154.8 million
Community Investment Tax Credit (CITC)**	946 families	\$29.8 million
Emergency Shelter Grant Program	--	\$1.5 million
Housing Trust Fund - RAMPS	265 wheelchair ramps	\$210,490
Housing Trust Fund - Rural Housing Repair	148 households	\$637,585
Housing Trust Fund - Emergency Repair	315 elderly households	\$1.8 million
<i>Neighborhood Stabilization Program</i>	<i>144 homes</i>	<i>\$8.4 million</i>
<i>Homelessness Prevention and Rapid Re-housing</i>	<i>1,621 individuals</i>	<i>--</i>

* The dollars listed under LIHTC represent the total value of Tax Credits over ten years.

** CITC totals represent the amount of below market loans made that are eligible for CITC.

Programs listed in italics are linked to two Recovery laws: Housing and Economic Recovery Act (HERA) and American Recovery and Reinvestment Act (ARRA)

THDA Program Summary

Economic Impact, 2011

In addition to benefiting individuals and families, these THDA programs create jobs, income, and spending in the local economy. Construction of new homes and rehabilitation of existing ones through THDA-related activities increase employment both in the construction industry and other industries linked to construction. For every dollar spent in the economy through THDA activities, business revenue and personal income increase by more than one dollar of initial direct spending.

The total economic impact described below is the sum of direct THDA spending, indirect business to business transactions in Tennessee's economy and additional employee spending.

The total contribution of THDA-related activities to Tennessee's economy was estimated at \$728.6 million in 2011.

- Of this total, \$388 million was directly injected into the economy by THDA-related activities
- Every \$100 of THDA-related activities generated an additional \$88 in business revenues

THDA-related activities generated \$257.3 million in wages and salaries in 2011.

- Every \$100 of personal income produced an additional \$85 of wages and salaries in the local economy

THDA-related activities created 6,540 jobs in 2011.

- Every 100 jobs created by THDA-related activities, primarily in the construction sector, generated 72 additional jobs throughout the local economy

THDA-related activities accounted for \$40 million in state and local taxes in 2011.

Appendix A

Total Home Sales and Affordability by County

	2010		2011	
	Total Number of Homes Sold	Housing Opportunity Index	Total Number of Homes Sold	Housing Opportunity Index
Anderson	511	84.54%	488	87.50%
Bedford	314	91.72%	275	89.09%
Benton	89	89.89%	102	93.14%
Bledsoe	32	93.75%	30	86.67%
Blount	806	78.04%	576	77.60%
Bradley	697	82.21%	715	81.82%
Campbell	205	65.85%	210	67.62%
Cannon	93	96.77%	60	98.33%
Carroll	172	94.19%	155	96.77%
Carter	286	92.31%	239	92.05%
Cheatham	294	91.84%	251	92.43%
Chester	110	92.73%	133	93.23%
Claiborne	135	71.85%	109	85.32%
Clay	44	88.64%	34	97.06%
Cocke	127	79.53%	111	88.29%
Coffee	423	87.23%	380	86.05%
Crockett	89	93.26%	80	96.25%
Cumberland	466	72.32%	427	75.18%
Davidson	5,204	78.59%	5,017	76.64%
Decatur	74	86.49%	69	94.20%
DeKalb	133	77.44%	109	83.49%
Dickson	344	93.60%	329	96.05%
Dyer	257	86.77%	263	83.65%
Fayette	260	63.08%	273	71.43%
Fentress	109	77.98%	90	85.56%
Franklin	228	79.39%	256	76.56%

	2010		2011	
	Total Number of Homes Sold	Housing Opportunity Index	Total Number of Homes Sold	Housing Opportunity Index
Gibson	441	91.16%	345	89.28%
Giles	170	94.12%	145	91.03%
Grainger	69	79.71%	64	84.38%
Greene	353	81.30%	311	86.50%
Grundy	41	87.80%	38	81.58%
Hamblen	343	81.92%	342	82.16%
Hamilton	3,179	73.80%	2,375	75.12%
Hancock	20	90.00%	12	100.00%
Hardeman	76	90.79%	38	94.74%
Hardin	245	83.27%	212	72.17%
Hawkins	256	88.67%	207	89.86%
Haywood	65	87.69%	65	92.31%
Henderson	163	93.25%	145	93.10%
Henry	260	89.62%	205	92.20%
Hickman	94	92.55%	67	94.03%
Houston	54	96.30%	26	100.00%
Humphreys	124	97.58%	105	93.33%
Jackson	46	91.30%	46	89.13%
Jefferson	280	71.07%	285	72.28%
Johnson	73	63.01%	52	59.62%
Knox	4,148	73.14%	4,530	78.19%
Lake	34	97.06%	27	100.00%
Lauderdale	105	99.05%	101	93.07%
Lawrence	250	95.60%	279	94.98%
Lewis	54	94.44%	59	96.61%
Lincoln	251	89.24%	197	91.88%

