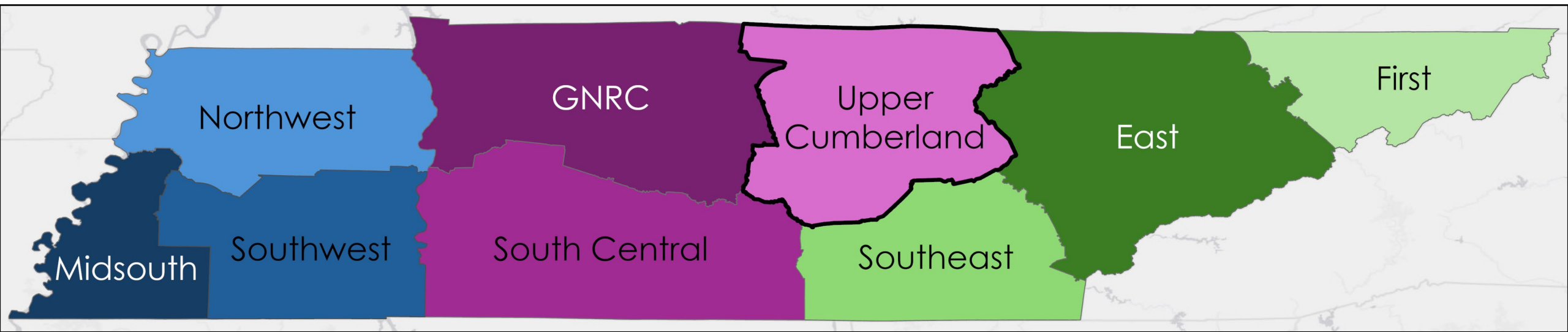


Tennessee's Housing Needs Assessment & Market Analysis for the Upper Cumberland Development District



Tennessee Housing Development Agency, Research & Planning
Created by Amara Mattingly, Senior Research Analyst
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Consolidated Planning & Housing Needs

The State of Tennessee's 2025-2029 Consolidated Plan is a five-year strategic housing and community development plan. It also serves as the State's application for ~\$50-60 million in annual federal funding from the U.S. Department of Housing and Urban Development (HUD).

These funds are distributed from the State to local communities through the following programs:

- Community Development Block Grant (CDBG)
- Emergency Solutions Grant (ESG)
- HOME Investment Partnership (HOME)
- Housing Trust Fund (HTF)
- Housing Opportunities for Persons with HIV/AIDS (HOPWA)

The Consolidated Plan requires a comprehensive Housing Needs Assessment and Market Analysis, which is a valuable opportunity for the State to assess Tennesseans' housing needs and coordinate with local stakeholders to address these issues.

Data Sources and Limitations

The findings of Tennessee's Housing Needs Assessment and Market Analysis come from the following sources:

Standardized Data: The Needs Assessment and Market Analysis relied heavily on standardized national data sources, like the American Community Survey (ACS) five-year estimates for 2018-2022 and the Comprehensive Housing Affordability Strategy (CHAS) five-year estimates for 2017-2021, to analyze statewide and regional housing needs and market trends. However, this data will not accurately capture current needs of Tennesseans, since it is out of date. In addition, the data is subject to sampling error.

Regional Focus Groups: The Tennessee Housing Development Agency's (THDA's) Research and Planning team conducted focus groups in all of Tennessee's nine development districts in August 2024. Focus group participants offered a descriptive assessment of some of Tennessee's housing challenges, including regional challenges. These participants, however, are a small subset of Tennesseans and cannot describe all of their communities' housing needs.

Public Survey: Tennesseans were invited to take the Housing Needs Survey for the Public to share their experiences and perceptions of housing needs in June and July of 2024. 1,179 Tennesseans completed the survey. The Research and Planning team, however, did not attempt to gather a representative sample of Tennesseans. As a result, the survey respondents' experiences and opinions should not be generalized as representative of all Tennesseans' experiences and opinions.

The focus groups' and survey respondents' inputs provided more detailed pictures of Tennesseans' housing needs, and we are grateful for their feedback.

Community Housing Continuum

Ideally, all Tennesseans would have a full continuum of housing options available in their communities, from supportive housing to market-rate homeownership. A full continuum of housing options available enables households to move toward greater levels of housing stability and wealth. In addition, a full continuum of housing options ensures experiencing hardships do not necessitate housing instability.



Housing Needs Framework

The Consolidated Plan's Needs Assessment and Market Analysis utilize the framework below to analyze factors influencing Tennesseans' housing needs. Tennesseans' experiences on the housing continuum largely depend on how well the current population/households and their incomes align with the current housing supply and prices. The number and types of households experiencing housing problems illuminate Tennesseans' housing needs and inform how the State of Tennessee can use its resources to produce, preserve, and rehabilitate housing and address future housing instability.

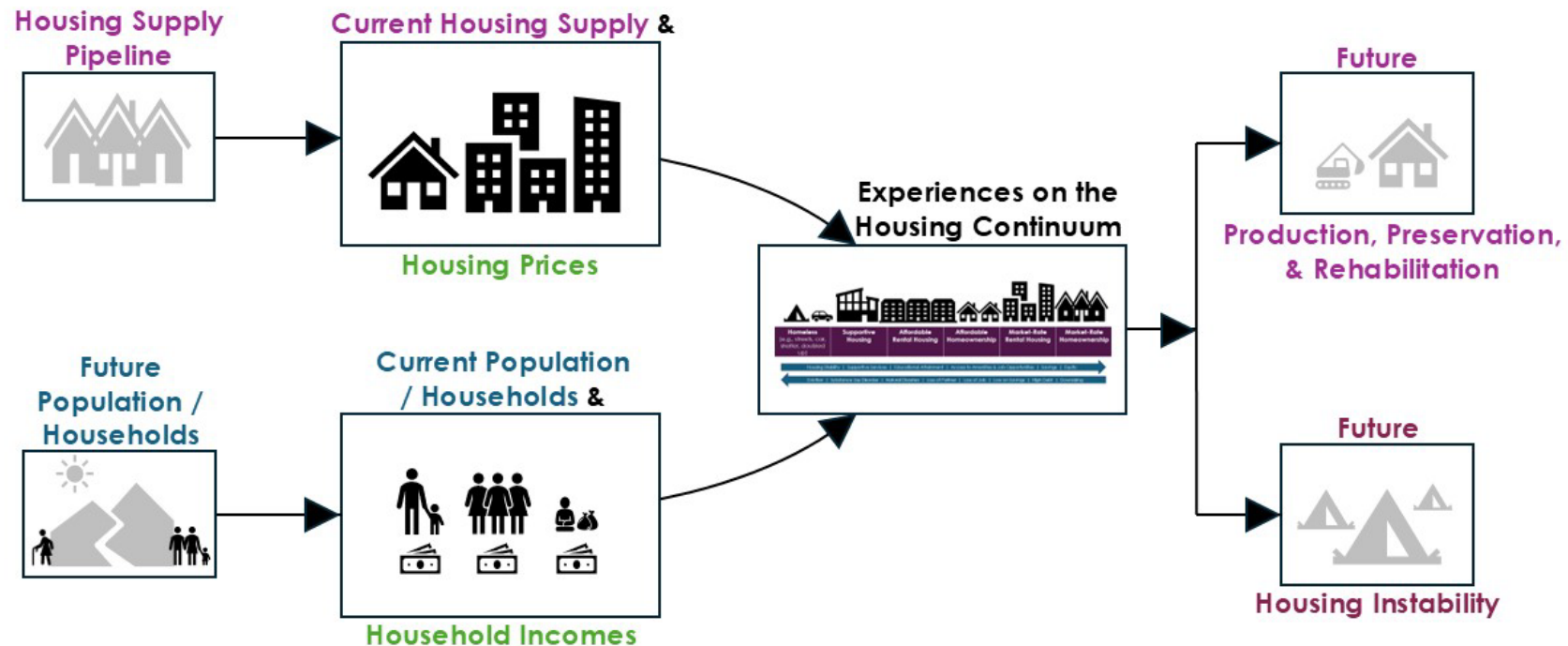


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- Absolute shortage of units affordable to extremely low-income renters
- High levels of renter cost burden
- Elevated experiences of homelessness

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- Barriers to affordable housing

Tennessee – “I want...”

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents who said it was “very true” that they wanted the following housing and community resources.

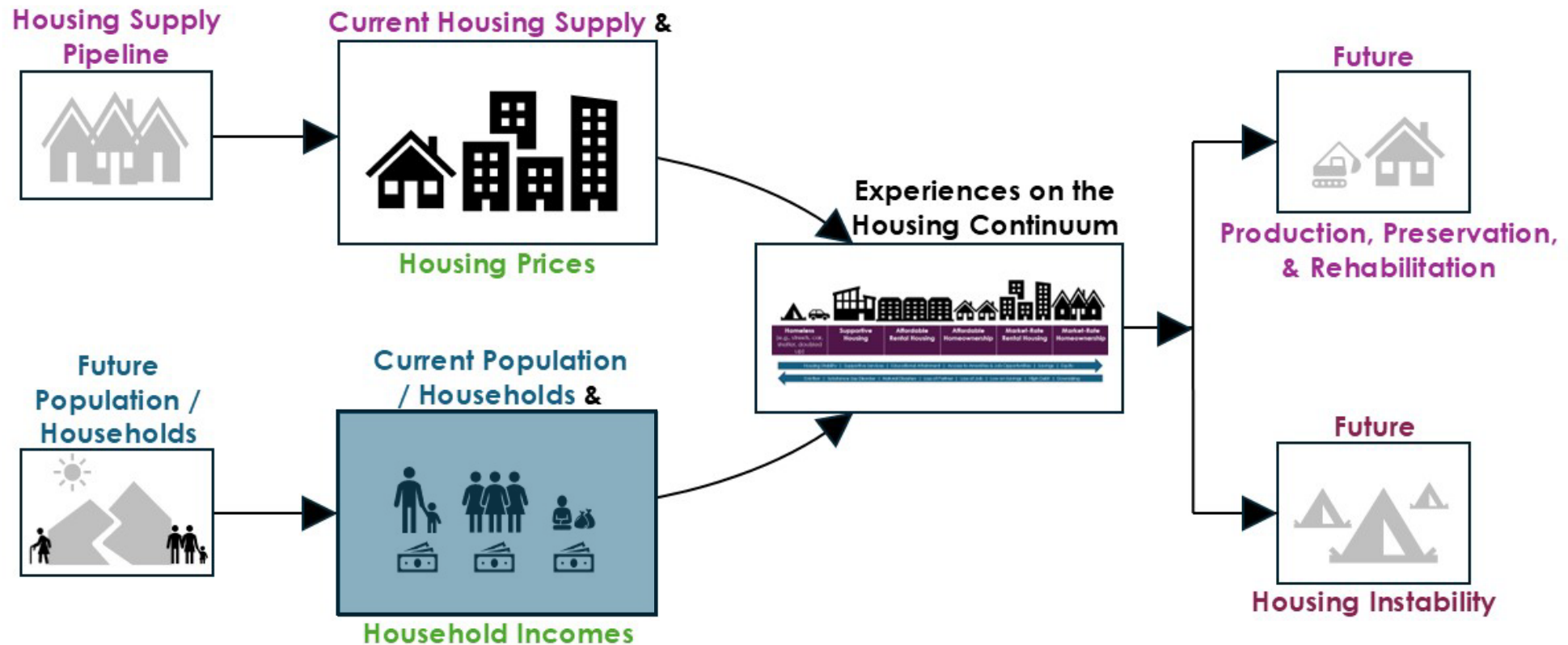
Reponses Options	All Survey Respondents	
	Percent	Number
To pay less for my housing.	55.7%	654
To have better quality housing.	54.1%	635
To have better housing opportunities in the community where I live now.	52.7%	619
To buy a home.	45.8%	538
To have more space in my home.	45.6%	535
To live in an area with less crime.	38.4%	451
To have better access to communal resources, like stores, groceries, doctors, hospitals, etc.	32.4%	380
To live in an area with less pollution or industry.	29.4%	345
To move to a different area with better housing opportunities.	26.7%	313
To live near better jobs.	25.6%	301
TOTAL COMPLETE RESPONSES		1,174*

*The survey sample size is too small and unrepresentative for results to be generalizable to all Tennesseans. However, it is a window into what some Tennesseans want for themselves and their communities.

What is the region like?

Who lives here?

Current Population/Households & Their Incomes

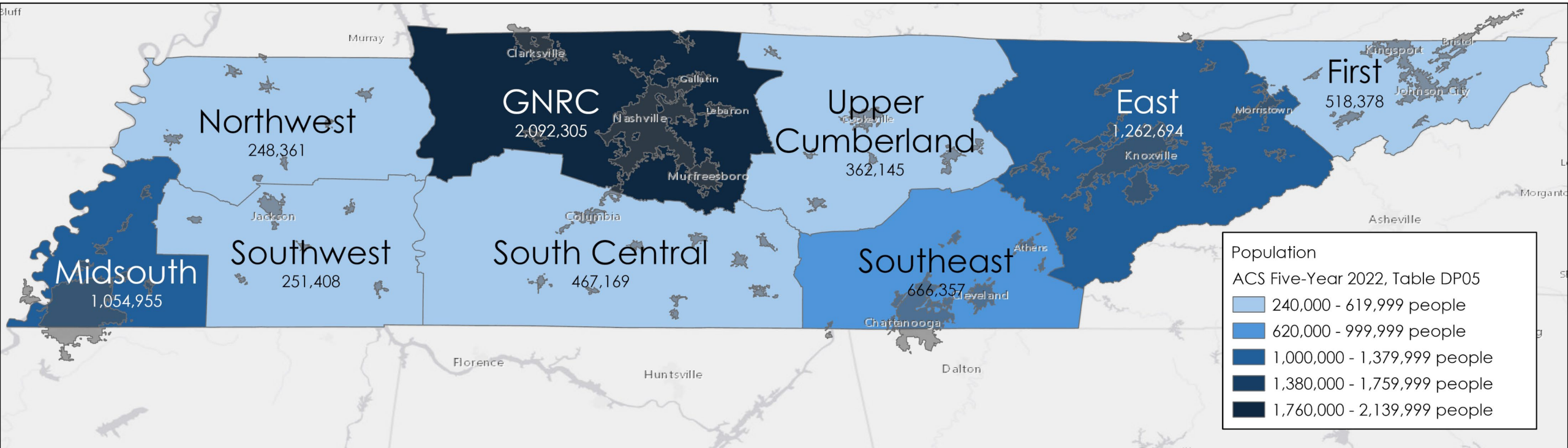


What is the region like?

Who lives here?

Tennessee – Population

Tennessee's population was 6,923,772 people.

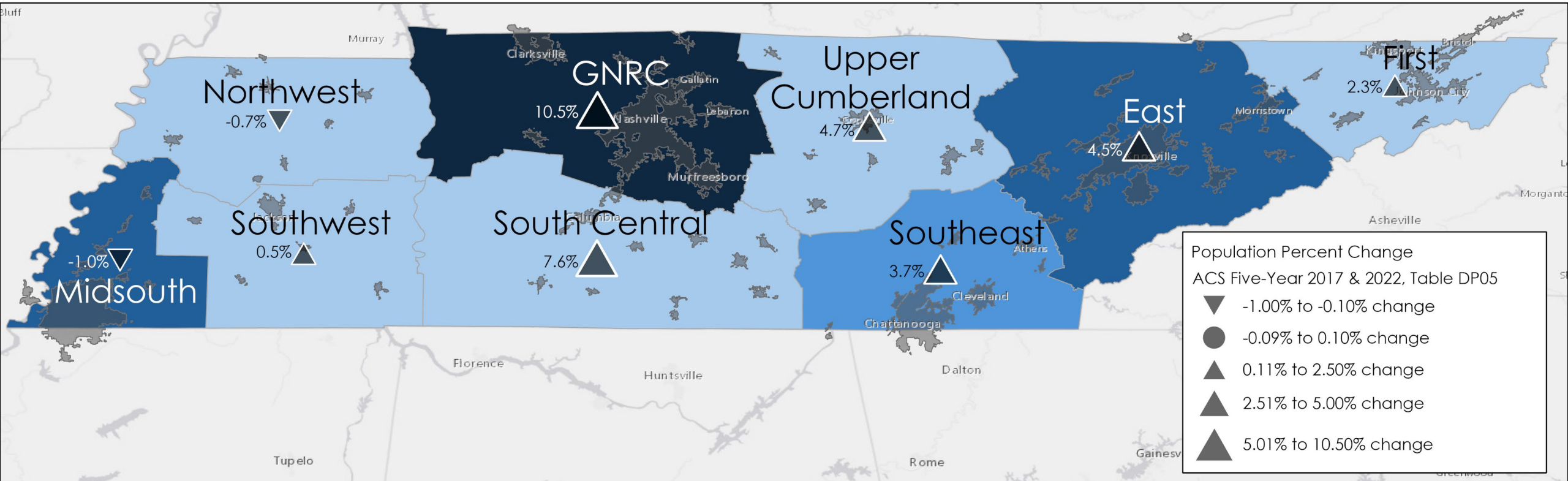


What is the region like?

Who lives here?

Tennessee – Population Change

Tennessee had an overall population growth rate of 4.9% in a five year-period.

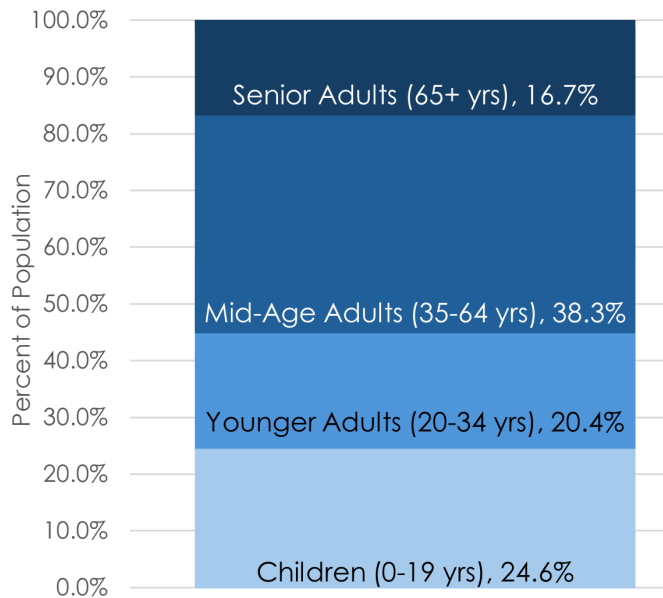


What is the region like?

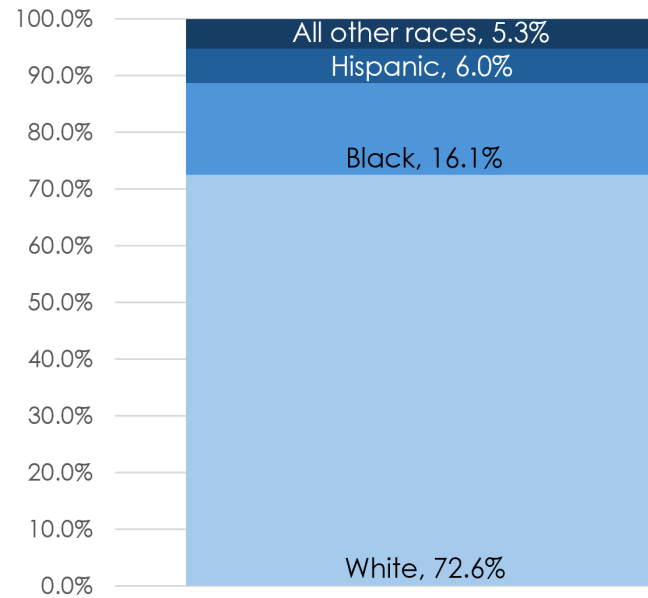
Who lives here?

Tennessee – Demographics

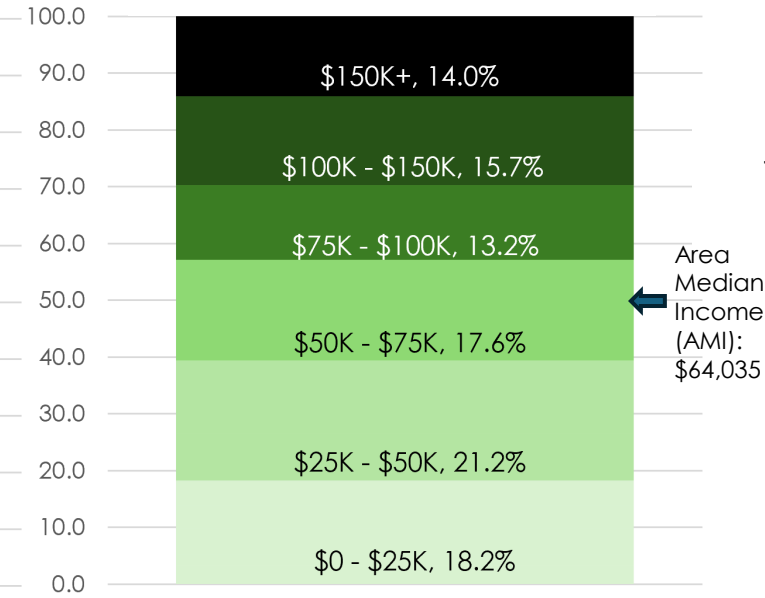
Tennessee – Population Age Distribution



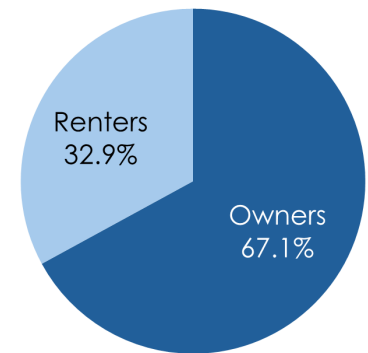
Tennessee – Race & Ethnicity Distribution



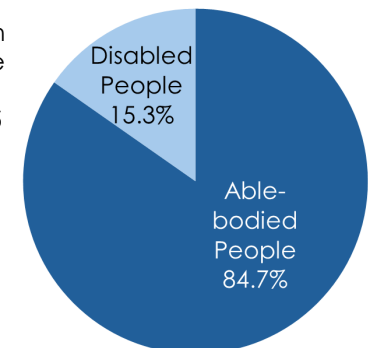
Tennessee – Household Income Distribution



Tennessee – Household Tenure



Tennessee – Disabled Population

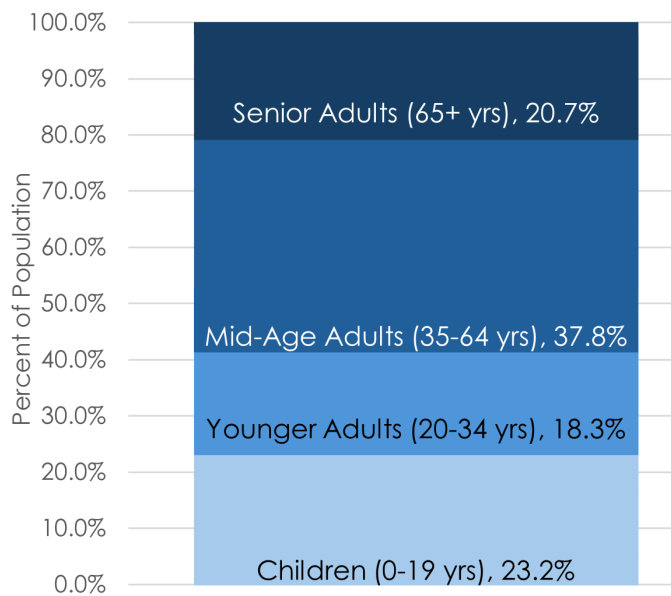


What is the region like?

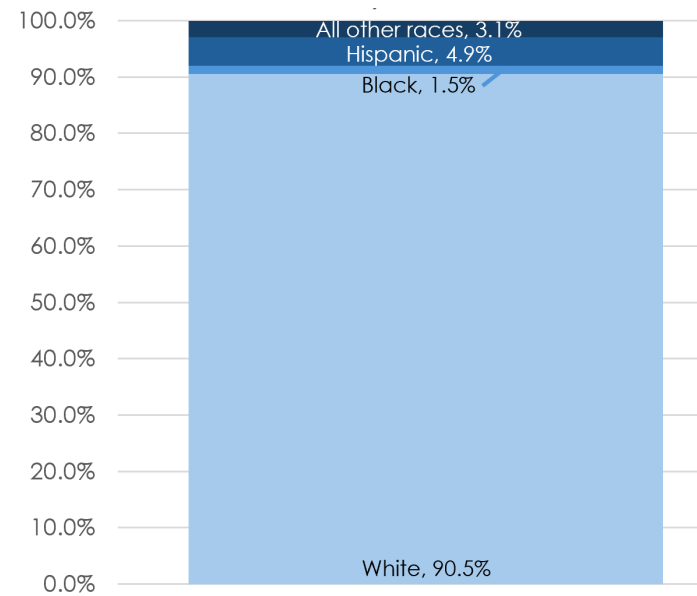
Who lives here?

Upper Cumberland – Demographics

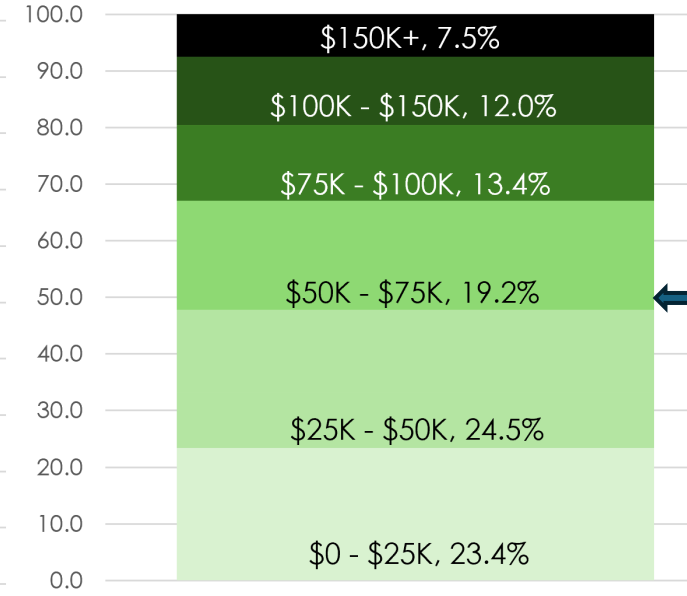
Upper Cumberland –
Population Age Distribution



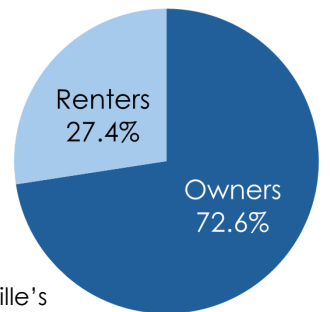
Upper Cumberland – Race &
Ethnicity Distribution



Upper Cumberland –
Household Income Distribution



Upper Cumberland –
Household Tenure



← Crossville's
AMI: \$63,100

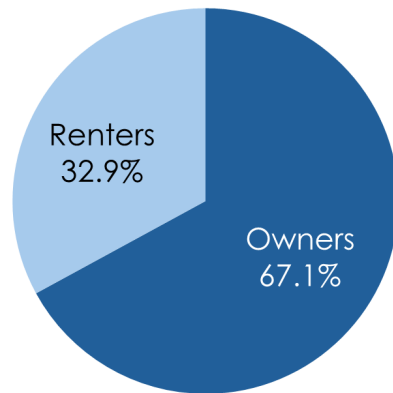
Cookeville's
AMI: \$73,100

What is the region like?

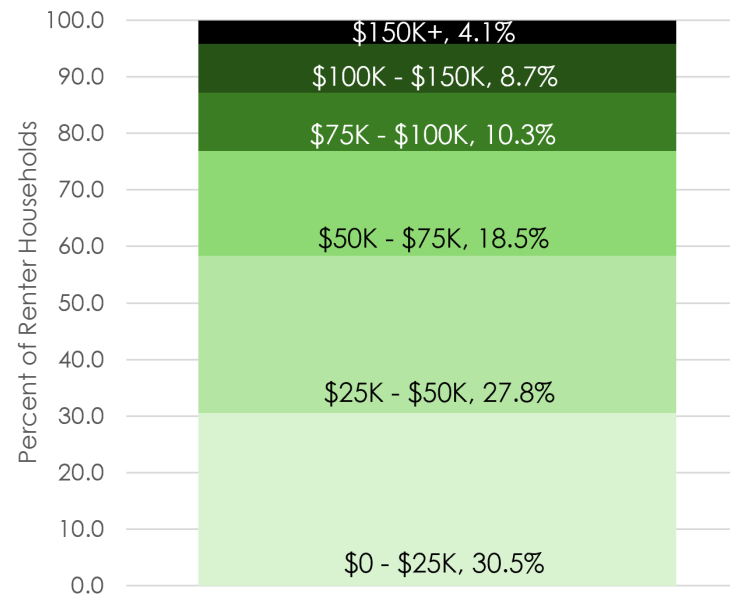
What are the incomes of households?

