

Tennessee's Housing Challenges: Where and Why It Got So Expensive

March 19, 2025

Key Takeaways

- Population and socioeconomic trends have driven a surge in housing demand in and across Tennessee—particularly since 2020.
 - In the early 2020s, Tennessee welcomed new residents from wealthier parts of the country, and many of its residents moved out of urban cores into more rural areas.
 - Because Tennessee's housing supply hasn't kept up with these demands, housing costs have become increasingly expensive.
 - Some areas and populations in Tennessee may feel these housing challenges more than others. For example, higher housing prices have increasingly seeped into Tennessee's rural areas.
 - The data don't tell the whole story. For example, available data limits detailed local analysis, housing buzzwords don't always have clear definitions, and some housing choices aren't well understood.
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Housing is a key driver of individual and family well-being and an important component of thriving communities, but recent changes in Tennessee's housing market could make those goals harder to achieve. This brief explains how historic changes in Tennessee's housing market, population, and economy have converged over the last two decades.

Background

The story of Tennessee's housing market and how it got to this point is an imbalance in the basic economic principles of supply and demand. (1) The construction of new homes (i.e., new supply) in Tennessee began to slow in 2006, fell dramatically during the Great Recession, and hit a historic low in 2011. (2) (3) While new homes steadily became available during the 2010s, supply never caught up to the demand created by Tennessee's growing population. When the pandemic hit in 2020, new forces amplified these dynamics. (4) A still-recovering housing stock met an influx of wealthy new residents from other states and a migration of existing residents from urban to rural areas within the state. (5) (6) (7) As a result, housing has become increasingly expensive across Tennessee—including in rural areas that have not traditionally faced these challenges. (8)

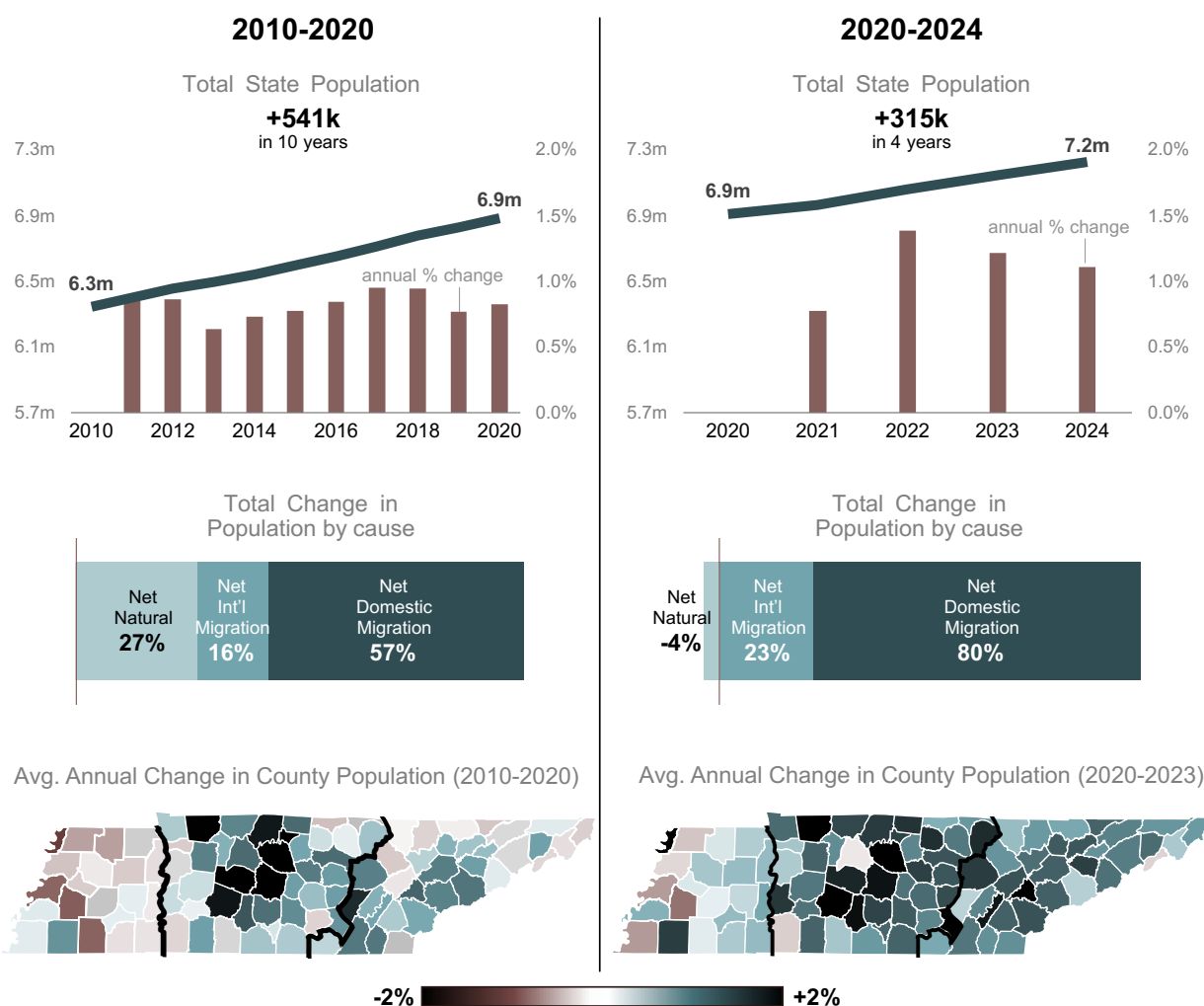
The following sections explain the numbers underlying this story, what they mean for Tennesseans, how these effects vary across the state, and limitations of available data.

