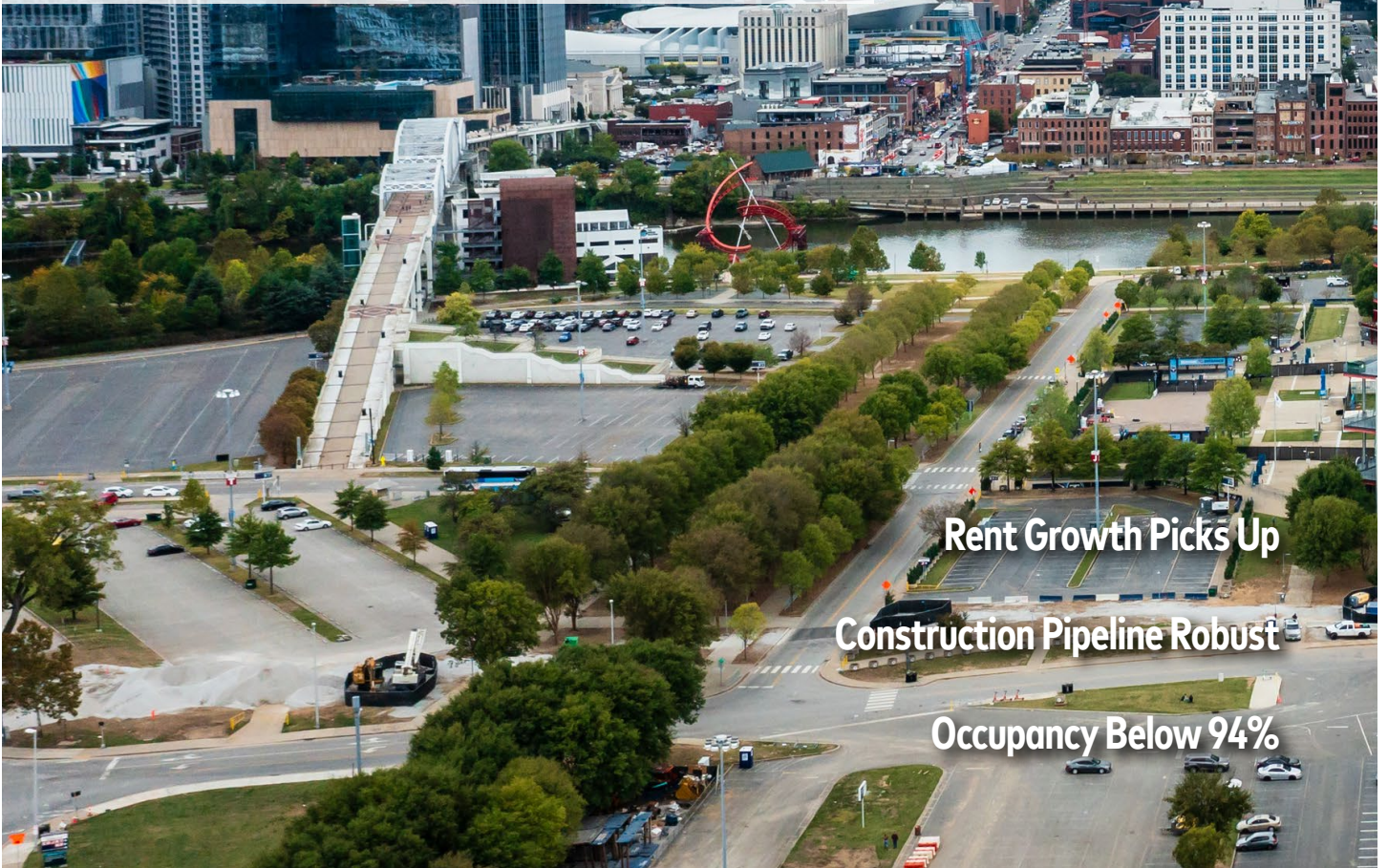


# Nashville Regains Momentum

June 2025



Rent Growth Picks Up

Construction Pipeline Robust

Occupancy Below 94%

# NASHVILLE MULTIFAMILY



## Leasing Season Aids Rent Growth

Nashville's multifamily fundamentals were mixed at the start of 2025's second quarter. Average advertised asking rents rose 0.2%, on a trailing three-month basis through April, to \$1,656, registering a slight rebound following eight months of contractions. Last year's peak in supply growth sent the occupancy rate in stabilized properties down to 93.6% in March. The figure marked the lowest level in Yardi Matrix's historical data.

