

# Tennessee's Economic Outlook 2025 Q4

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# Mortgage Delinquency\*

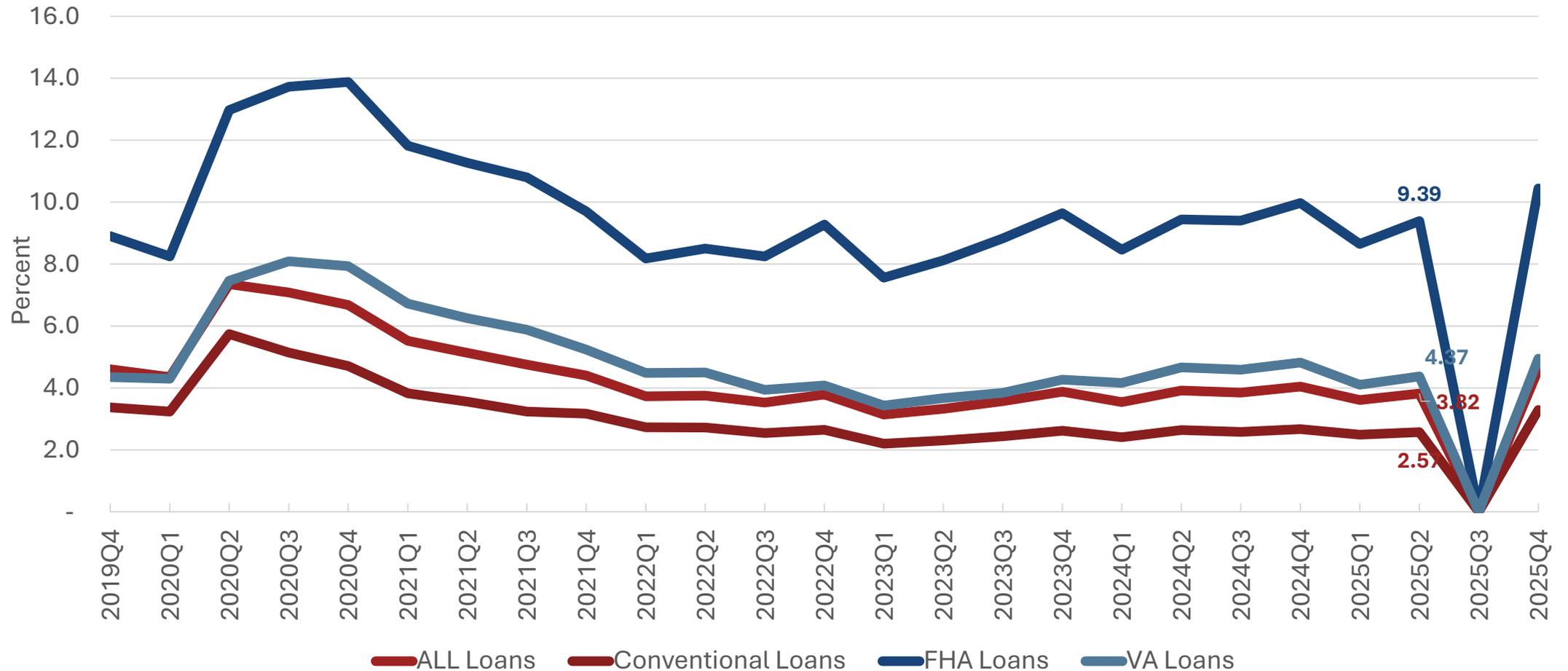
**Source:** Mortgage Bankers Association National Delinquency Surveys ([Link](#))

\* When this report for the fourth quarter was completed, quarterly mortgage delinquency data were not available for the third quarter of 2025. Once we receive data for the third quarter, the charts will be updated.

# Total Delinquent Loans by Loan Type

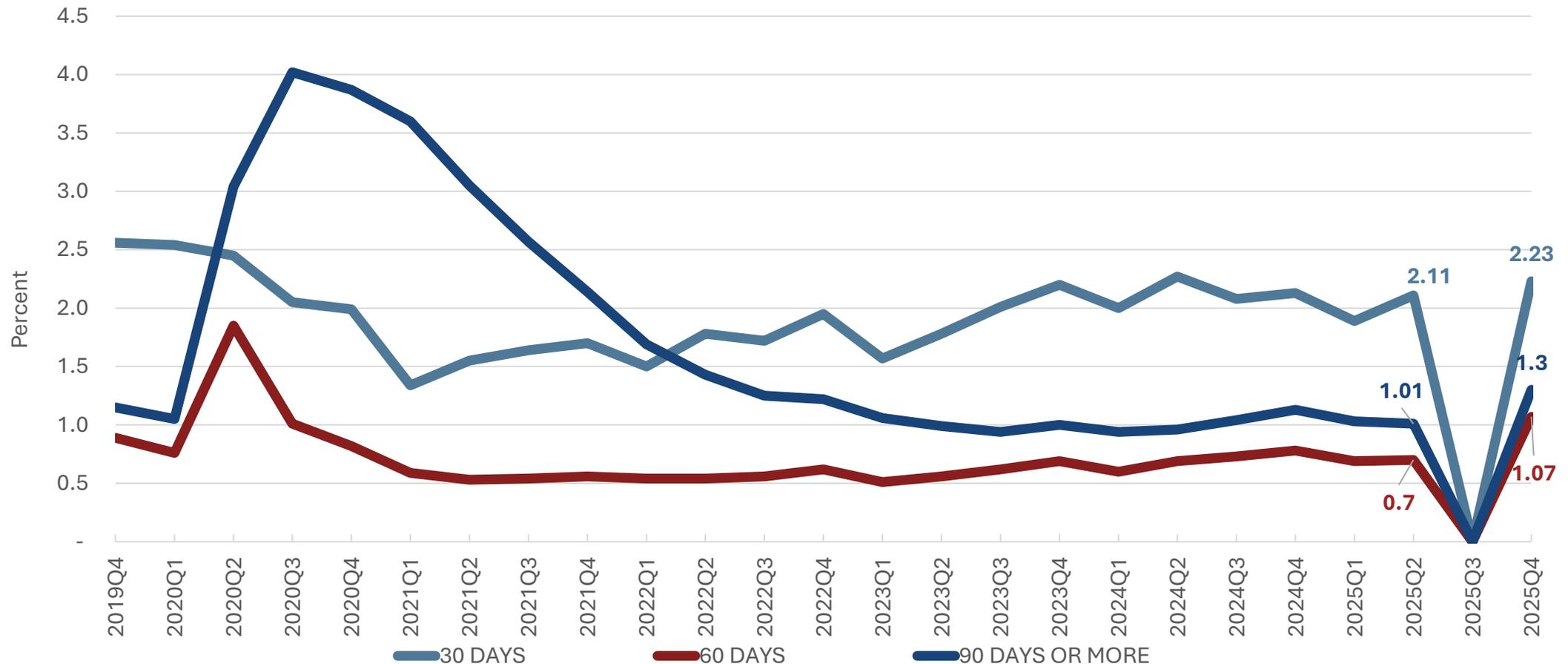
## (Tennessee)

- 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)