A Quick Note on Terminology

Throughout this report, the terms “homes,” “residences,” or “housing” generally refer to all types of residential dwellings—owned or rented—including multifamily and single-family units. The report uses more precise terminology when referring to a specific type of housing.

Figure 1. New Residents from Other States Drove Tennessee’s Strong Population Growth of the 2010s and Early 2020s

Number of New Residents Moving to Tennessee from Other States by County of Residence (2010-2024)



Net natural equals births minus deaths.

Source: The Sycamore Institute's analysis of U.S. Census Bureau population estimates (9) (10)

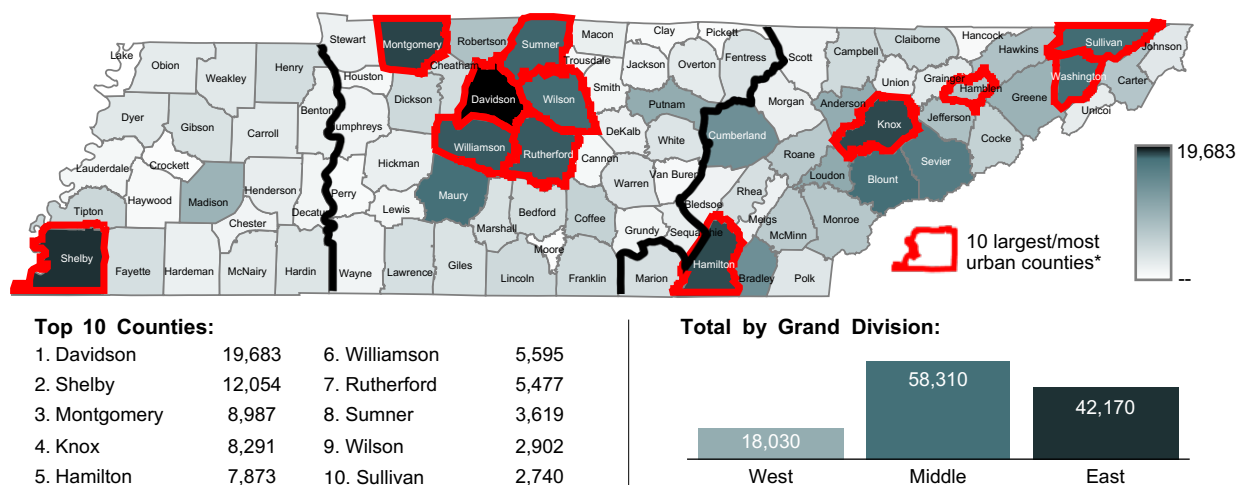
1. Population and socioeconomic trends have driven a surge in housing demand in and across Tennessee—particularly since 2020.