Employment growth moderated to 1.0% year-over-year in February and remained 10 basis points above the U.S. figure. The unemployment rate stood at 2.7% in March, outperforming the state (3.6%) and the U.S. (4.2%). Job growth was sustained primarily by trade, transportation and utilities (5,100 jobs) and government (4,300 jobs), while three sectors lost 7,300 positions combined, with the steepest losses posted in professional and business services (6,100 jobs). Notable projects in the metro include the opening of the 4,500-capacity music venue, The Pinnacle, in the heart of Nashville Yards, while nearby, Amazon is preparing to begin work on a second office tower.

While new construction moderated, the pipeline remained elevated. Deliveries totaled 3,149 units through April and another 16,649 were underway. Investors traded \$405 million in multifamily assets through April, for a price per unit that rose 8.0%, to \$203,916.

## Market Analysis | June 2025

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### Recent Nashville Transactions

#### Camden West Nashville



City: Nashville, Tenn.  
Buyer: Camden Property Trust  
Purchase Price: \$101 MM  
Price per Unit: \$232,411

#### Queens Wedgewood Houston



City: Nashville, Tenn.  
Buyer: Origin Investments  
Purchase Price: \$79 MM  
Price per Unit: \$356,054

#### Eastside Heights



City: Nashville, Tenn.  
Buyer: LIV Development  
Purchase Price: \$63 MM  
Price per Unit: \$255,101

#### Stonehenge

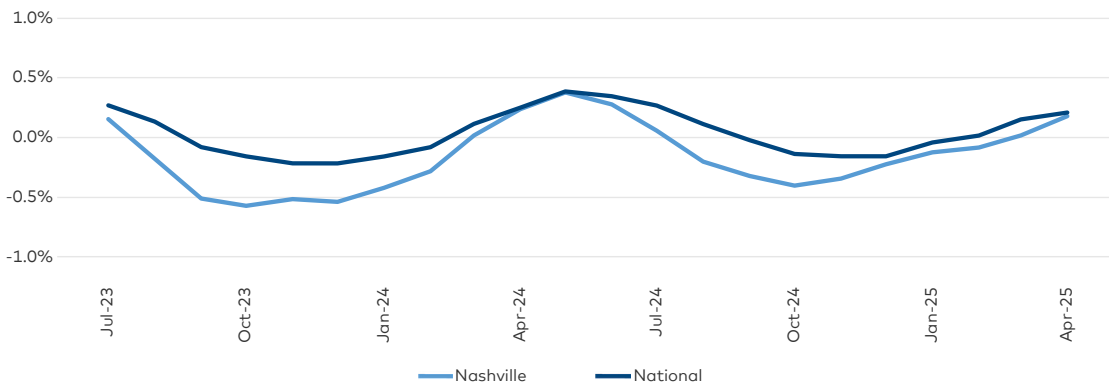


City: Lebanon, Tenn.  
Buyer: The Korda Group  
Purchase Price: \$51 MM  
Price per Unit: \$225,219