	2010		2011	
	Total Number of Homes Sold	Housing Opportunity Index	Total Number of Homes Sold	Housing Opportunity Index
Loudon	431	62.41%	287	70.03%
Macon	185	95.68%	143	92.31%
Madison	845	85.56%	824	83.74%
Marion	126	80.95%	115	95.65%
Marshall	252	96.83%	311	95.50%
Maury	700	91.43%	670	89.55%
McMinn	230	88.70%	219	85.39%
McNairy	154	96.10%	165	96.36%
Meigs	44	72.73%	26	88.46%
Monroe	248	84.68%	188	82.98%
Montgomery	2,660	81.35%	3,102	83.46%
Moore	20	90.00%	38	92.11%
Morgan	50	78.00%	57	87.72%
Obion	228	95.18%	145	94.48%
Overton	123	86.18%	110	93.64%
Perry	38	100.00%	26	96.15%
Pickett	44	79.55%	42	47.62%
Polk	58	87.93%	68	86.76%
Putnam	560	79.11%	558	81.72%
Rhea	157	80.25%	150	76.67%
Roane	256	75.78%	264	79.55%
Robertson	505	92.67%	227	95.15%
Rutherford	2,987	88.65%	1,980	89.55%
Scott	42	83.33%	48	83.33%
Sequatchie	84	96.43%	40	95.00%
Sevier	720	71.67%	764	75.92%

	2010		2011	
	Total Number of Homes Sold	Housing Opportunity Index	Total Number of Homes Sold	Housing Opportunity Index
Shelby	5,146	70.66%	4,707	72.38%
Smith	143	96.50%	215	100.00%
Stewart	86	88.37%	80	86.25%
Sullivan	1,103	79.24%	969	78.74%
Sumner	1,665	79.88%	1,427	80.17%
Tipton	374	87.97%	348	90.80%
Trousdale	44	97.73%	31	93.55%
Unicoi	97	87.63%	95	91.58%
Union	71	84.51%	71	85.92%
Van Buren	21	71.43%	17	76.47%
Warren	296	91.89%	256	90.63%
Washington	1,160	68.02%	991	70.84%
Wayne	63	93.65%	54	96.30%
Weakley	218	93.12%	208	93.75%
White	198	89.90%	182	87.36%
Williamson	2,719	31.81%	2,962	34.10%
Wilson	1,458	76.20%	1,231	77.17%
Tennessee	49,305	77.20%	45,470	77.79%

Appendix B

Percentage of Tennessee Households that are Cost-Burdened, by County

County	Owner Cost Burden	Renter Cost Burden	Total Cost Burden
Anderson	19.5%	37.36%	24.52%
Bedford	24.9%	43.95%	30.92%
Benton	20.7%	33.65%	22.87%
Bledsoe	23.6%	39.42%	27.27%
Blount	21.6%	38.48%	25.64%
Bradley	23.7%	44.40%	30.43%
Campbell	21.7%	39.93%	26.80%
Cannon	28.6%	23.72%	27.46%
Carroll	22.3%	39.57%	26.21%
Carter	20.5%	37.89%	25.16%
Cheatham	24.1%	46.37%	28.40%
Chester	20.4%	31.78%	23.32%
Claiborne	20.2%	42.20%	25.22%
Clay	19.0%	20.15%	19.25%
Cocke	24.6%	30.91%	26.29%
Coffee	24.2%	41.35%	28.95%
Crockett	25.0%	30.43%	26.69%
Cumberland	22.7%	39.17%	26.15%
Davidson	30.0%	47.44%	37.37%
Decatur	22.5%	43.18%	27.06%
DeKalb	23.3%	28.36%	24.68%
Dickson	23.2%	40.29%	27.66%
Dyer	25.3%	44.87%	32.15%
Fayette	26.0%	33.32%	27.23%
Fentress	25.3%	35.97%	27.75%
Franklin	20.9%	33.50%	23.79%
Gibson	21.1%	43.81%	27.45%
Giles	20.5%	50.66%	28.10%
Grainger	20.6%	41.06%	24.16%