Tennessee's population grew in the 2010s—largely from new residents moving from other states. From 2010 to 2020, Tennessee's population grew by about 541,000—or 0.8% per year on average—with 65 counties experiencing population increases (**Figure 1**). About 57% of this statewide growth came from about 309,000 in net new residents moving in from other states (i.e., the difference between those moving in and out of Tennessee). (9)

The migration rate from other states grew even faster once the pandemic started—particularly in urban and suburban areas in Middle and East Tennessee. (See “Geographic Designations” text box for definitions of “urban” and “suburban.”) From 2020 to 2024, Tennessee's population grew by another 315,000—or about 1.1% per year on average (**Figure 1**). This time, about 80% of this statewide growth came from over a quarter million in net new residents from other states. Between 2020 and 2023, 86 counties experienced population increases. Most new residents from other states relocated to Tennessee's most populous counties—with most moving to East and Middle Tennessee (**Figure 2**). (10)

Figure 2. Most People Moving from Other States in 2021-2022 Flocked to Urban and Suburban Areas in Middle and East Tennessee

Number of New Residents Moving to Tennessee by County of Residence (2021-2022)



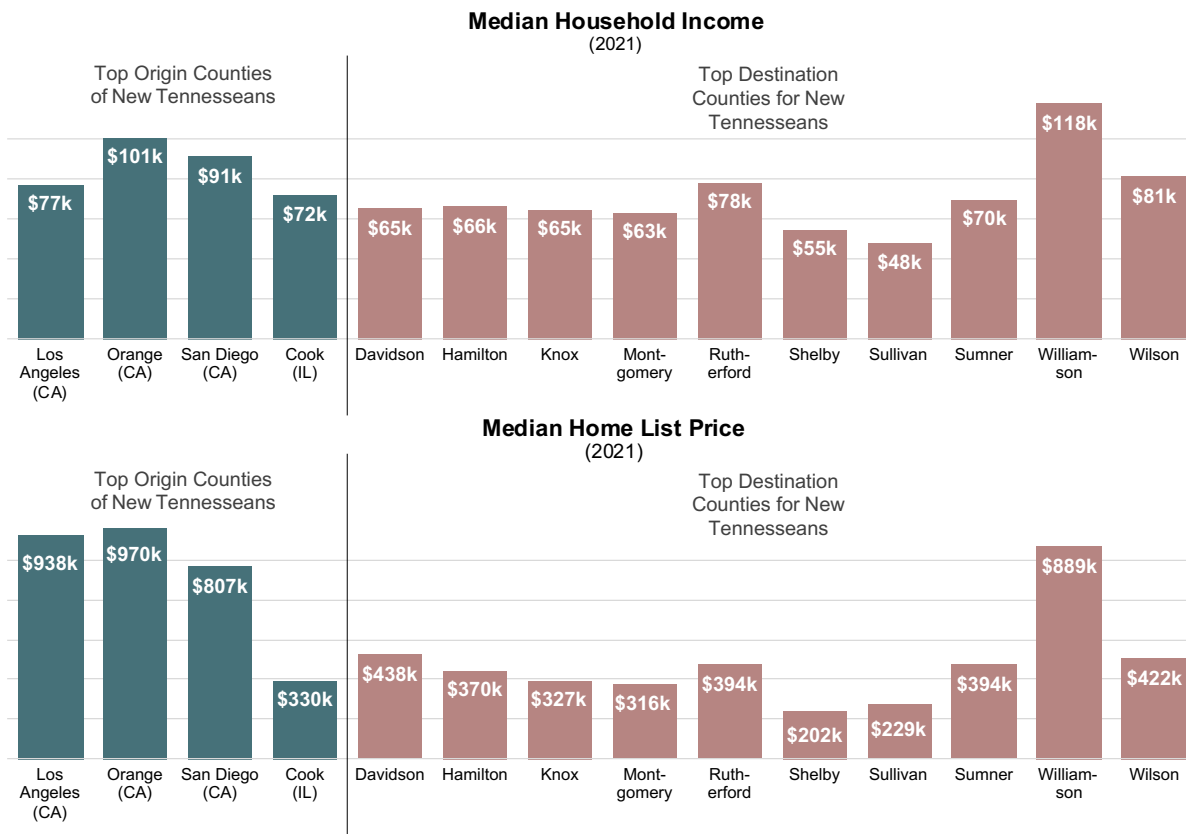
Note: Reflects gross in-flows from other states. Includes only data for tax filers. *Based on 2020 Census geographic designations and 2023 population estimates. (11) (10)