## RENT TRENDS

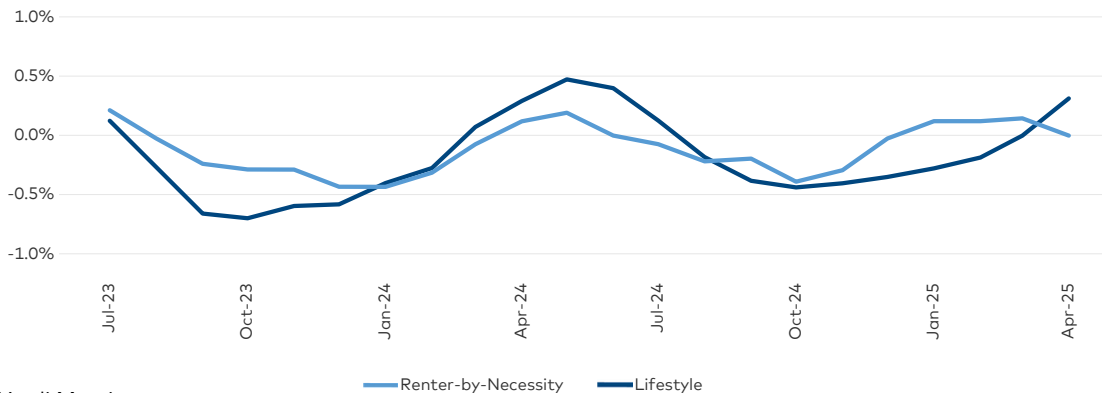
- In line with the seasonal trend, rent growth picked up in Nashville, up 0.2% on a trailing three-month (T3) basis through April, to \$1,656, following eight consecutive months of declines. Meanwhile, the U.S. average rose 0.2% for the second straight month, to \$1,736. Nashville's robust supply growth, which marked a new peak last year, pressured rent growth, with the advertised asking rent declining 0.8% year-over-year, while the U.S. rate rose 0.9%.
- After seven months of contractions, average advertised asking rents for the upscale Lifestyle segment were up 0.3%, on a T3 basis through April, to \$1,814. Rents for the working-class Renter-by-Necessity segment remained unchanged, at \$1,364.
- The occupancy rate in stabilized properties declined 50 basis points year-over-year, to 93.6% in March. The influx of new Lifestyle stock led to a larger decline in RBN occupancy, down 70 basis points to 93.2%, while Lifestyle occupancy slid 30 basis points, to 93.8%. Meanwhile, the U.S. rate slid to 94.4%.
- Average advertised asking rents increased year-over-year in just 20 of the 49 submarkets tracked by Yardi Matrix, including in the metro's priciest, Nashville-Downtown (1.4% to \$2,384). Three other submarkets posted an average advertised asking rent above the \$2,000 mark.
- Advertised asking rents in the SFR sector fell 2.1% year-over-year to \$2,478 in April, while occupancy inched up 0.2%, to 95.0%.

### Nashville vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### Nashville Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- Nashville's employment growth moderated to a 1.0% increase year-over-year through February, just 10 basis points higher than the national average. Over the 12-month period ending in February, the metro added 5,900 positions, with gains led by trade, transportation and utilities (5,100 jobs), government (4,300 jobs) and other services (1,500 jobs). Three sectors lost a combined 7,300 jobs, with professional and business services (-6,100 jobs) taking the largest hit.
- Nashville's unemployment rate points to a tight labor market, clocking in at 2.7% in March, outperforming Tennessee (3.6%), the U.S. (4.2%), and all major metros in the state—Chattanooga (3.2%), Knoxville (2.9%) and Memphis (4.2%).
- Notable projects in Nashville include the opening of Nashville Yards' 4,500-capacity music venue, The Pinnacle. Nearby, Amazon is preparing to begin work on a second tower after a three-year pause, with occupancy targeted for 2026.
- Strong population growth and an overall robust economy attracted an influx of out-of-state businesses to Nashville. In 2024, roughly 90 new restaurants and bars opened in the metro, according to the Nashville Convention and Visitors Corp., with 20% coming from other parts of the country. More new arrivals are expected in 2025, including Los Angeles-based Craig's Restaurant, New York-based French brasserie Pastis and Chicago Japanese restaurant Momotaro.

### Nashville Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
40	Trade, Transportation and Utilities	231.6	19.6%
90	Government	135.4	11.5%
80	Other Services	50.6	4.3%
70	Leisure and Hospitality	130.5	11.1%
65	Education and Health Services	178.8	15.1%
30	Manufacturing	89.2	7.6%
15	Mining, Logging and Construction	63.9	5.4%
55	Financial Activities	80.4	6.8%
50	Information	31.3	2.7%
60	Professional and Business Services	189.2	16.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- Nashville posted one of the highest population expansions between the 2010 Census and 2022, up 29.1% and well ahead of the 8.9% rate.
- The metro's population growth surpassed Dallas (24.7%), Houston (25.1%) and San Antonio (24.9%) and lagged Austin (41.1%).