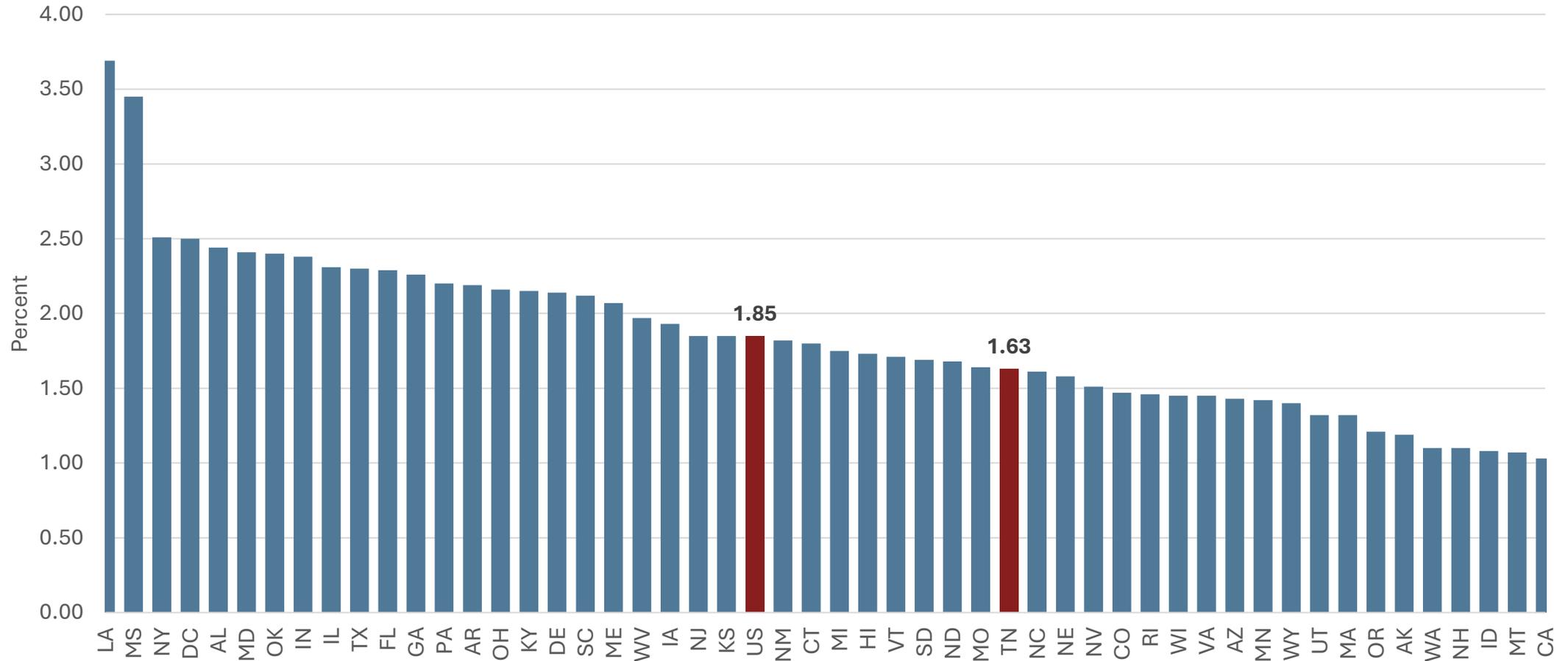
- The overall delinquency rate for all loans was still lower than its peak immediately after the pandemic started.
- However, delinquency rates were higher than they were a year ago.
- Delinquency rates among THDA borrowers (serviced by VMLS) were higher than the previous quarter and the prior year for all grand divisions. 6.7% 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.



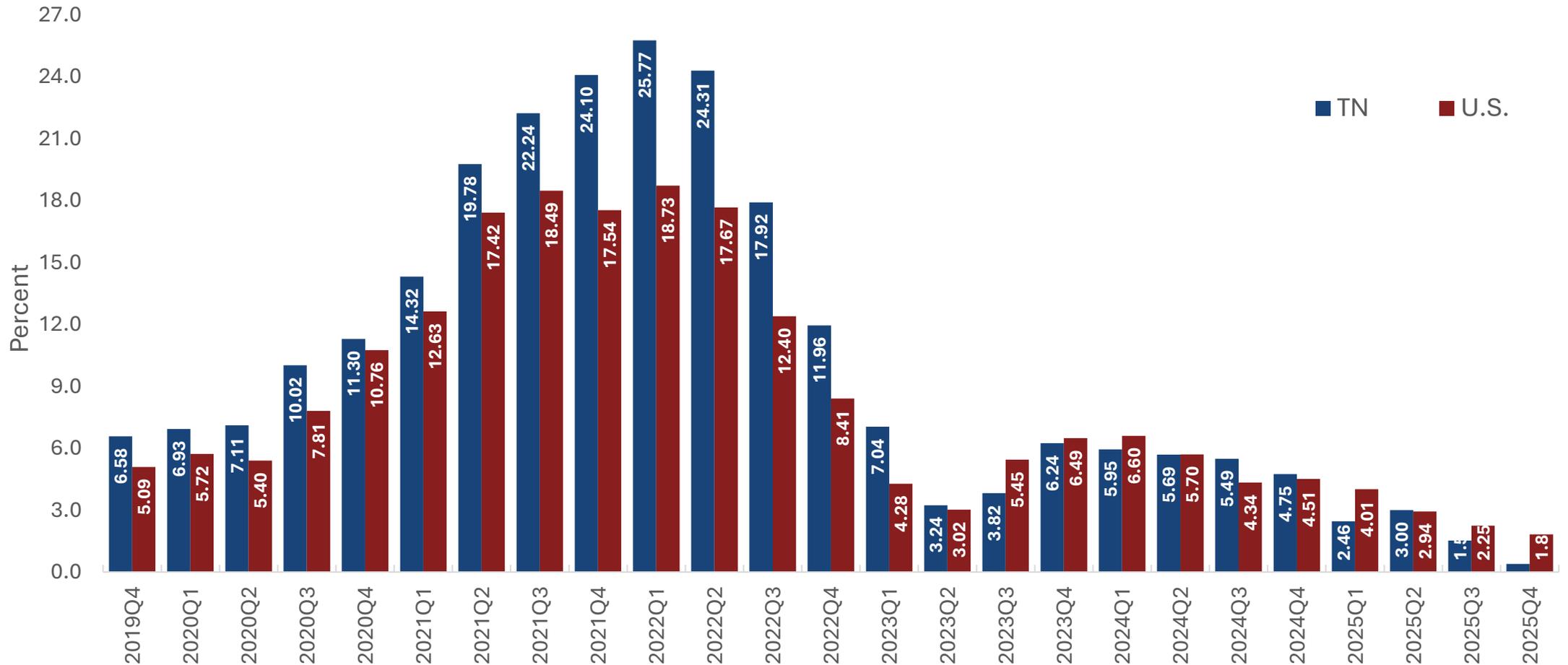
# House Price Index

**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.



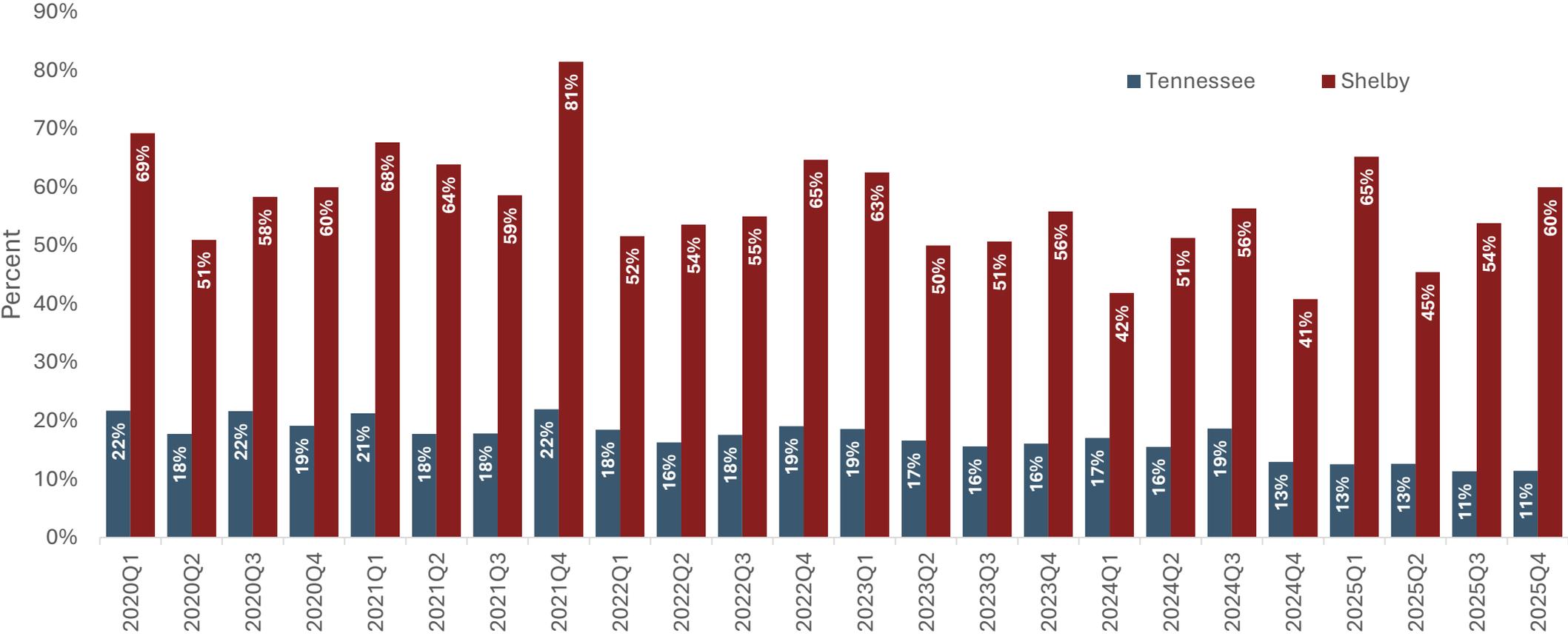
# Black Homeownership Rates in Shelby County & Tennessee