Source: Internal Revenue Service Statistics of Income Migration data (2021-2022) (12)

Many of Tennessee's new residents moved from wealthier, higher-priced markets and brought high incomes—intensifying demand-side housing pressures. For example, California's Los Angeles, Orange, and San Diego counties and Illinois' Cook County were among the top five counties from which Tennessee's new residents arrived between 2021 and 2022. These counties all had higher median incomes and home prices than most of Tennessee's top destination counties (**Figure 3**), and federal tax data show these residents added significant new wealth to the counties they moved to. (12) (13) (14) These dynamics, paired with the increased demand of a growing population, put even more pressure on housing prices.

Meanwhile, some existing residents moved from urban to more suburban and rural areas—further affecting the demand for housing across entire regions. (7) (15) (See “Geographic Designations” text box for the definition of “rural.”) For example, several of Tennessee’s largest counties lost residents on net to other counties within the state between 2021 and 2022 (**Figure 4**). (12) In Middle Tennessee, for instance, people increasingly moved out of Davidson and into its bordering counties (**Figure 5**) and from Davidson’s bordering counties into the surrounding areas. (12) Federal tax data show that those moving into many Middle Tennessee counties had higher average incomes than those moving out (**Figure 6**). (13) (14) This means some areas experienced regional dispersals of both population and wealth.

Figure 3. During the Pandemic, Many New Tennessee Residents Arrived From Higher Income, Higher Cost Markets

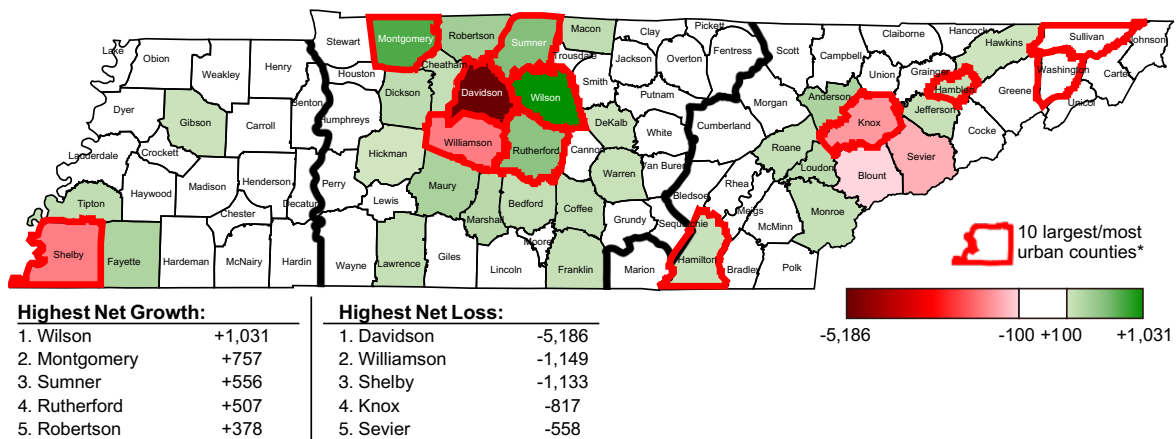


Note: Top origin and destination counties were identified using Internal Revenue Service Statistics of Income Migration data (2021-2022) (12)

Source: American Community Survey 1-Year Estimates (2021) (Table DP04), Federal Reserve Bank of St. Louis Median Listing Prices (MEDLISPRI) (2021) (13) (14)

Figure 4. Some of Tennessee's Most Populous Counties Lost Residents to Other Parts of the State Between 2021 and 2022