County	Owner Cost Burden	Renter Cost Burden	Total Cost Burden
Greene	20.3%	34.58%	23.96%
Grundy	27.0%	33.46%	28.28%
Hamblen	21.4%	39.57%	26.62%
Hamilton	23.7%	42.93%	30.34%
Hancock	27.4%	25.82%	26.96%
Hardeman	29.4%	43.47%	33.19%
Hardin	22.2%	36.06%	25.35%
Hawkins	21.1%	37.64%	25.02%
Haywood	31.8%	52.26%	38.90%
Henderson	23.0%	41.60%	27.13%
Henry	20.4%	34.57%	23.59%
Hickman	20.3%	33.85%	23.26%
Houston	20.2%	36.23%	24.44%
Humphreys	22.0%	24.47%	22.59%
Jackson	23.9%	42.42%	28.31%
Jefferson	22.2%	40.37%	26.76%
Johnson	23.5%	30.67%	25.23%
Knox	22.3%	44.62%	29.59%
Lake	20.8%	48.98%	31.61%
Lauderdale	27.1%	40.36%	31.53%
Lawrence	23.9%	42.11%	27.94%
Lewis	23.4%	29.74%	24.73%
Lincoln	19.8%	36.25%	23.74%
Loudon	22.4%	30.71%	24.22%
Macon	27.2%	42.14%	30.85%
Madison	26.9%	52.44%	35.33%
Marion	23.0%	35.44%	25.87%
Marshall	26.7%	38.87%	29.81%
Mauy	24.4%	40.94%	28.93%

County	Owner Cost Burden	Renter Cost Burden	Total Cost Burden
McMinn	21.8%	37.74%	25.78%
McNairy	23.0%	31.31%	24.93%
Meigs	26.6%	23.36%	25.80%
Monroe	22.4%	38.99%	26.63%
Montgomery	22.7%	42.06%	29.47%
Moore	18.0%	37.10%	21.74%
Morgan	25.2%	23.81%	24.92%
Obion	20.4%	34.92%	24.77%
Overton	21.5%	35.71%	24.28%
Perry	19.1%	29.82%	21.65%
Pickett	32.5%	15.03%	28.33%
Polk	23.4%	32.95%	25.21%
Putnam	23.4%	44.68%	31.04%
Rhea	26.6%	42.33%	30.61%
Roane	20.9%	42.19%	25.78%
Robertson	25.4%	38.29%	28.29%
Rutherford	23.2%	44.87%	29.93%
Scott	24.8%	37.00%	27.99%
Sequatchie	23.6%	34.93%	26.11%
Sevier	21.7%	38.75%	27.06%
Shelby	31.7%	52.14%	39.54%
Smith	16.2%	39.50%	21.62%
Stewart	20.5%	52.64%	26.62%
Sullivan	18.2%	37.58%	22.92%
Sumner	25.3%	42.60%	29.69%
Tipton	24.2%	42.19%	28.87%
Trousdale	25.7%	29.62%	26.51%
Unicoi	19.0%	28.93%	21.83%

County	Owner Cost Burden	Renter Cost Burden	Total Cost Burden
Union	25.3%	45.85%	29.31%
Van Buren	24.3%	48.19%	28.05%
Warren	24.4%	31.79%	26.37%
Washington	22.3%	40.29%	28.06%
Wayne	17.7%	31.01%	19.72%
Weakley	15.9%	47.59%	26.65%
White	19.1%	32.25%	22.16%
Williamson	23.6%	40.55%	26.49%
Wilson	23.9%	43.33%	27.36%

