

Nashville, TN

Rental Real Estate Overview 2023

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 2023.

Nashville Population Statistics

- The city of Nashville's population is [678,845](#)
- The metro area has a population of [2,013,506](#)
- Nashville's median household income is [\\$64,857](#), which is about 10% higher than the state median
- Nashville's median per capita income is [\\$42,268](#), which is about 25% higher than the state median
- The median age of Nashville residents is [34.9 years old](#)
- Nashville occupies an area of [475.8 square miles](#)
- Nashville has an [unemployment rate of 2.4%](#), which is below the [state rate of 3.5%](#)
- Nashville has a GDP of [\\$163 billion](#)

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

678,845

2,013,506

Metro area

Median Income

\$42,268/capita

\$64,857/household

Median Age

34.9 years

Area

475.8 sq miles

Unemployment rate

2.4%

GDP

\$163 billion

Top Employers

(see chart below)

Here are 10 OF THE **TOP EMPLOYERS** in Nashville, Tennessee

| Company | # of Employees |
|--------------------------------------|-----------------------|
| Vanderbilt University Medical Center | 24,039 |
| Nissan North America | 11,000 |
| HCA Healthcare, Inc. | 10,600 |
| Vanderbilt University | 9,107 |
| Saint Thomas Health | 8,335 |
| Randstad | 4,550 |
| Asurion | 4,400 |
| Amazon.com | 4,000 |
| Community Health Systems | 3,925 |
| General Motors | 3,800 |

REAL ESTATE MARKET STATISTICS

127

Neighborhoods

3,384

Homes for sale
as of February 2023

\$485K

Median List
Price (up 16.9% YOY)

\$289

Median List
Price per Square Foot

\$450,487

Average Home
Value (up 15.2%YOY)

0,986%

Sale-to-List
Price Ratio

54

Median Days
on Market

19,4%

Price-To-Rent
Ratio

\$2,085

Median Rent Price (for a
one-bedroom home)

15,2%

1-Year Appreciation
Rate

8%

% of Vacant Homes

In Nashville, there are about [331,262 housing units](#). Here are some facts about housing in this Tennessee city:

- 59% are single-unit structures, 39% are multi-unit structures, and 1% are mobile homes
- 92% are occupied and 8% are vacant
- 47% are renter-occupied and 53% are owner-occupied

As interest rates soared in 2022, many U.S. markets slowed significantly, flipping from ultra-hot sellers' markets to buyers' markets in a matter of months — but Nashville's market remains balanced. The city has a neutral market, which "occurs when the number of buyers looking to purchase properties meets the number of available properties for sale," [according to Rocket Homes](#).

Nashville's [most expensive neighborhood](#) is Green Hills, which has a median listing price of \$1.3. Its [most affordable neighborhood](#) is Heron Walk, which has a median listing price of \$347K.

Nashville home values have soared in recent years. Here's how home values [have increased](#):

| Year | Typical Home Value |
|---------------|--------------------|
| December 2018 | \$278,607 |
| December 2019 | \$288,175 |
| December 2020 | \$314,678 |
| December 2021 | \$391,006 |
| December 2022 | \$450,487 |

Any investor looking to break into this exciting market will need to:

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



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 Everest Brokerage.

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

Get started here
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 2022, an unemployment rate of 2.4%, which is more than a full percentage point below the state rate of 3.5%. The unemployment rate in Nashville is also below the national unemployment rate of 3.4%.

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 (3.2%), Denver (2.8%), Atlanta (2.6%) and Austin (2.7%).

NASHVILLE REAL ESTATE MARKET PREDICTIONS

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

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, Sumner, 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. THE MARKET WILL REMAIN COMPETITIVE

Despite the changing national landscape, demand for homes in Nashville remains steady. The city has a neutral market, which “occurs when the number of buyers looking to purchase properties meets the number of available properties for sale,” according to Rocket Homes.

Additionally, [Redfin classifies](#) Nashville’s market as “somewhat competitive,” with some homes receiving multiple offers.

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

You can also expect the value of current and existing homes to continue to climb.

In the wake of rising home prices and a slowing market, home sales are expected to dip in Nashville in 2023, but home prices will increase by 5%, [Realtor.com predicts](#). And amid the changing market, homes have continued to appreciate. Over the past year, average home values rose by 15.2%, [according to Zillow’s home value index](#).

Buying a rental property can be scary for first-time investors, but having a team of experts on your side can make the process much more manageable and minimize risk.

INVESTING HAS ITS RISKS

With any investment, there is always the possibility of risk. Some of the risks involved can be poor location, negative cash flow, dwindling inventory, and problematic tenants when it comes to real estate.

Luckily, Nashville, Tennessee, is an excellent location for real estate investing. The property is affordable, the region grows, and Tennessee is in a great location for commerce.

However, without risk, there is no reward. Plenty of investors make poor choices regarding investments and waste time and money, but luckily Evernest is here to help you avoid common mistakes in real estate investment.

Taking the chance with real estate investment can be daunting, but having a team of educated professionals around you is the best way to set yourself up for success, and the experts at Evernest are here to help you every step of the way.

INVEST WITH EVERNEST

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, con-

sumer 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.

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.

*Make the best investments in the most attractive markets
with Evernest.....in good times and bad.*

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