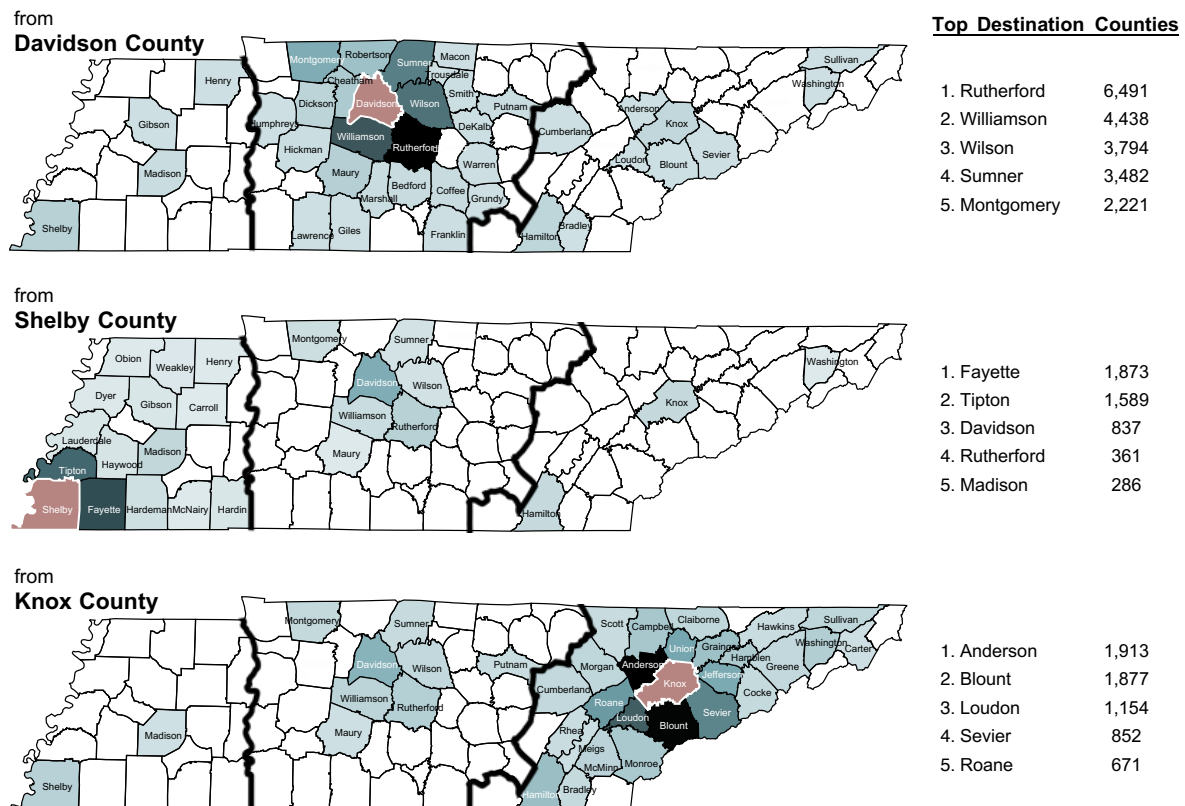
Net In-State Migration by County (2021-2022)



Note: Includes only data for tax filers. *Based on 2020 urban/rural designations and 2023 population estimates. (11)
(10) Source: Internal Revenue Service Statistics of Income Migration data (2021-2022) (12)

Figure 5. Tennessee's Three Most Populous Counties Saw Population Loss to Surrounding Counties Between 2021 and 2022

Gross Migration from Davidson, Shelby, and Knox Counties to Other Tennessee Counties (2021-2022)



Note: Includes only data for tax filers.

Source: Internal Revenue Service Statistics of Income Migration data (2021-2022) (12)

Figure 6. Between 2021 and 2022, Those Moving Into Many Nashville-Area Counties Had Higher Average Incomes Than Those Leaving

Average Adj. Gross Income by County (2021-2022)



Note: Includes only data for tax filers. Average adjusted gross incomes were calculated as total adjusted income divided by total returns.

