

Nashville Adjusts

September 2025



Rent Growth Slows

Construction Pipeline Strong

Moderate Employment Gains

NASHVILLE MULTIFAMILY



Market Adjusts to Ample New Supply

Nashville rents saw just a 0.1% increase as of July, with rent growth restrained by record incoming supply from 2024. Average advertised asking rents were up 0.2% on a trailing three-month basis at the national level, slightly above the metro's rates. On an annual basis the difference was even larger, with the national average up 0.7%, while Nashville's advertised asking rents contracted 60 basis points. Nashville's occupancy rate for stabilized assets was 94.2% as of June, settling 50 basis points below the national average.

The metro's unemployment rate was 3.4% as of June, according to preliminary data from the Bureau of Labor Statistics. The figure was well below the national average of 4.1%. Job expansion was largely supported by the government sector, which added 5,900 jobs during the 12-month period ending in May. At the other end, five sectors lost a combined 6,800 jobs. Among other projects re-shaping Nashville, The Boring Co. announced plans to develop the Music City Loop. The privately funded underground transit system would connect downtown and Nashville International Airport.

Year-to-date through July, developers added more than 5,800 units to Nashville's inventory atop the almost 14,000 units that were delivered in 2024. The metro's pipeline included more than 17,500 units under construction with an additional 66,500 units in the planning and permitting stages.

Market Analysis | September 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

Stonehenge

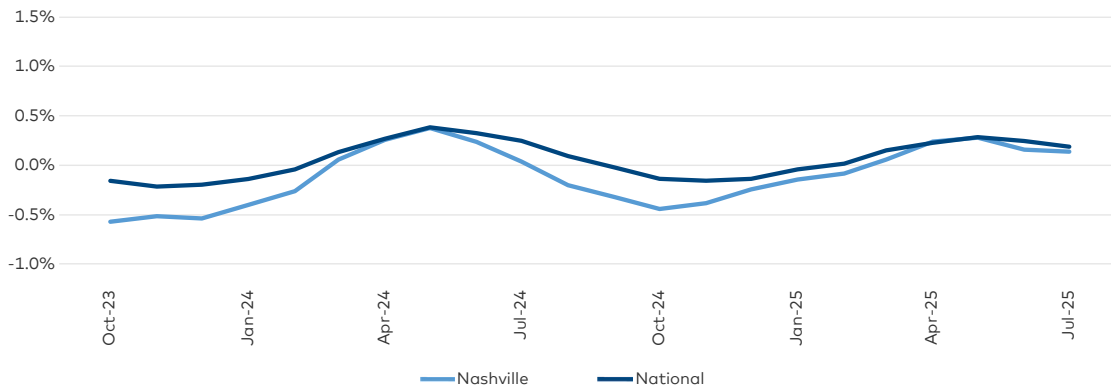


City: Lebanon, Tenn.
Buyer: The Korda Group
Purchase Price: \$51 MM
Price per Unit: \$225,219