Tennessee – Renter & Owner Incomes

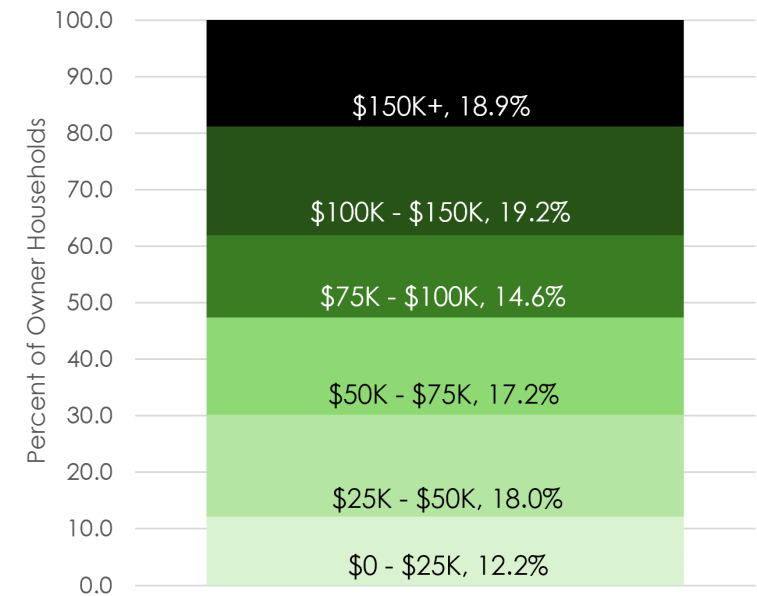
Tennessee – Household
Tenure



Tennessee – Renter Household
Income Distribution



Tennessee – Owner Household
Income Distribution

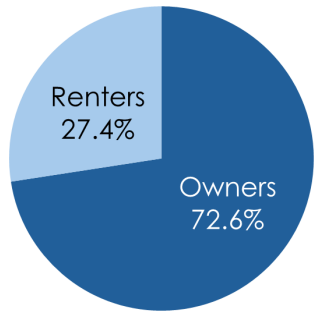


What is the region like?

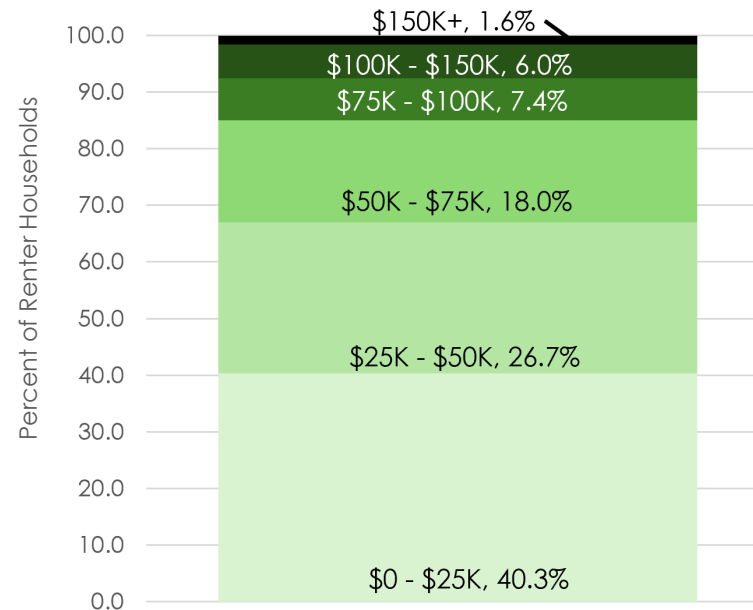
What are the incomes of households?

Upper Cumberland – Renter & Owner Incomes

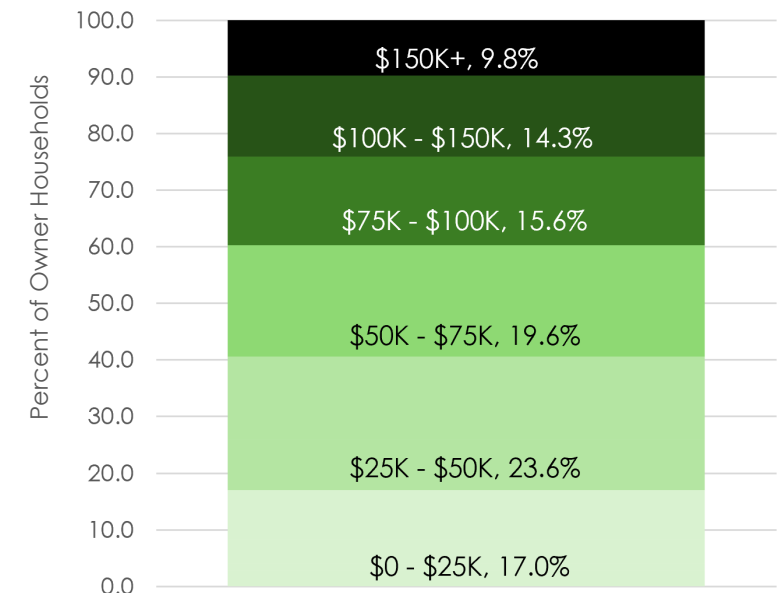
Upper Cumberland –
Household Tenure



Upper Cumberland – Renter
Household Income Distribution



Upper Cumberland – Owner
Household Income Distribution



Area Median Income (AMI)

The Area Median Income (AMI) is the midpoint of a specific area's income distribution.

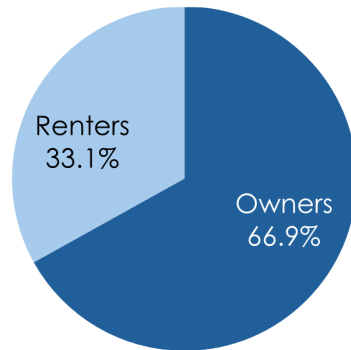
- Extremely low-income households have incomes less than or equal to 30% of AMI.
- Very low-income households have incomes greater than 30% but less than or equal to 50% of AMI.
- Low-income households have incomes greater than 50% but less than or equal to 80% of AMI.
- Median income households have incomes of 100% of AMI.
- Low-to-medium income households have incomes greater than 80% but less than or equal to 120% of AMI.

What is the region like?

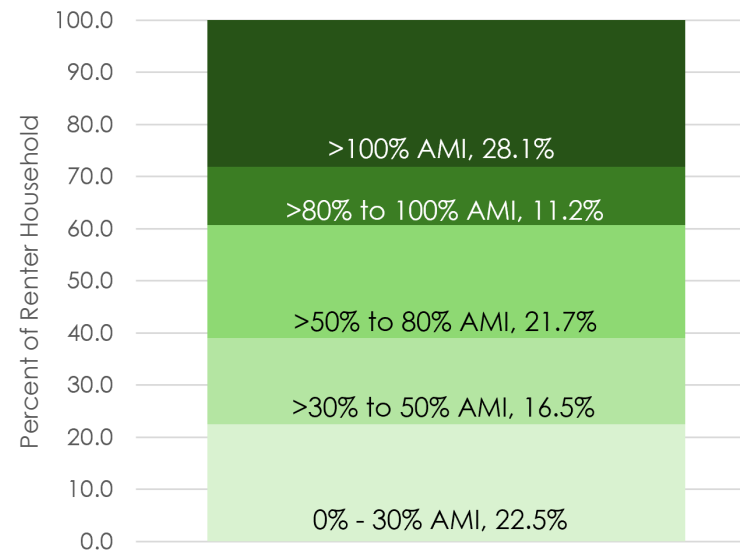
What are the incomes of households?

Tennessee – Renter & Owner Area Median Income (AMI)

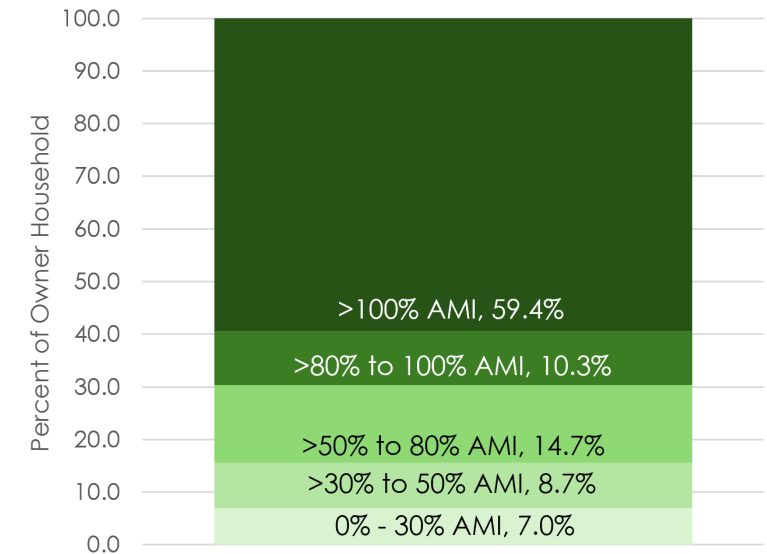
Tennessee – Household
Tenure



Tennessee – Renter Household
Income Distribution as a
Percentage of AMI



Tennessee – Owner Household
Income Distribution as a
Percentage of AMI

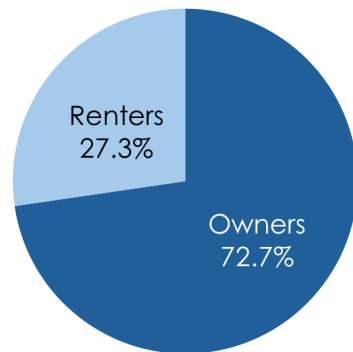


What is the region like?

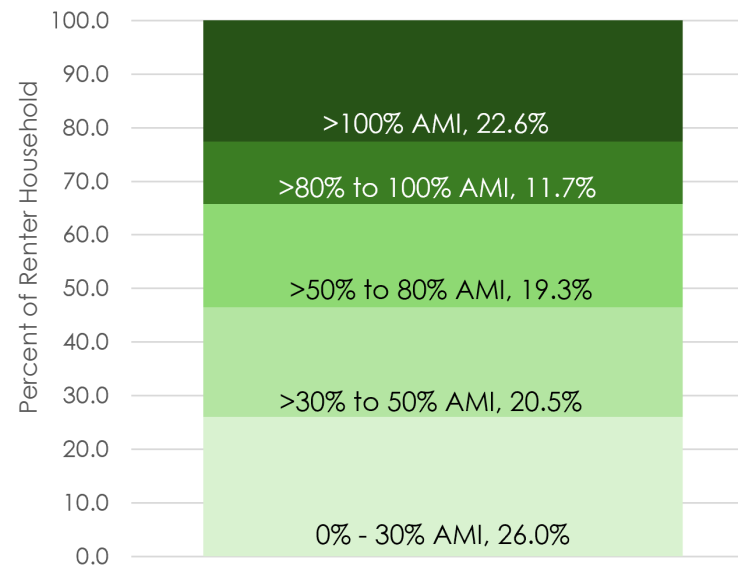
What are the incomes of households?

Upper Cumberland – Renter & Owner Area Median Income (AMI)

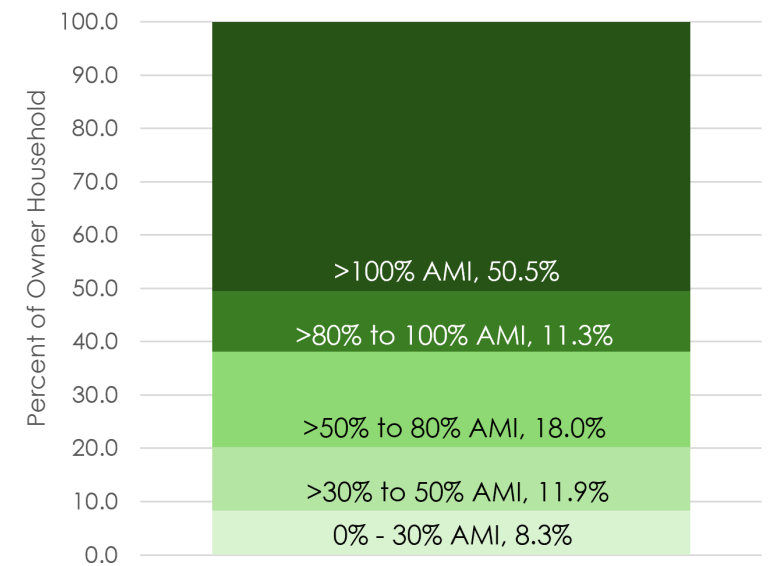
Upper Cumberland –
Household Tenure



Upper Cumberland – Renter
Household Income Distribution as a
Percentage of AMI



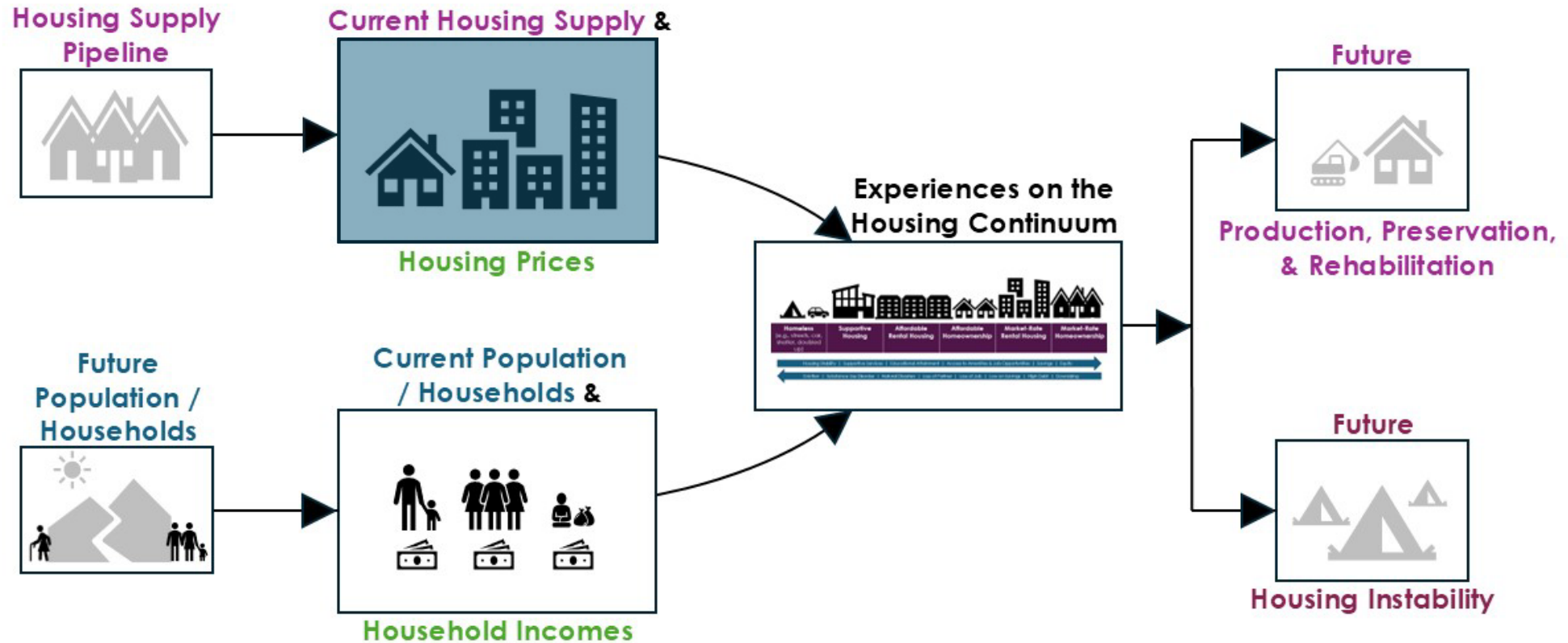
Upper Cumberland – Owner
Household Income Distribution as a
Percentage of AMI



What is the region like?

What comprises the current housing supply?

Current Housing Supply

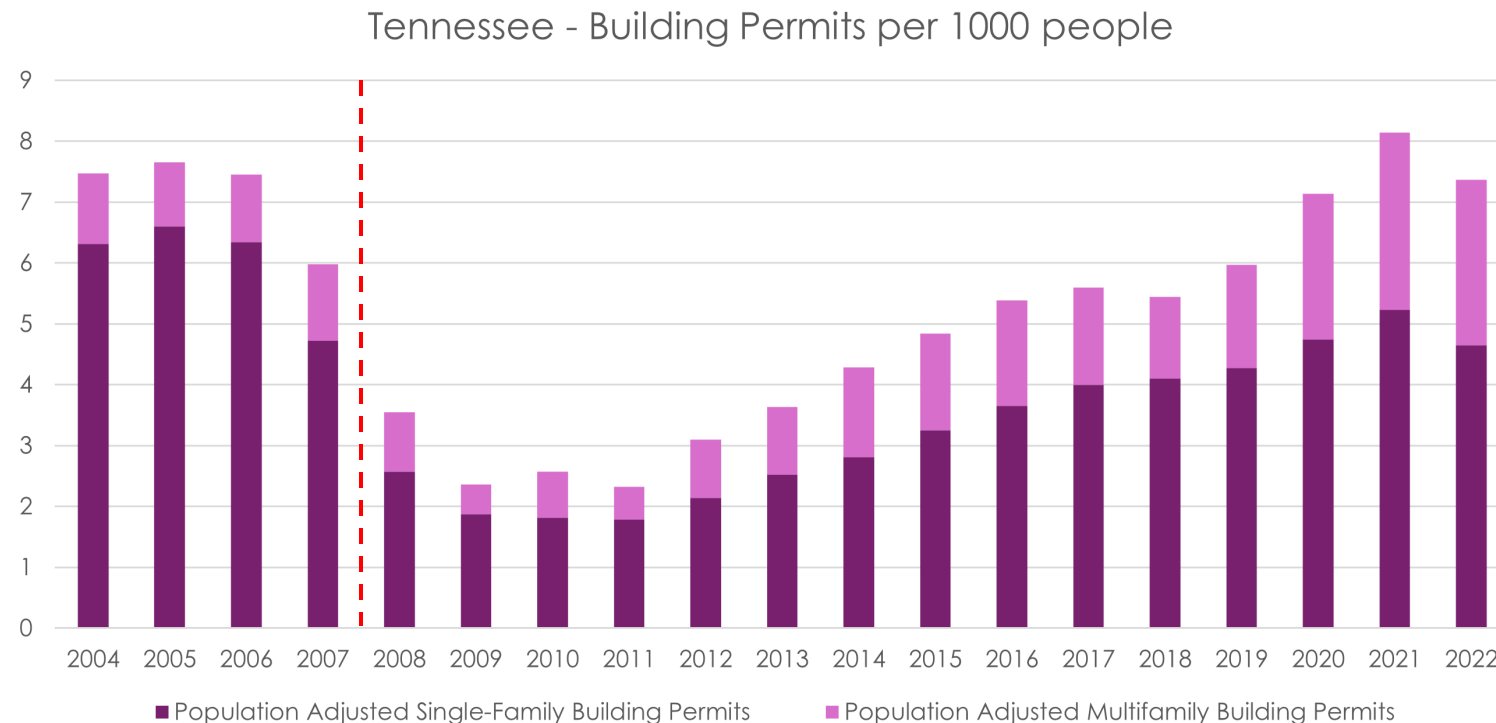


What is the region like?

What comprises the current housing supply?

Tennessee – Statewide Housing Shortage

A statewide housing shortage is a primary driver of Tennessee's current housing needs. Tennessee, like most states, had a sudden decline in home building that began in 2007 after the mortgage and financial crisis.



What is the region like?

What comprises the current housing supply?

Community Housing Continuum

The Area Median Income (AMI) percentiles *roughly* correspond with the income categories of households who can afford each type of housing without being cost burdened. However, many households—by choice or by necessity—live in housing units with affordability categories that do not match the households' income categories.



Homeless (e.g., streets, car, shelter, doubled up)	Supportive Housing	Affordable Rental Housing (e.g., government subsidized units)	Affordable Homeownership	Market-Rate Rental Housing	Market-Rate Homeownership
<=30% AMI		<=80% AMI		>80% AMI	>100% AMI

Housing Stability | Supportive Services | Educational Attainment | Access to Amenities & Job Opportunities | Savings | Equity

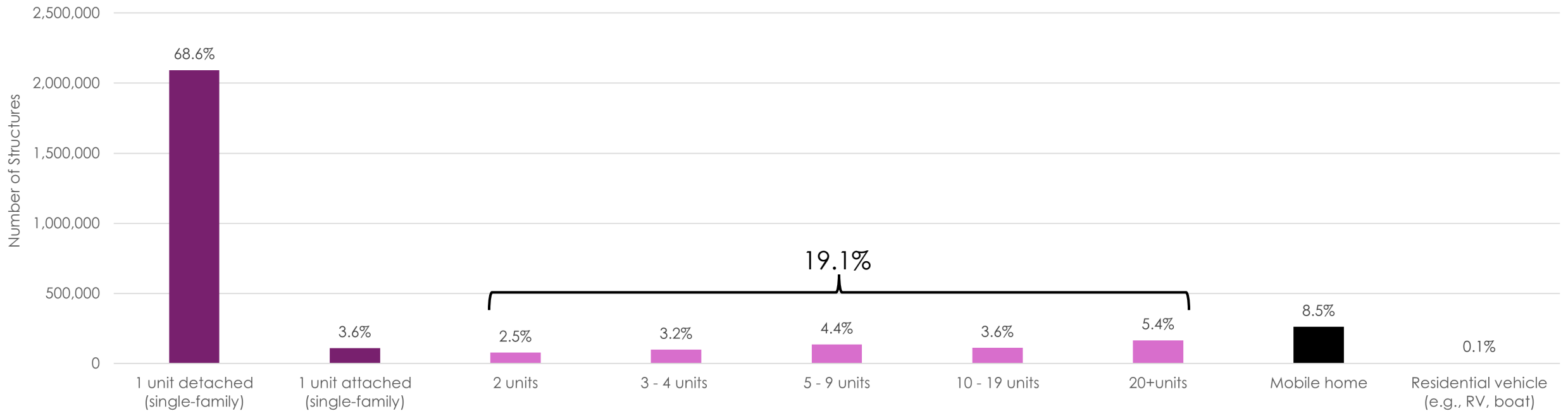
Eviction | Substance Use Disorder | Natural Disasters | Loss of Partner | Loss of Job | Low on Savings | High Debt | Downsizing

What is the region like?

What comprises the current housing supply?

Tennessee – Types of Housing Structures

Tennessee's housing stock was (and still is) mostly comprised of detached, single-family homes.

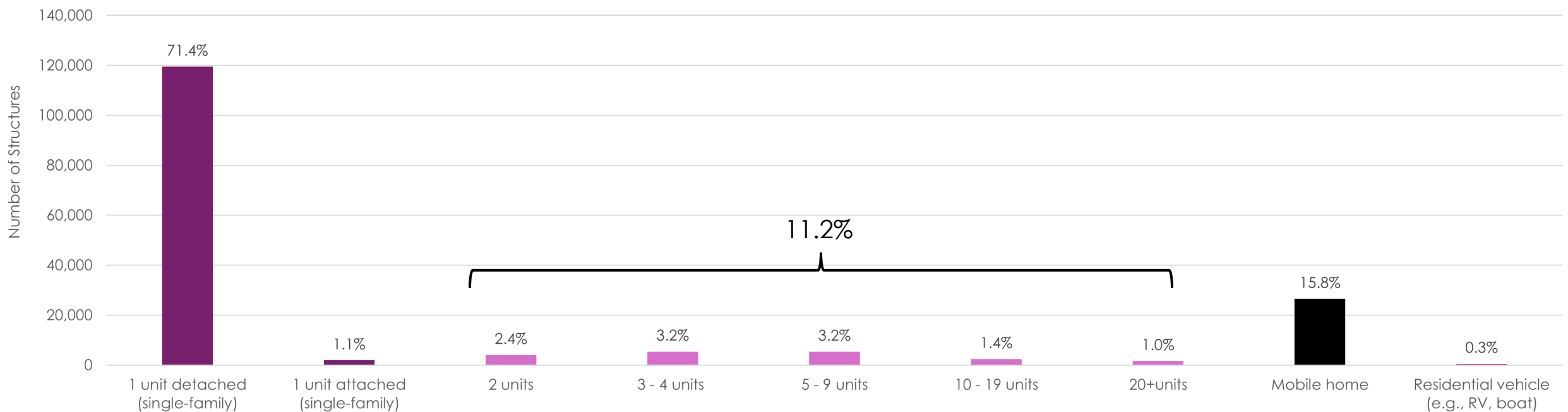


What is the region like?

What comprises the current housing supply?

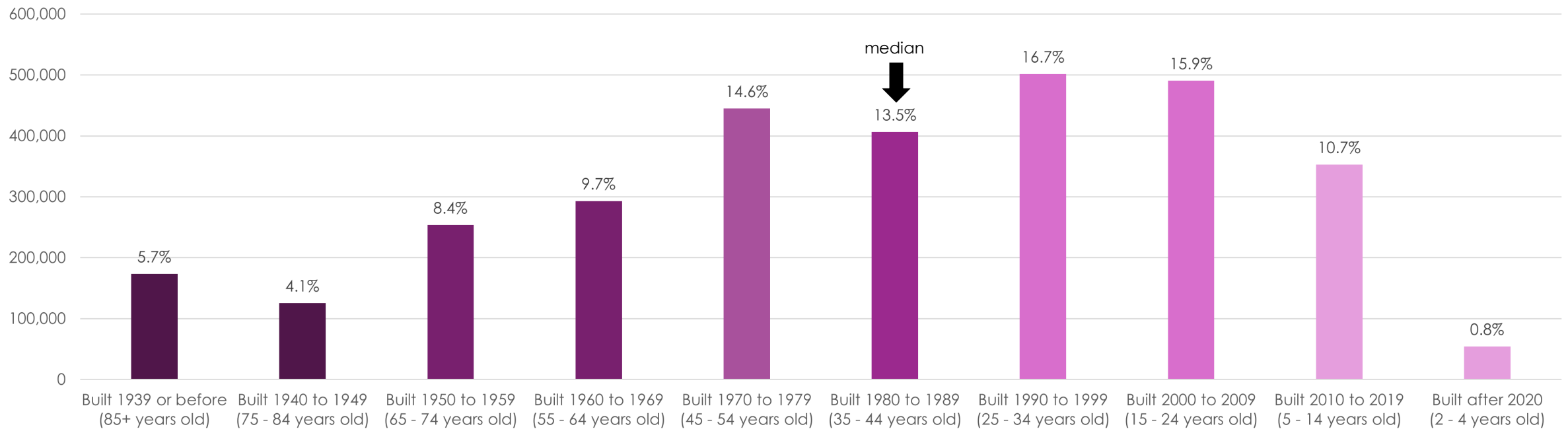
Upper Cumberland – Types of Housing Structures

The Upper Cumberland region had a lower percentage of multifamily housing and a higher percentage of mobile homes than Tennessee as a whole.



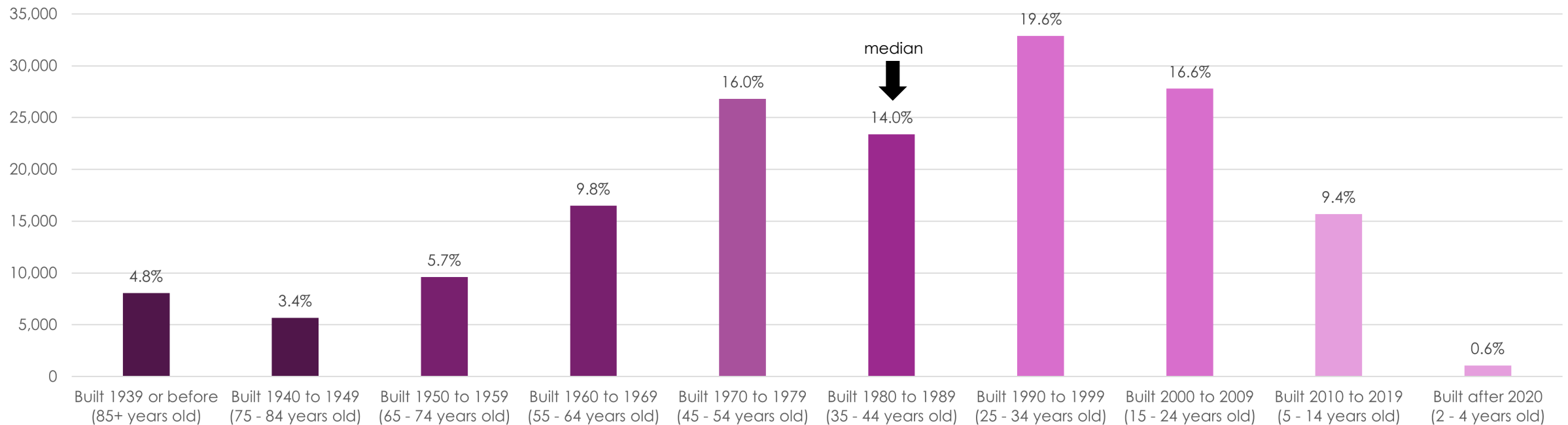
Tennessee – Age of Housing

Tennessee's housing stock is aging. The median age of the state's housing was 36 years.