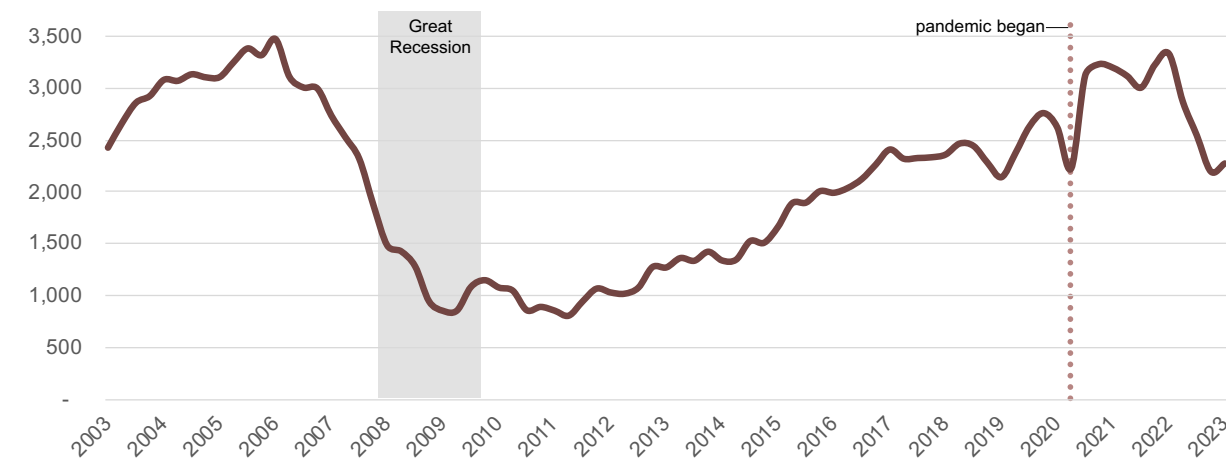
Source: Internal Revenue Service Statistics of Income Migration data (2021-2022) (12)

2. Tennessee's housing supply hasn't kept up with these demands.

Tennessee's new housing production declined before, during, and after the Great Recession of 2007-2009. Leading up to the recession, widespread subprime mortgage lending and risky financial products led to an increased demand for homes. However, when homebuyers nationwide started defaulting on loans, beginning in 2006, demand for homes plummeted—eventually causing the market to crash. This resulted in an oversupply of homes, a severe drop in home production, and a prolonged period of depressed home prices. (16) In Tennessee—like the rest of the country—new home production nosedived and remained at historic lows through 2011 (**Figure 7**). (3)

Figure 7. Tennessee's New Home Production Plummeted Around the Great Recession and Improved During the 2010s

Authorized New Private Housing Unit Permits in Tennessee by Quarter (2003-2023)

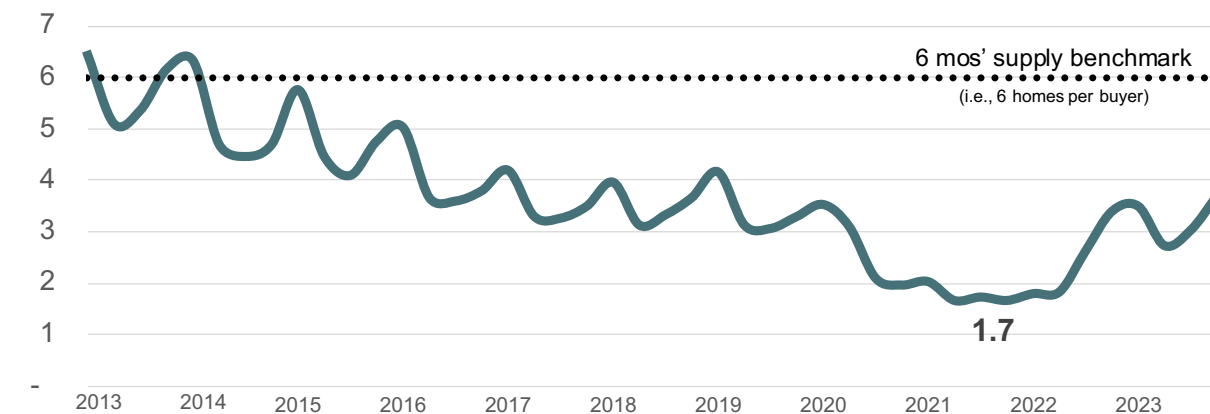


Note: Seasonally-Adjusted

Source: Federal Reserve Bank of St. Louis Economic Data (2003-2023) (TNBPPIVSA) (3)