RENT TRENDS

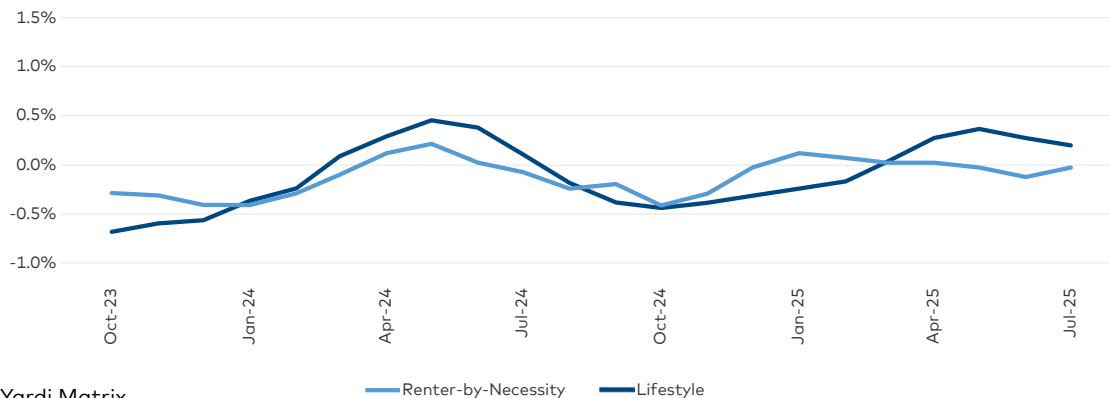
- Average advertised asking rents in Nashville were up 0.1% on a trailing three-month (T3) basis through July, reaching \$1,666. The U.S. average increased 0.2%, to \$1,754. Last year's new supply surge curbed rent growth in Nashville. Year-over-year, the metro saw advertised asking rents contract 0.6%, while the U.S. average recorded a 0.7% increase.
- Advertisd asking rents for the working-class Renter-by-Necessity segment were flat on a T3 basis, at \$1,368. The upscale Lifestyle segment saw a 0.2% increase, to \$1,824. On an annual basis, RBN figures dropped 0.9%, while Lifestyle figures decreased less sharply, down 60 basis points.
- The influx of robust new supply also influenced the metro's occupancy figure, which remained flat year-over-year, at 94.2% as of June. Meanwhile, the national average stagnated at 94.7%.
- Contrary to the metro-wide trend, advertised asking rents increased in 21 of the 49 submarkets tracked by Yardi Matrix and were flat in two. Nashville-Northeast led gains with asking rents climbing 7.5% to \$1,613, followed by one of the metro's development hot spots Nashville-Central South (up 5.3% to \$1,886), and Shelbyville (up 5.1% to \$1,244). Nashville-Downtown, the metro's most expensive submarket, also registered rent growth, up 3.5% to \$2,441.
- SFR advertised asking rents across the metro were down 0.5% year-over-year, while the national average saw a 0.4% increase. However, at 96.2%, Nashville's SFR occupancy rate outperformed the 94.8% national figure.

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

- ▶ As of June, Nashville's unemployment rate was 3.4% according to preliminary BLS data. Even though the figure increased 60 basis points month-over-month, it stayed well below the national average of 4.1%. The metro's average was also just below Tennessee's 3.5%.
- ▶ Nashville added 13,700 net jobs during the 12-month period ending in May. Employment growth marked a 0.8% increase, on par with the national average. The government sector led gains with 5,900 jobs added, followed by education and health services (4,900 jobs), and leisure and hospitality (4,700 jobs). Gains were countered by five other sectors that lost a combined 6,800 jobs.
- ▶ The Boring Co. announced plans to develop the Music City Loop, a privately funded underground transit system that would connect downtown and Nashville International Airport. Depending on approvals and adherence to the construction timeline, the first 10-mile phase of the Loop could begin operations by fall 2026. Other major developments in Nashville are moving along. The \$2.1 billion Nissan Stadium is close to reaching the midpoint of construction ahead of the projected 2027 opening. Nearby, 45 acres of industrial property with redevelopment potential traded for \$245 million. Oracle is pursuing a zoning change, which would allow a high intensity mix of residential, retail and office uses at its world headquarters site.

Nashville Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
90	Government	136.2	11.4%
65	Education and Health Services	181.3	15.1%
70	Leisure and Hospitality	142.1	11.8%
40	Trade, Transportation and Utilities	232.4	19.4%
80	Other Services	51.5	4.3%
50	Information	31.4	2.6%
30	Manufacturing	88.4	7.4%
55	Financial Activities	80	6.7%
15	Mining, Logging and Construction	63.5	5.3%
60	Professional and Business Services	192.8	16.1%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

Nashville's population rose 16.9% during the decade ending in 2022. According to the Tennessee State Data Center, Davidson County gained 10,413 residents YoY as of July 2024. International migration propelled Davidson County to the top of Tennessee's fastest-growing counties.

