

A modern kitchen with white cabinetry, a stainless steel range hood, and a large window. The text is overlaid on a semi-transparent grey band.

Market Report **SPRING 2025**

**MIDDLE
TENNESSEE**

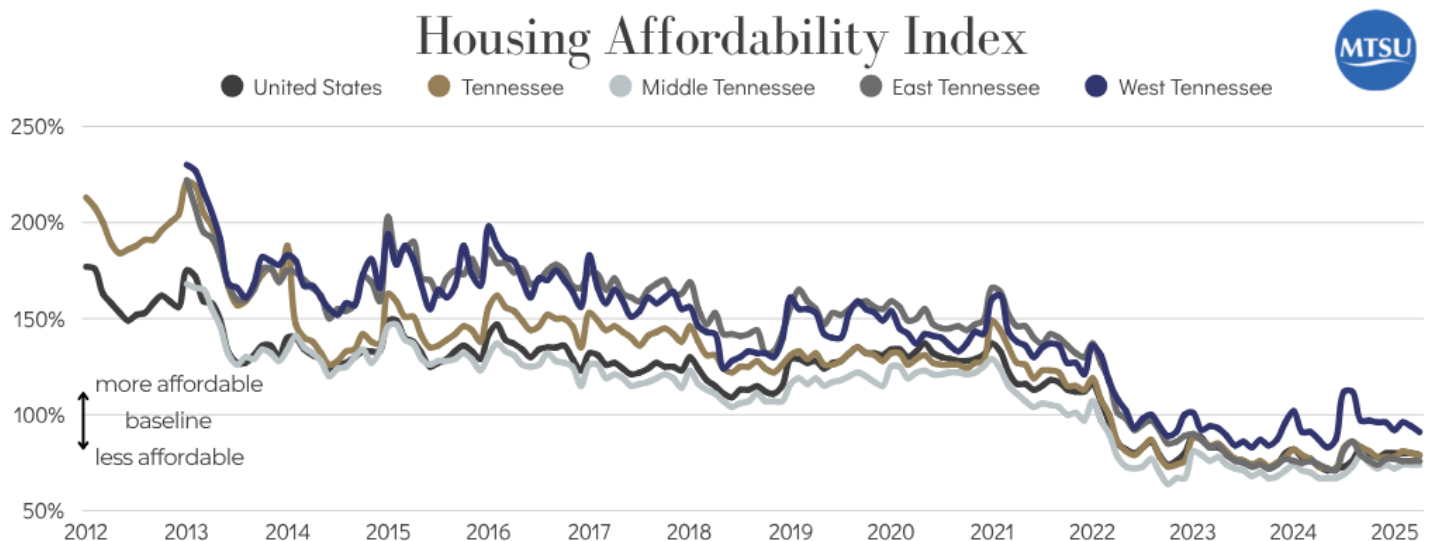
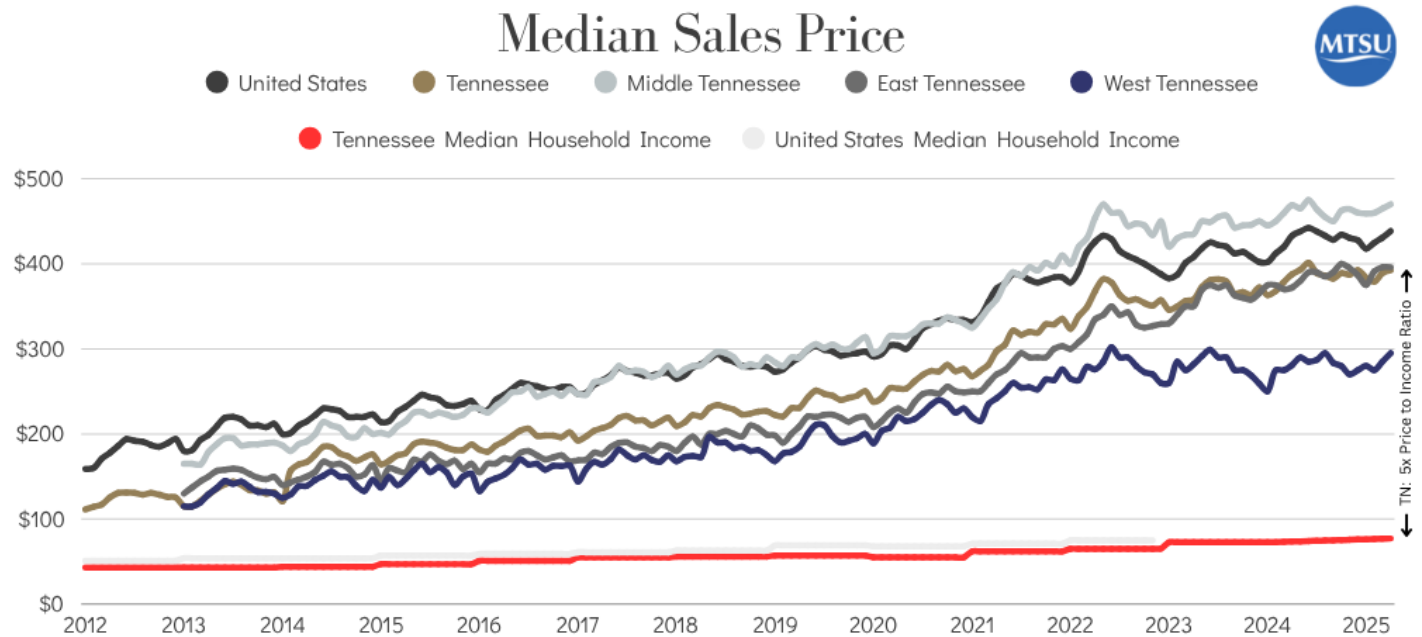
STATE UNIVERSITY