Figure 8. Tennessee's Active Home Listings Hit a 10-Year Low Throughout 2021

Avg. Months' Supply of Housing Inventory in Tennessee by Quarter (2013-2023)



Source: Redfin (17)

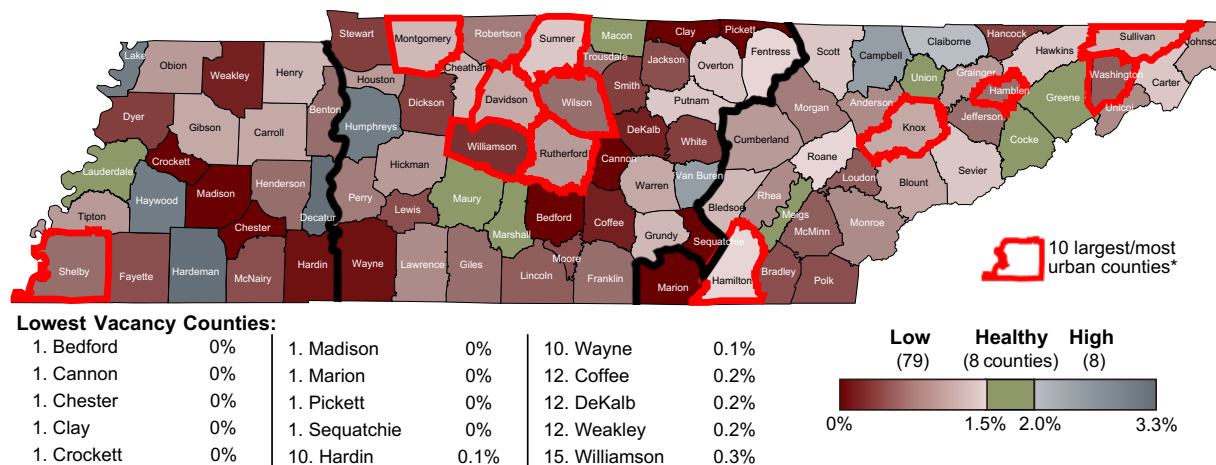
New home production began to steadily recover in 2012 and reached historic highs in 2020 and 2021. Data for 2003-2023 show a historically high number of residential permit approvals for 2020 and 2021. (18) Most of this development occurred in Middle Tennessee and urban areas. Of the nearly 250,000 new residential units approved for construction between 2019 and 2023, over half were in the Nashville metro area alone, and 94% were in Tennessee's 10 metro areas. (19) (18)

Despite this growth, the state's overall supply has not kept up with demand, reaching an all-time low during the pandemic. (4) (20) "Months' supply" compares the number of houses listed for sale with the number of buyers looking for a home. As this number becomes smaller, it indicates more demand, less supply, or both—which tends to result in higher prices. Generally, six months' supply is the sweet

spot for housing markets to appreciate at a consistent rate. (21) After bottoming out in 2011, a slow increase in new housing production eventually contributed to 2013-2014's solid 6.4 months' supply. Then, it fell all the way to 1.7 months' supply in 2021 (**Figure 8**). (17) In other words, the number of people looking to buy a home and the number of homes for sale each month was just above a one-to-one ratio throughout 2021, despite increased housing production.

Figure 9. Most Counties Had Low Homeowner Vacancy Rates Over the 2019-2023 Period

Vacancy Rate of Homeowner-Occupied Household Units by County (2019-2023)