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

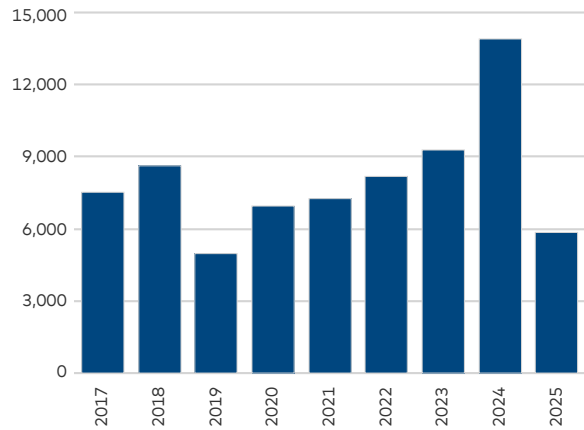
SUPPLY

- ▶ Developers added 5,840 units to Nashville's inventory year-to-date through July. New deliveries accounted for 2.9% of existing inventory, well above the U.S. average of 1.6%. The bulk of the newly completed units were concentrated in Lifestyle assets, with RBN and fully affordable properties accounting for just 6.4% and 8.0%, respectively. Overall, Yardi Matrix expects Nashville to gain some 10,000 units by year-end, following a record-setting 2024, when 13,884 units were delivered nearly double the ten-year average of 7,658 units.
- ▶ Developers had 17,547 units under construction as of July with an additional 66,500 units in the planning and permitting stages. Lifestyle dominated the under-construction pipeline with 85% of the units underway targeting the luxury side. RBN projects made up just 3.7% with fully affordable developments accounting for 11.1%.
- ▶ Construction starts have increased moderately. Year-to-date through July, developers broke ground on 3,071 units. This was above the 2,784 units that kicked off during the same time frame in 2024 as well as the 2,944 units of 2023.
- ▶ Of the 49 submarkets tracked by Yardi Matrix, 23 had projects with 50 or more units under-

way. Nashville–Downtown led with 2,735 units under construction followed by two other core submarkets Nashville–Central South (1,575 units) and Nashville–Vanderbilt (1,511 units).

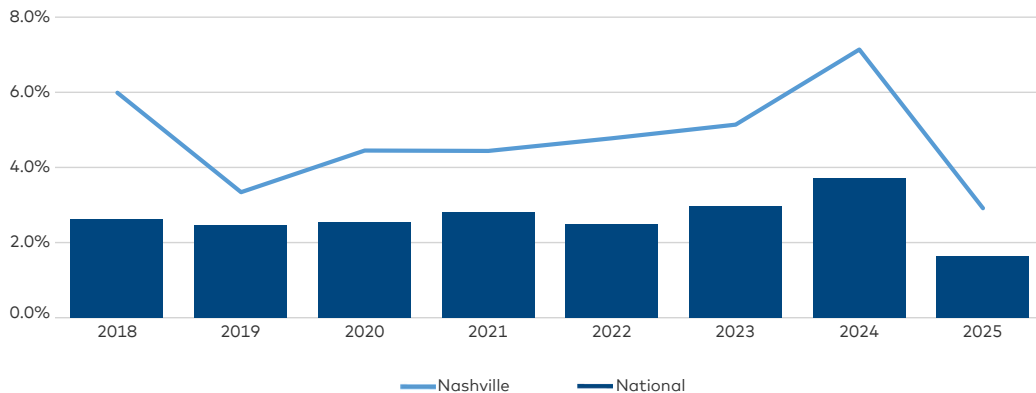
- ▶ The latest addition to Nashville–Downtown was the 354-unit Olive at Peabody Union. Eakin Partners and Stiles Development built the 27-story tower backed by a \$70 million loan funded by Pinnacle Financial Partners. The high-rise is targeting LEED certification.

Nashville Completions (as of July 2025)