### Nashville vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Nashville Metro	1,871,903	1,904,186	1,960,999	1,990,873

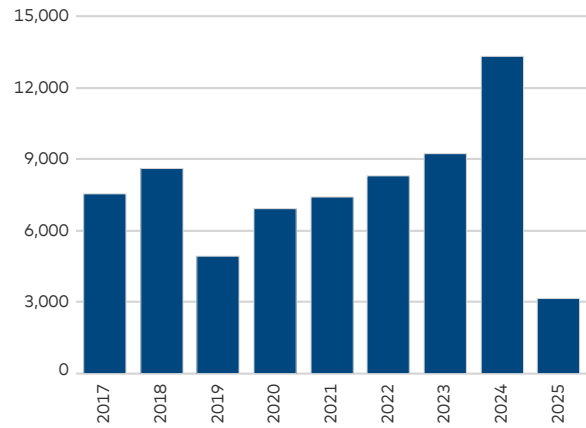
Source: U.S. Census

## SUPPLY

- Nashville's supply growth continued on a high note, with completions in 2025 through April amounting to 3,149 units, the equivalent of 1.6% of existing stock and double the 0.8% national rate. Investors remained focused on Lifestyle properties, which accounted for 90% of the new supply, while deliveries in RBN and fully affordable properties were limited, accounting for 6.2% and 3.8%, respectively.
- Developers had 16,649 units under construction as of April and another 68,000 in the planning and permitting phases. Development remained heavier on the Lifestyle side, accounting for 86.7% of units, complemented by 2.3% of RBN and 11.0% of fully affordable assets.
- Construction starts tapered progressively. Through April, developers broke ground on 682 units across four properties, well below the 2,230 units across 10 properties that started construction during the same interval in 2024.
- In April, developers were active in 23 of the 49 submarkets tracked by Yardi Matrix. Half of the units underway were in five submarkets, led by Nashville–Downtown (3,448 units), Nashville–Central South (1,626) and Nashville–Central North (1,558).

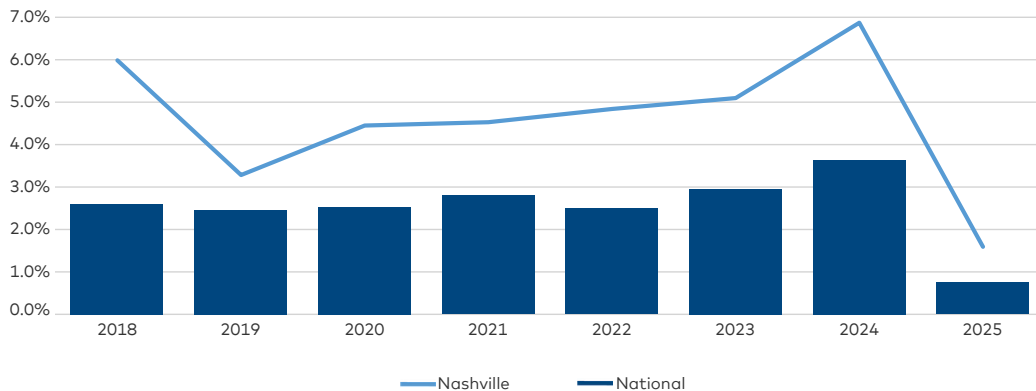
- The largest project delivered through April was the 428-unit McEwen Northside Phase II, a Lifestyle property in Franklin. Owned by Northwood Ravin, the asset holds an \$84 million construction loan issued by U.S. Bank in 2021. Nashville–Southeast had the largest new development underway in April. Middle Street Partners is building a 549-unit community, with help from a \$47 million loan from United Community Bank. Completion is scheduled for 2026.