Appendix C

Percentage of Tennessee Households that are Owner-Occupied, by County

County	Homeownership Rate (ACS, 2005-2009)	Homeownership Rate (ACS, 2006-2010)
Anderson	71.60%	71.76%
Bedford	67.40%	68.58%
Benton	81.20%	83.18%
Bledsoe	77.40%	76.75%
Blount	76.80%	76.10%
Bradley	67.60%	67.65%
Campbell	72.90%	71.98%
Cannon	75.80%	76.23%
Carroll	77.20%	77.26%
Carter	72.60%	73.30%
Cheatham	79.70%	80.88%
Chester	74.70%	74.24%
Claiborne	78.40%	77.25%
Clay	77.60%	77.93%
Cocke	73.90%	72.99%
Coffee	72.10%	72.26%
Crockett	70.70%	68.50%
Cumberland	79.80%	79.10%
Davidson	59.00%	57.64%
Decatur	73.30%	78.07%
DeKalb	75.40%	72.30%
Dickson	74.90%	74.07%
Dyer	64.80%	64.97%
Fayette	81.00%	83.30%
Fentress	76.60%	77.06%
Franklin	77.00%	77.31%
Gibson	70.40%	71.99%
Giles	75.60%	74.70%

County	Homeownership Rate (ACS, 2005-2009)	Homeownership Rate (ACS, 2006-2010)
Grainger	83.10%	82.49%
Greene	73.90%	74.24%
Grundy	80.20%	80.68%
Hamblen	70.60%	71.32%
Hamilton	67.00%	65.55%
Hancock	70.00%	71.54%
Hardeman	74.10%	73.19%
Hardin	76.50%	77.22%
Hawkins	76.30%	76.10%
Haywood	64.90%	65.31%
Henderson	76.20%	77.60%
Henry	77.20%	77.30%
Hickman	77.40%	77.99%
Houston	74.90%	73.56%
Humphreys	77.00%	75.55%
Jackson	75.30%	76.31%
Jefferson	76.40%	74.82%
Johnson	77.20%	76.40%
Knox	67.20%	67.25%
Lake	58.50%	61.65%
Lauderdale	66.40%	66.50%
Lawrence	77.80%	77.87%
Lewis	75.40%	78.55%
Lincoln	77.50%	76.21%
Loudon	79.10%	77.92%
Macon	74.00%	75.25%
Madison	80.80%	76.85%
Marion	75.30%	75.41%

County	Homeownership Rate (ACS, 2005-2009)	Homeownership Rate (ACS, 2006-2010)
Marshall	66.80%	67.08%
Maury	75.50%	77.01%
McMinn	74.20%	74.66%
McNairy	72.80%	72.66%
Meigs	76.80%	75.58%
Monroe	76.30%	74.54%
Montgomery	64.90%	65.07%
Moore	84.60%	80.43%
Morgan	82.80%	81.83%
Obion	69.10%	69.67%
Overton	79.60%	80.43%
Perry	78.80%	76.37%
Pickett	72.10%	76.13%
Polk	75.80%	80.72%
Putnam	64.50%	64.09%
Rhea	74.20%	74.50%
Roane	77.40%	76.94%
Robertson	76.10%	77.50%
Rutherford	69.20%	69.02%
Scott	69.60%	74.03%
Sequatchie	80.10%	77.81%
Sevier	70.50%	68.68%
Shelby	61.70%	61.69%
Smith	79.30%	76.60%
Stewart	80.10%	80.98%
Sullivan	75.00%	75.76%
Sumner	74.80%	74.72%
Tipton	75.10%	74.19%

County	Homeownership Rate (ACS, 2005-2009)	Homeownership Rate (ACS, 2006-2010)
Trousdale	81.00%	79.60%
Unicoi	74.20%	71.84%
Union	79.50%	80.43%
Van Buren	80.10%	84.16%
Warren	72.30%	73.02%
Washington	68.60%	67.89%
Wayne	81.60%	85.13%
Weakley	67.70%	66.13%
White	77.20%	76.58%
Williamson	83.20%	82.86%
Wilson	81.70%	82.01%
Tennessee	69.70%	69.60%

Notes

THDA is a political subdivision of the State of Tennessee. THDA is the state's housing finance agency, responsible for selling tax exempt mortgage revenue bonds to offer affordable mortgage funds to homebuyers of low and moderate incomes through local lenders, and to administer various housing programs targeted to households of very low-, low- and moderate-incomes.

THDA, established in 1973, is entirely self-supporting, providing affordable fixed rate mortgages to over 100,000 households without using state tax dollars. THDA issues between \$250 and \$300 million in mortgage revenue bonds annually for its first-time homebuyer program.

More information about THDA is available on-line at www.thda.org.



Additional county-by-county data is available
on our website at www.thda.org.

Special thanks to our Platinum and Gold Summit Sponsors:



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