Upper Cumberland – Age of Housing

The median age of the Upper Cumberland region's housing was 35-44 years, which was similar to the median age of the state's housing stock. However, the median age varies by county.

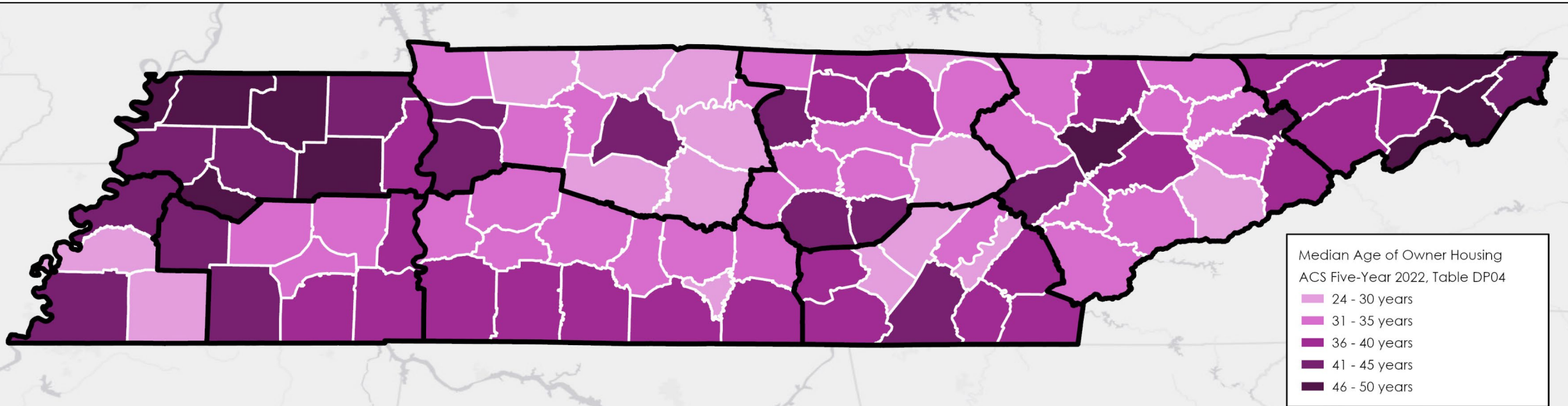


What is the region like?

What comprises the current housing supply?

Tennessee – Age of Owner-Occupied Housing

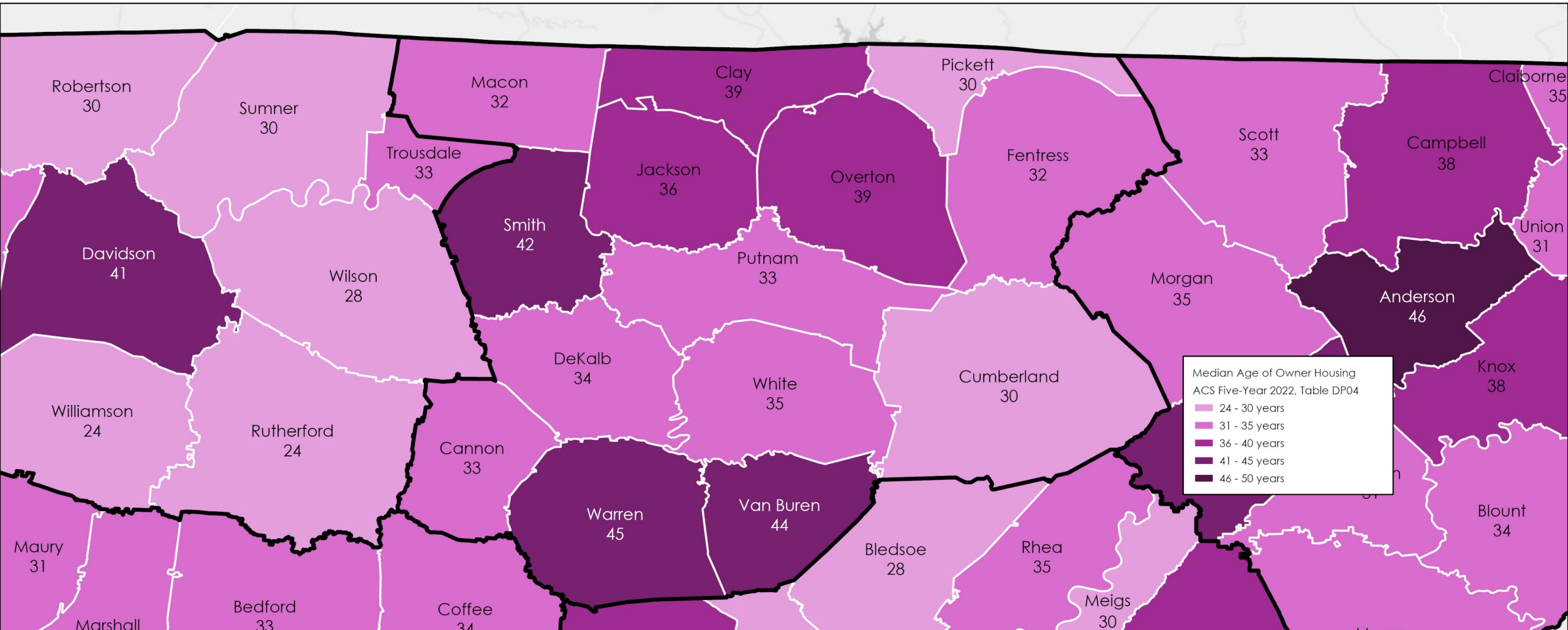
The median age of Tennessee's owner-occupied housing tended to be older in the state's most populous counties—Davidson, Shelby, Knox, and Hamilton—likely reflecting a build-up of denser, single-family housing in those counties over a longer period with newer, single-family housing built later in peripheral counties.



What is the region like?

What comprises the current housing supply?

Upper Cumberland – Age of Owner-Occupied Housing

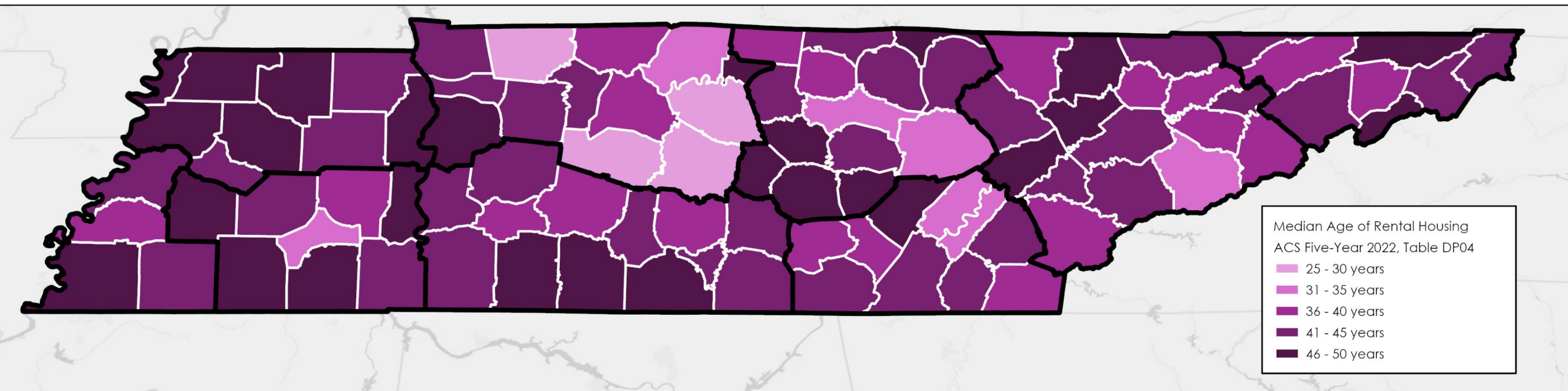


What is the region like?

What comprises the current housing supply?

Tennessee – Age of Renter-Occupied Housing

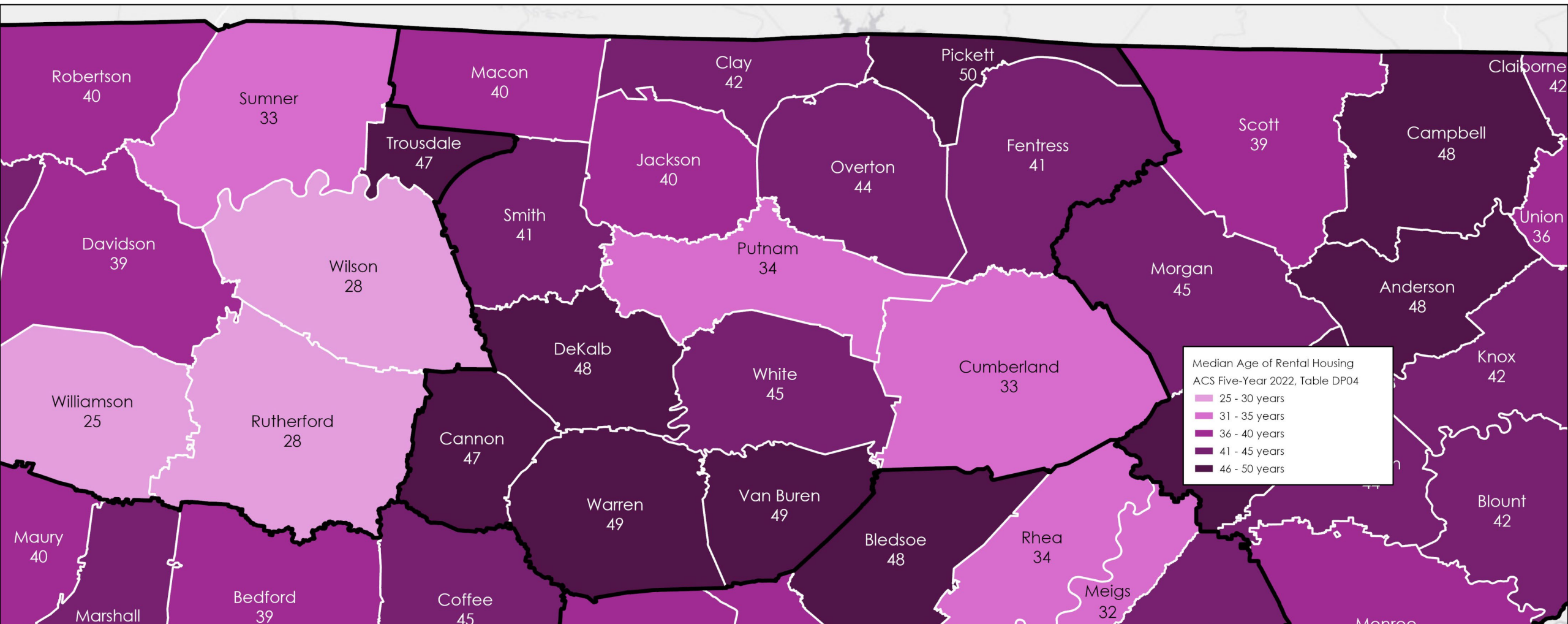
Generally, the median age of Tennessee's renter-occupied housing is higher than the median age of the state's owner-occupied housing. For example, the median age of renter-occupied housing was 46-50 years in 27 counties, but the median age of owner-occupied housing was 46-50 years in only 9 counties.



What is the region like?

What comprises the current housing supply?

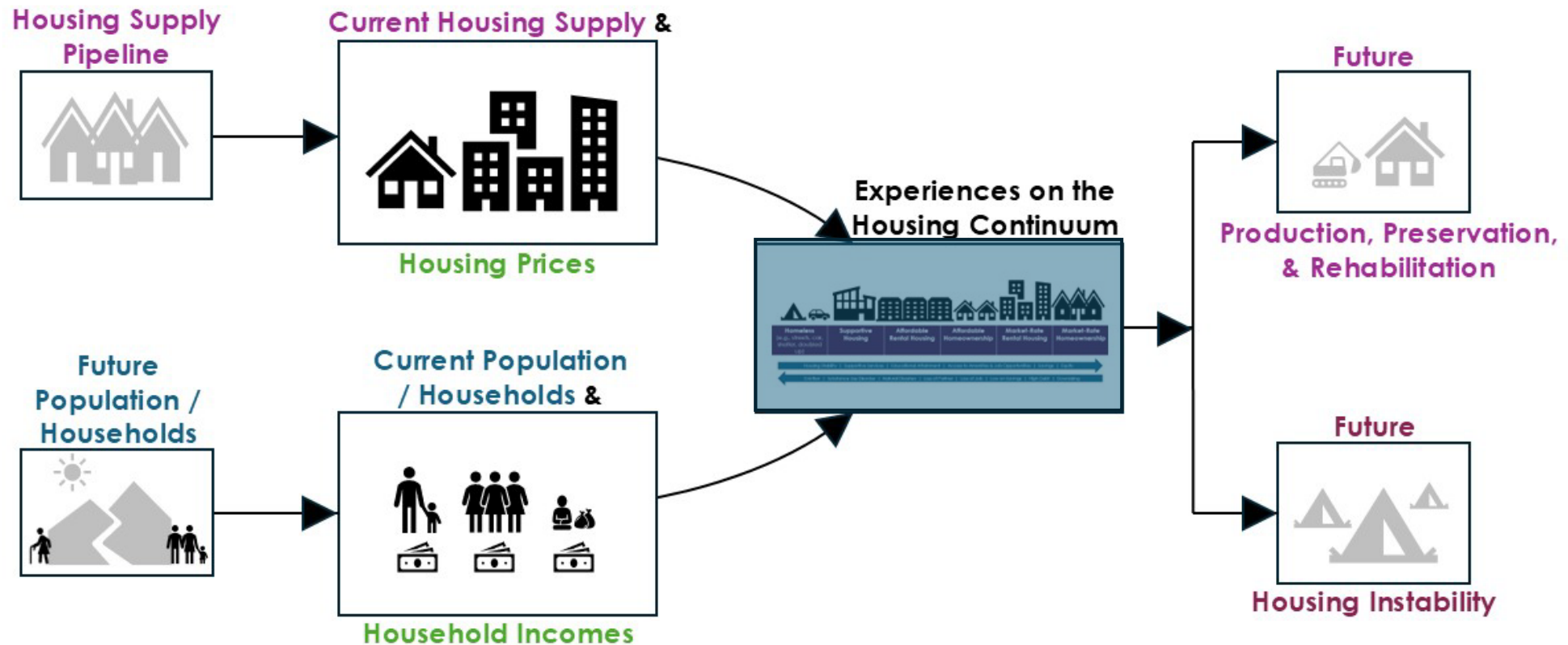
Upper Cumberland – Age of Renter-Occupied Housing



What repair and rehabilitation activities are needed?

How do we know?

Experiences on the Housing Continuum



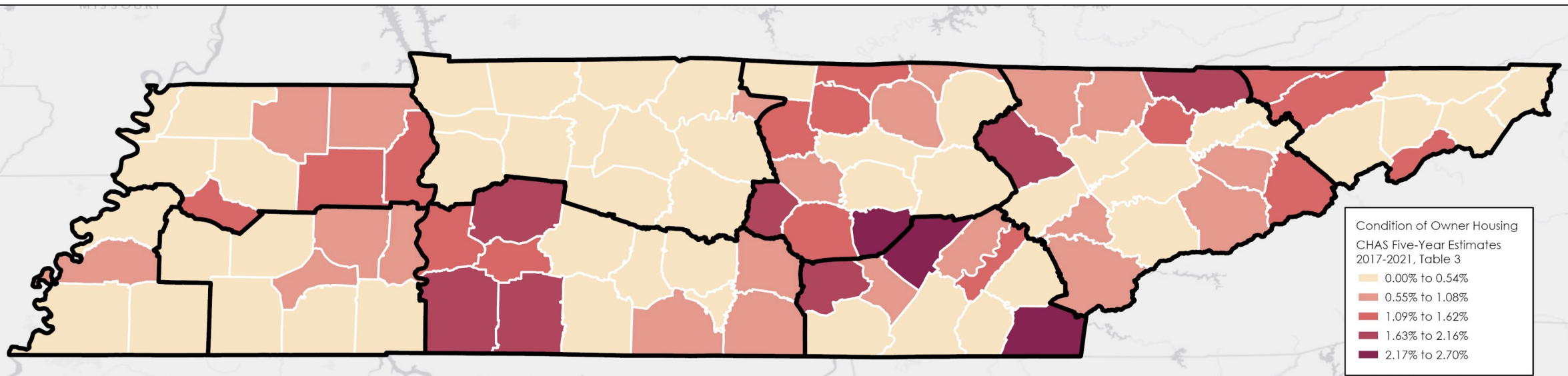
What repair and rehabilitation activities are needed?

How do we know?

Tennessee – Substandard Owner-Occupied Housing

Substandard housing, as measured below, means a unit has incomplete kitchen and/or plumbing facilities.

The percentages of owner-occupied units that are substandard are lower than the percentages of renter-occupied units that are substandard. However, some rural counties, especially Bledsoe, Van Buren, and Polk, had elevated levels of substandard owner-occupied housing compared to the state as a whole.



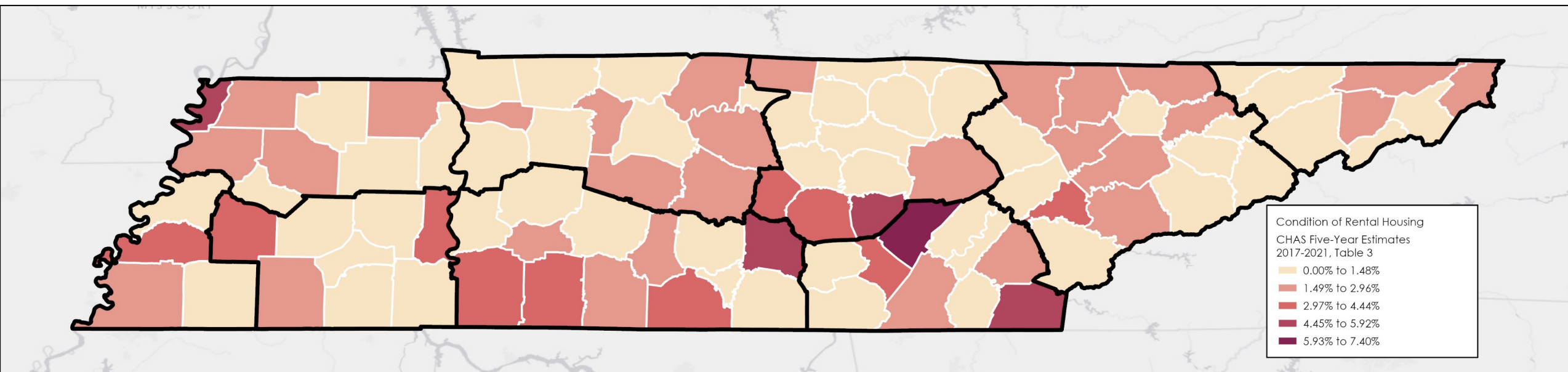
What repair and rehabilitation activities are needed?

How do we know?

Tennessee – Substandard Renter-Occupied Housing

As previously mentioned, substandard housing means a unit has incomplete kitchen and/or plumbing facilities.

The areas of Tennessee with the highest percentages of substandard rental housing are rural. The rural counties of Bledsoe, Lake, and Polk have especially high percentages of substandard rental housing. However, the urban counties of Shelby, Knox, and Hamilton, which are home to many renters, have elevated percentages of substandard rental housing.



What repair and rehabilitation activities are needed?

How do we know?

Tennessee – Repair and Rehabilitation Housing Problems

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by income group who reported having a need for repair and/or rehabilitation-related activities in their homes and/or neighborhoods within the previous two years.

Response Options	All Survey Respondents		Respondents with Incomes of \$0 to \$50K		Respondents with Incomes of >\$50K to \$100K		Respondents with Incomes of >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Had plumbing, electrical, or home appliance problems.	39.4%	464	35.2%	204	47.1%	156	41.3%	83
Seen homes in poor condition in my neighborhood.	31.6%	372	30.7%	178	36.3%	120	28.9%	58
Been unable to make needed repairs or improvements to my home.	30.0%	354	28.8%	167	36.6%	121	22.4%	45
Had a landlord/owner who was unwilling to make repairs to my home.	15.2%	179	21.7%	126	12.7%	42	2.5%	5
Experienced vandalism.	5.8%	68	7.8%	45	4.8%	16	3.0%	6
TOTAL COMPLETE RESPONSES		1,179*		580		331		201

*The survey sample size is too small and unrepresentative for results to be generalizable to all Tennesseans. However, it is concerning these percents of respondents reported experiencing the problems above.

What repair and rehabilitation activities are needed?

How do we know?

Upper Cumberland – Repair and Rehabilitation Housing Problems

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by development district region who reported having a repair and/or rehabilitation-related problem in their homes and/or neighborhoods within the previous two years.

Response Options	All Survey Respondents		GNRC Respondents		South Central Respondents		Upper Cumberland Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Had plumbing, electrical, or home appliance problems.	39.4%	464	30.0%	89	38.6%	49	44.3%	39
Seen homes in poor condition in my neighborhood.	31.6%	372	21.5%	64	28.3%	36	29.5%	26
Been unable to make needed repairs or improvements to my home.	30.0%	354	22.6%	67	33.1%	42	30.7%	27
Had a landlord/owner who was unwilling to make repairs to my home.	15.2%	179	16.2%	48	11.0%	14	12.5%	11
Experienced vandalism.	5.8%	68	5.4%	16	1.6%	2	6.8%	6
TOTAL COMPLETE RESPONSES		1,179		297		127		88*

*The survey sample size is too small and unrepresentative for results to be generalizable to all residents of the Upper Cumberland region. However, it is concerning these percents of respondents reported experiencing the problems above.

What repair and rehabilitation activities are needed?

How do we know?

Tennessee – Repair and Rehabilitation Needs for Housing

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by income group who reported a repair and/or rehabilitation-related activity as “high need” in their communities.

Response Options	All Survey Respondents		Respondents with Incomes \$0 to \$50K		Respondents with Incomes >\$50K to \$100K		Respondents with Incomes >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Changes to make energy use more affordable or efficient for renters*	65.1%	577	75.6%	335	59.8%	153	46.5%	67
Changes to make energy use more affordable or efficient for low to middle-income homeowners*	65.1%	577	74.7%	331	60.9%	156	46.5%	67
Housing renovation assistance for low to middle-income homeowners	66.1%	586	73.1%	324	64.5%	165	52.8%	76
Renovation of affordable rental housing	63.3%	561	72.5%	321	57.4%	147	48.6%	70
Renovation of empty, rundown homes	58.1%	515	65.7%	291	53.5%	137	46.5%	67
Help with removing mold/moisture, pests, lead, or unsafe parts of a home.	48.1%	426	60.3%	267	39.8%	102	29.9%	43
TOTAL RESPONSES		886*		443		256		144

*The survey sample size is too small and unrepresentative for results to be generalizable to all Tennesseans. However, it is concerning these percents of respondents reported the needs above.

What repair and rehabilitation activities are needed?

How do we know?

Upper Cumberland – Repair and Rehabilitation Needs for Housing

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by income group who reported a repair and/or rehabilitation-related activity as “high need” in their communities.

Response Options	All Survey Respondents		GNRC Respondents		South Central Respondents		Upper Cumberland Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Changes to make energy use more affordable or efficient for renters*	65.10%	577	60.1%	125	59.4%	57	69.5%	41
Changes to make energy use more affordable or efficient for low to middle-income homeowners*	65.10%	577	57.7%	120	61.5%	59	69.5%	41
Housing renovation assistance for low to middle-income homeowners	66.10%	586	63.0%	131	64.6%	62	67.8%	40
Renovation of affordable rental housing	63.30%	561	54.3%	113	59.4%	57	78.0%	46
Renovation of empty, rundown homes	58.10%	515	49.5%	103	54.2%	52	55.9%	33
Help with removing mold/moisture, pests, lead, or unsafe parts of a home.	48.10%	426	43.8%	91	47.9%	46	47.5%	28
TOTAL RESPONSES		886		208		96		59*

*The survey sample size is too small and unrepresentative for results to be generalizable to all residents of the Upper Cumberland region. However, it is concerning these percents of respondents reported the needs above.

Tennessee – Repair and Rehabilitation Needs for Owner-Occupied Housing

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Focus group participants from all development districts noted some homeowners in their regions have deferred necessary maintenance to their homes because of the cost. They discussed how disrepair compounds over time, degrading the quality and value of the homes. They also said recent inflation in the costs of labor and materials has put maintenance further out of reach for some homeowners. A participant from the Midsouth development district noted that some low-to-middle-income homeowners have struggled especially to maintain their homes. The homes of low-to-middle-income households are often older, perhaps initially having offered a lower purchase price but alongside higher, ongoing maintenance costs. The participant said, "These homeowners/buyers can afford the mortgages, but they can't afford the repairs needed to maintain the homes' quality and value."

Tennessee – Repair and Rehabilitation Needs for Owner-Occupied Housing

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Focus group participants in the Midsouth and Southwest development districts shared that some senior and/or disabled homeowners especially struggled to maintain their homes. Some were not physically able to maintain their homes, and some struggled to afford maintenance and repairs when living on fixed or limited incomes. As a result, the resale values of their homes were often degraded, and some homes became unfit for habitation. A participant said a local hotline sometimes received more than one hundred calls per day from local people seeking assistance with home maintenance, repairs, weatherization, and/or accessibility concerns. The participant said the hotline staff often struggled to return and address the concerns of more than two or three callers each day, given the lack of resources for assistance and the complexity of problem solving.

Tennessee – Repair and Rehabilitation Needs for Owner-Occupied Housing

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Focus group participants from more rural development districts, like the Northwest, Upper Cumberland, Southeast, and South Central regions, reported some rural homeowners especially struggled to maintain their homes, as maintenance often required significant upkeep of land, in addition to the home. Some participants felt that “assistance is harder for rural homeowners to obtain [compared to those in suburban or urban areas].” Participants in rural development districts also said owners of mobile homes especially struggled to maintain their homes, since these owners were usually not able to take out home equity loans for repairs, unlike owners of traditional single-family homes.

Tennessee – Repair and Rehabilitation Needs for Renter-Occupied Housing

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts. Focus group participants expressed concerns about the need for maintenance and rehabilitation of multifamily properties. Participants in the East, Northwest, and Southwest regions said they have seen some renters living in unsafe and indecent conditions, but some renters were fearful of asking for repairs because their leases might not be renewed, they might be evicted in retaliation, and/or their rents might be raised. Participants worried some landlords may take advantage of the lowest-income renters and forego maintenance and repairs. For example, a participant in the Northwest development district explained that some landlords of mobile home communities in the area forewent maintenance and repairs because they knew their rentals were the least expensive option available and many families could afford to move. Another participant in the East development district noted many rental units in the region were not cleaned before the landlord issued a lease to a new tenant; the same participant also reported seeing black mold and code violations at several properties.