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

# Black Borrowers as Percent of Total Borrowers

## (THDA Loans)

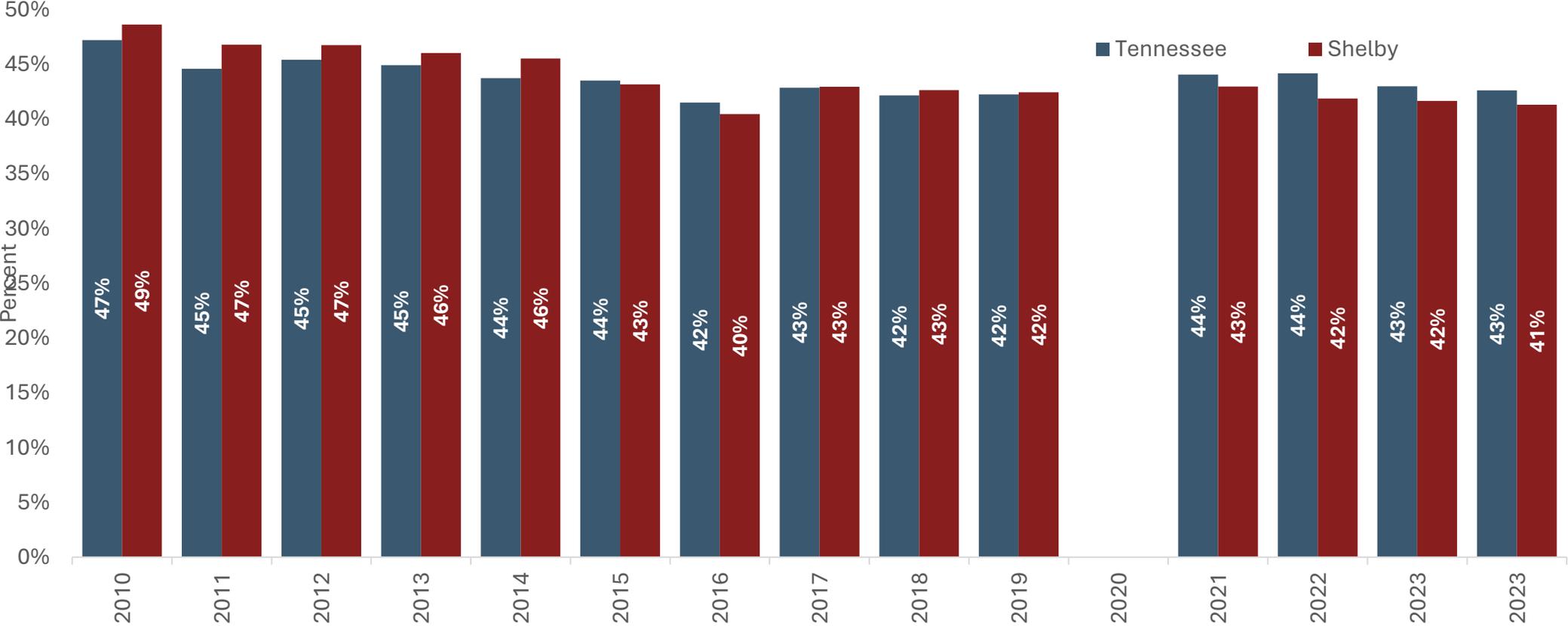
- In the fourth quarter of 2025, 60% of THDA borrowers in Shelby County were Black, increasing from 54% in the previous quarter. In the state, 11% of THDA borrowers were Black.



# Percent of Black Households who are Homeowners

## (Overall Market)

- In 2024, 41% of Black households in Shelby County were homeowners, compared to 49% in 2010.
- The Black homeownership rate in the state was 43% in 2023 (unchanged from the previous year). It was 47% in 2010.
- While both the state and Shelby County Black homeownership rates in 2024 were lower than they were 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.

