

Nashville, TN

Rental Real Estate Overview 2022

If there was ever a perfect market to buy rental real estate in, Nashville would be near the top of the list.

Here is a quick overview of the city of Nashville:

Nashville is the 2nd largest city in Tennessee and the 5th largest city in the Southeastern U.S.

No state income tax and low property tax attracts businesses and investors of all kinds, which continue to feed the economy in the Nashville Metro Area, growing the job market and reducing unemployment.

Additionally, Nashville's large collection of schools and universities supplies a steady stream of tenants to the area, giving the Music City a major demand for available rental properties.

With the city's location playing major roles in the Revolutionary War and the Civil War, Nashville is rich in culture and history, making it a great place to work, learn and live.



Evernest is here to help investors (like you) navigate the world of real estate investing and make informed investments in markets just like Nashville. This whitepaper outlines what rental property investors need to know about the Nashville rental property market in 2022.

Nashville Population Statistics

- The city of Nashville's [population](#) is 701,581
- The [Metro area](#) has a population of 1,989,519
- Nashville's [median household income](#) is \$70,262, which is \$14,000 higher than the state average, and \$4,500 greater than the national average.
- Nashville's median [per capita income](#) is \$37,696, which is \$6,000 higher than the state average and \$2,000 higher than the national average.
- The [Median age](#) of Nashville residents is 34.2 years old
- Nashville occupies an [area](#) of 475.5 square miles
- Nashville has an [unemployment rate](#) of 4.4%, which keeps getting closer to pre-pandemic levels but is still lower than the national average.
- Nashville has a [GDP](#) of \$136,058.470 million.

Nashville has seen an increase in the millennial population over the past several years, [with over 13,200 people between the ages of 25-39 moving to Nashville in 2019](#), making it a prime region for new businesses to find and recruit new talent as well as expand into new markets.

CITY STATISTICS

MSA Population

701,581

1,989,519
Metro area

Median Income

\$37,696/capita

\$70,262/household

Median Age*

34.2 years

Area

475.5 sq miles

Unemployment rate

4.4%

GDP

**\$136,058.470
million**

Top Employers

(see chart below)

Here are 10 OF THE LARGEST EMPLOYERS in Nashville, Tennessee



Company	# of Employees
Vanderbilt University & Medical Center	27,340
Nissan North America	10,750
HCA Holdings Inc.	10,613
Saint Thomas Health Services	6,243
Community Health Systems	4,700
Randstad	4,577
Asurion	3,600
The Kroger Company	3,523
National Healthcare Corporation	3,250
Shoney's	3,000

Nashville, TN Real Estate Market Statistics

- Nashville has 151 constituent [neighborhoods](#).
- According to Trulia, there are 839 homes for sale in the metro area as of January 2022.
- The median [list price](#) for homes in Nashville is \$400,000
- The median [sold price](#) for homes in Nashville is \$429,900
- The median [price per square foot](#) in Nashville is \$243
- The median amount of [days on the market](#) for homes in Nashville is 29
- The median [rent price](#) in Nashville for a 3-bedroom house is \$1,985
- The sale-to-list-price ratio in Nashville is 107.4%
- According to [Norada](#), the 1-year appreciation rate for homes in Nashville is currently 22.3%
- Nashville has a price-to-rent ratio of 19.04
(NOTE: simply divide the median home price by an average year's rent to get the price-to-rent ratio)
- Nashville has a property [vacancy](#) rate of 7.9%
- Nashville currently has a [foreclosure rate](#) of 3.5%, which is lower than in decades.

As seen in other major rental markets like Denver, Austin, and Atlanta, the demand for homes in the Nashville area far outweighs the supply. This means that any investor looking to break into the market will need to,

- Be creative when finding deals
- Be able to bring capital to the table
- [Build a solid boots-on-the-ground team](#) to ensure success

NASHVILLE, TN REAL ESTATE MARKET STATISTICS

51 Neighborhoods	839 Homes for sale	\$400,000 Median List Price	\$429,900 Median Sold Price
\$243 Median Price per Square Foot	107.4% Sale-to-List Price Ratio	29 Median Days on Market	\$1,985/ 3-bedroom house Median Rent Price
22.3% 1-Year Appreciation Rate	19.04 Price-To-Rent Ratio	7.9% Percentage Of Vacant Homes	3.5% Foreclosure Rate

NEIGHBORHOODS WITH THE FASTEST RENT INCREASES

Neighborhood	Average Rent
8th Avenue South	\$2,277
Demonbreun Hill	\$2,277
Elliston Place	\$2,277
Marathon Village	\$2,277
The Gulch	\$2,277
Watkins Park	\$2,277
Wedgewood - Houston	\$2,277
West End Park	\$2,277
SoBro	\$2,271
Downtown Nashville	\$2,237

MOST AFFORDABLE NEIGHBORHOODS IN NASHVILLE, TN

Neighborhood
Southside
Scottsboro
Rosebank
Rachel Jackson
Una
Nashboro Village
Barclay Drive
Cumberland Gardens
Marrowbone
Merry Oaks



LOOKING FOR AN INVESTOR-FRIENDLY AGENT?