Source: Yardi Matrix

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



Source: Yardi Matrix

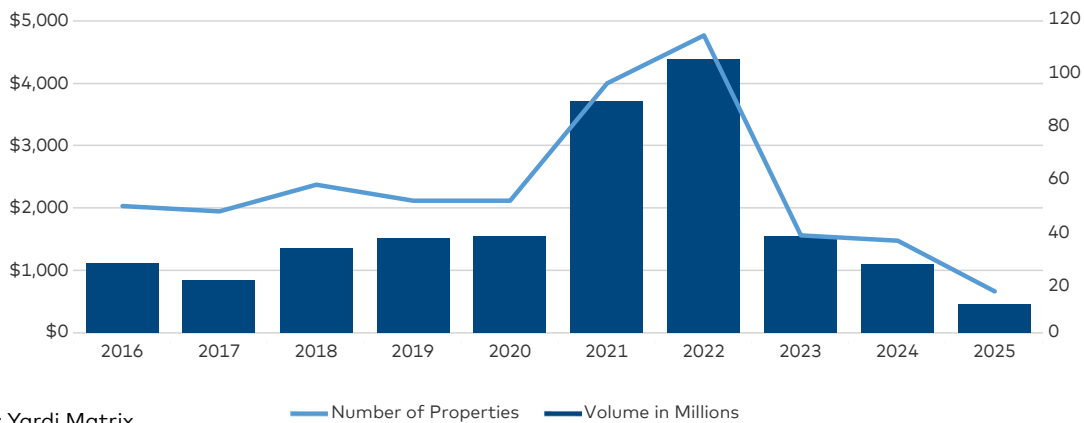
TRANSACTIONS

- ▶ During the first seven months of the year Nashville multifamily sales totaled \$449 million. This marked a 13.5% drop from the nearly \$520 million that traded during the same period of 2024. Overall, last year's transaction volume neared \$1.1 billion, but remained below the \$1.8 billion average of the decade ending in 2024.
- ▶ Investor preference was evenly distributed between quality segments. The metro's price per unit settled at \$192,493 as of July. The figure was above the metro's \$190,203 average of

2024. Nationally, the price per unit increased from \$192,939 in 2024 to \$207,299 as of July.

- ▶ Notable recent transactions include Origin Investments' acquisition of the 223-unit Queens Wedgewood Houston in the Nashville–Central South submarket. Proffitt Dixon Partners sold the partially affordable asset for \$79.4 million or \$356,054 per unit. The buyer secured a \$40.5 million loan funded by Northwestern Mutual to purchase the 2024-completed property.

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



Source: Yardi Matrix

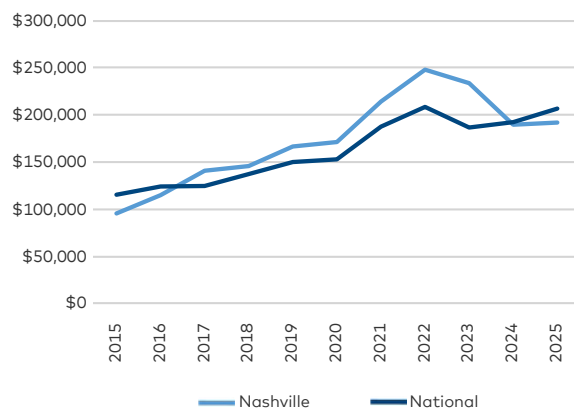
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Nashville–West	189
Nashville–Vanderbilt	150
Nashville–Southeast	128
Nashville–South	125
Nashville–Central South	98
Nashville–Central	83
Nashville–East End	63

Source: Yardi Matrix

¹ From August 2024 to July 2025

Nashville vs. National Sales Price per Unit



Source: Yardi Matrix



Clear Blue CEO on How Private Equity's Closing Gaps in Affordable Housing

By Diana Firtea

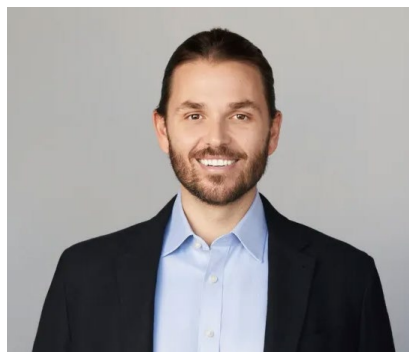
Private equity is taking on a larger role in the affordable housing space, bringing more sources of capital and new development strategies to address the shortage. With more than \$850 million in assets under management and a portfolio spanning 16 markets, The Clear Blue Co. is both into ground-up development and preservation. We asked Founder & CEO Nick Ogden to share his views on what it takes to make a difference in the affordable housing space.

What role does private equity play in the affordable housing space?

Ogden: The affordable housing crisis is one of the defining challenges of our time and private equity has a critical role to play. With capital, speed and operational expertise, we can help close the gap—but only if we do it with accountability and care. We believe financial returns and social outcomes aren't at odds. They're deeply aligned.

How do you weigh acquisition-rehab versus ground-up development in your strategy?

Ogden: We don't take a one-size-fits-all approach to the housing crisis because the needs—and the solutions—vary by market. In some places, affordable units are disappearing faster than they can be replaced. In others, the imbalance between supply and demand is overwhelming. That's why we pursue both preservation and ground-up development. Both tools are essential. You must preserve existing supply and create new supply to make a



meaningful impact. We're structured to do both well, guided by local data, community input and long-term value. In North Nashville, for example, there were no affordable senior units to preserve, so we're building from the ground up. The result is Northview, a 254-unit community designed for older adults aging in place.

What's still misunderstood about affordable housing investment?