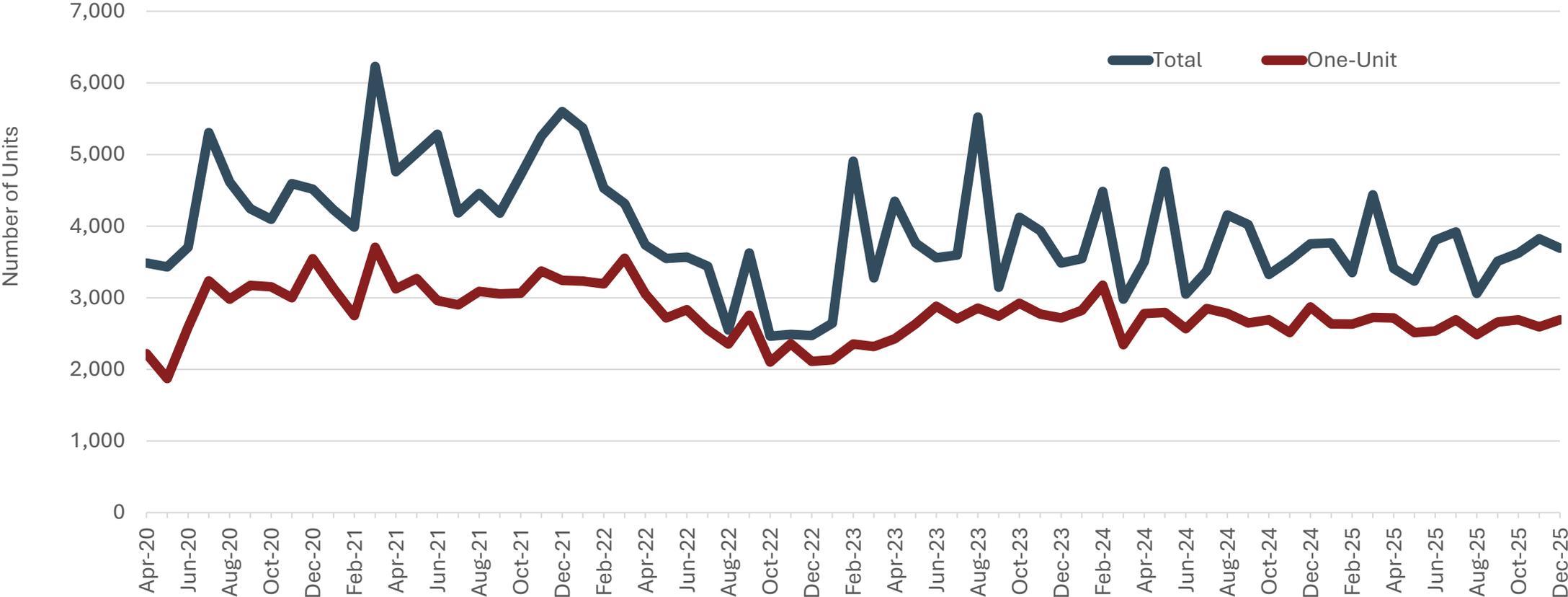
# Building Permits

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

# New Private Housing Units Authorized by Building Permits

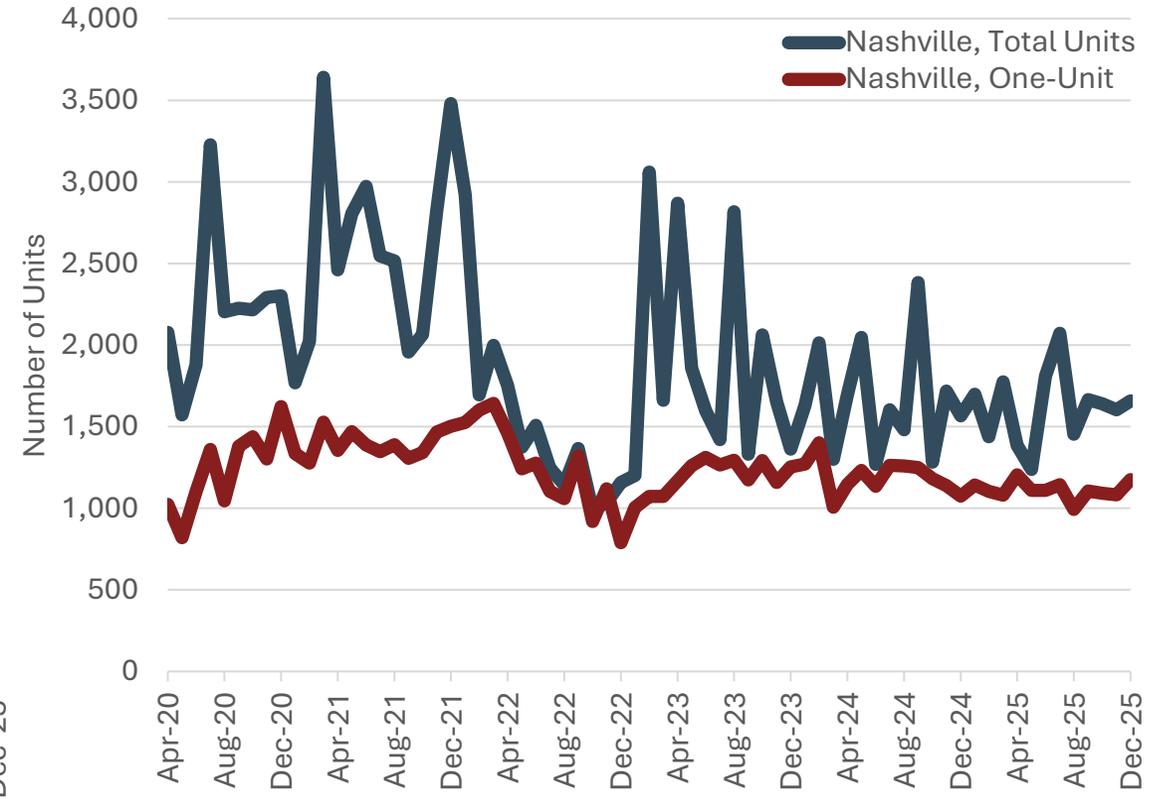
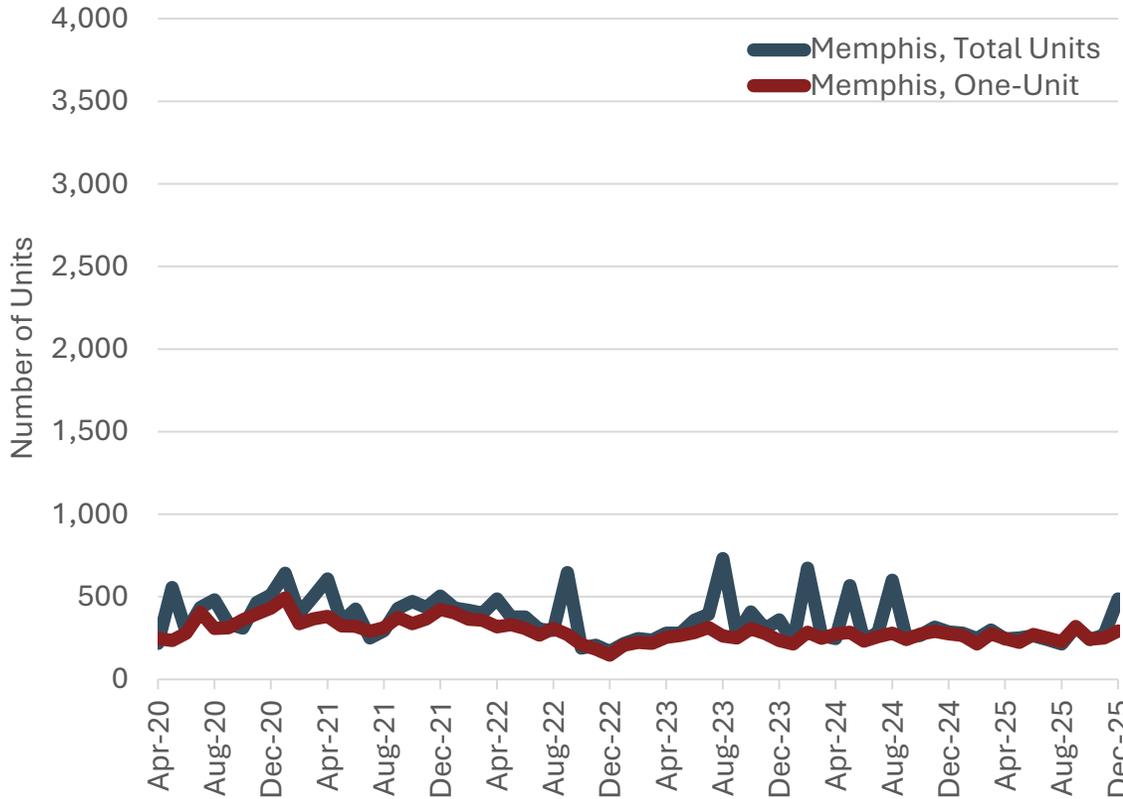
(Tennessee)

- In December 2025, 3,692 new privately-owned housing units authorized by building permits (a seasonally adjusted annual rate), which is 3% lower than the revised November permits and 2% lower than the December 2024 permits.
- In December 2025, 2,692 single-family or one-unit building permits were pulled, comprising 73% of total permits.



# New Private Housing Units Authorized by Building Permits

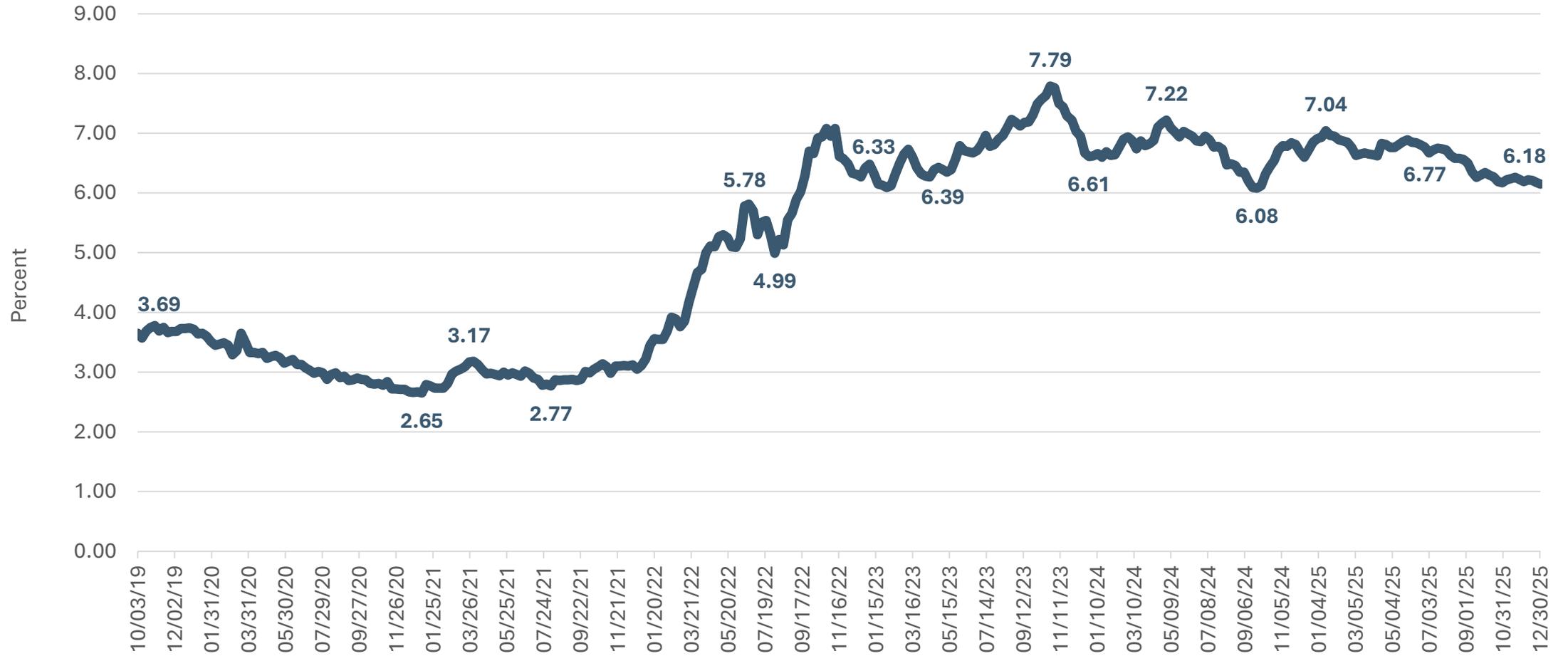
## (Memphis and Nashville MSAs)