**Nashville Completions** (as of April 2025)



Source: Yardi Matrix

**Nashville vs. National Completions as a Percentage of Total Stock** (as of April 2025)

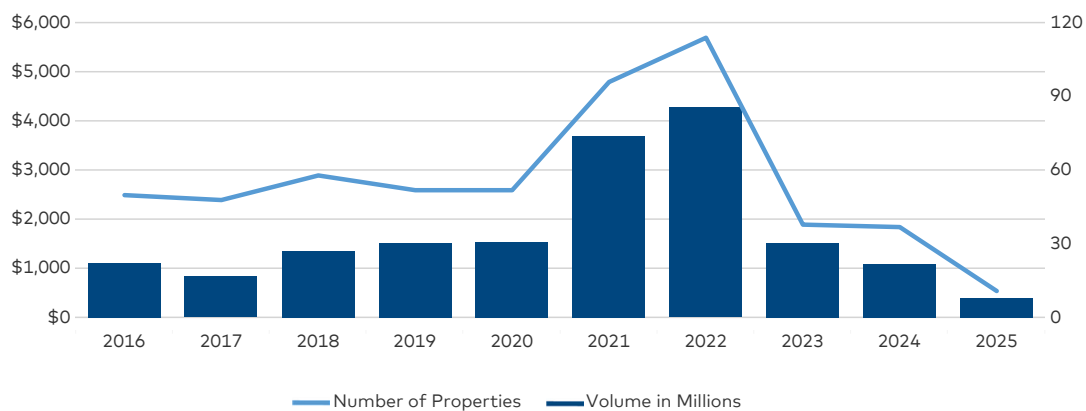


Source: Yardi Matrix

## TRANSACTIONS

- ▶ Multifamily investment in Nashville totaled \$405 million in the first four months of 2025, marking a 21.6% increase from the \$333 million in sales volume recorded in the same period last year. Transactions surpassed the \$1 billion mark in 2024 but still ranked second lowest by annual volume over the last decade.
- ▶ Nashville's average price per unit increased by 8.0% year-to-date through April, to \$203,916, while the U.S. rate grew 10.1%, to \$212,785. Investor appetite was balanced across asset classes, leading to property values resuming growth.
- ▶ Among the transactions in the first months of 2025 was Camden Property Trust's acquisition of a 435-unit Lifestyle asset in Nashville–West, dubbed Camden West Nashville. Cortland sold the asset for \$101 million, or \$232,411 per unit, at a price 35% lower than the price recorded in 2021, when it acquired it from Crescent Communities for \$155 million, or \$356,322 per unit.

### Nashville Sales Volume and Number of Properties Sold (as of April 2025)



Source: Yardi Matrix

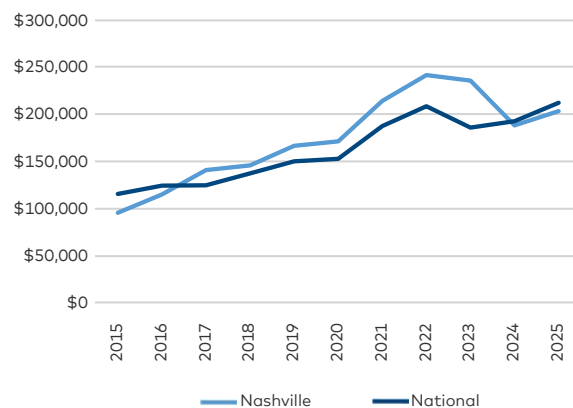
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Nashville–South	196
Nashville–West	189
Nashville–Vanderbilt	150
Nashville–Southeast	128
Nashville–Central	83
Nashville–Central South	79
Murfreesboro	69