Tennessee – Repair and Rehabilitation Needs for Renter-Occupied Housing

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

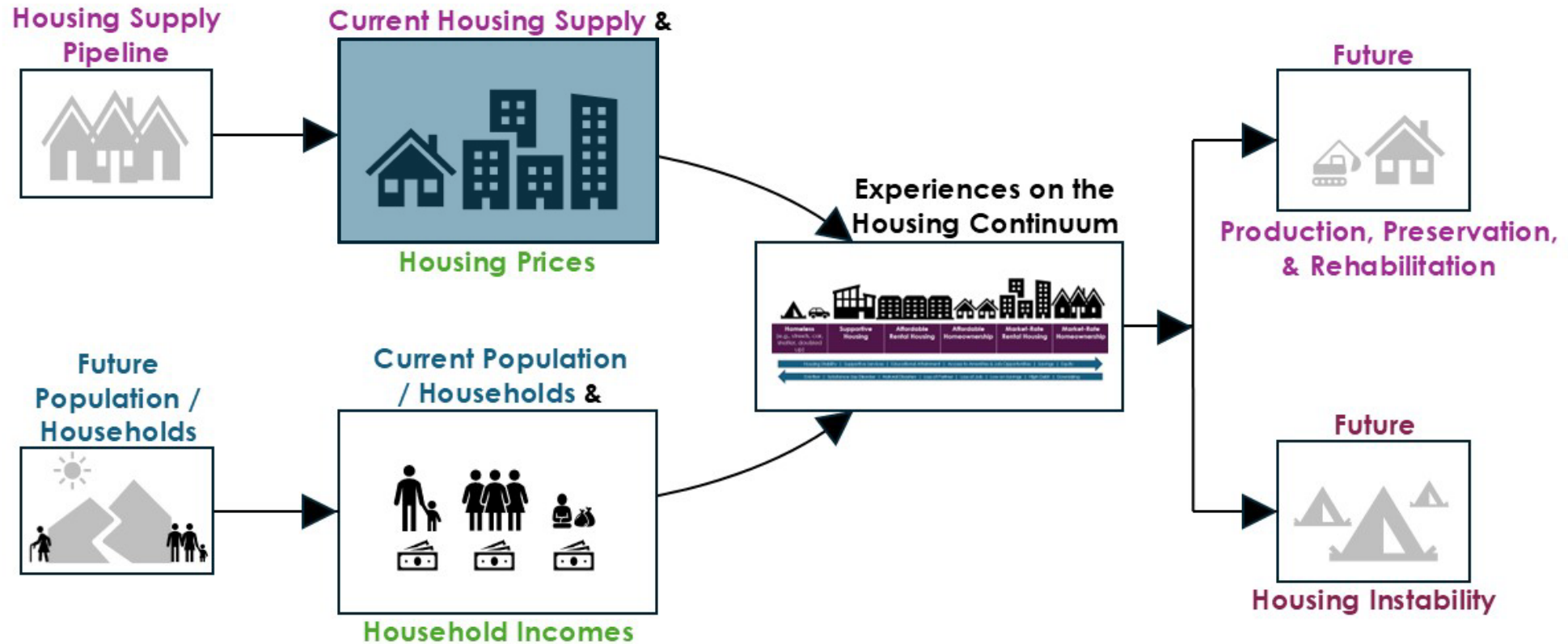
Multifamily developers and property owners expressed concerns about maintenance as well. In the GNRC and Midsouth development districts, multifamily property owners noted inflation in costs for maintenance labor and materials had made maintaining their properties more expensive. For example, a participant noted difficulty finding and retaining skilled maintenance workers for a senior community in the Memphis area. In addition, some landlords reported that the costs of utilities sometimes changed in unpredictable ways, which made it difficult for them to set appropriate rents at properties where utilities were included.

Tennessee – Repair and Rehabilitation Needs for Owner- and Renter-Occupied Housing

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts. Participants from community organizations and governments reported struggling to keep up with maintenance concerns. For example, participants in the East and Southwest development districts noted some of their local governments did not have sufficient resources to identify code violations and enforce penalties. Many communities also lacked skilled property inspectors. The participants said the lack of enforcement led to more properties with deferred maintenance, which compounded over time and reduced properties' values and usable lifespan.

What is the region like?
How much do homes for sale cost?

Home Sale Prices

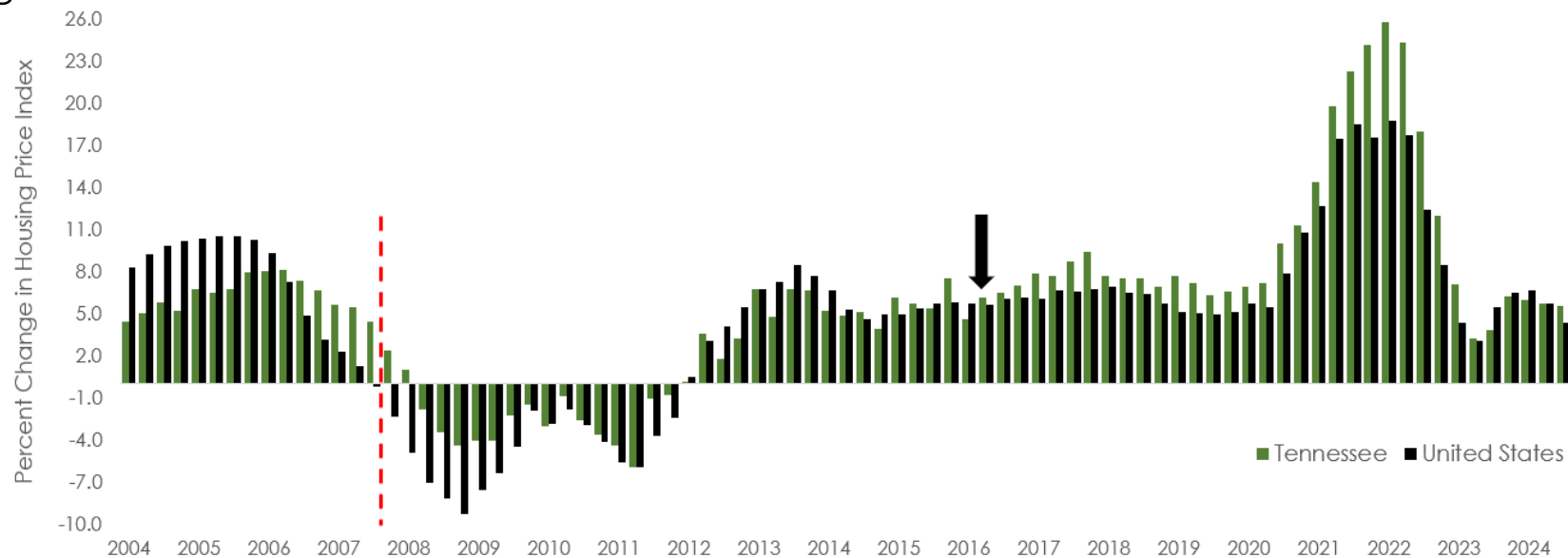


What is the region like?

How much do homes for sale cost?

Tennessee – Changes in the Housing Price Indices (HPIs) for Tennessee & the United States 2004-2024

Following the 2007 mortgage and financial crisis, housing development in Tennessee lagged for approximately a decade, failing to keep up with the state's growing population. This contributed to Tennessee's Housing Price Index (HPI) in 2016 beginning to grow faster than many places in the United States, culminating in rapid price increases for Tennessee's single-family homes from 2020-2022 when activity in the housing market surged. While the growth in prices of single-family homes slowed in 2023 and 2024, prices remained at high levels.

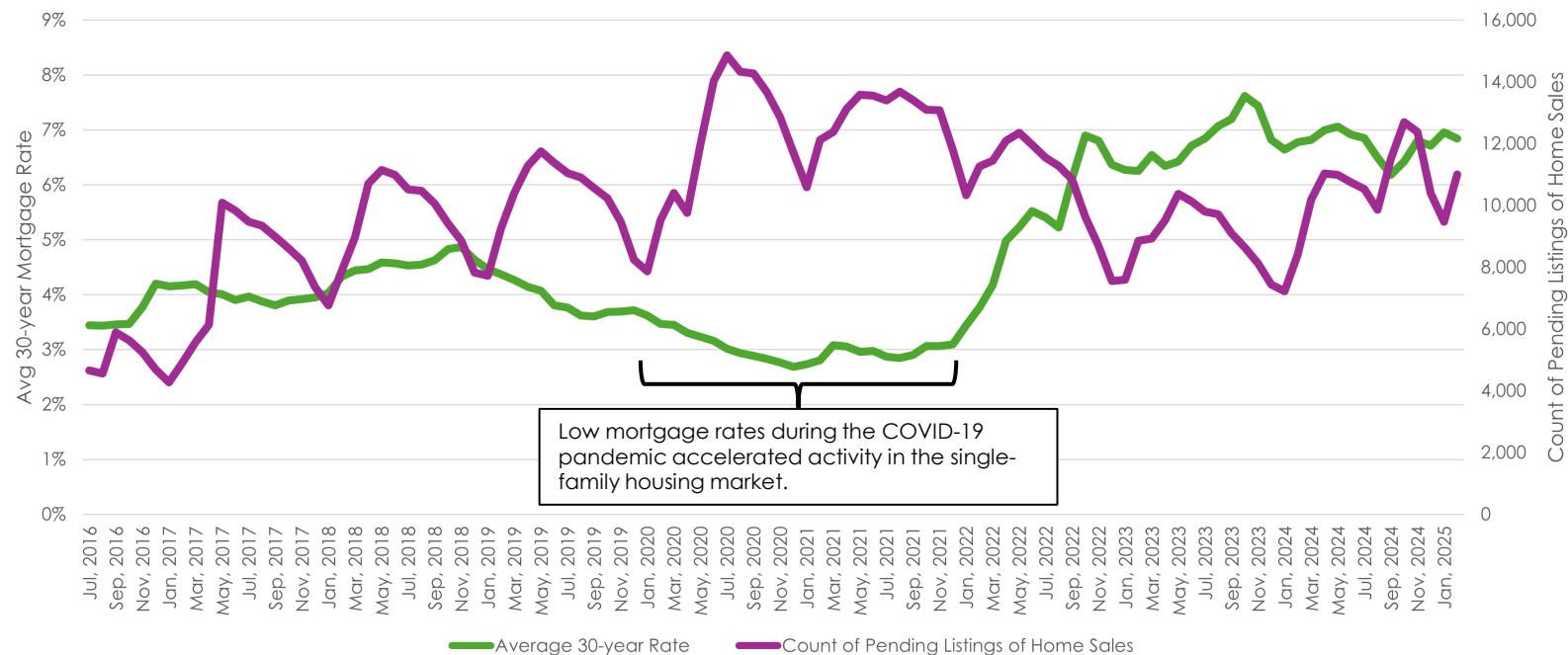


What is the region like?

How much do homes for sale cost?

Tennessee – Average Mortgage Interest Rates & Pending Listings of Home Sales

The Federal Reserve lowered interest rates throughout 2020 and kept them low in 2021 during the COVID-19 pandemic to prevent a financial crisis. The lower mortgage rates that resulted—combined with Congress's stimulus spending, increased incentives for homeownership, and more household migration—increased activity in Tennessee's housing market.

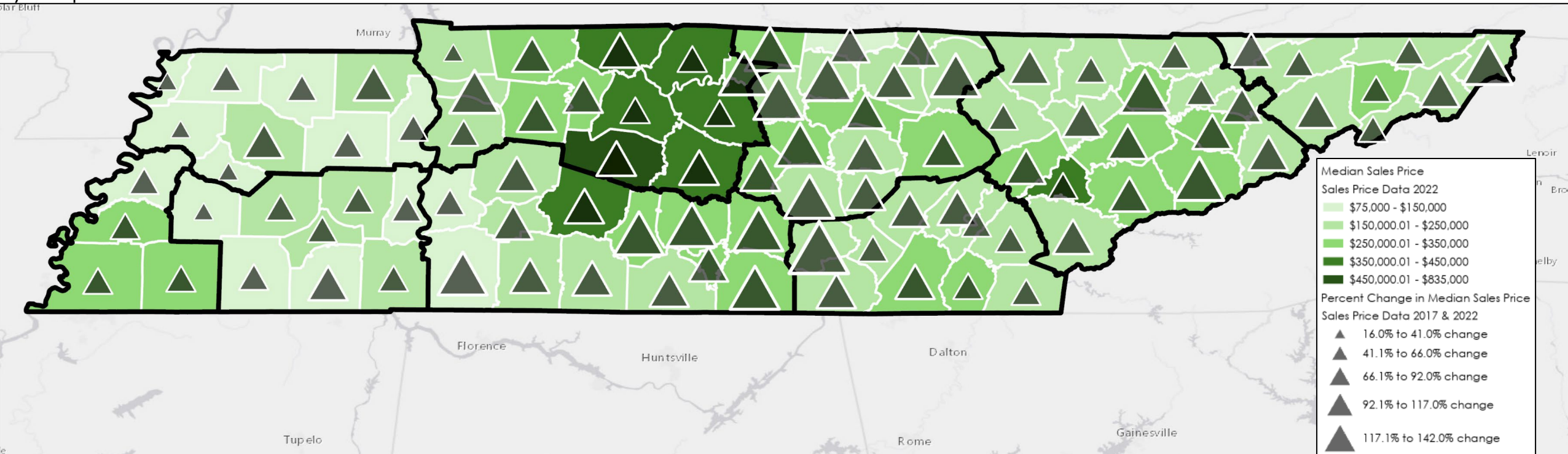


What is the region like?

How much do homes for sale cost?

Tennessee – Median Home Sale Price

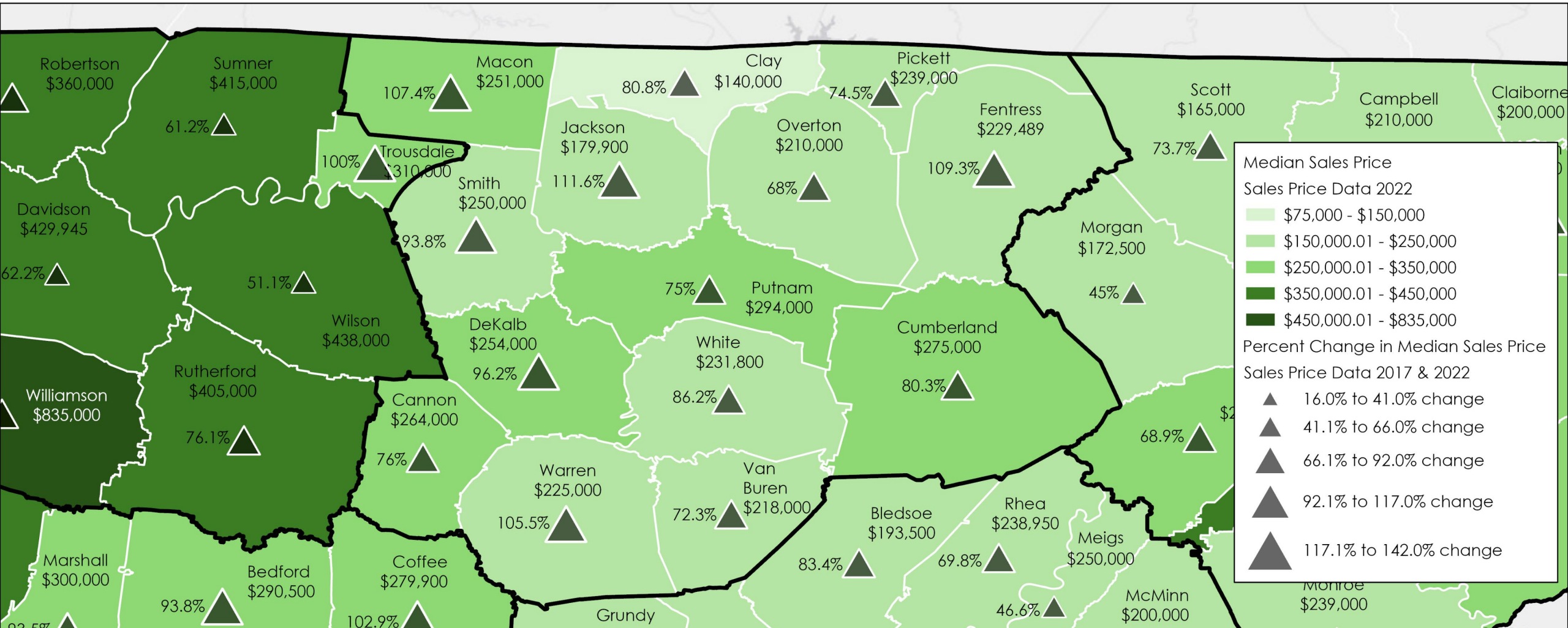
Tennessee's median home sale price increased by 65% to \$325,000 over a five-year period. The Upper Cumberland region had lower to moderate home sale prices compared to the state as a whole, but all counties had significant price increases in that five-year period.



What is the region like?

How much do homes for sale cost?

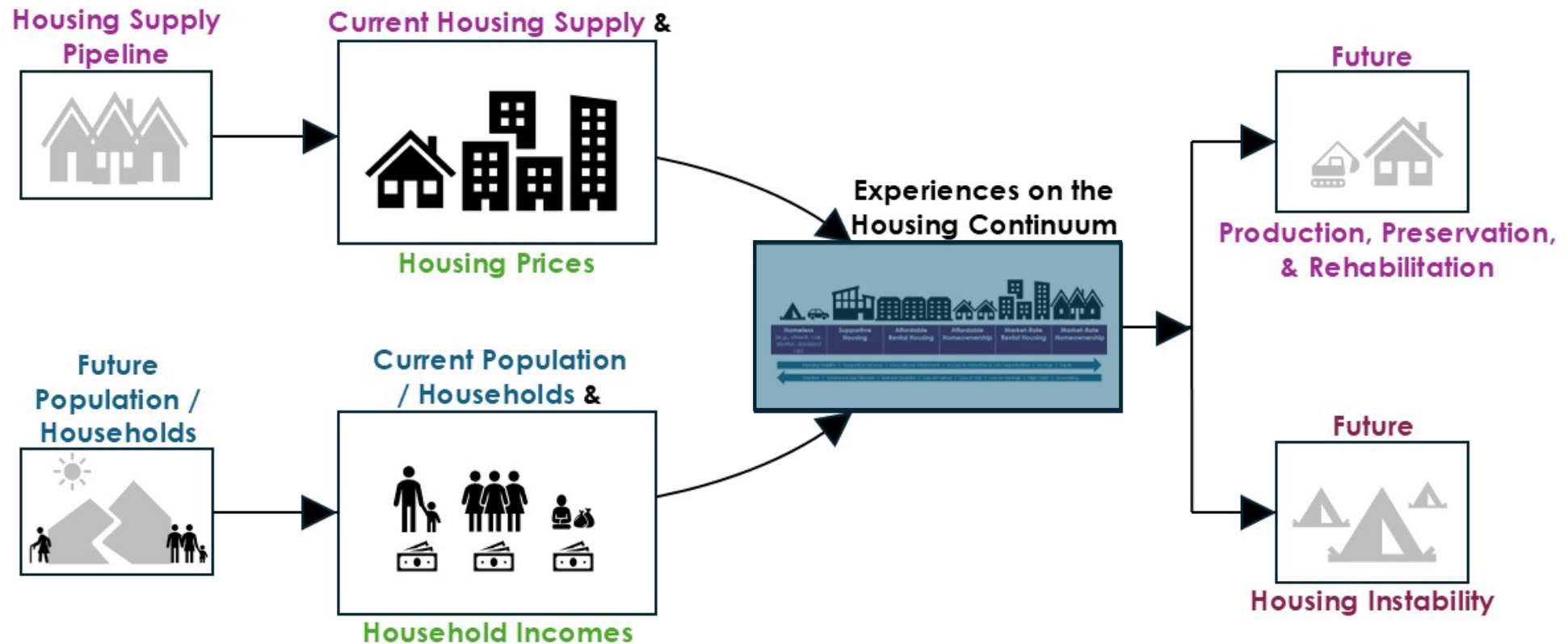
Upper Cumberland – Median Home Sale Price



What development-related activities are needed?

How do we know?

Experiences on the Housing Continuum for (Potential) Homebuyers

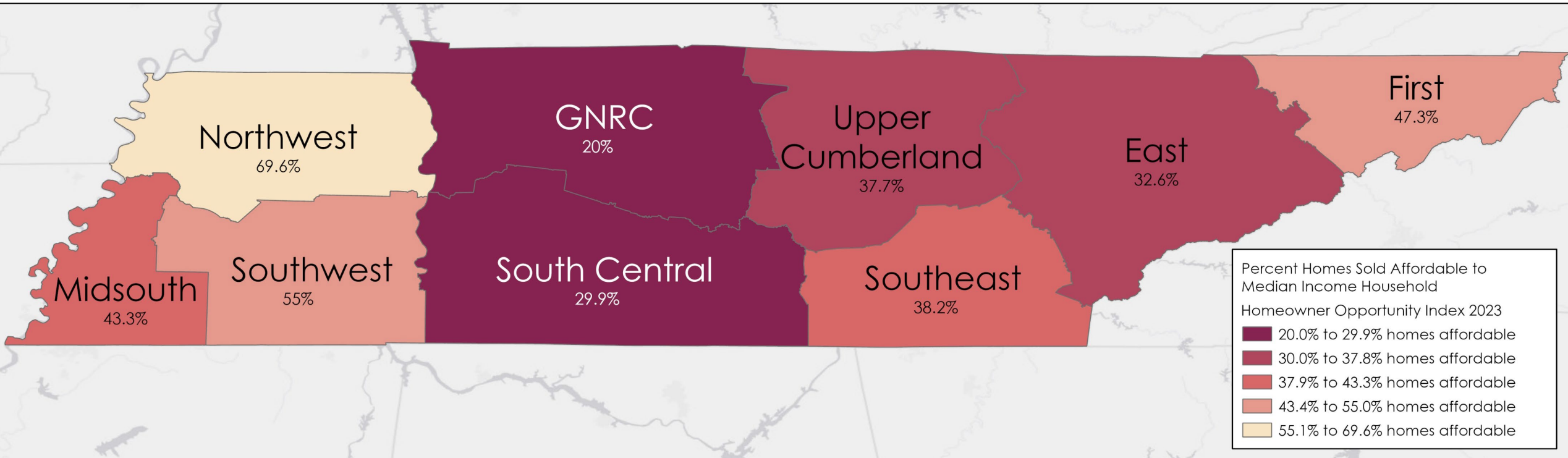


What housing is needed?

How do we know?

Tennessee – Homeowner Opportunity Index

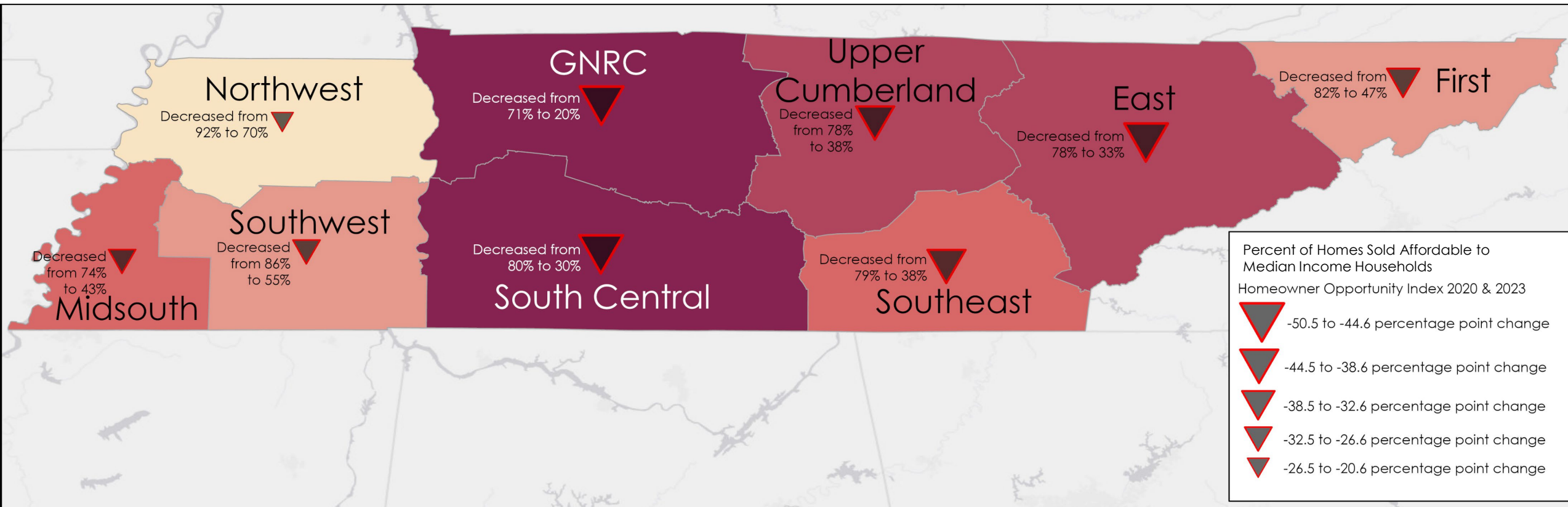
The Homeowner Opportunity Index (HOI) tracks the percentage of homes sold in a calendar year that would be affordable to a household with the area median family income. Tennessee's HOI declined sharply from 2020 to 2023. In 2020, 75.8% of homes sold would have been affordable to a household with the area median family income, but only 32.4% of homes would have been in 2023, a 43.4 percentage-point decline.



What housing is needed?

How do we know?

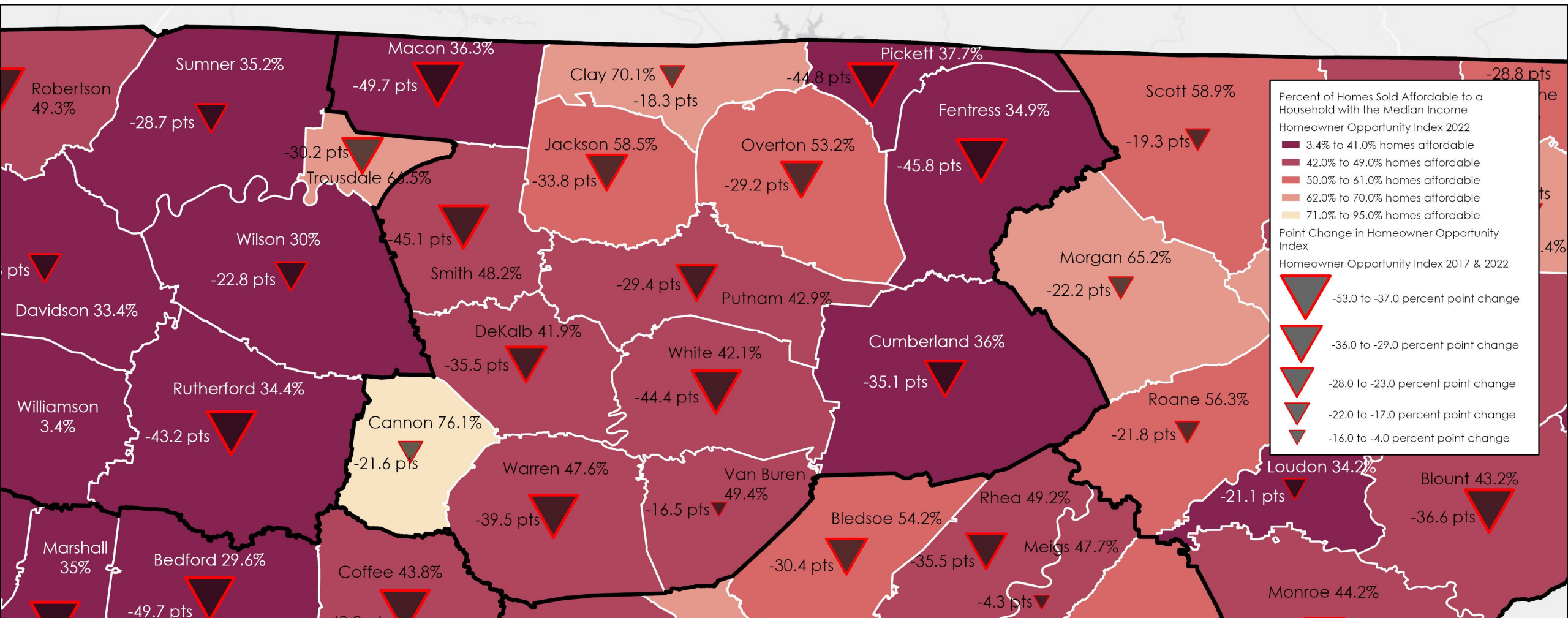
Tennessee – Regional Change in Homeowner Opportunity Index



What housing is needed?

How do we know?

Upper Cumberland – Homeowner Opportunity Index



What housing does Tennessee need?

How do we know?

Shortage of Affordable Homes for Sale

In short, many middle-income renter households hoping to become homeowners cannot find “starter homes” to purchase, limiting their abilities to live in housing more suitable to the middle and later phases of life and to build wealth over time. The inability of these households to transition from renting to owning a home also increases price pressures in the rental market, as a greater number of higher income households must live in units that historically would have been available to lower income households.