Jones College of Business
Consumer Research Institute

We're excited to have you here for the Spring 2025 edition of the Tennessee Housing Market Report. The Consumer Research Institute in the Jones College of Business has compiled and analyzed data¹ to provide a unique perspective on the current and upcoming outlook of the housing market.

Median Sales Price Increasing

Adjusting to the seasonality of the spring real estate market, the median sales price in Tennessee increased in April by 2.2% since February and 4.4% since September, posting the highest median price since June of 2024.



In the spring, the median house price to income ratio averaged 5.2, slightly higher than the spring and fall of 2024 and on par with the summer of 2024. Likewise, the Housing Affordability Index increased to 79%, up from the low of 74% in April 2024, but still much lower (less affordable) than the index of 149% in January 2021.

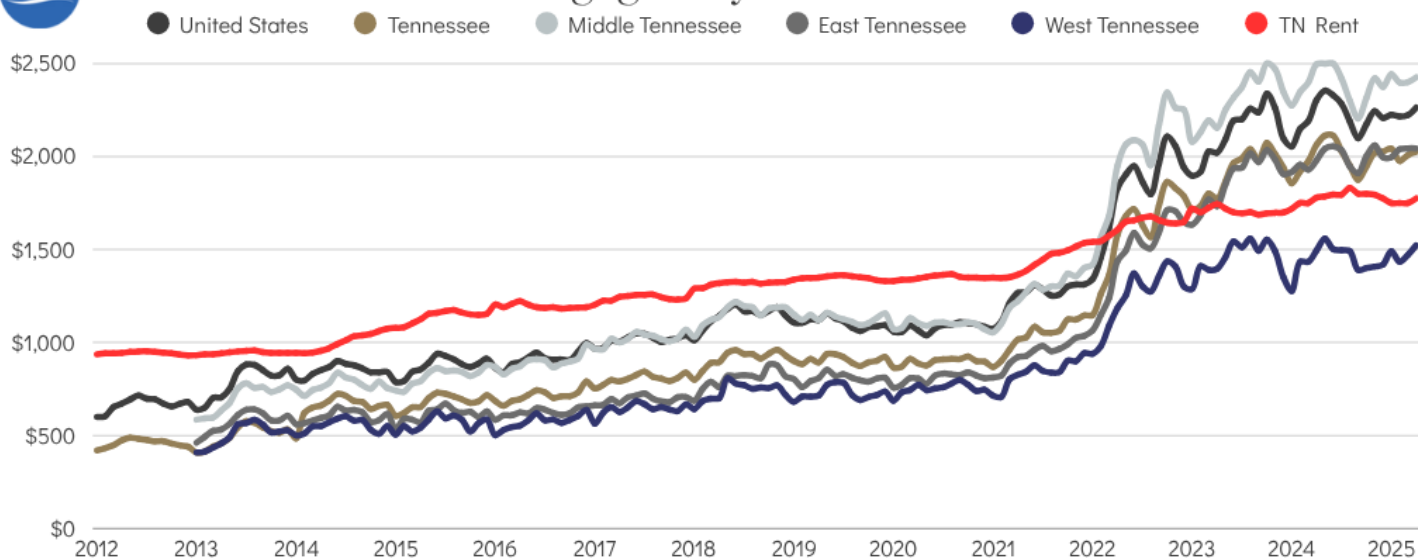
¹ The Housing Market Report is based on data compiled from the St. Louis Fed, United States Census Bureau, and the Redfin Data Center. [Note: The median mortgage payment is calculated using the median sales price with a 20% down payment.]