# Mortgage Interest Rates

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

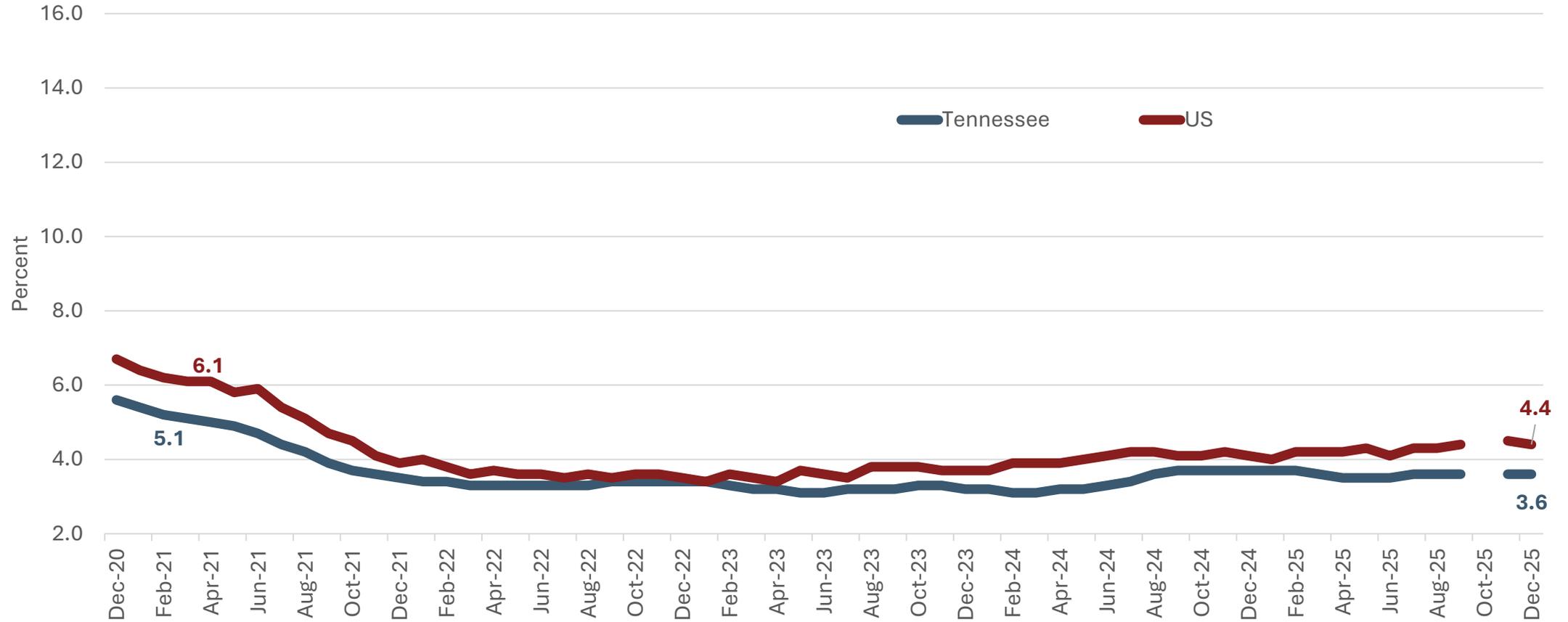
# Weekly Mortgage Rates



# Unemployment Rates

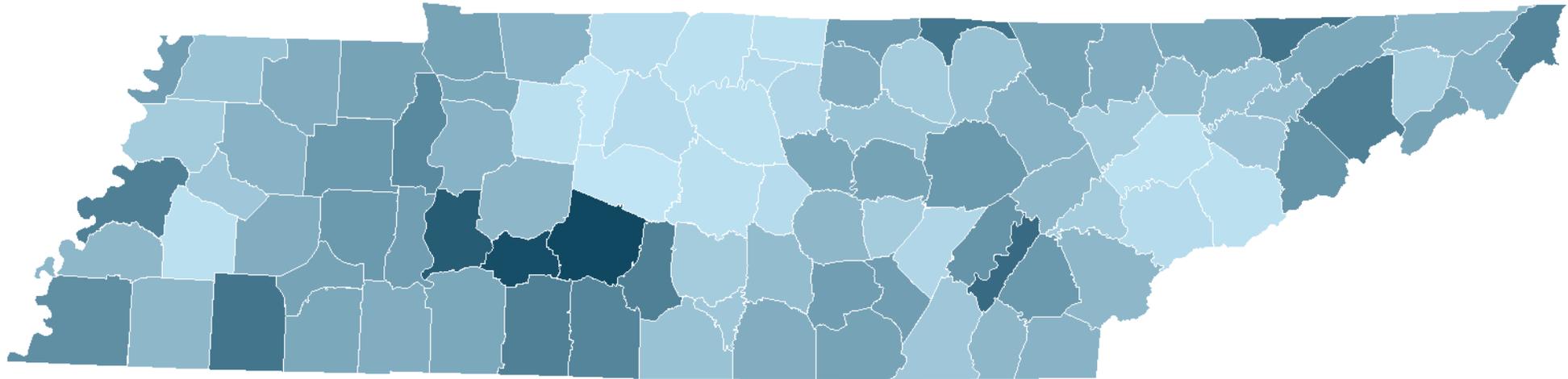
Source: Bureau of Labor Statistics ([Link](#))

# Seasonally Adjusted Monthly Unemployment Rates



October data is unavailable due to the 2025 lapse in appropriations. December 2025 data is preliminary and subject to change