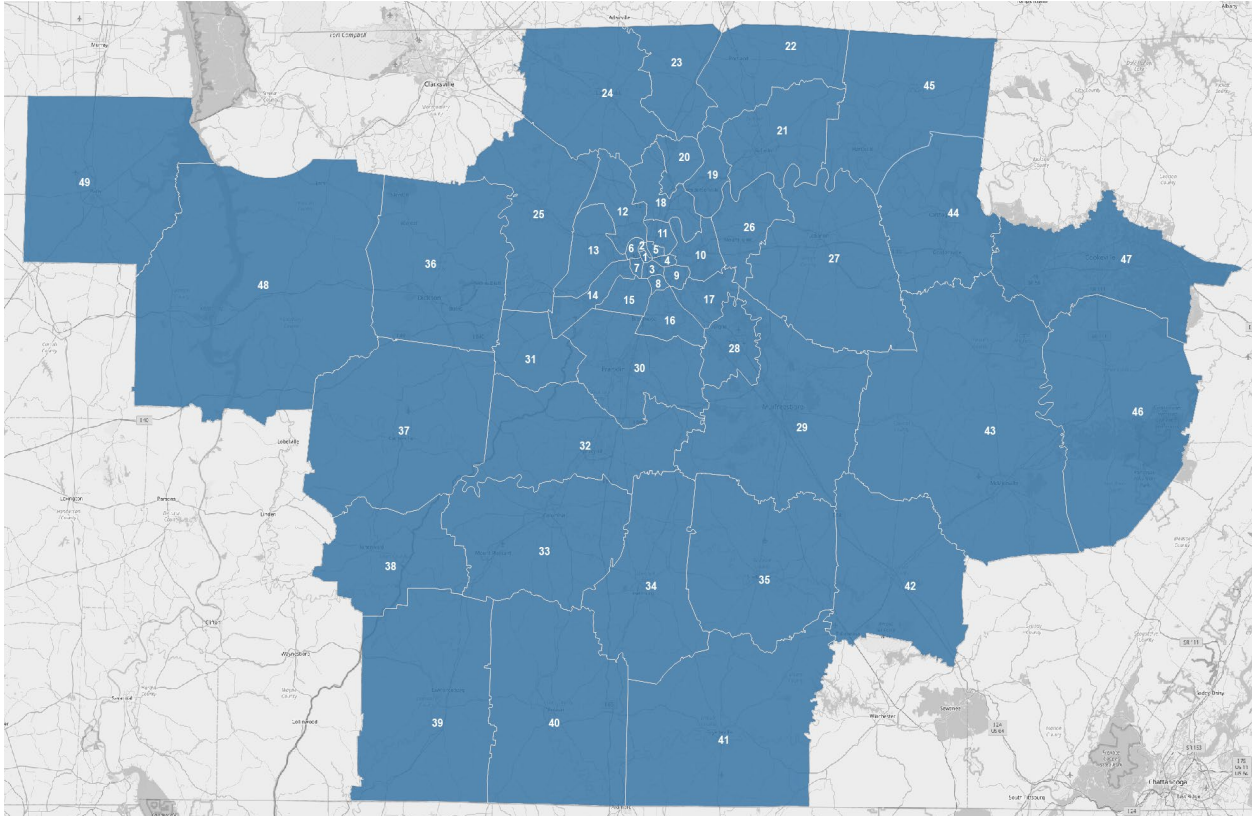
There's often a misunderstanding about who lives in affordable housing. These aren't fringe cases. We house the people who serve our cities: teachers, nurses, police officers, grocery clerks, transit

workers, seniors. They're people who make communities work but are priced out of living in them. Finally, some investors still expect a short-term flip. But affordable housing is a long-term play, and that's a big part of its value.

What market trends are you keeping an eye on across the Southeast and Midwest?

Ogden: We're focused on markets where smart capital can move the needle—especially secondary and tertiary cities experiencing job growth but lacking the housing infrastructure to keep up. Three trends stand out. First, population shifts to lower-cost metros continue without a corresponding increase in affordable housing. Second, we're seeing policy momentum. Cities are streamlining entitlements and deploying federal funds more strategically. Third, investor appetite is shifting. More capital is looking for long-term, impact-aligned opportunities in resilient asset classes like affordable housing. *(Read the complete interview on multihousingnews.com.)*

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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