Monthly Payments Remain Higher with Higher Interest Rates

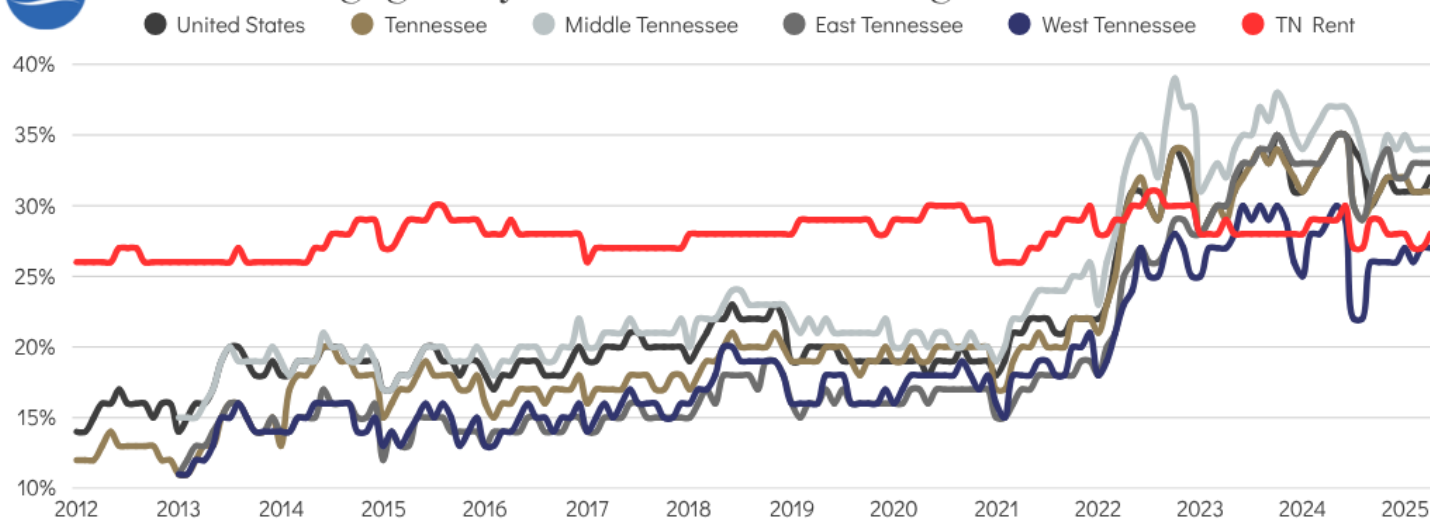
The median mortgage payment in Tennessee this April is up to \$2025, higher than September's median payment of \$1875, but lower than June's median payment of \$2113. However, consumers still feel that home prices are expensive, in part because payments have increased by 125% since January 2021. The median mortgage payment is now 31% of household income in Tennessee, down from 34% in April 2024, but up 82% from the four-year low of 17% in January of 2021.