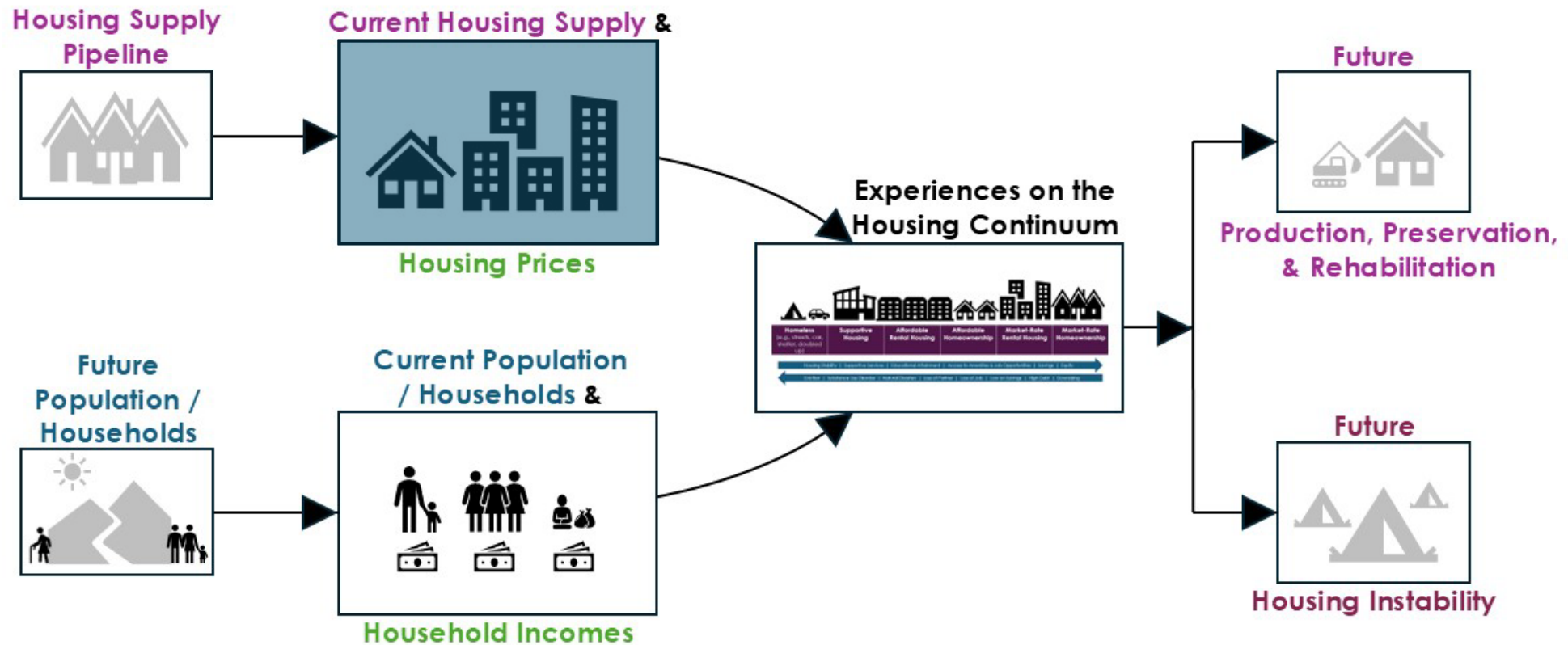
Housing Stability | Supportive Services | Educational Attainment | Access to Amenities & Job Opportunities | Savings | Equity

Eviction | Substance Use Disorder | Natural Disasters | Loss of Partner | Loss of Job | Low on Savings | High Debt | Downsizing

What is the region like?

How much does rental housing cost?

Rental Housing Prices

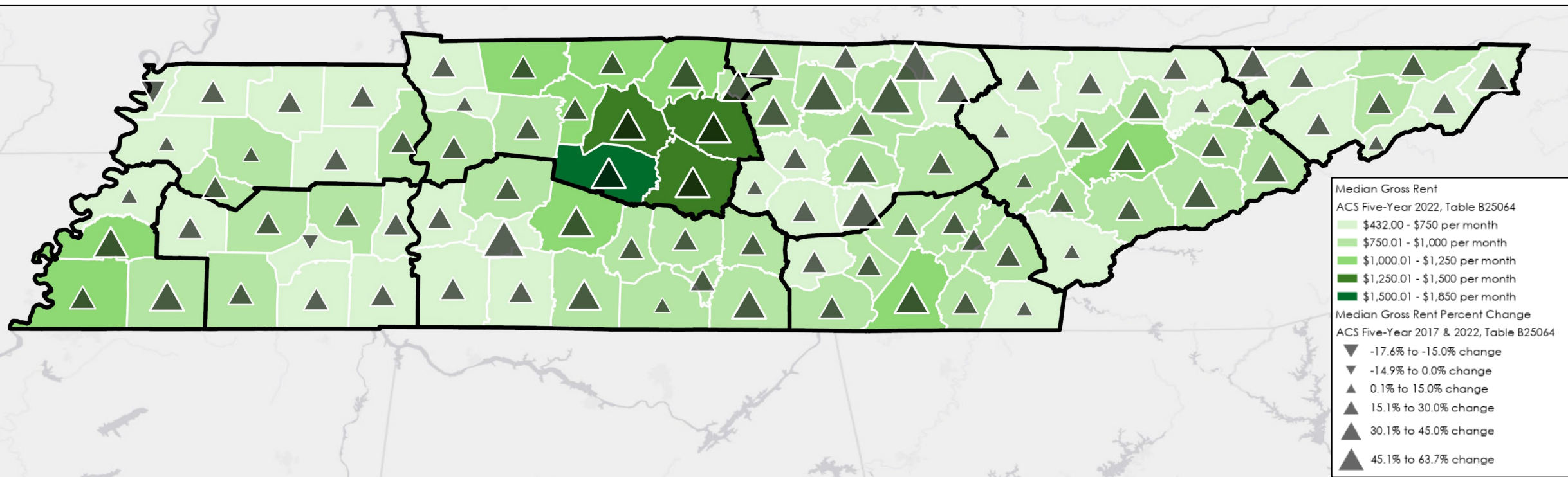


What is the region like?

How much does rental housing cost?

Tennessee – Median Gross Rent

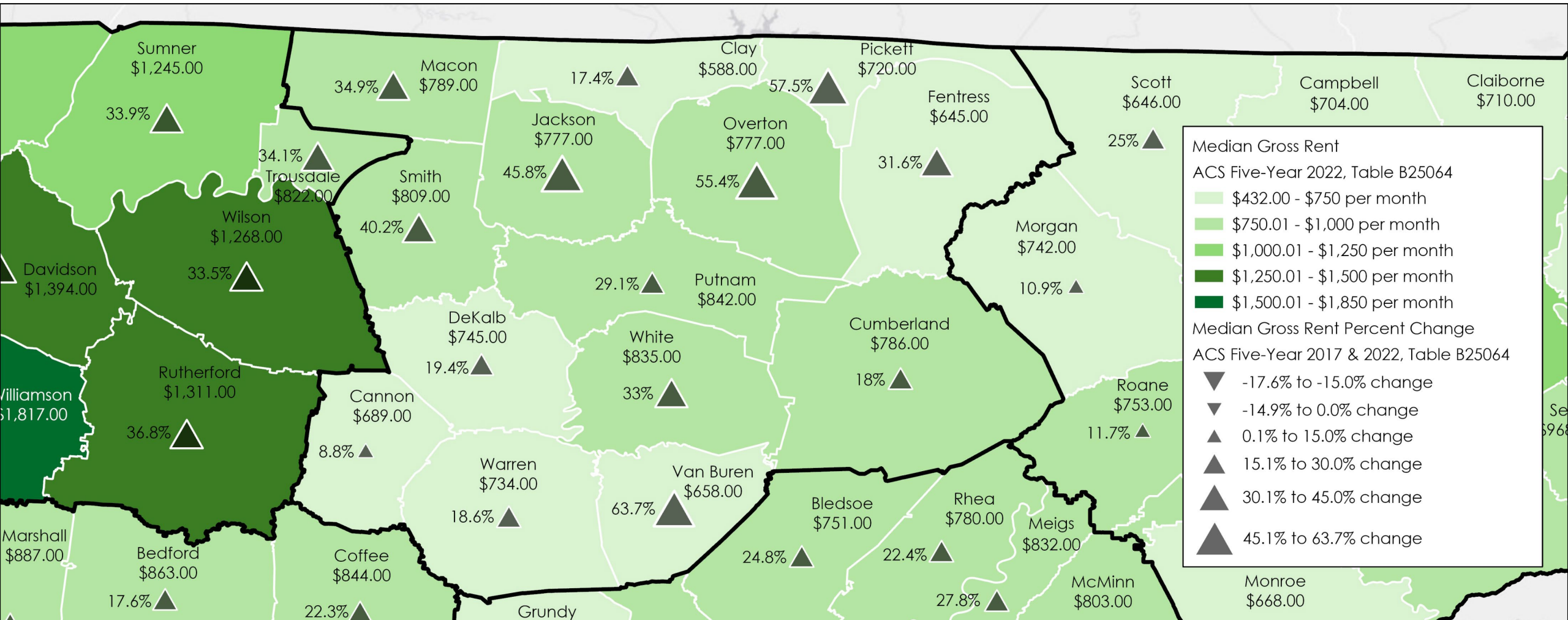
Tennessee's median gross rent increased by 29.6% over a five-year period to \$1,047. However, rental prices and increases were not evenly distributed across the state. The Upper Cumberland region had lower to moderate rental prices, but some counties had significant price increases in that five-year period.



What is the region like?

How much does rental housing cost?

Upper Cumberland - Median Gross Rent

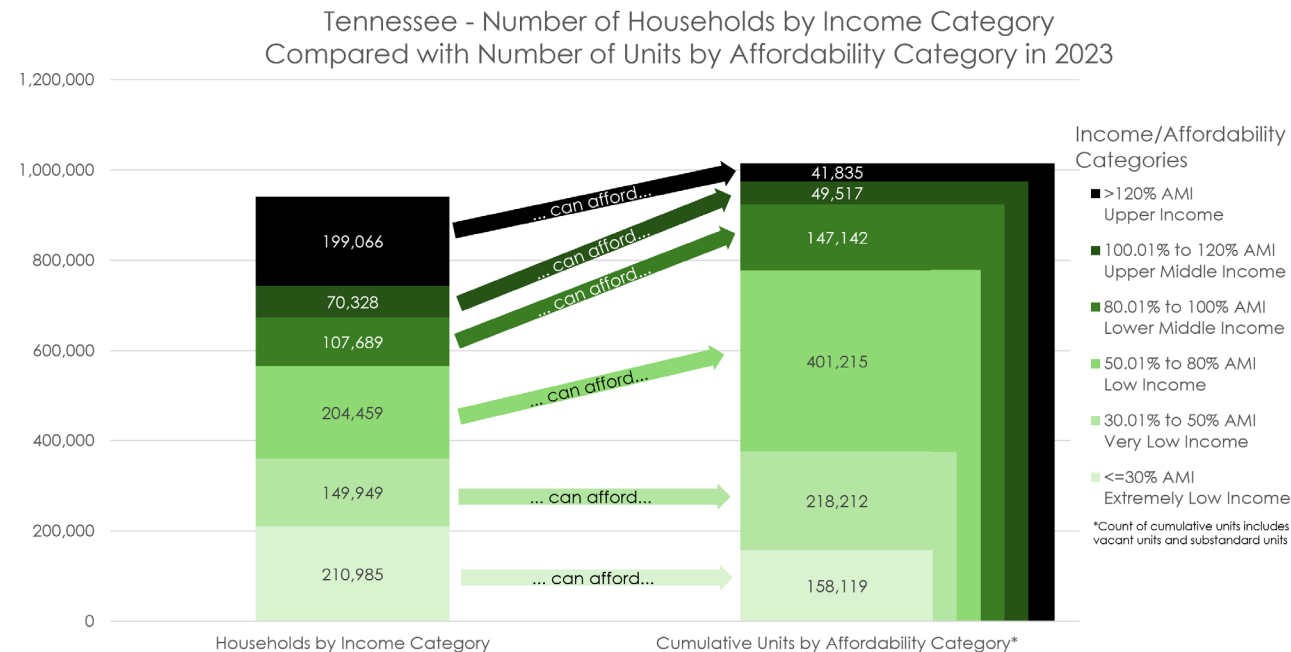


What rental housing is needed?

How well do household incomes match rents?

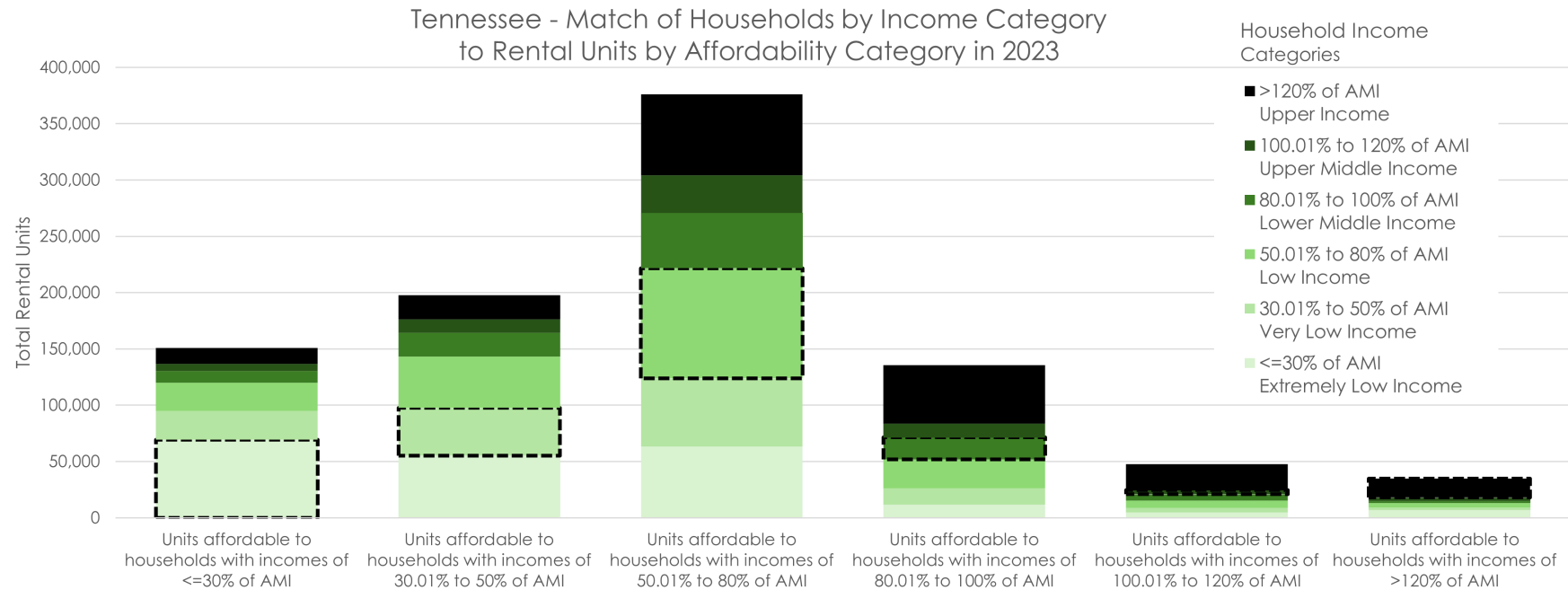
Tennessee – Renter Household-to-Unit “Gap”

The left stack in the graph below shows the estimated number of renter households in Tennessee and their income distribution as a percentage of the Area Median Income (AMI) in 2023. The right stack shows the number of rental units that would be affordable to a household in each income category. Tennessee had an estimated absolute shortage of 52,866 rental units that were affordable to extremely low-income households.



Tennessee – Renter Household-to-Unit “Match”

The stacks in the graph below show the estimated number of rental units in each affordability category and the households occupying them by income category. The income category of many renter households did not match the affordability category of the unit in which they lived, and 67.1% of extremely low-income renter households were cost burdened in the state.

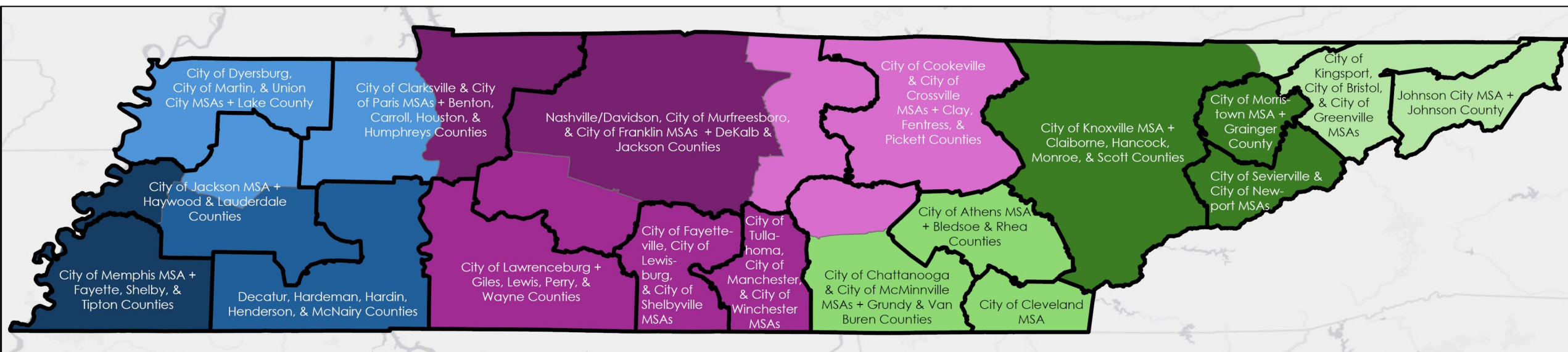


What rental housing is needed?

How well do household incomes match rents?

Analysis of Combined PUMAs

The map below shows combined Public Use Microdata Areas (PUMAs) overlaying Tennessee's nine development districts. The U.S. Census Bureau created PUMAs to allow researchers to analyze the American Community Survey (ACS) responses at the individual household level. The Tennessee Housing Development Agency (THDA) used the households' survey responses in the combined PUMAs to develop household-to-unit "gap" and "match" estimates.

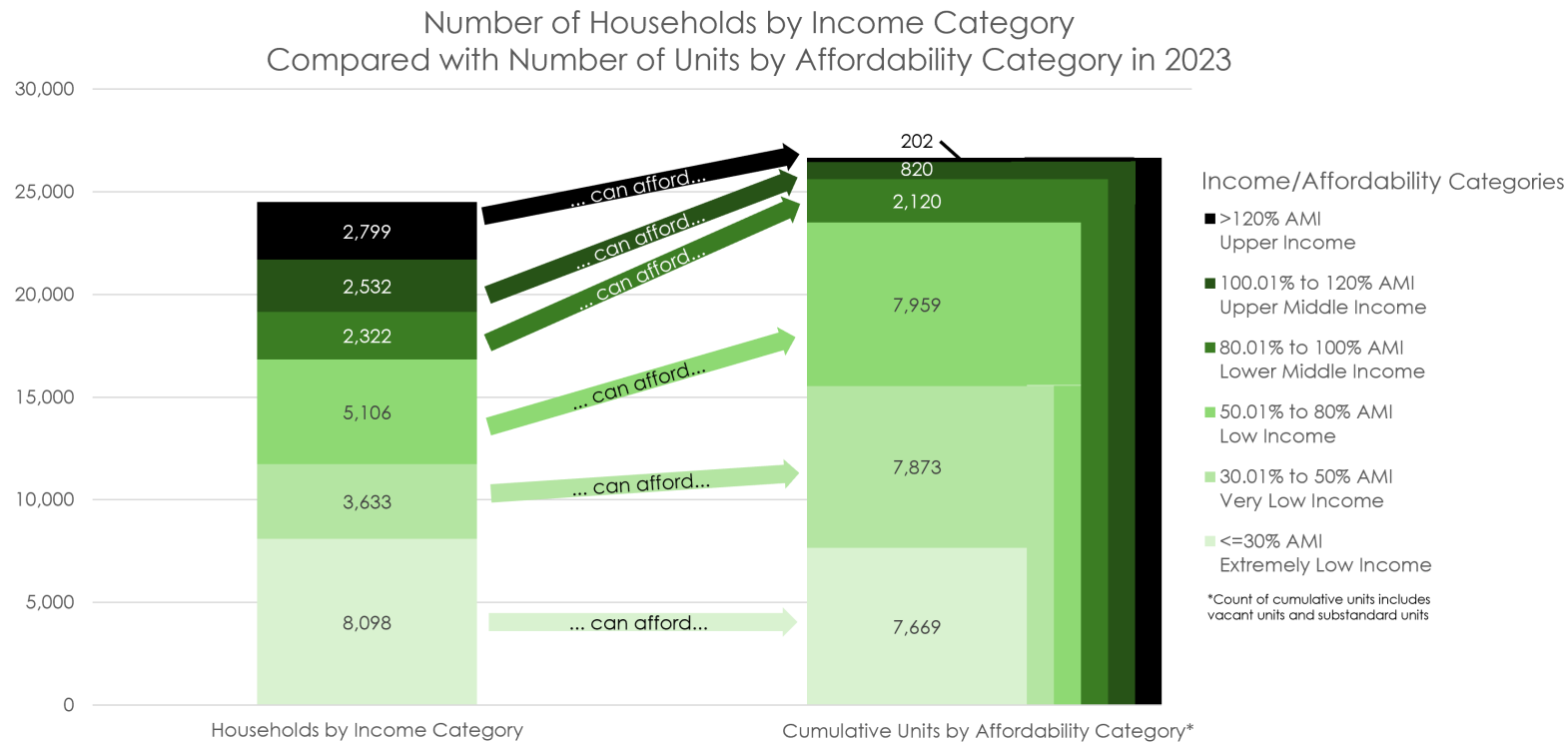


What rental housing is needed?

How well do household incomes match rents?

City of Cookeville & City of Crossville MSAs + Clay, Fentress, & Pickett Counties – Household-to-Unit “Gap”

This combined PUMA had an estimated absolute shortage of 429 rental units that were affordable to extremely low-income renter households.

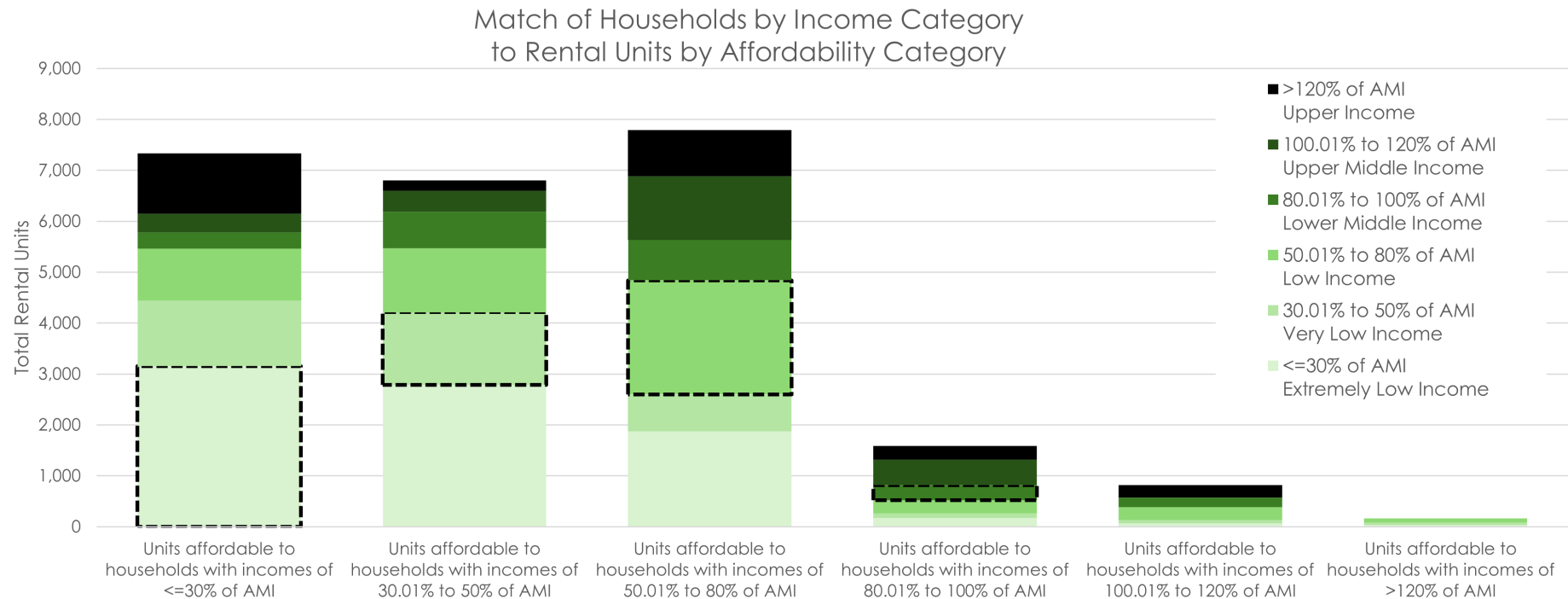


What rental housing is needed?

How well do household incomes match rents?

City of Cookeville & City of Crossville MSAs + Clay, Fentress, & Pickett Counties – Household-to-Unit “Match”

The income category of many renter households did not match the affordability category of the unit in which they lived, and 61.1% of extremely low-income renter households were cost burdened in this combined PUMA.

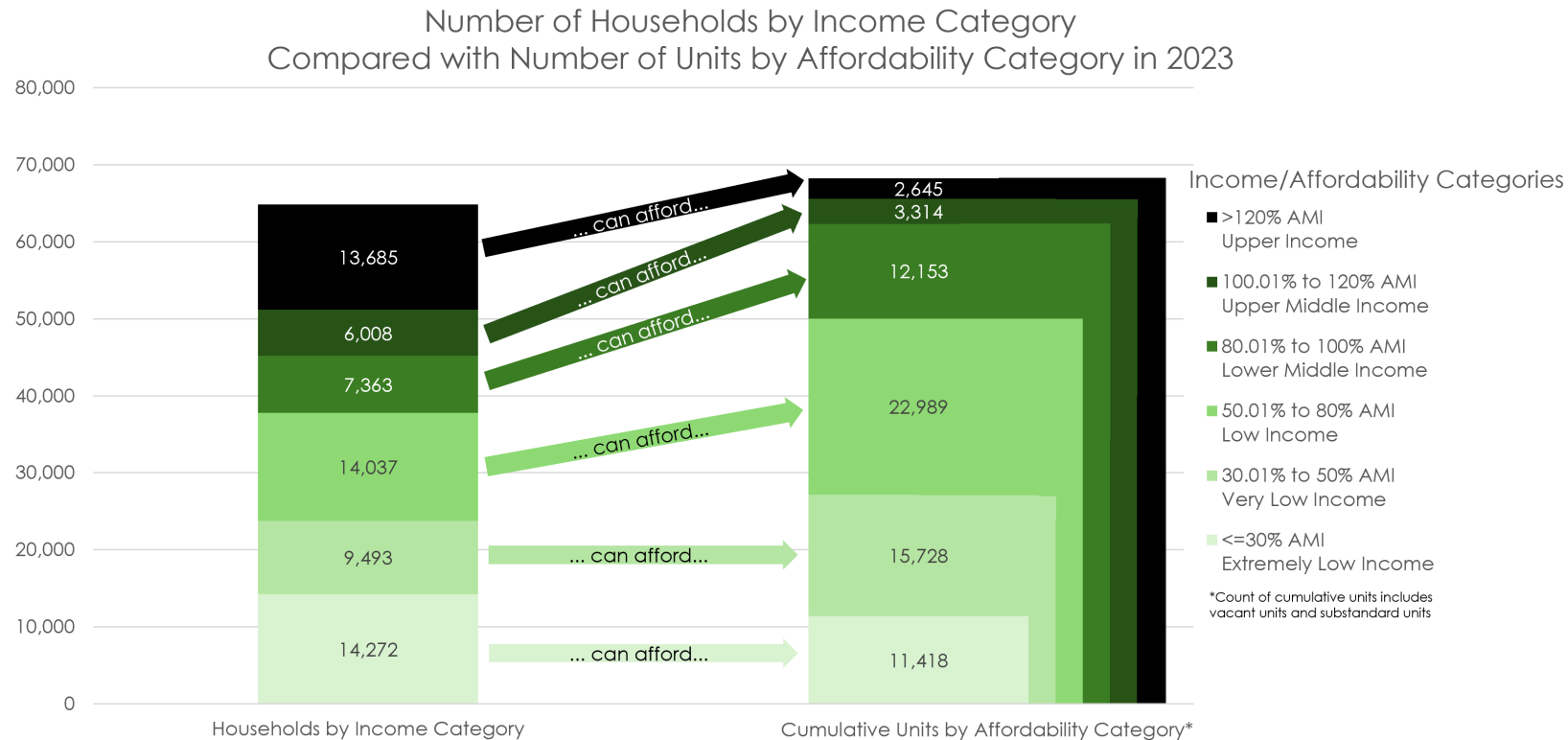


What rental housing is needed?

How well do household incomes match rents?

City of Chattanooga & City of McMinnville MSAs + Grundy & Van Buren Counties – Household-to-Unit “Gap”

This combined PUMA had an estimated absolute shortage of 2,854 rental units that were affordable to extremely low-income renter households.