# Unemployment Rates, December 2025



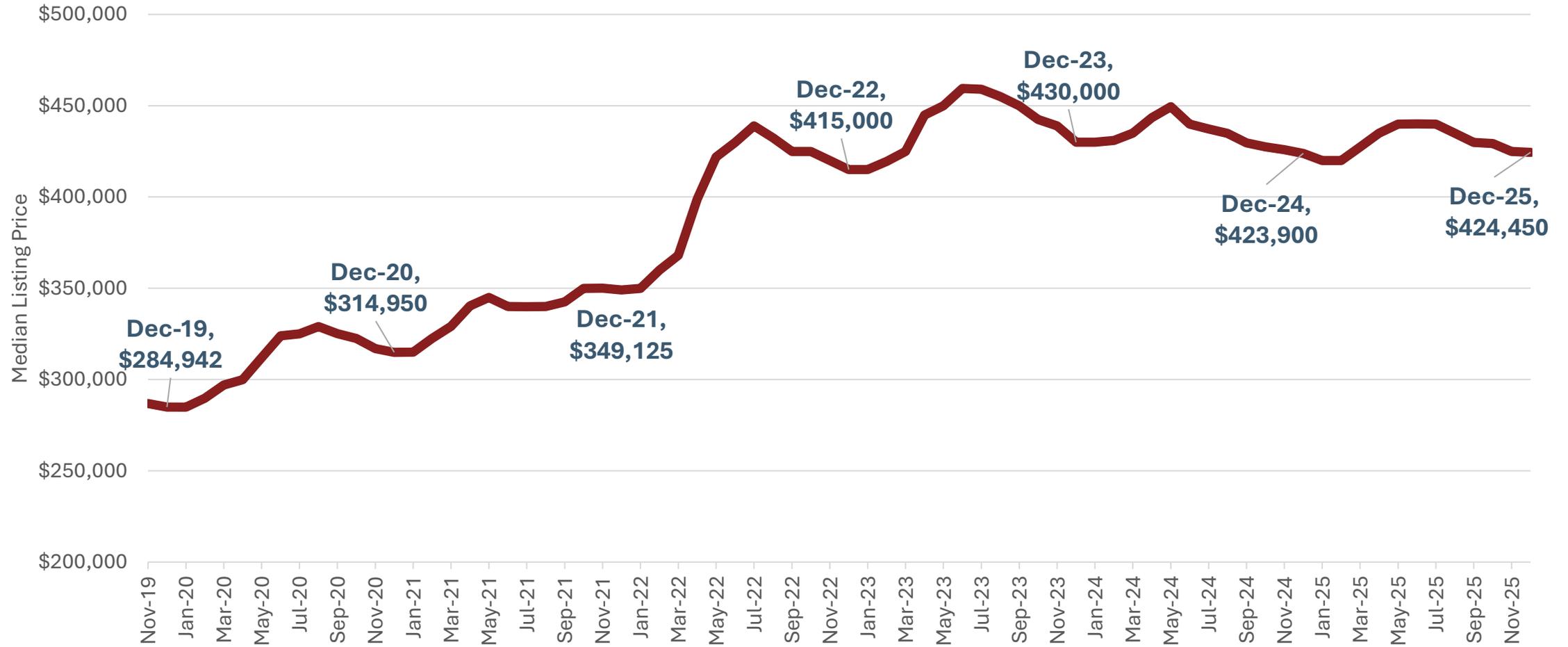
Unemployment Rate   
2.6 5.7

# Housing Market Trends

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

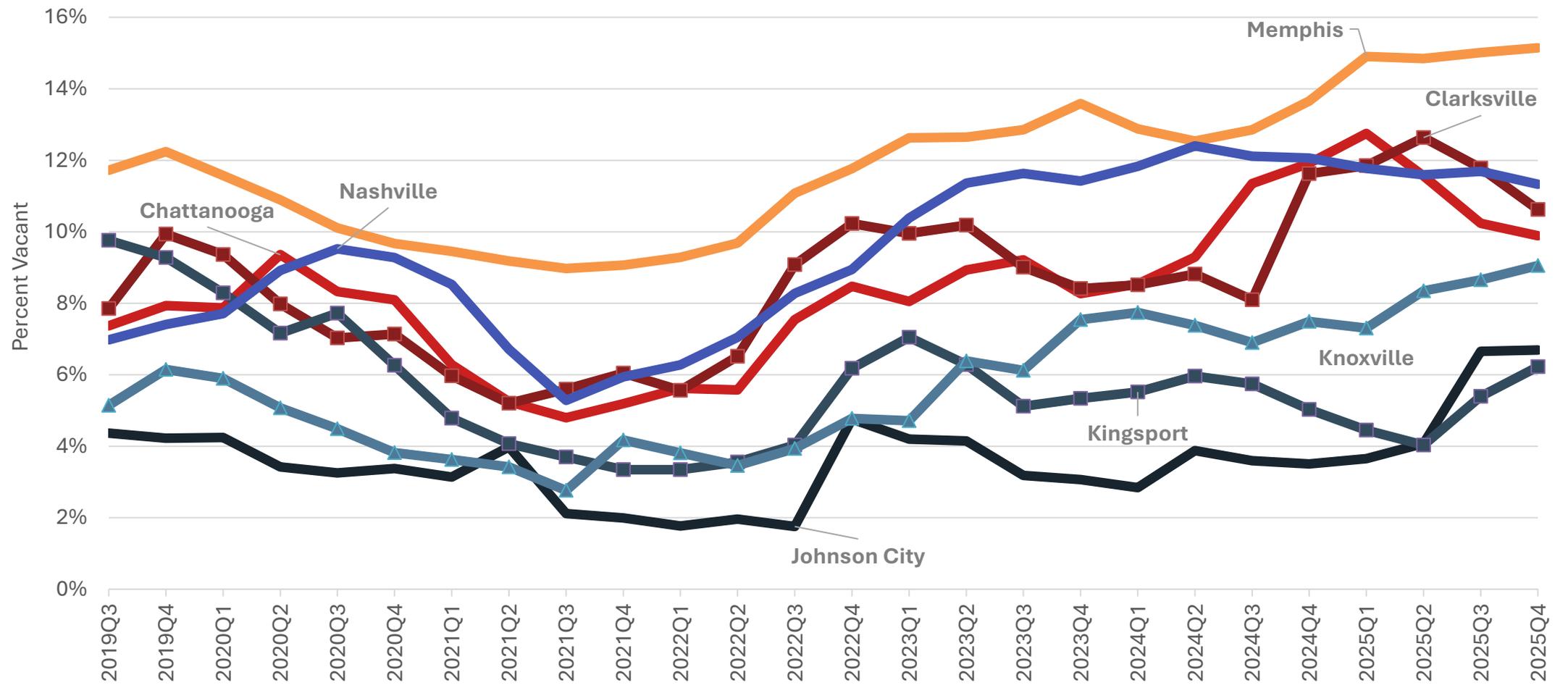
# Median Listing Price

## (Tennessee)



# Median Listing Price By Season

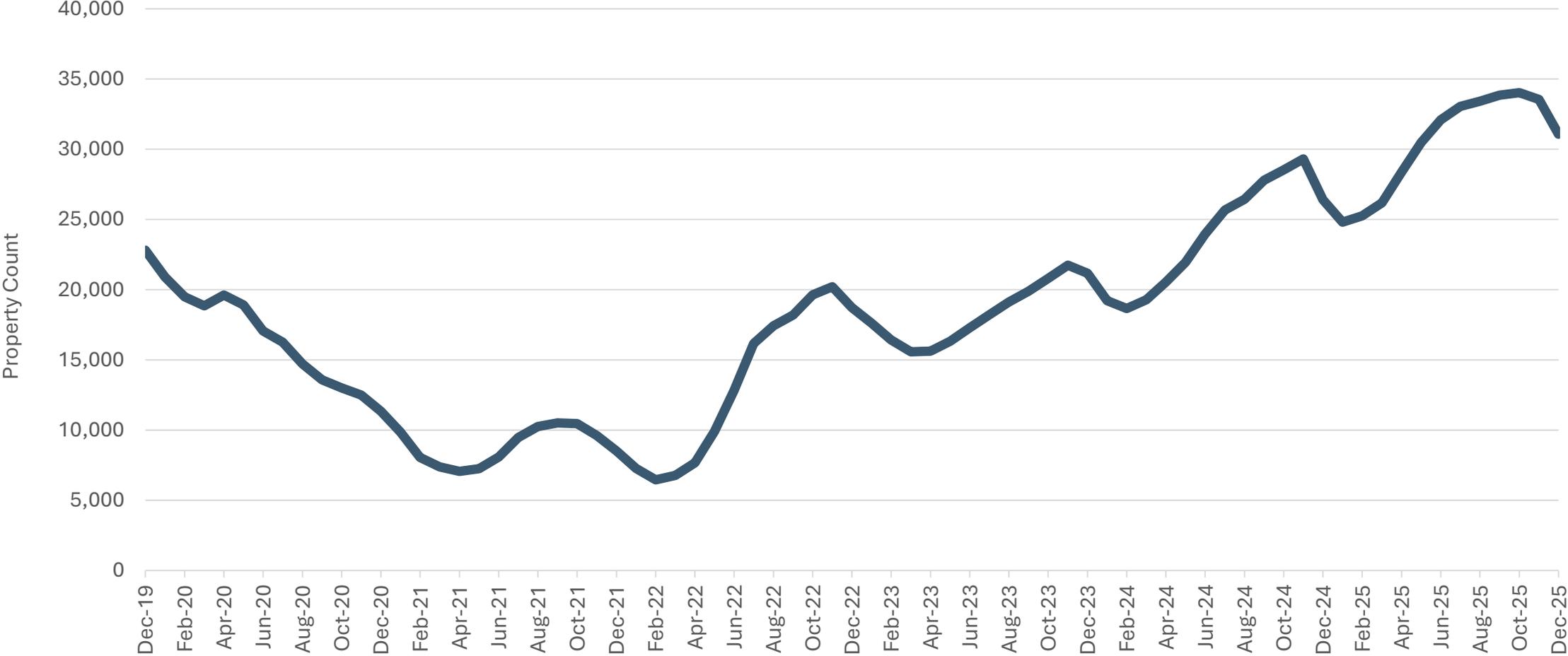
(Tennessee)