From getting access to off-market deals to building a team to making offers, buying properties in a new market takes time and is difficult without knowing an expert (or two).

That's why we started Evernest Brokerage.

Invest in [some of the best real estate markets](#) in the United States with a team of local experts every step of the way. Working with Evernest's in-house brokerage team of investor-friendly agents is the simplest way to build a local team and grow your rental portfolio.



**Find and connect with an agent
in your market today.**



FIVE REASONS WHY NASHVILLE IS A GREAT PLACE TO BUY RENTALS

Low cost of living and high quality of life not only make Nashville a great place to live and work, but also a great place for savvy investors to buy rental properties.

Here are our top five reasons why nashville is a great place to buy rental property:



1.

LARGE STUDENT POPULATION

Nashville is home to over [30 accredited higher educational institutions](#).

A few highlights are:

- Belmont University
- Vanderbilt University
- Tennessee State University
- Nashville State Community College

Naturally many students will opt-in to live in on-campus housing, however in any market, there are many who will opt to rent as well. With a large student population, Nashville provides a solid opportunity for buying rentals near any educational institution.

This can be a smart move for several reasons:

- A good size of the population always needs housing
- Easier to make rent increase YOY
- Shorter leases

There is a caveat though. You'll need to keep in mind that it does take a certain type of investor to double-down on placing college students as their tenants. There is usually more risk associated with your tenants being both younger and less financially stable.

Overall, if you buy rentals in Nashville, there are plenty of opportunities to provide housing to a growing student population.



2.

GOOD FOR BUSINESS

Out of [50 cities](#), Nashville ranks 4th as the best place to start a new business, from looking at factors such as:

- Job creation
- Wage growth
- Population growth
- Early-stage funding deals

Nashville is also a good place for starting a business because of its lack of State Income Taxes and low property taxes.

There is a [new legislative effort](#) to lower Tennessee's corporate income tax, reducing the rate from 6.5% to 6% over the next 5 years, further enforcing the state's business-friendly reputation, helping Tennessee to compare with other states in the region. [1]

Real estate investors in Nashville can be confident that a steady stream of businesses will provide a large pool of tenants that need housing.[1]

Here are other key factors pointing to Nashville's local economy continuing on this trajectory of growth:

- Nashville's GDP has [more than doubled](#) over the last ten years
- Nashville has spent [\\$1.4billion](#) towards expanding Nashville International Airport
- Major industries in Nashville include Healthcare Management, Automobile Manufacturing, and Music Production

Real estate investors in Nashville can be confident that a steady stream of businesses will continue to provide a large pool of tenants in need of housing.



3.

TENNESSEE IS A LANDLORD-FRIENDLY STATE

Tennessee, overall, is a fairly [landlord-friendly state](#).

Currently, there are very few rent control policies in place for landlords today, and the policies that are in place tend to be standard practices that protect the quality of life for the tenant.

Here's what you can expect in Nashville as far as landlord rights go:

- to maintain their property,
- collect payments when due,
- and collect a security deposit when the lease is signed to cover unpaid bills or excessive damage to the home or property.

In Tennessee, tenants still have the right to live in a safe, habitable environment, as well as the right not to be discriminated against for race, religion, or any reason.

The legislation in place, while lenient, helps the tenant feel confident while renting a property and makes the investor feel confident that they will be able to collect all payment without fear of having to house delinquent tenants.

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Other key laws and regulations to keep in mind if you become a landlord in Nashville, TN:

- [1] Landlords must provide repairs for essential services for tenants when requested
- There are no rent control policies in Tennessee, so landlords can charge whatever rent they deem appropriate
- In Tennessee, landlords are not required to collect a security deposit, however, it is recommended to do so to cover the cost of unexpected expenses

4.



LOW COST OF LIVING

The young people and students moving to Nashville are often surprised to learn of the city's low cost of living. A high student population and healthy job market contribute to the low cost of living in Nashville, and while Nashville doesn't have the lowest cost of living in the state, it still has a [lower cost of living](#) than the rest of the U.S.

Food, healthcare, housing, and entertainment all cost an average of 3% less in Nashville than the U.S. national average, which is one of the many reasons that people continue to move to Nashville year after year.

While the cost of living is about 7% more in Nashville than in the rest of Tennessee, housing costs are 9% lower in Nashville than the national average, and utility costs tend to be 10% lower than the rest of the U.S.