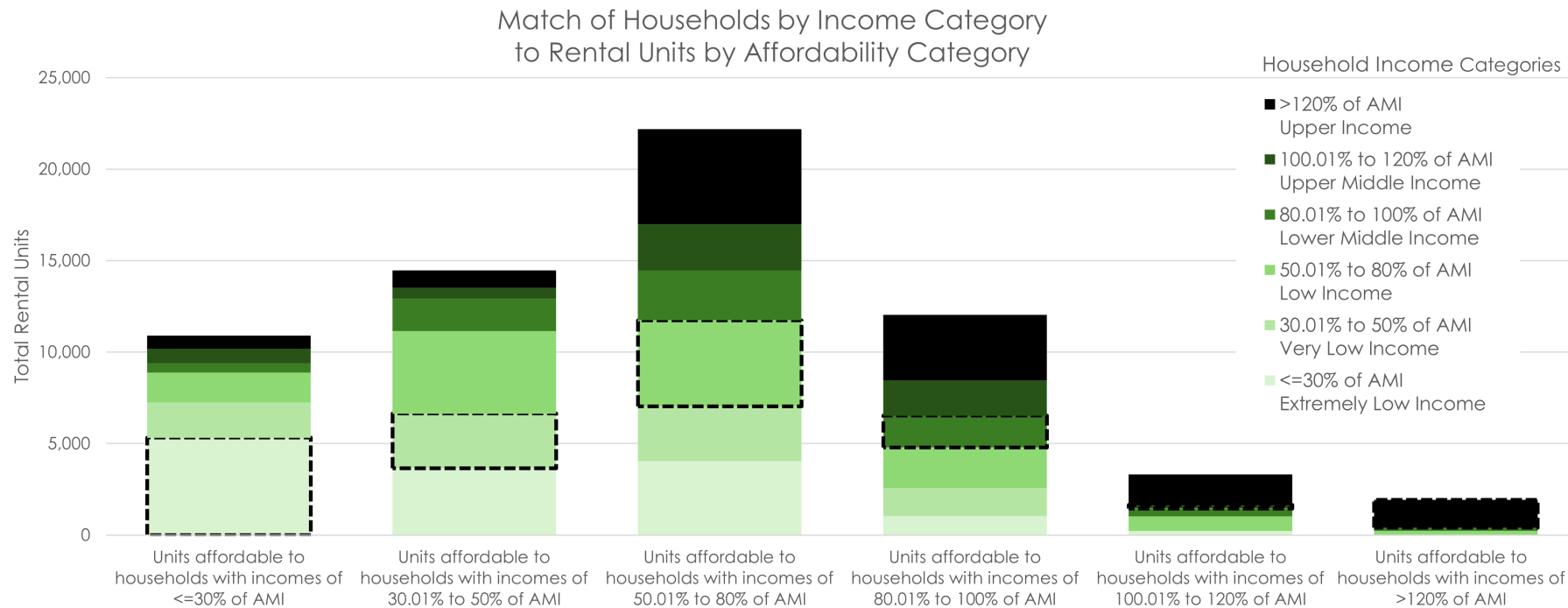


What rental housing is needed?

How well do household incomes match rents?

City of Chattanooga & City of McMinnville MSAs + Grundy & Van Buren Counties – Household-to-Unit Match

Many renter households' incomes do not match the affordability category of the unit in which they live, and 62.7% of extremely low-income renter households were cost burdened in this combined PUMA.

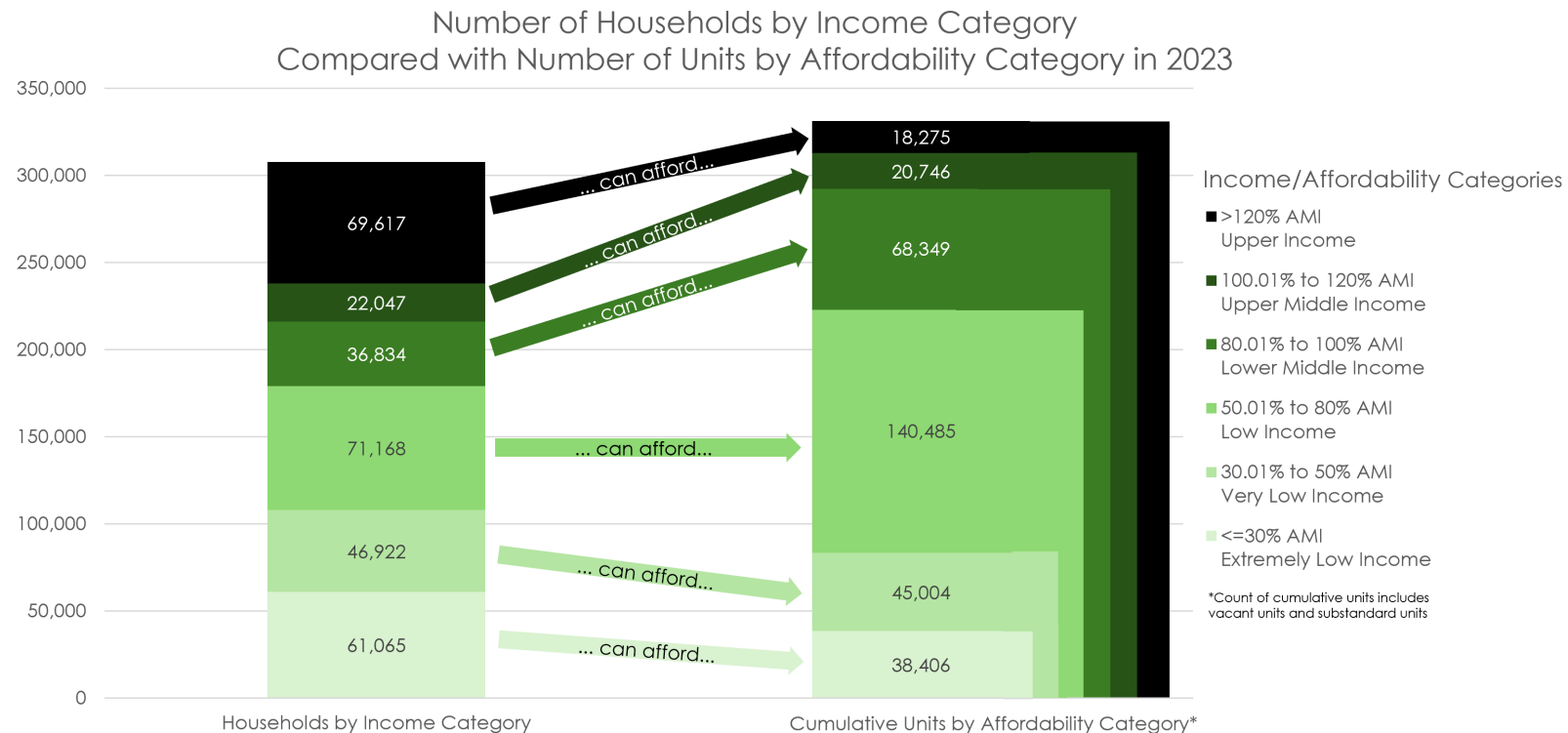


What rental housing is needed?

How well do household incomes match rents?

Nashville/Davidson, City of Murfreesboro, & City of Franklin MSA + DeKalb & Jackson Counties – Household-to-Unit “Gap”

This combined PUMA had an estimated absolute shortage of 22,659 rental units that were affordable to extremely low-income renter households.

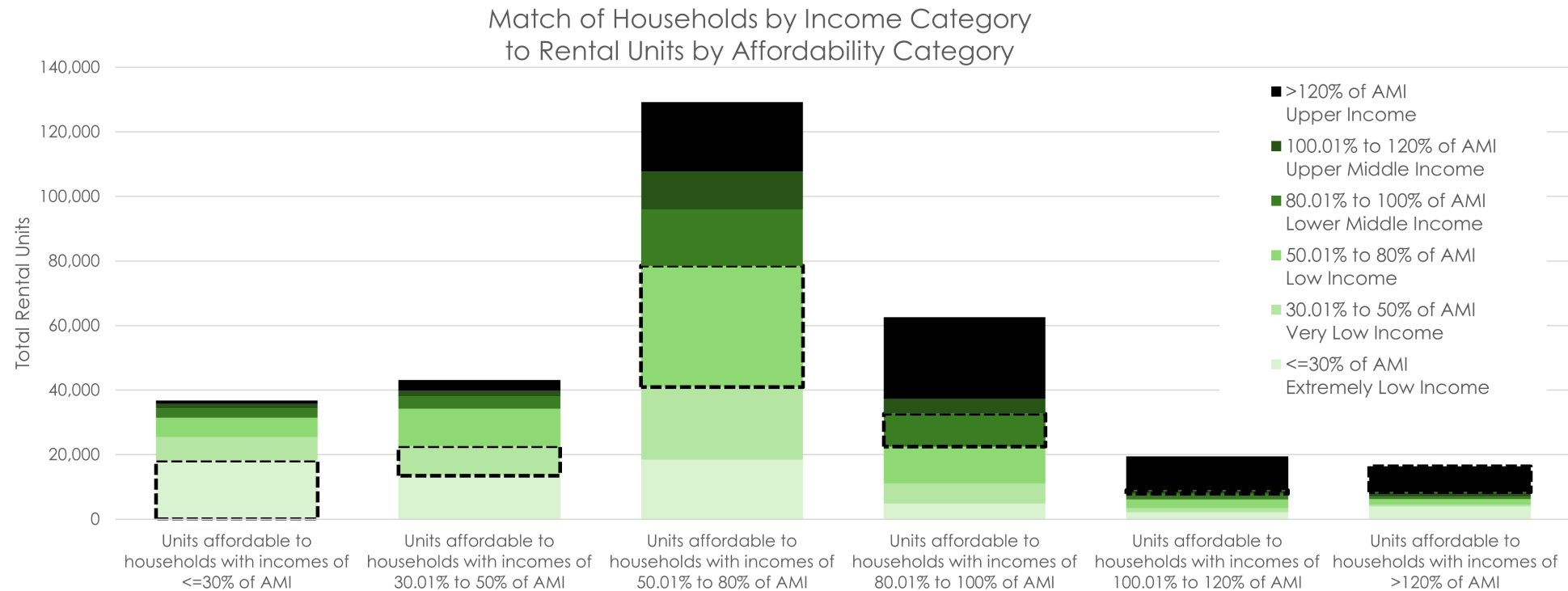


What rental housing is needed?

How well do household incomes match rents?

Nashville/Davidson, City of Murfreesboro, & City of Franklin MSA + DeKalb & Jackson Counties – Household-to-Unit “Match”

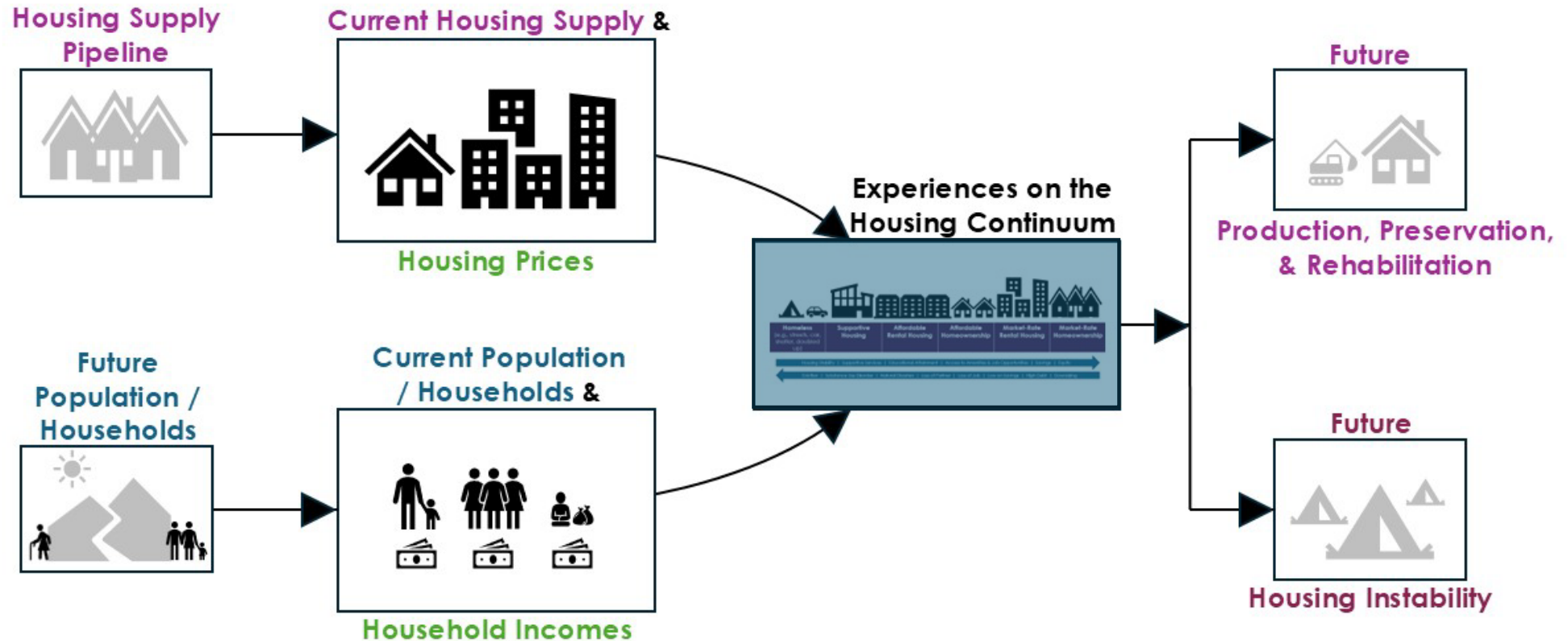
Many renter households' incomes do not match the affordability category of the unit in which they live, and 70.2% of extremely low-income renter households were cost burdened in this combined PUMA.



What development-related activities are needed?

How do we know?

Experiences on the Housing Continuum for Renters



What housing does Tennessee need?

How do we know?

Shortage of Supportive Housing

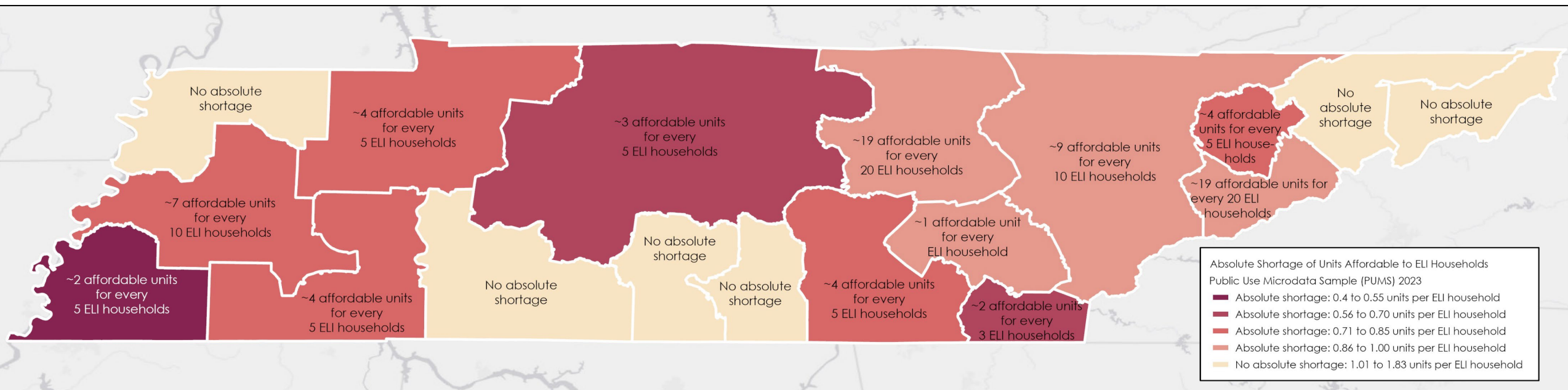
In short, Tennessee has a widespread, absolute shortage of rental housing units affordable to extremely low-income households. Making housing affordable to these households typically requires supportive housing. Unless Tennessee can produce more of this type of housing, renters in this income group will be increasingly at-risk of housing instability and homelessness.



What rental housing is needed?

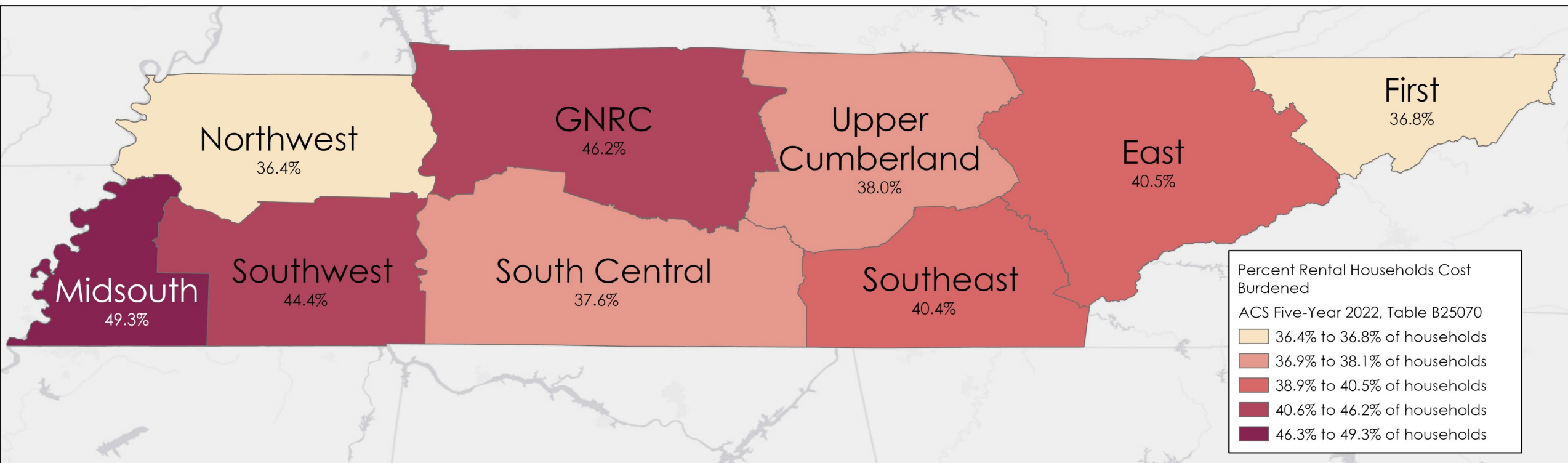
How well do household incomes match rents?

Shortage of Rental Housing Affordable to Extremely Low-Income (ELI) Renters



Tennessee – Renter Cost Burden

In Tennessee, 43.3% of renter households were cost burdened, spending 30% or more of their incomes on housing. Cost burdened households are prone to housing insecurity. Almost two out of five renter households in the Upper Cumberland region were cost burdened.

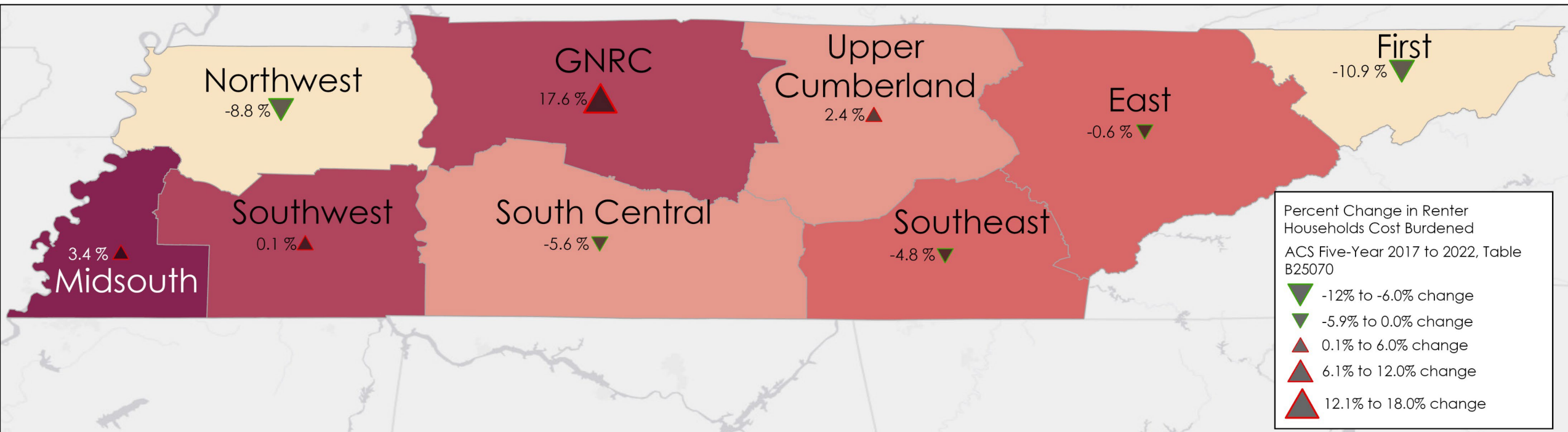


What housing is needed?

How do we know?

Tennessee – Percent Change in Renter Cost Burden

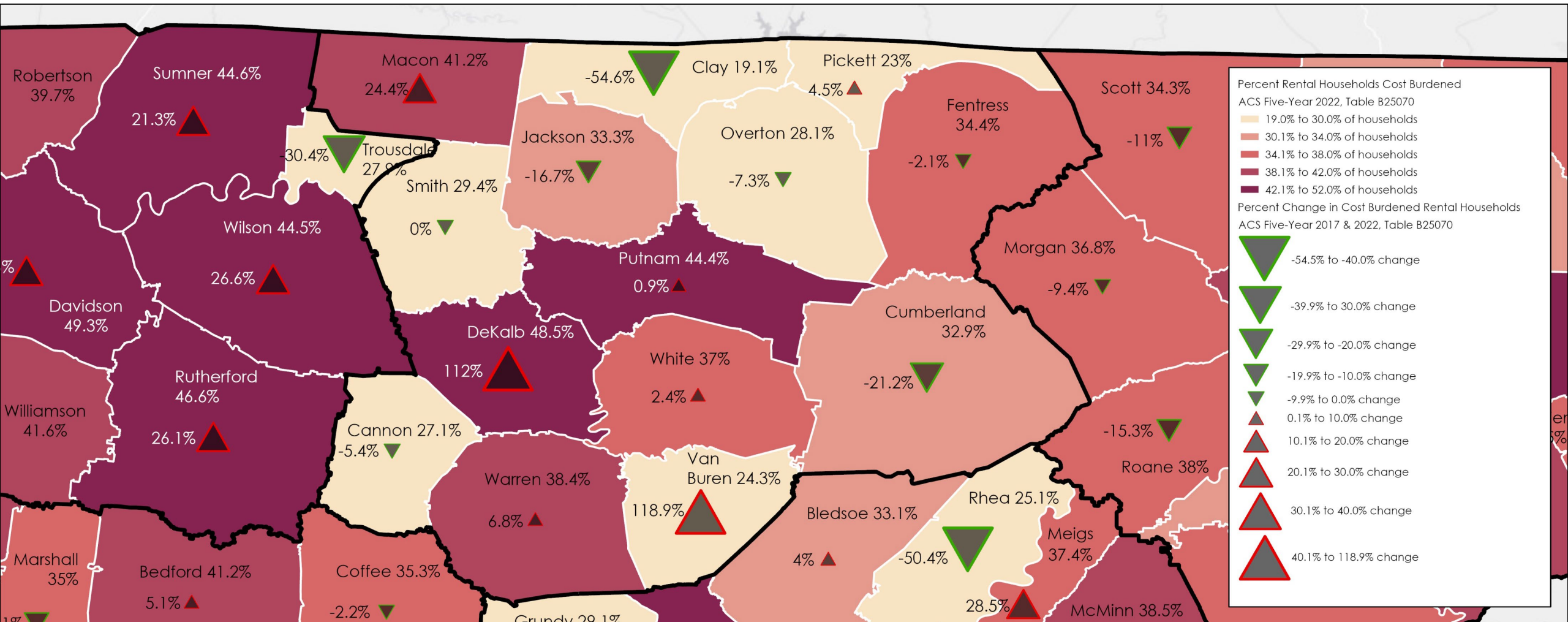
The percent change of the number of renter households experiencing cost burden over a five-year period was not evenly distributed across Tennessee.



What housing is needed?

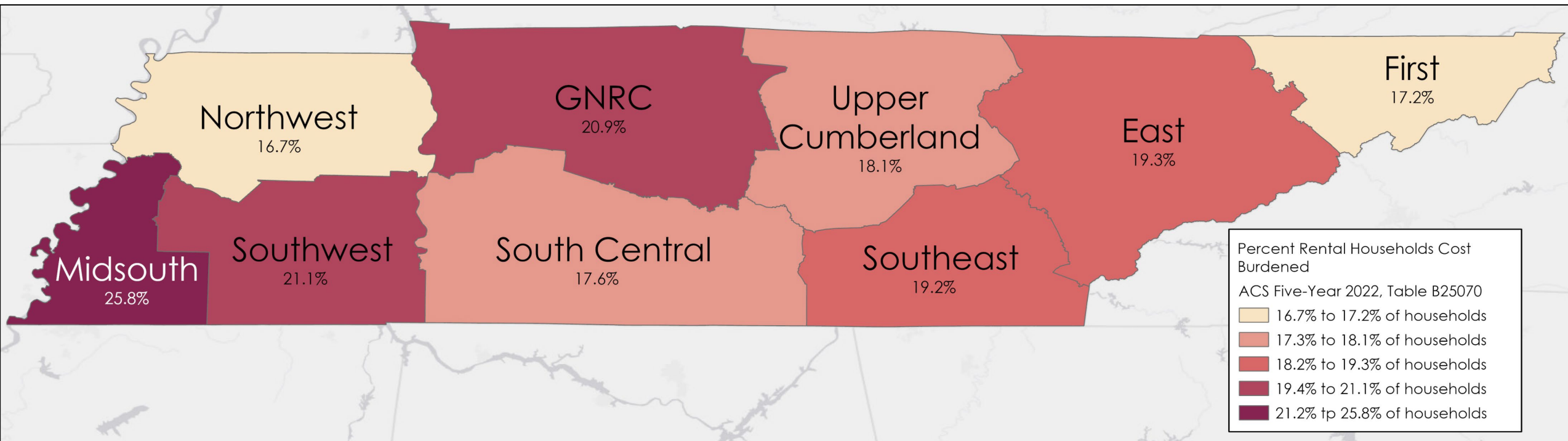
How do we know?

Upper Cumberland – Renter Cost Burden



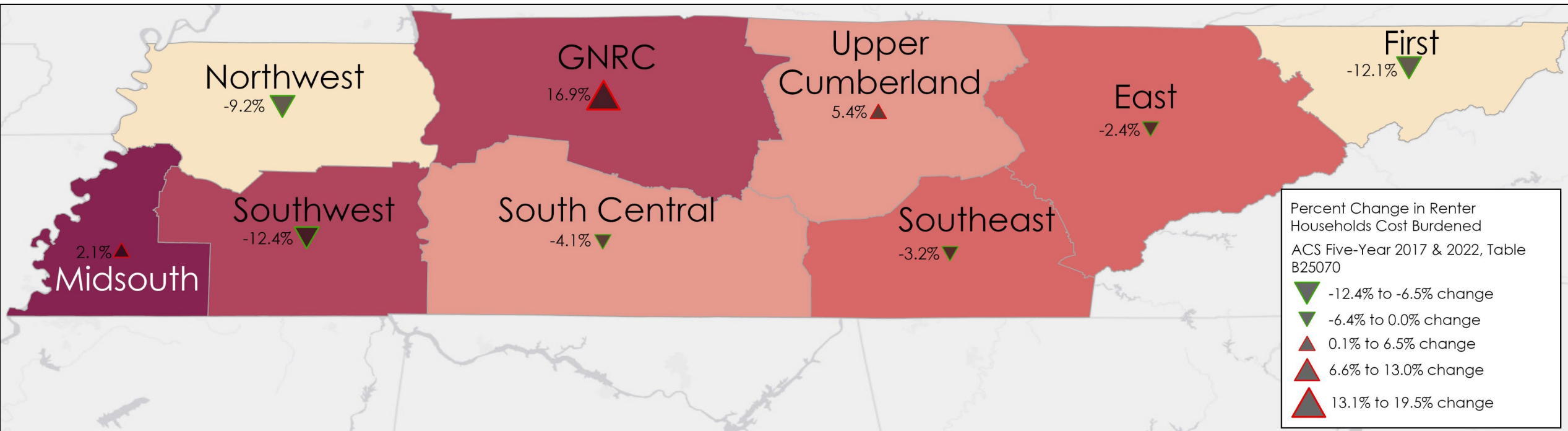
Tennessee – Severe Renter Cost Burden

In Tennessee, 20.7% of renter households were severely cost burdened, spending 50% or more of their household incomes on housing. Severely cost burdened households are especially prone to housing insecurity. About one in six renter households in the Upper Cumberland region were severely cost burdened.