Source: Yardi Matrix

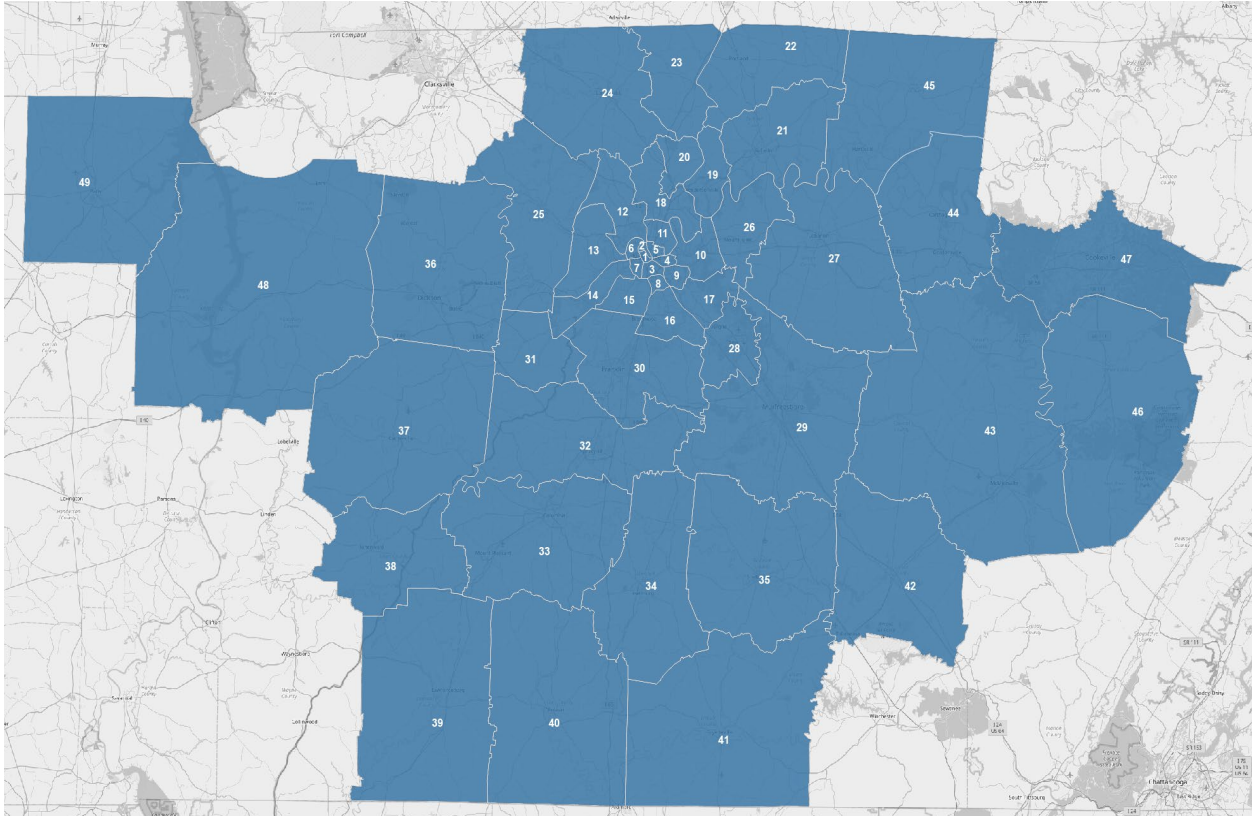
<sup>1</sup> From May 2025 to April 2025

### Nashville vs. National Sales Price per Unit



Source: Yardi Matrix

# NASHVILLE SUBMARKETS



Area No.	Submarket
1	Nashville-Downtown
2	Nashville-Central
3	Nashville-Central South
4	Nashville-Lebanon Pike
5	Nashville-East End
6	Nashville-Central North
7	Nashville-Vanderbilt
8	Nashville-Woodbine
9	Nashville-Airport
10	Nashville-East
11	Nashville-Northeast
12	Nashville-Northwest
13	Nashville-West
14	Nashville-Southwest
15	Nashville-Green Hills
16	Nashville-South
17	Nashville-Southeast

Area No.	Submarket
18	Nashville-Madison
19	Hendersonville
20	Goodlettsville
21	Gallatin
22	Portland
23	White House
24	Springfield
25	Cheatham County
26	Mount Juliet
27	Lebanon
28	Smyrna
29	Murfreesboro
30	Franklin
31	Fairview
32	Spring Hill
33	Columbia
34	Lewisburg

Area No.	Submarket
35	Shelbyville
36	Dickson
37	Hickman County
38	Lewis County
39	Lawrenceburg
40	Pulaski
41	Fayetteville
42	Tullahoma
43	McMinnville-Smithville
44	Smith County
45	Lafayette
46	Sparta
47	Cookeville
48	Waverly-Erin
49	Paris

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- ▶ *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- ▶ *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- ▶ *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- ▶ *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- ▶ *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- ▶ *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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