# Active Listing Count

## (Tennessee)

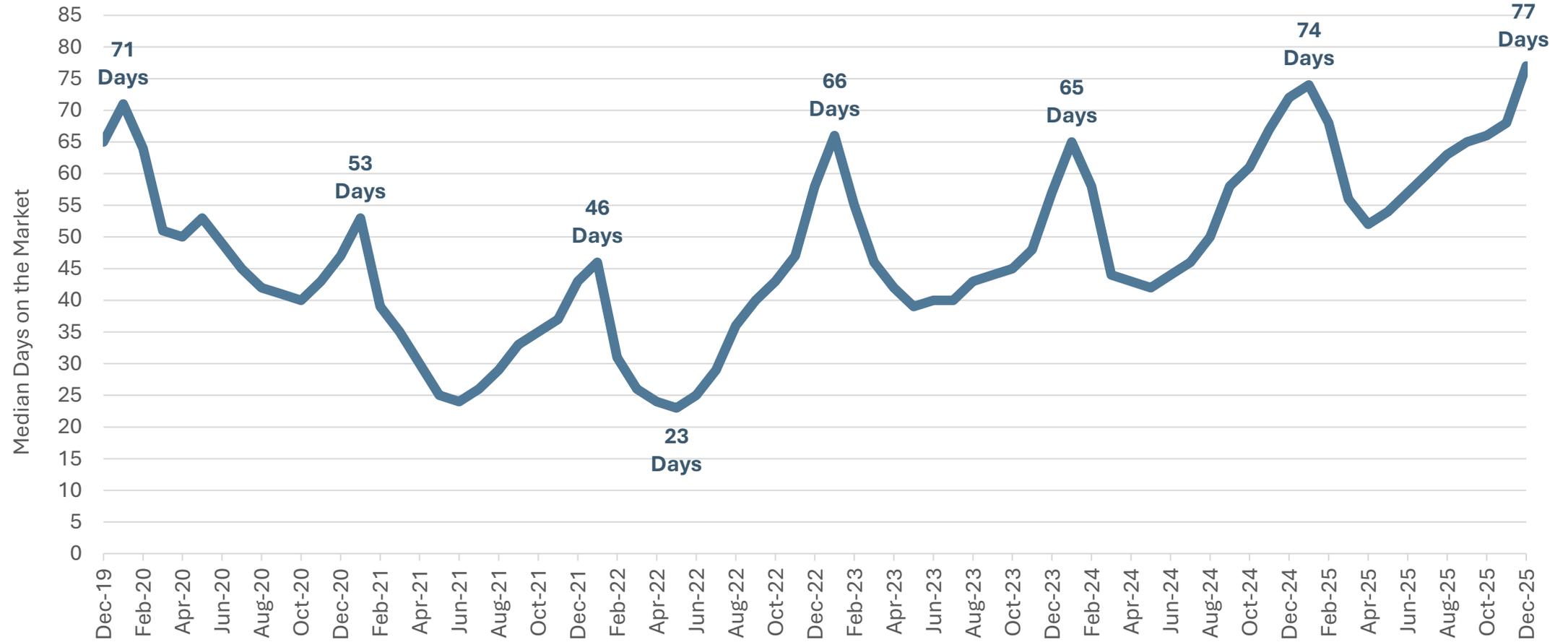
• In December 2025, there were 18% more homes actively for sale than same month in 2024. This is a big improvement from the active listing count in much of 2021 and early 2022.



# Days on the Market

## (Tennessee)

- In December 2025, a typical home spent 77 days on the market, which is 5 days more than the same time last year.

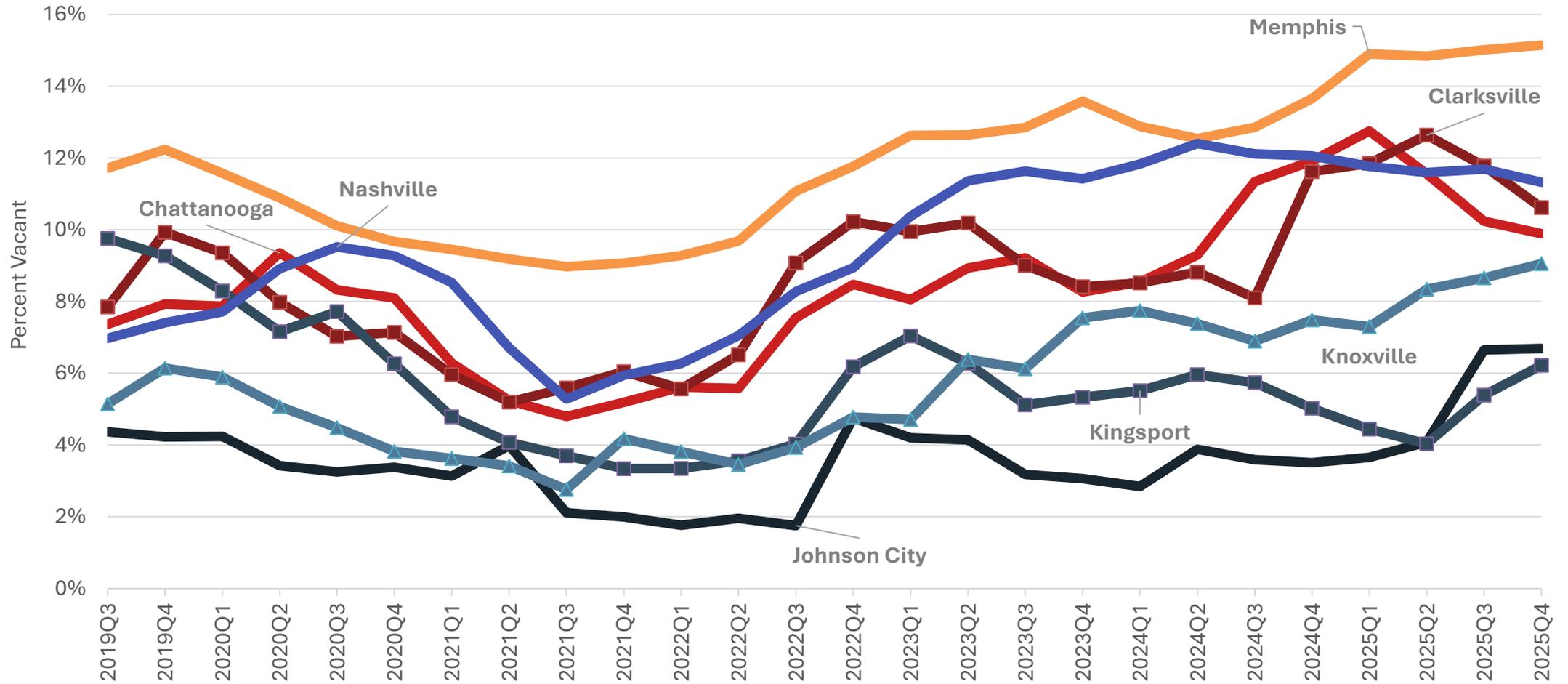


# Rental Indicators

Source: CoStar ([Link](#))