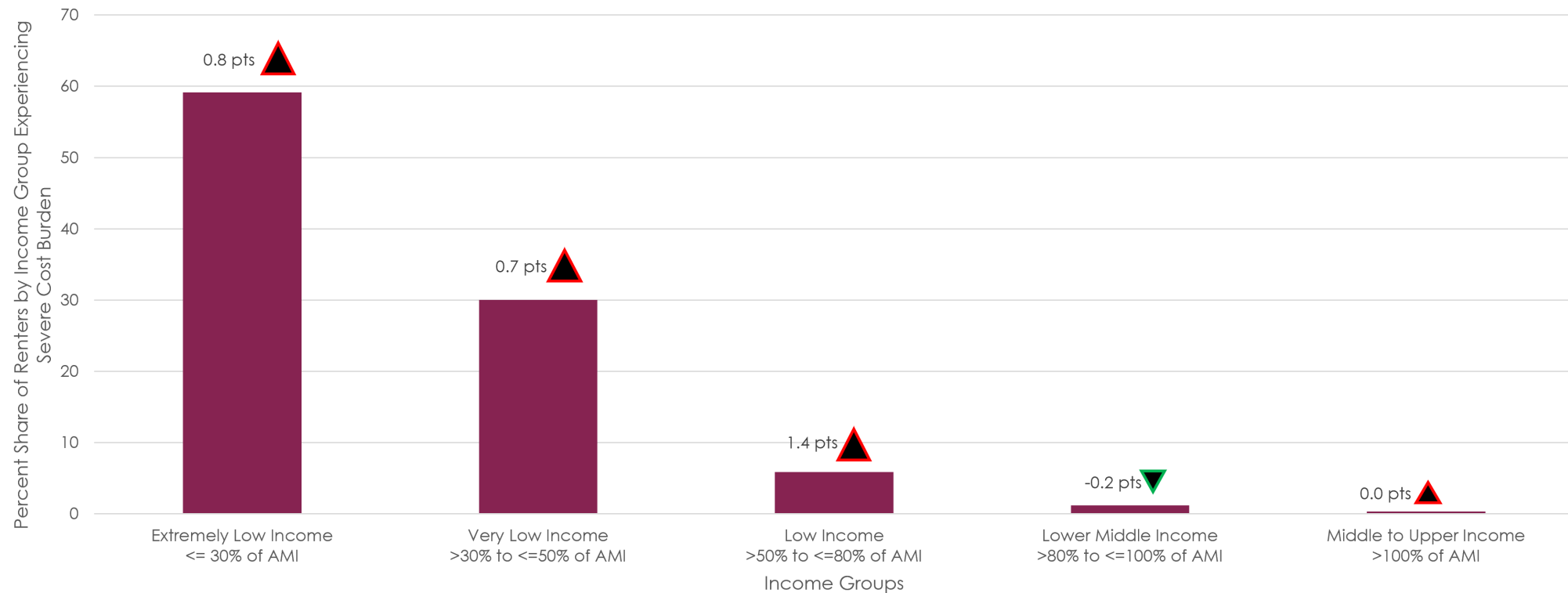


Tennessee – Percent Change in Severe Renter Cost Burden

The percent change of the number of renter households experiencing severe cost burden over a five-year period was not evenly distributed across Tennessee.



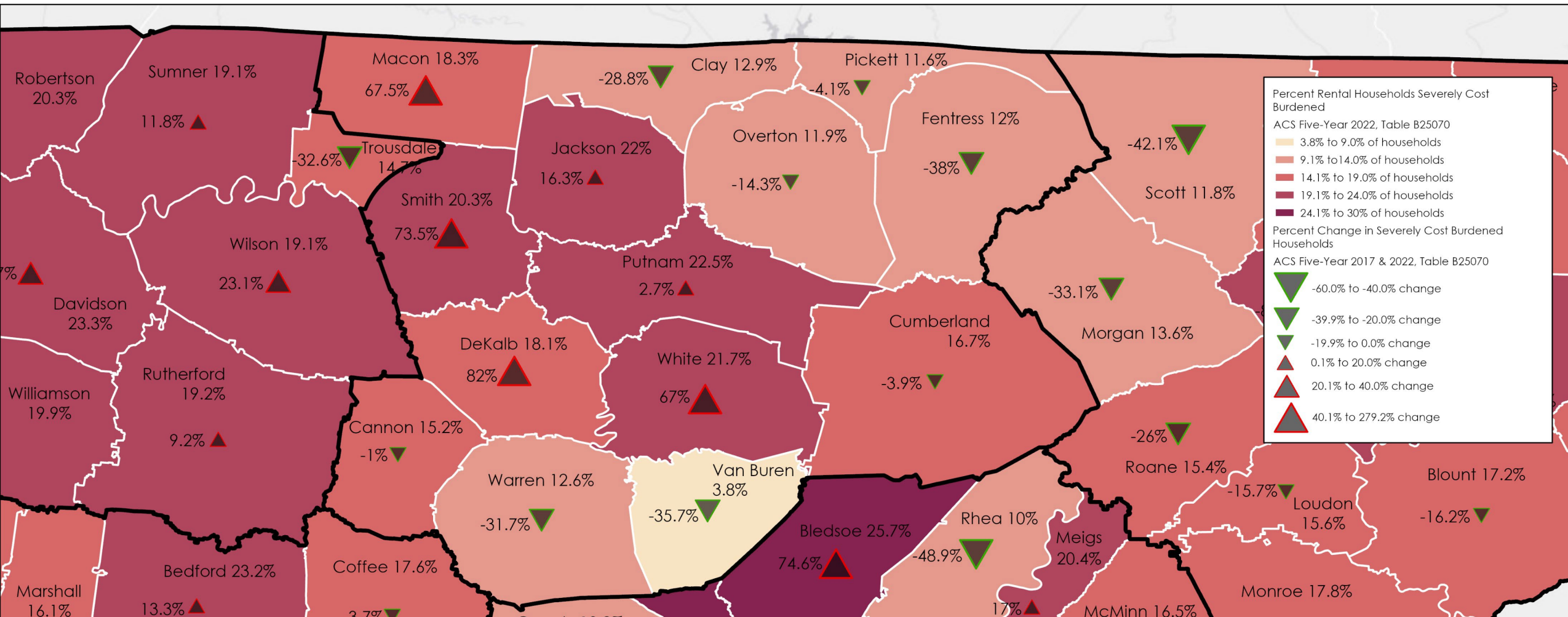
Tennessee – Severe Renter Cost Burden by Household Income Group



What housing is needed?

How do we know?

Upper Cumberland – Severe Renter Cost Burden



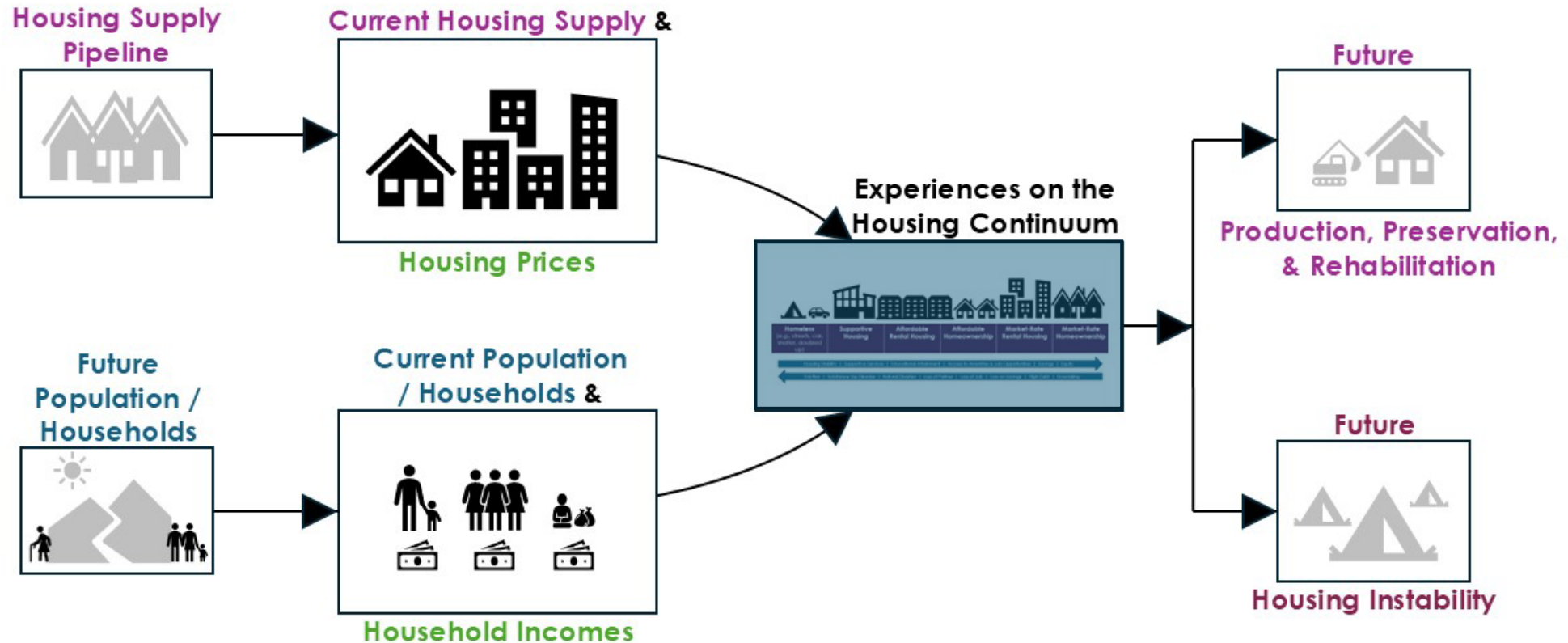
What causes levels of cost burden to change?

- Population change in an area (e.g., people moving in, people moving away)
- A growth in housing supply (e.g., new developments) or reduction in housing supply (e.g., widespread disrepair/vacancy, natural disaster)
- An increase in housing prices (e.g., increased supply and labor costs for building) or decrease in housing prices
- Change in households' incomes

What building and cost-related activities are needed?

How do we know?

Experiences on the Housing Continuum for Owners and Renters



Tennessee – Cost-Related Housing Problems

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by income group who reported having a cost-related housing problem within the previous two years.

Response Options	All Survey Respondents		Respondents with Incomes of \$0 to \$50K		Respondents with Incomes of >\$50K to \$100K		Respondents with Incomes of >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Found it difficult to pay my rent and/or mortgage.	41.6%	490	55.7%	323	39.0%	129	15.4%	31
Found it difficult to pay my utility bills.	38.1%	449	53.1%	308	34.4%	114	9.5%	19
Applied for rental housing and was denied.**	12.5%	147	20.9%	121	7.3%	24	0.5%	1
Applied for a mortgage and was denied.**	9.9%	117	12.9%	75	11.2%	37	2.0%	4
TOTAL COMPLETE RESPONSES		1,179*		580		331		201

*The survey sample size is too small and unrepresentative for results to be generalizable to all Tennesseans. However, it is concerning these percents of respondents reported experiencing the problems above.

**These experiences may be cost-related, although some respondents may have experienced housing discrimination.

Upper Cumberland – Cost-Related Housing Problems

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences. The following table shows the percent and number of respondents by income group who reported having a cost-related housing problem within the previous two years.

Response Options	All Survey Respondents		GNRC Respondents		South Central Respondents		Upper Cumberland Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Found it difficult to pay my rent and/or mortgage.	41.6%	490	46.5%	138	35.4%	45	30.7%	27
Found it difficult to pay my utility bills.	38.1%	449	39.1%	116	33.1%	42	31.8%	28
Applied for rental housing and was denied.**	12.5%	147	16.8%	50	8.7%	11	10.2%	9
Applied for a mortgage and was denied.**	9.9%	117	9.8%	29	7.1%	9	6.8%	6
TOTAL COMPLETE RESPONSES		1,179		297		127		88*

*The survey sample size is too small and unrepresentative for results to be generalizable to all residents of the Upper Cumberland region. However, it is concerning these percents of respondents reported experiencing the problems above.
**These experiences may be cost-related, although some respondents may have experienced housing discrimination.

What building and cost-related activities are needed?

How do we know?

Tennessee – Building and Cost-Related Housing Needs

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by income group who reported a building and/or cost-related activity as “high need” in their communities.

Response Options	All Survey Respondents		Respondents with Incomes of \$0 to \$50K		Respondents with Incomes of >\$50K to \$100K		Respondents with Incomes of >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
New affordable homes for sale	79.5%	704	80.6%	357	80.1%	205	77.1%	111
New affordable rental housing	78.9%	699	84.7%	375	76.6%	196	68.8%	99
Downpayment assistance for buying a home	69.2%	613	73.1%	324	71.5%	183	54.2%	78
Changes to make energy use more affordable or efficient for renters*	65.1%	577	75.6%	335	59.8%	153	46.5%	67
Changes to make energy use more affordable or efficient for low to middle-income homeowners*	65.1%	577	74.7%	331	60.9%	156	46.5%	67
TOTAL COMPLETE RESPONSES		886*		443		256		144

**The survey sample size is too small and unrepresentative for results to be generalizable to all Tennesseans. However, it is concerning these percents of respondents reported experiencing the needs above.

What building and cost-related activities are needed?

How do we know?

Upper Cumberland – Building and Cost-Related Housing Needs

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by development district region who reported a building and/or cost-related activity as “high need” in their communities.

Response Options	All Survey Respondents		GNRC Respondents		South Central Respondents		Upper Cumberland Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
New affordable homes for sale	79.5%	704	78.4%	163	80.2%	77	84.7%	50
New affordable rental housing	78.9%	699	71.2%	148	82.3%	79	86.4%	51
Downpayment assistance for buying a home	69.2%	613	69.2%	144	61.5%	59	76.3%	45
Changes to make energy use more affordable or efficient for renters*	65.1%	577	60.1%	125	59.4%	57	69.5%	41
Changes to make energy use more affordable or efficient for low to middle-income homeowners*	65.1%	577	57.7%	120	61.5%	59	69.5%	41
TOTAL COMPLETE RESPONSES		886		208		96		59*

*The survey sample size is too small and unrepresentative for results to be generalizable to all residents of the Upper Cumberland region. However, it is concerning these percents of respondents reported experiencing the needs above.

Tennessee – Building and Cost-Related Housing Needs

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

In addition, a participant from the Upper Cumberland development district reported rent for a two-bedroom apartment in the City of Sparta was the same amount per month as the monthly mortgage payment for a three-bedroom house. Another participant from the Upper Cumberland development district shared many renters would like to become homeowners but struggled to save for a downpayment. Even when they saved enough money, sometimes poor credit scores (or weak credit histories) kept them from qualifying for a mortgage. She speculated struggles with saving down payments and maintaining good credit histories could become increasingly common if prices, including rents, continued to rise.

Participants also reported that not enough starter homes were being built, which was preventing more people from moving from renting to homeownership, a phenomenon often described as the “missing middle.” One participant from the First development district put it this way: “I have friends who cannot start a family because they cannot move into an appropriate home. Many people who would like to buy are stuck renting. And it's not just the factory workers struggling to afford housing. It's police, sanitation, fire, and teachers too. People are not able to find something affordable to move into.”

Tennessee – Building and Cost-Related Housing Needs

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

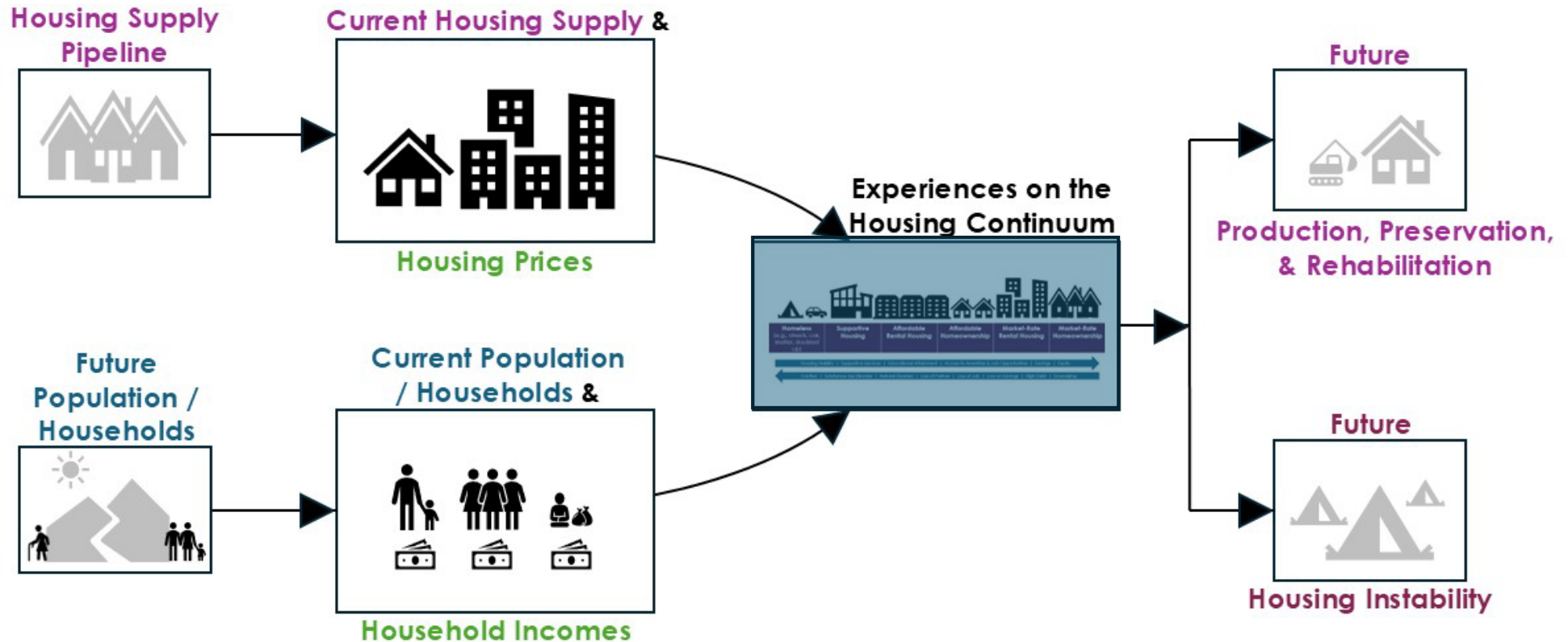
Focus group participants from every development district region reported rents were rising quickly and becoming less affordable for households in their areas. Participants shared they were seeing increases in housing instability. As more households struggled to pay rents, they had to seek emergency rental assistance, and as more households experienced homelessness, they had to “double up” with friends and family or utilize group shelters.

To reduce housing insecurity, Tennessee needs more affordable rental housing, especially units affordable to extremely low-income households.

What activities to address housing instability are needed?

How do we know?

Experiences on the Housing Continuum for People Experiencing Housing Instability

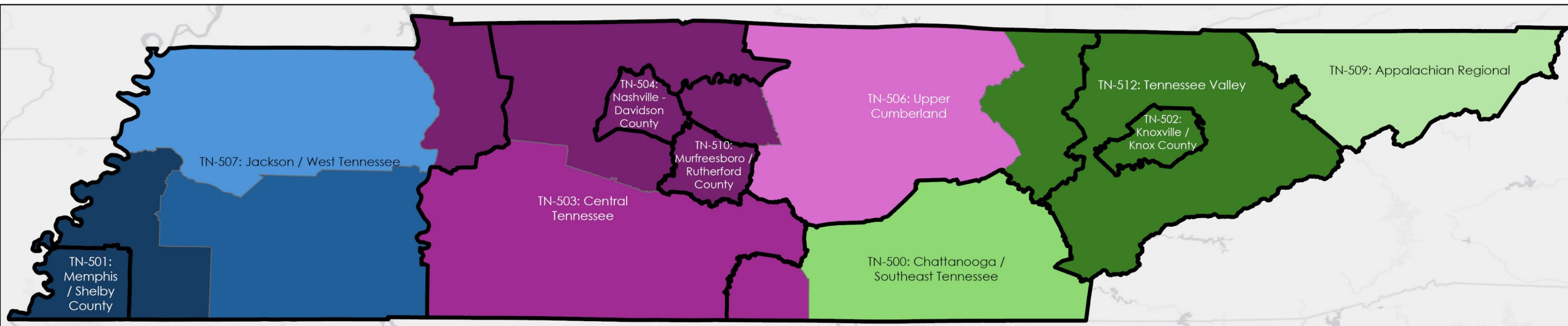


Who is experiencing housing instability?

How do we know?

Analysis of Continuum of Care Regions

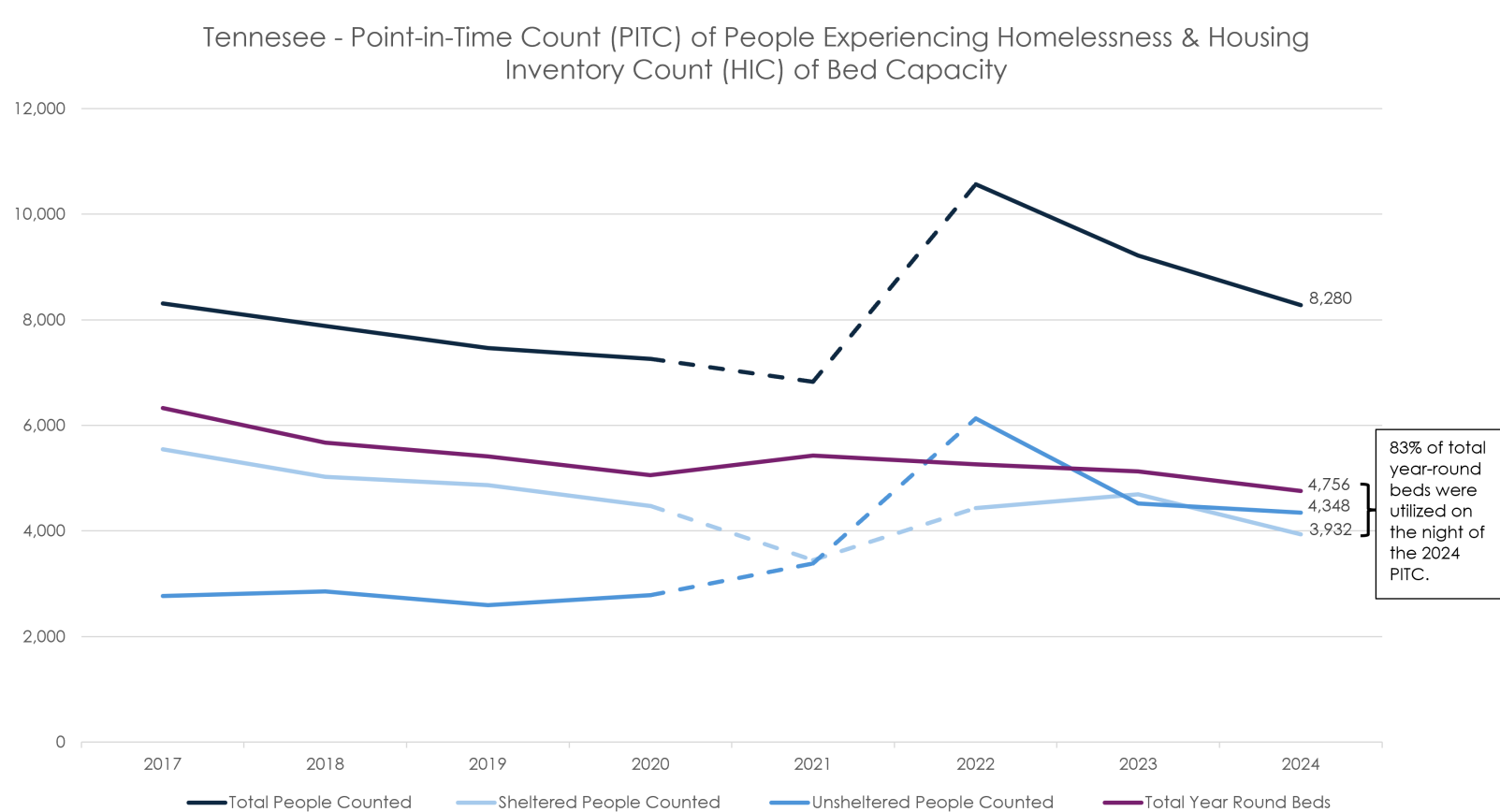
The map below shows the Continuum of Care (CoC) regions overlapping each of Tennessee's nine development districts. CoCs coordinate and provide emergency shelter and homelessness services for their regions. The annual Point-in-Time Count (PITC) in each CoC provides an unduplicated count of sheltered and unsheltered people experiencing homelessness on a single night in January. The number of year-round beds available is also recorded in the Housing Inventory Count (HIC). The PITC is best understood as a measure of visible homelessness, and the number of people counted is always less than the actual number of people experiencing homelessness at the time.



What housing instability are Tennesseans experiencing?

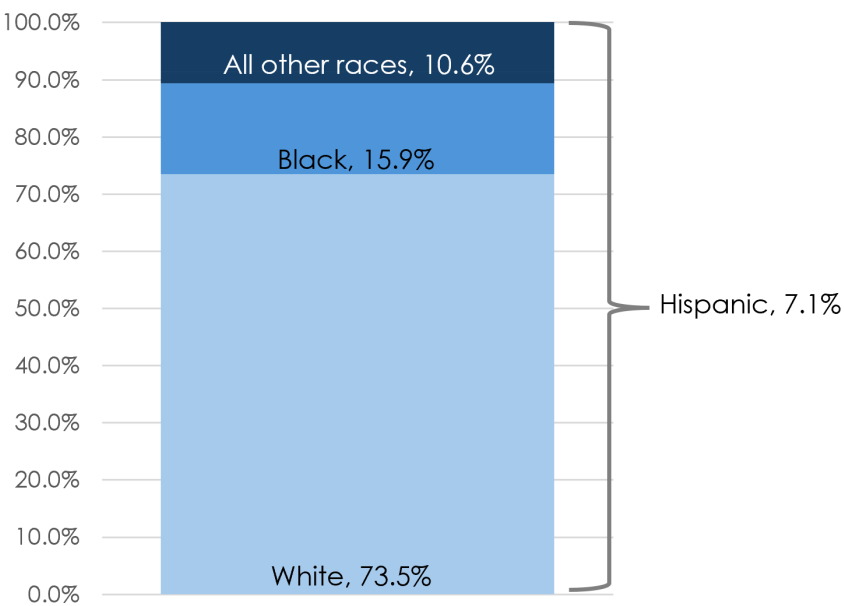
How do we know?

Tennessee – Housing Inventory Count (HIC) and Point-in-Time Count (PITC)

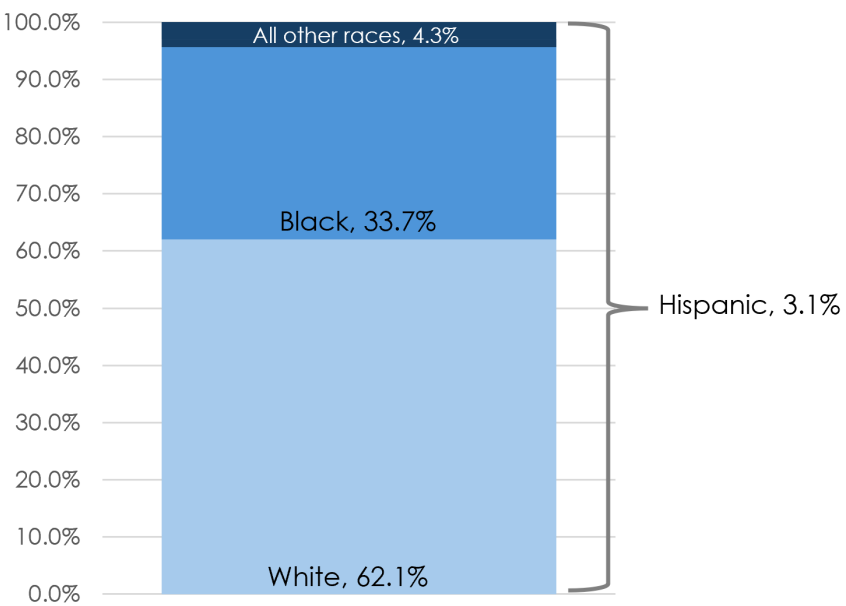


Tennessee – Race Distribution of Population and People Counted in PITC

Tennessee – Racial Distribution of Population in 2023



Tennessee – Racial Distribution of People Counted in PITC in 2023



Tennessee – Share of Racial and Ethnic Groups in General Population Experiencing Homelessness

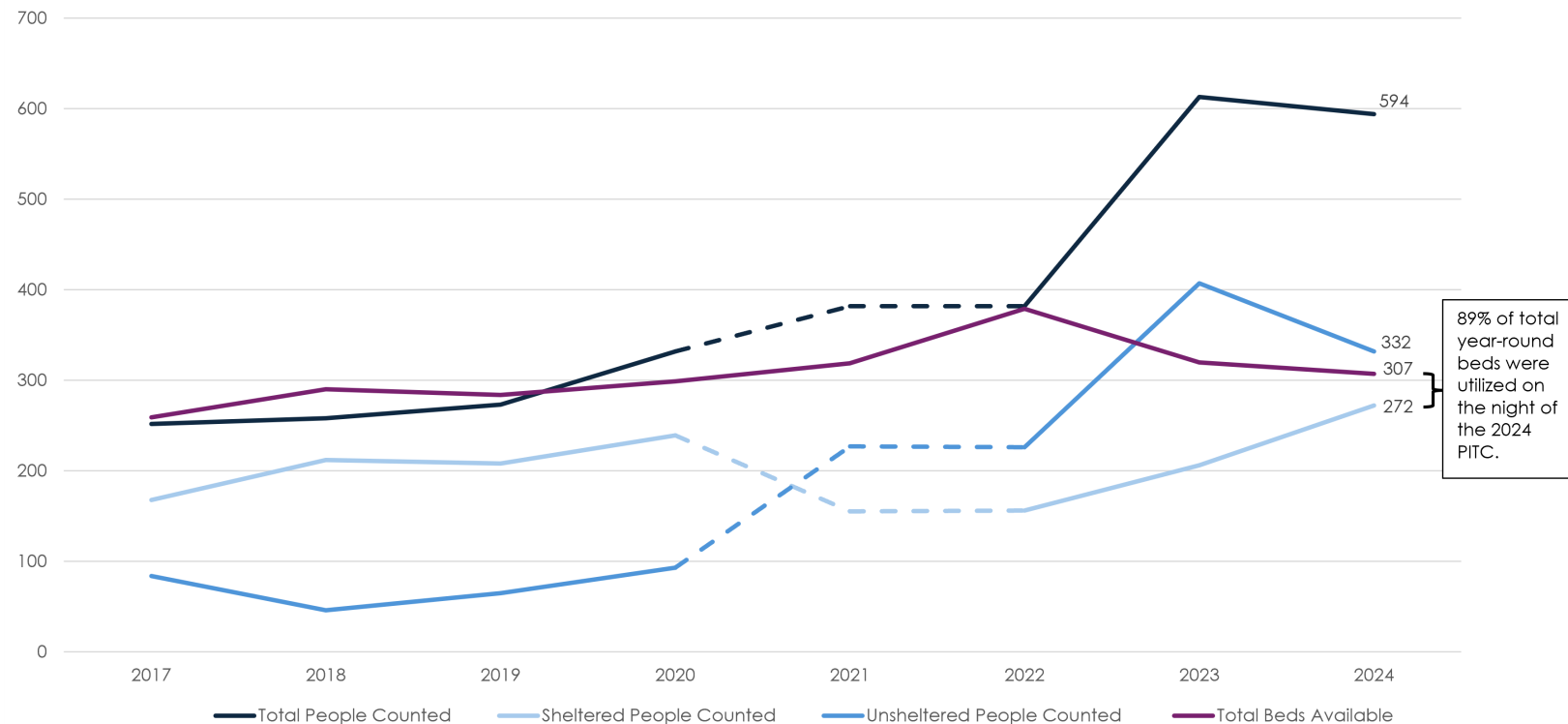
Racial and Ethnic Groups	Share
American Indian and Alaskan Native	0.000%
Asian	0.000%
Black and/or African American	0.380%
Hispanic (all races)	0.065%
Multiple races	0.031%
Pacific Islander or Native Hawaiian	0.243%
White	0.089%
Total (all races and ethnicities)	0.089%

What housing instability are Tennesseans experiencing?