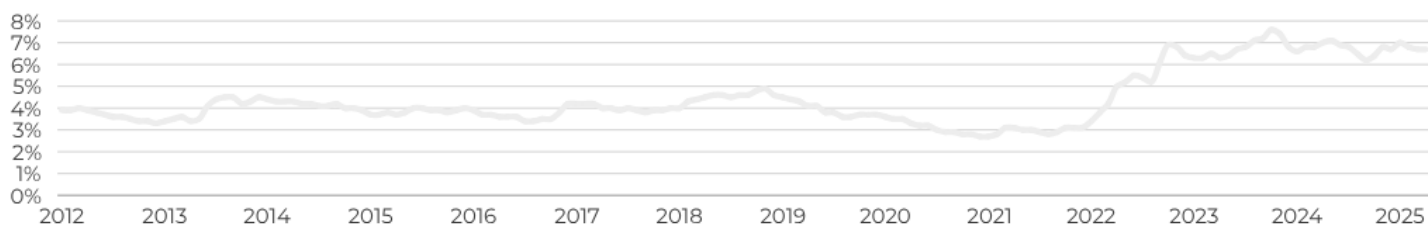
Median Mortgage Payment versus Rent



Mortgage Payment as a Percentage of Income



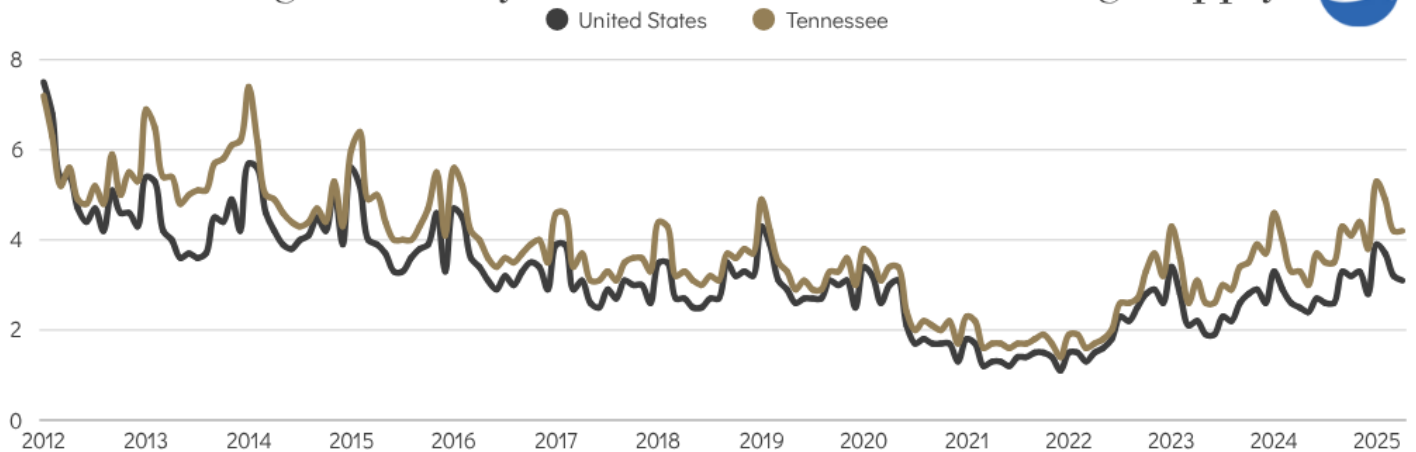
Mortgage Interest Rate History



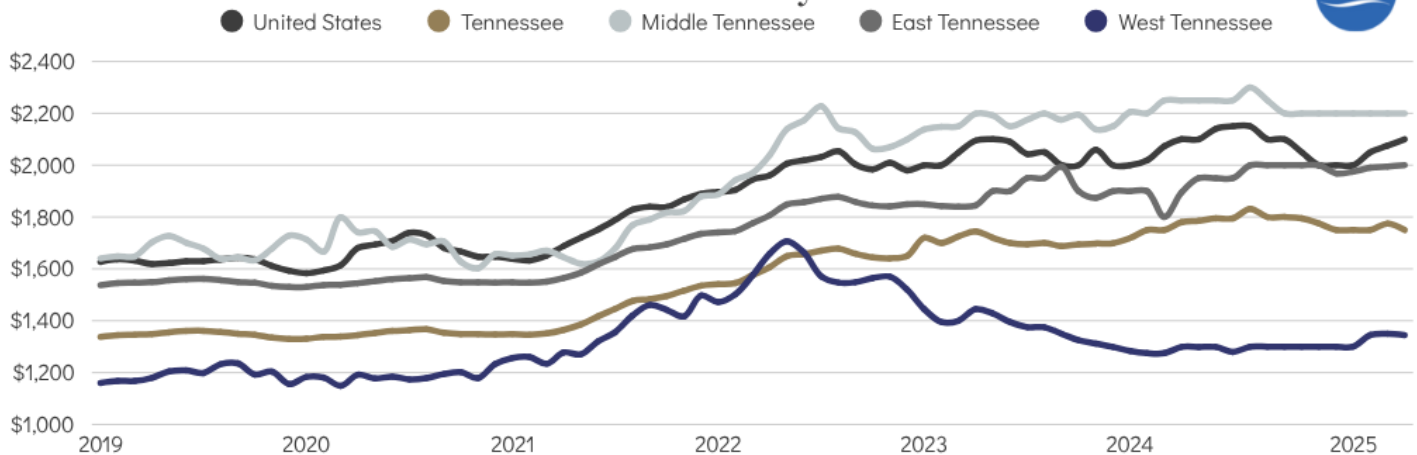
Inventory Trends Related to Market Rent

There is currently 4.2 months of inventory on the market in Tennessee, down from 5.3 months in January, but up from 3.2 months of inventory in Spring of 2024, a clear uptrend since 2022. When housing inventory reached a low of 1.4 months and inflation was over 7% in 2021, the median monthly rent began to increase. When inflation reached over 9% in 2022, market rents peaked again but have since stabilized.

Housing Inventory Trends: Months of Housing Supply



Median Monthly Rent



Collaborate with us

In addition to the Housing Market Report, the Office of Consumer Research (OCR) collects data throughout the year to measure Tennessee consumers' and Business Leaders' perceptions of the economy, which can be found at mtsu.edu/consumer. We welcome your comments, questions, and suggestions. Please contact Dr. Michael Peasley for more information.

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