Unfortunately, Nashville doesn't have the sophisticated public transport system that might be found in New York or Los Angeles. Still, there is a bus line, in addition to services such as Uber and Lyft, which is why most Nashville residents drive to and from work.[1]



5.

HIGH EMPLOYMENT RATE

One more reason why Nashville continues to thrive post-pandemic is its low unemployment rate. [1] [2]

At the end of 2021, Nashville saw an unemployment rate of 4.4%, which is 3.5% lower than it was at the end of 2020, bringing employment numbers back to where they were pre-pandemic.

The unemployment rate in Nashville remains just under the national unemployment rate of 4.8%.

The high student population attracts many companies to Nashville because of the surplus of young, skilled talent. Companies large and small want to take advantage of the population, which helps boost the economy, bringing in even more companies and more jobs along with them.

The pro-business environment helps companies feel confident locating in Nashville, helping to provide jobs for existing residents and the steady stream of residents that continue to move into Nashville. [3]

Looking at other booming rental real estate markets, Nashville has a lower unemployment rate than Phoenix (5.1%) and Denver (6.1%), but a higher unemployment rate than Atlanta (3.2%) or Austin (3.3%).

NASHVILLE REAL ESTATE MARKET PREDICTIONS

Here is our top three predictions for the Nashville rental market throughout 2022:

1. POPULATION WILL CONTINUE TO INCREASE

Between a large number of higher education institutions and the influx of new and existing businesses, [predictions show](#) that the metro area of Nashville will increase by over 500,000 people in the next 20 years.

The study, conducted by the Boyd Center for Business and Economic Research at the University of Tennessee Knoxville, predicted that:

1. Over a million people will move into the state of Tennessee by 2040
2. Most of the concentration being in the Nashville Metro Area,
3. Other counties such as Davidson, Montgomery, Williamson, Rutherford, Summer, and Wilson will see population growth.

Some other population metrics to consider:

- The median age of those moving to Nashville is 25 to 39 years old
- 63% of residents are white, 27% are black, 3% are Asian, and 2% are 2 or more races
- Some of the major growing industries in Nashville are finance, insurance, technology manufacturing, and tourism

The rise in population is always good news for rental investors—with growth comes the demand for housing. However, this point brings us to our second prediction...

2. INVENTORY WILL CONTINUE TO DECREASE

With the increase in population in the Nashville Metro Area, and the national shortage in available houses for purchase, plan on seeing the housing supply continue to decrease.

The housing supply in Nashville has been decreasing for some time now, and currently, there is only about a [month's supply](#) of inventory. In 2021 Nashville saw a decrease of 23.6% of homes (Y/Y%).

2. DON'T BE SURPRISED IF HOME APPRECIATION CONTINUES TO RISE

With population increases and house supply decreases, this leaves the perfect environment for the property in Nashville to appreciate—which is exactly what we're seeing. Expect the value of current and existing homes to continue to climb.

In 2021 alone, the median sales price of homes rose 22%, and [experts project](#) that 2022 will see more increases from 6% to 19.8% in Nashville.

This is more than the appreciation averages over the last ten years.

Any market cannot sustain growth forever, and based on the current rate, the supply and demand should stabilize within the next five to ten years.

If you plan to buy rental properties, it is important to act sooner rather than later with interest rates being lower (for the time being) and there is still a supply of homes available. At the same time, this can be scary for first-time investors. Having a team of experts on your side can make the process much more manageable and minimize risk.

INVESTING HAS ITS RISKS

If you are an investor looking for rental properties with the potential for solid returns, Nashville is a great market to consider.

Buying or selling real estate is one of the most important decisions you will make as an investor looking to build wealth. Building a team that you trust continues to be vital to the success of your investing journey. A stellar team is well-informed about critical factors that affect your specific market areas, such as changes in market conditions, market forecasts, consumer attitudes, best locations, timing, and interest rates.

EVERNEST has what you're looking for in a team with extensive experience investing in single & multi-family, cash-flow rental properties. Since 2008, our team has remained dedicated to providing investors & owners with the best in-house rental property services around. Evernest can offer investor-friendly brokerage services, white-glove property management, and in-house maintenance for all our customers.



READY TO INVEST WITH OUR TEAM?

Let's talk. Fill out this form [here](#).

Are you an investor not just limited to Nashville or Tennessee? You can invest in [some of the best real estate markets](#) in the United States by working with Evernest's in-house Brokerage team of investor-friendly Real Estate Agents. All you have to do is fill out this [form](#) and one of our agents will reach out within 24 hours.

WWW.EVERNEST.CO

Evernest is here to help you make the smartest investments in the most attractive markets.

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