How do we know?

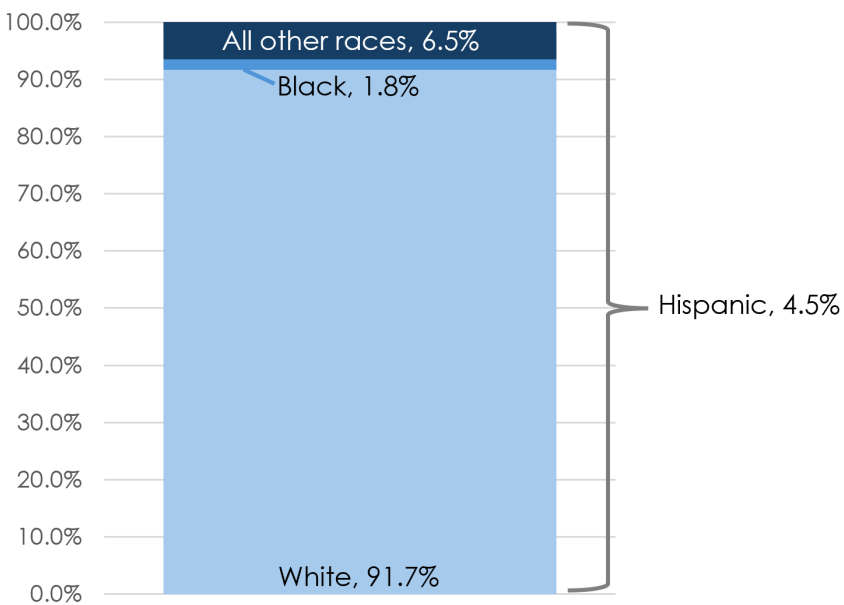
TN-506 – Housing Inventory Count (HIC) and Point-in-Time Count (PITC)

TN-506 - Upper Cumberland Region:
Point-in-Time Count (PITC) of People Experiencing Homelessness & Housing Inventory Count (HIC) of Bed Capacity

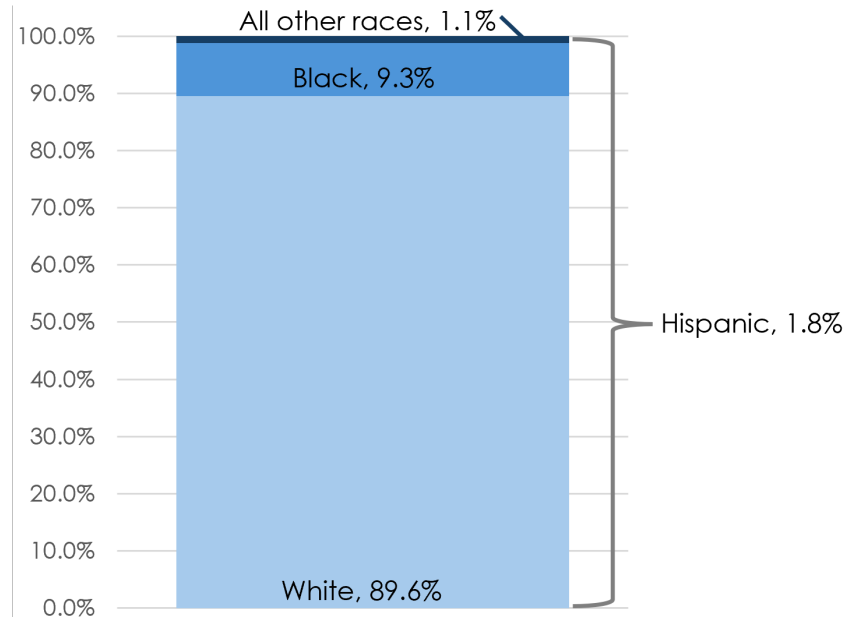


TN-506 – Race Distribution of CoC and People Counted in PITC

TN-506 – Racial Distribution of CoC Population in 2023



TN-506 – Racial Distribution of People Counted in PITC in 2023



TN-506 – Share of Racial and Ethnic Groups in CoC Population Experiencing Homelessness

Racial and Ethnic Groups	Share
American Indian and Alaskan Native	0.089%
Asian	0.040%
Black and/or African American	0.675%
Hispanic (all races)	0.053%
Multiple races	0.015%
Pacific Islander or Native Hawaiian	0.435%
White	0.129%
Total (all races and ethnicities)	0.132%

Tennessee – Housing Instability Problems

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by income group who reported having housing instability problems within the previous two years or noticing it in their communities.

Response Options	All Survey Respondents		Respondents with Incomes of \$0 to \$50K		Respondents with Incomes of >\$50K to \$100K		Respondents with Incomes of >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Seen my neighbor(s) or local family/friends experience homelessness.	22.6%	267	27.2%	158	23.6%	78	11.9%	24
Personally been homeless.	10.6%	125	18.8%	109	3.6%	12	0.5%	1
Had too many people living in my home.**	6.5%	77	8.4%	49	5.4%	18	4.0%	8
TOTAL COMPLETE RESPONSES		1,179*		580		331		201

*The survey sample size is too small and unrepresentative for results to be generalizable to all Tennesseans. However, it is concerning these percents of respondents reported experiencing the problems above.

**Having too many people in one's home is sometimes a sign of households "doubling up," which is recognized as a form of homelessness for the household experiencing instability.

Upper Cumberland – Housing Instability Problems

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences. The following table shows the percent and number of respondents by development district region who reported having housing instability problems within the previous two years or noticing it in their communities.

Response Options	All Survey Respondents		GNRC Respondents		South Central Respondents		Upper Cumberland Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Seen my neighbor(s) or local family/friends experience homelessness.	22.6%	267	19.2%	57	19.7%	25	22.7%	20
Personally been homeless.	10.6%	125	13.1%	39	6.3%	8	11.4%	10
Had too many people living in my home.**	6.5%	77	7.4%	22	8.7%	11	1.1%	1
TOTAL COMPLETE RESPONSES		1,179*		297		127		88

*The survey sample size is too small and unrepresentative for results to be generalizable to all residents of the Upper Cumberland region. However, it is concerning these percents of respondents reported experiencing the problems above.

**Having too many people in one's home is sometimes a sign of households "doubling up," which is recognized as a form of homelessness for the household experiencing instability.

Tennessee – Emergency Shelter and Homelessness Services Needs (Part 1)

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by income group who reported an emergency shelter and/or homelessness service activity as “high need” in their communities.

Response Options	All Survey Respondents		Respondents with Incomes of \$0 to \$50K		Respondents with Incomes of >\$50K to \$100K		Respondents with Incomes of >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Rental assistance to keep people from becoming homeless	76.8%	562	89.1%	318	73.1%	155	54.5%	67
Short-term housing for people experiencing homelessness	74.9%	548	84.6%	302	71.2%	151	56.9%	70
Emergency shelter for people experiencing homelessness	71.3%	522	81.5%	291	66.0%	140	52.0%	64
Monthly rental assistance for people experiencing homelessness	70.8%	518	82.9%	296	68.4%	145	47.2%	58
Housing with special services for people with disabilities or mental health needs	69.5%	509	78.2%	279	66.0%	140	54.5%	67
TOTAL COMPLETE RESPONSES		732*		357		212		123

**The survey sample size is too small and unrepresentative for results to be generalizable to all Tennesseans. However, it is concerning these percents of respondents reported experiencing the needs above.

Tennessee – Emergency Shelter and Homelessness Services Needs (Part 2)

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by income group who reported an emergency shelter and/or homelessness service activity as “high need” in their communities.

Response Options	All Survey Respondents		Respondents with Incomes of \$0 to \$50K		Respondents with Incomes of >\$50K to \$100K		Respondents with Incomes of >\$100K	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Outreach to people living outside or on the street	67.9%	497	77.3%	276	65.6%	139	48.8%	60
Mortgage assistance to keep people from becoming homeless	65.6%	480	76.8%	274	62.7%	133	43.1%	53
Shelter for people fleeing domestic violence	61.5%	450	68.3%	244	57.1%	121	51.2%	63
Renovations to emergency shelters	47.4%	347	58.0%	207	42.5%	90	31.7%	39
TOTAL COMPLETE RESPONSES		732*		357		212		123

**The survey sample size is too small and unrepresentative for results to be generalizable to all Tennesseans. However, it is concerning these percents of respondents reported experiencing the needs above.

Upper Cumberland – Emergency Shelter and Homelessness Services Needs (Part 1)

The State of Tennessee’s Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by development district region who reported an emergency shelter and/or homelessness service activity as “high need” in their communities.

Response Options	All Survey Respondents		GNRC Respondents		South Central Respondents		Upper Cumberland Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Rental assistance to keep people from becoming homeless	76.8%	562	76.7%	125	61.7%	50	86.7%	52
Short-term housing for people experiencing homelessness	74.9%	548	73.0%	119	70.4%	57	88.3%	53
Emergency shelter for people experiencing homelessness	71.3%	522	65.6%	107	72.8%	59	81.7%	49
Monthly rental assistance for people experiencing homelessness	70.8%	518	73.6%	120	59.3%	48	86.7%	52
Housing with special services for people with disabilities or mental health needs	69.5%	509	65.6%	107	63.0%	51	85.0%	51
TOTAL COMPLETE RESPONSES		732		163		81		60*

*The survey sample size is too small and unrepresentative for results to be generalizable to all residents of the Upper Cumberland region. However, it is concerning these percents of respondents reported experiencing the needs above.

Upper Cumberland – Emergency Shelter and Homelessness Services Needs (Part 2)

The State of Tennessee's Housing Needs Survey for the Public asked respondents about their housing experiences.

The following table shows the percent and number of respondents by development district region who reported an emergency shelter and/or homelessness service activity as “high need” in their communities.

Response Options	All Survey Respondents		GNRC Respondents		South Central Respondents		Upper Cumberland Respondents	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Outreach to people living outside or on the street	67.9%	497	65.6%	107	69.1%	56	68.3%	41
Mortgage assistance to keep people from becoming homeless	65.6%	480	65.6%	107	61.7%	50	76.7%	46
Shelter for people fleeing domestic violence	61.5%	450	62.0%	101	49.4%	40	63.3%	38
Renovations to emergency shelters	47.4%	347	45.4%	74	35.8%	29	56.7%	34
TOTAL COMPLETE RESPONSES		732		163		81		60*

*The survey sample size is too small and unrepresentative for results to be generalizable to all residents of the Upper Cumberland region. However, it is concerning these percents of respondents reported experiencing the needs above.

Tennessee – Housing Instability Problems

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts. During focus groups, homelessness service providers noted affordable rental units were generally in short supply, which usually made finding housing for people experiencing homelessness difficult. However, they cited several other factors that made finding housing for people experiencing homelessness uniquely challenging. Participants in the First and East development districts said many people experiencing homelessness preferred to rent one-bedroom apartments because they felt more secure in their own spaces, and two-bedroom apartments were too expensive and often did not meet HUD's affordability requirements unless more than one household was contributing to the rent. However, one-bedroom apartments were less common than two-bedroom apartments in most communities. Most participants also mentioned that some local landlords were hesitant to rent apartments to homeless individuals. As a result, the supply of affordable rental units was further limited for people experiencing homelessness.

Tennessee – Housing Instability Problems

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts. Focus group participants in the Northwest and East development districts shared that affordable rental units sometimes did not pass inspections for housing safety and quality, and landlords sometimes were unwilling to remediate these findings. As result, some affordable apartments were not available to people experiencing homelessness because they did not meet quality standards. Finally, participants mentioned additional challenges households faced that often re-created housing instability even after the household had re-secured permanent housing. These challenges included finding a job with a wage that could support their new rental payments without assistance, finding reliable transportation to and from work and/or school, and obtaining other essentials of stability, like childcare, food, clothing, laundry, household items, and basic furniture for their new homes.

Tennessee – Housing Instability Problems

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Homelessness services providers who participated in the focus groups expressed that assessing the number of people experiencing homelessness in rural areas may be more difficult than in suburban and urban areas because people experiencing homelessness in rural areas often did not sleep in visible places. Focus group participants reported that people experiencing homelessness often lived in substandard/vacant housing, barns or garages, tents, or cars/campers, which were often distant from roadways and/or obscured by trees.

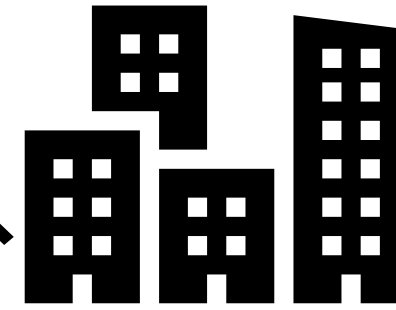
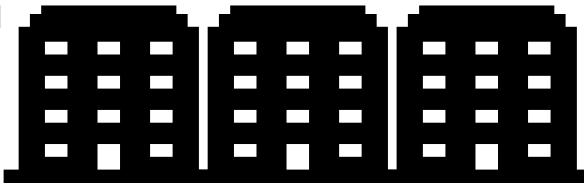
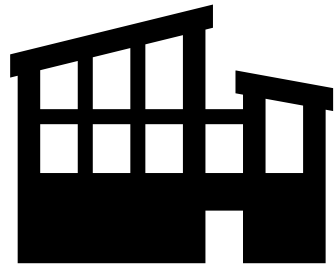
They also highlighted that people experiencing homelessness in rural areas often faced a lack of transportation, which prevented them from accessing CoC resources. In addition, even when people had some transportation available, accessing CoC resources often required people to travel long distances, which some were reluctant to do. For example, homelessness service providers in TN-507, which serves people in the City of Jackson and much of rural West Tennessee, said people often reported being unable to travel to emergency shelters.

What housing does Tennessee need?

How do we know?

Housing Shortages Increase Instability

In short, Tennessee has seen increases in the number of households experiencing homelessness compared to the years before the COVID-19 pandemic. Tennessee's housing shortages are driving increases in housing prices, which is increasing the number of households at-risk of housing instability. In addition, the shortage of supportive housing makes it difficult for people experiencing homelessness to obtain and maintain stable housing.



Homeless
(e.g., streets, car,
shelter, doubled
up)

**Supportive
Housing**

**Affordable
Rental Housing**
(e.g., government
subsidized units)

**Affordable
Homeownership**

**Market-Rate
Rental Housing**

**Market-Rate
Homeownership**

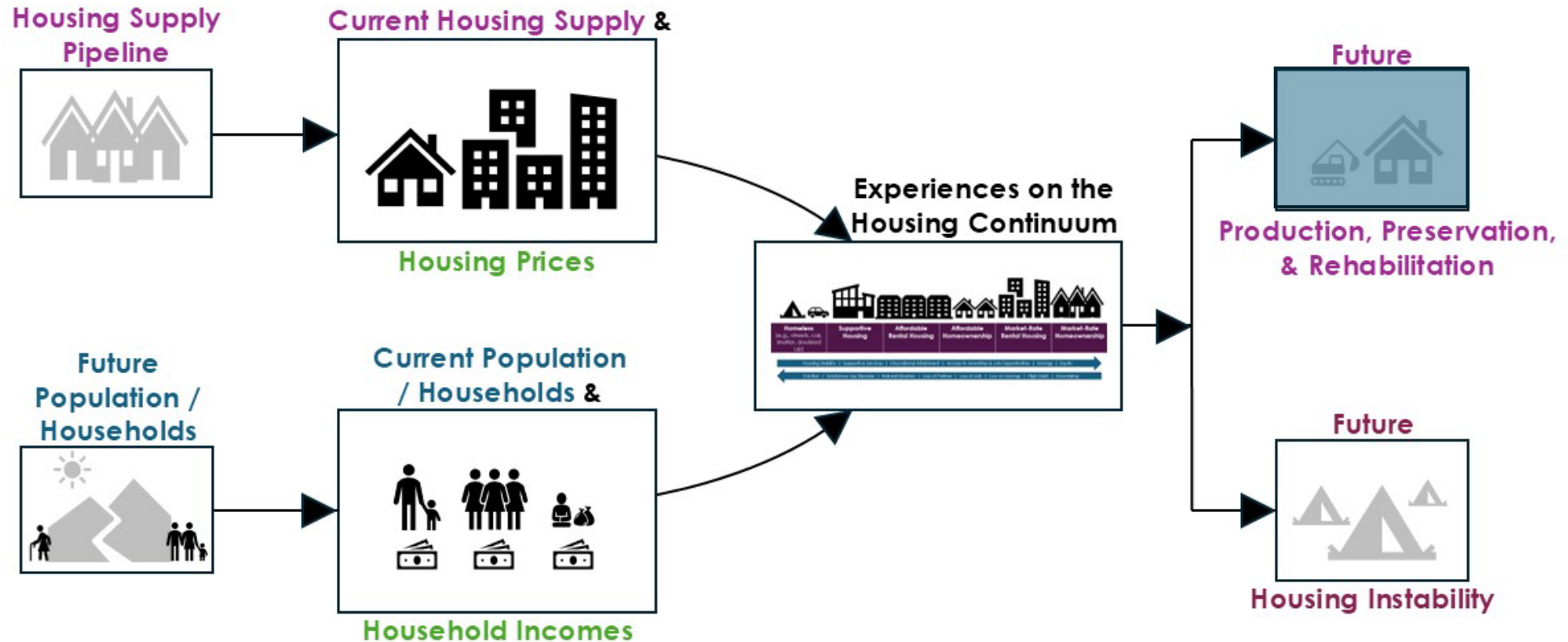
Housing Stability | Supportive Services | Educational Attainment | Access to Amenities & Job Opportunities | Savings | Equity

Eviction | Substance Use Disorder | Natural Disasters | Loss of Partner | Loss of Job | Low on Savings | High Debt | Downsizing

What housing does Tennessee need?

How do we know?

Future Production, Preservation and Rehabilitation

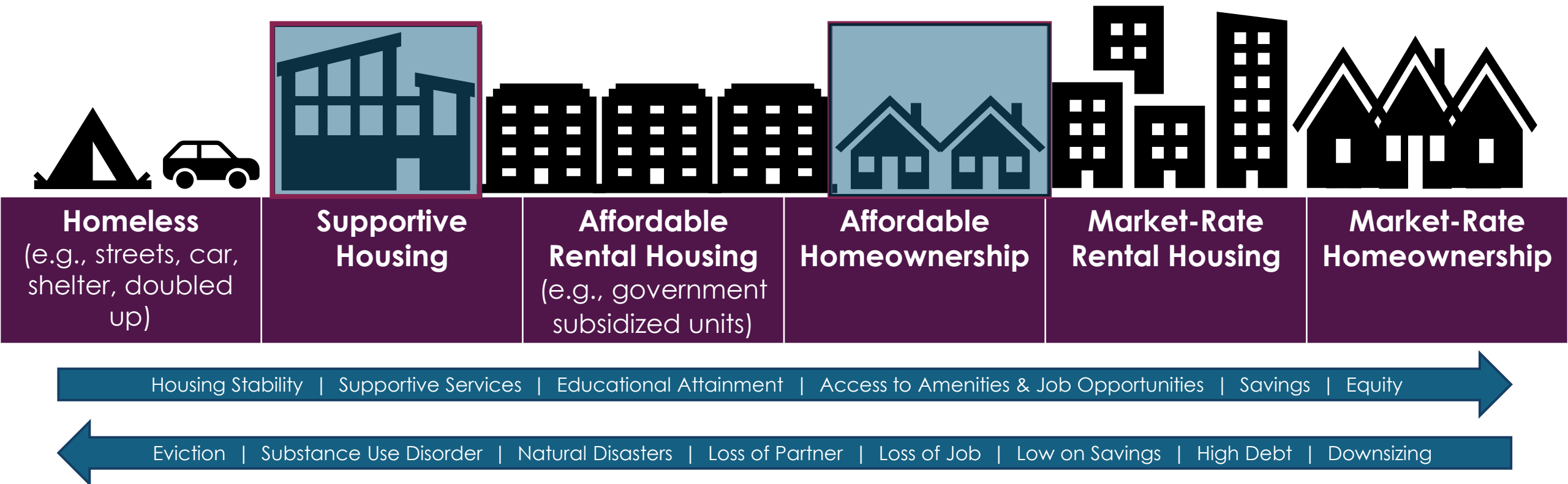


What housing does Tennessee need?

What barriers do communities face?

Future Production, Preservation and Rehabilitation

Tennessee faces a housing shortage, especially a shortage of supportive rental housing and affordable homeownership opportunities. Unfortunately, producing this housing is often difficult.



What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing Housing Shortage and High Interest Rates

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Barriers to affordable housing include a statewide housing shortage, which is largely the result of a decade of underbuilding after the mortgage and financial crisis that began in 2007. Higher interest rates also are currently dampening Tennessee's housing market, including the building and sale of single-family homes and the building of multifamily developments. See Section MA-10 for a more detailed explanation of these macroeconomic factors.

What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing “Home Rules” (Part 1)

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Housing developers reported that “home rules,” which allow local jurisdictions to control local zoning and building codes, sometimes stymied the building of affordable housing. They said finding developable land, planning a viable project, and securing permission to build often was difficult, especially for multifamily developments. In urban areas, developing affordable rental housing was often challenging because prices for developable land were high. In rural areas, even though land prices were less expensive, parcels were less likely to be zoned for multifamily residential development. A participant in the East development district said not enough parcels were zoned for multifamily residential development, and a participant in the GNRC region said some localities had moratoriums on new multifamily developments altogether. In addition, local building codes sometimes were an obstacle. For example, a participant noted in GNRC that some areas did not allow mixed-use properties, like building apartments above commercial centers, and other areas did not allow accessory dwelling units (ADUs), building a second smaller residence on a lot that already had a single-family home. Mixed-use developments and ADUs can increase density and affordable homes in business districts and existing single-family neighborhoods.

What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing “Home Rules” (Part 2)

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

In areas where housing developers made requests to rezone land or adjust building codes, public input processes sometimes stymied building. Focus group participants from more rural development districts, like the Northwest, Upper Cumberland, and South Central regions, noted some current residents seemed to have negative perceptions of apartments. As one participant put it, “Apartments are a four-letter word. Good luck rezoning for apartments.” A participant from the East development district explained a proposed multifamily development required obtaining permission to build a retaining wall, but this plan was unpopular with current residents and “public opinion killed the project before it even started.”

What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing “Home Rules” (Part 3)

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Single-family developers faced obstacles with “home rules” as well. Often more land was zoned for single-family housing development, but affordable homes were difficult to build due to policies like minimum lot sizes or minimum square-footage policies. Developers said they often struggled to accomplish “in-fill” single-family developments on empty or blighted lots because the current property owners often did not have “clean titles.” In addition, some localities have strict building codes that limit cost-cutting innovations in single-family homes, like the use of non-traditional materials. Differences in localities' building codes also sometimes made it difficult for developers to operate efficiently across multiple localities. Like public pushback against multifamily developments, local homeowners sometimes opposed denser, affordable single-family home developments, such as duplexes and triplexes. Even when these were allowed, they sometimes were disincentivized in other ways. For example, a focus group participant from the Midsouth development district noted that some localities taxed duplexes or triplexes at higher commercial rates, which disincentivized building these types of units.

What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing Impact Fees

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts. Impact fees sometimes disincentivized building affordable housing. For example, developers from the more urban development districts, like the GNRC, Midsouth, East, and Southeast regions, said some localities charged prohibitively high impact fees to build new or utilize existing infrastructure, like water and sewer systems. When impact fees were high, developers had to charge more for their housing units to make them profitable, which decreased affordability for occupants.

What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing Difficulties with City Planning and Labor

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Local communities and governments also faced challenges with city planning for affordable housing. Largely rural development districts, like the Northwest, Southwest, South Central, and Upper Cumberland regions, reported a lack of personnel with the availability and/or skills to engage in strategic, coordinated planning for housing. However, even when communities had strategic housing plans, some localities reported struggling to find the labor force, like contractors and construction workers, to build it. When the demand for building collapsed in the aftermath of the mortgage and financial crisis beginning in 2007, the labor pool for contractors and skilled construction workers also shrank.

Today, even though current demand for housing development is much higher, the labor pool is still relatively thin, especially in rural areas. Urban areas often manage to acquire this labor for a higher price. However, rural areas often struggle to find or compete for it.

What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing Workforce/Population Growth

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts. Most places need more affordable housing but are struggling to build it, even though communities and governments know it is necessary for increased economic growth. For example, Ford has been planning—or had, as plans seem to be on hold—to build a new electric vehicle factory in the Southwest development district, but the surrounding area did not have enough existing housing to accommodate the potential population growth. In addition, about twenty companies planned to relocate near Chattanooga in the Southeast development district, which would create an estimated ~2,800 new jobs, but housing for this additional workforce needed to be built. The South Central region also anticipated new housing was needed for workforce growth in manufacturing. As one participant from the East development district put it, “Housing is a workforce issue. If we don't have affordable housing, we are hurting the workforce.” Or, as a participant from the Northwest development district put it, “Homes are where jobs go to sleep.”

What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing Competing Priorities for Land Use

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Local communities and governments also experienced tensions between building housing and reserving land for other uses. For example, in rural areas like the Northwest development district, land was often zoned for agriculture because the industry is important and established in the region. However, with increasing recognition of a housing shortage, local leaders faced pressure to rezone some land for residential development. As a result, some people in the agricultural industry hoped to persuade the Tennessee Legislature to designate some parcels of land permanently for agriculture. They argued that once land is zoned and utilized for another purpose, like housing, it cannot be returned to an agricultural purpose.

What housing does Tennessee need?

What barriers do communities face?

Tennessee – Barriers to Affordable Housing Fair Housing Issues

In August 2024, the State of Tennessee hosted focus groups on housing needs in each of Tennessee's nine development districts.

Finally, the U.S. Congress passed the Fair Housing Act in 1968 to ensure members of specified protected classes have equal access to housing and protections from discrimination. The intent was to outlaw discriminatory housing policies and practices that had been weaponized against people in protected classes. While the law has reduced discrimination for groups in protected classes, efforts to further fair housing and combat discrimination continue to present day. See the Fair Housing appendix of the 2025-2029 Consolidated Plan for a detailed exploration of fair housing issues and the State's proposed actions.

Additional References

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