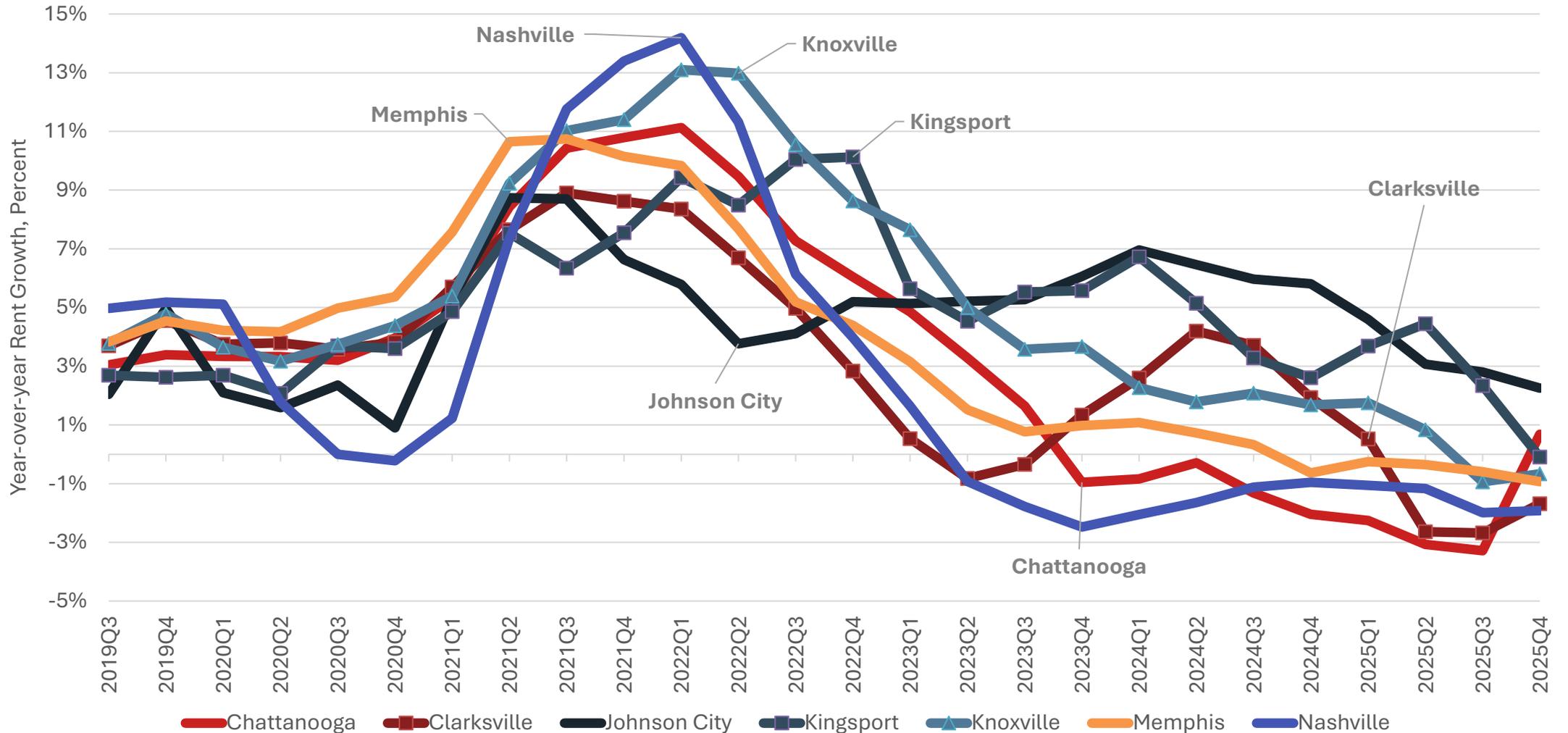
# Quarterly Rental Vacancy Rates by Metro Area

- The rental vacancy rates in Johnson City, Kingsport, Knoxville and Memphis MSAs were higher than a year ago.



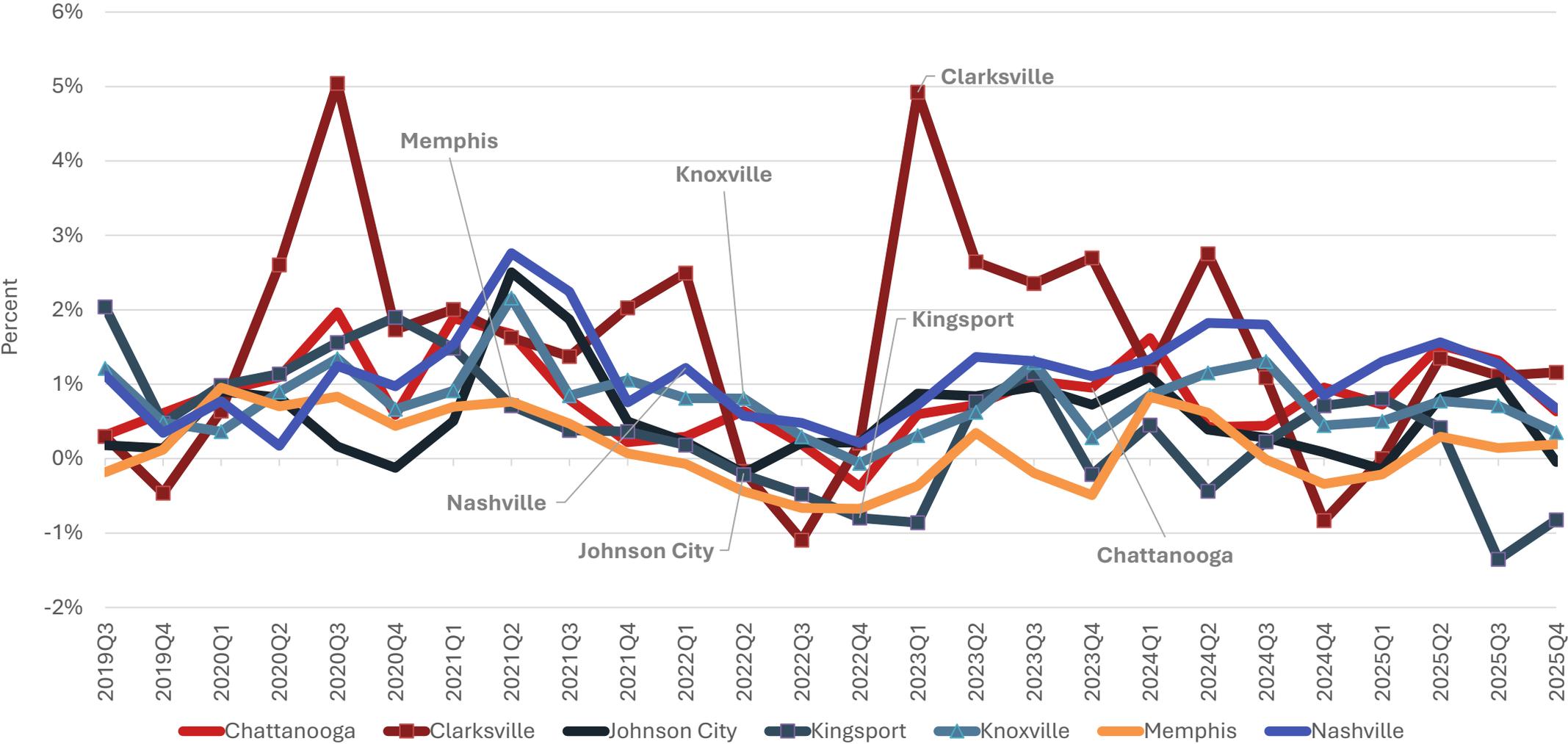
# Quarterly Market Effective Rent Growth by Metro Area

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 fourth quarter of 2025 than the fourth 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