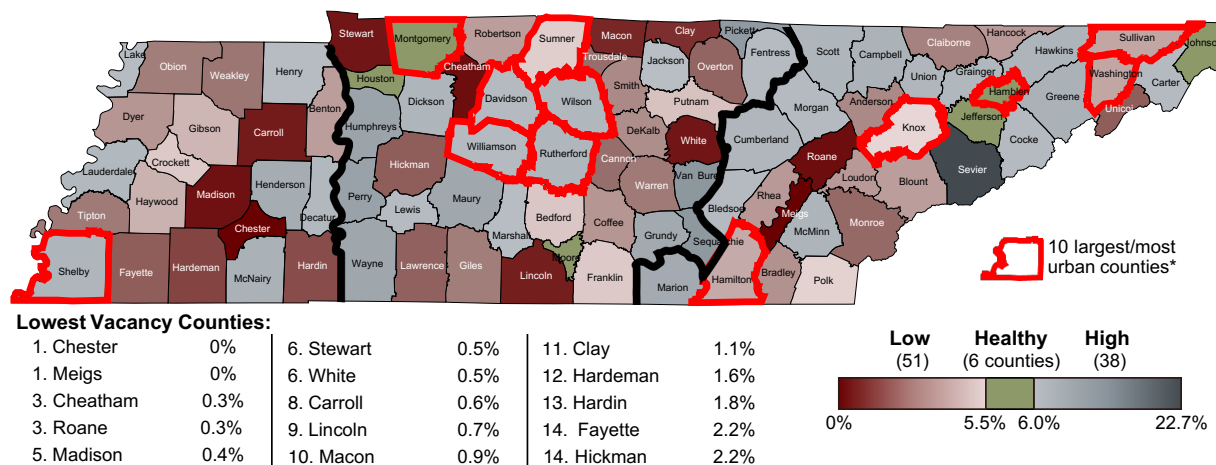


*Based on 2020 urban/rural designations and 2023 population estimates. (11) (10)

Source: American Community Survey 5-Year Estimates (2019-2023) (Table DP04) (22)

Figure 10. Most Counties Had Low Rental Vacancy Rates Over the 2019-2023 Period

Vacancy Rate of Renter-Occupied Household Units by County (2019-2023)



*Based on 2020 urban/rural designations and 2023 population estimates. (11) (10)

Source: American Community Survey 5-Year Estimates (2019-2023) (Table DP04) (22)

Data on vacancy rates show that supply issues—especially a shortage of homes for sale—are particularly acute in some areas. Another measure of supply adequacy is the vacancy rate. A homeowner vacancy rate between 1.5% and 2.0% and a rental vacancy rate between 5.5% and 6.0% is considered healthy.¹ (23) (24) (25) In 2023, the statewide homeowner vacancy rate was 1.0% (low), and the rental vacancy rate was 6.1% (reasonably healthy). (13) Data for the five-year period from 2019 to 2023—the most recent available—show that most counties had low homeowner and rental vacancy rates (**Figures 9 and 10**).

3. Because demand has outstripped supply, housing costs have become increasingly expensive in Tennessee.

Over the last decade, housing costs have grown significantly faster than incomes for most Tennesseans. When there is more demand for an item than supply, the price typically increases, and the same goes for housing. For context, about 67% of Tennessee households were owner-occupied in 2023, and the remaining 33% were rentals (**Figure 11**). According to measures used by experts, both types of housing have become more expensive:

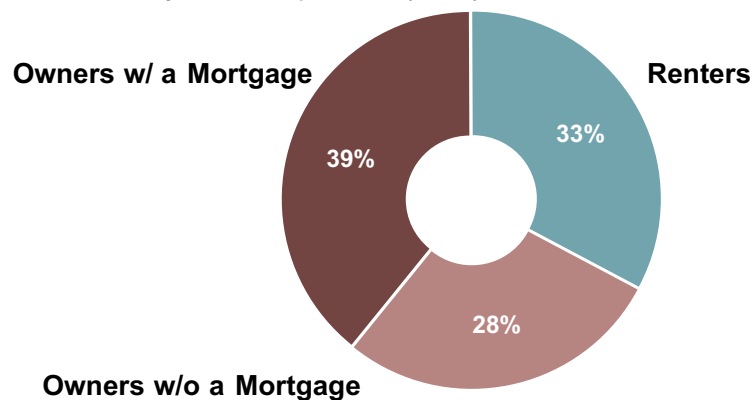
- **Homes Values and Sales Prices v. Income** — Since 2013, median home values and sales prices in Tennessee have grown significantly faster than the typical household income (**Figure 12**). Between 2013 and 2023, median home values rose 40% and sales prices grew 170%, while median incomes grew 14% after adjusting for inflation. Put another way, the home price-to-income ratio jumped by 35%—from 3.72 to 5.03 (**Figure 13**). (19) (13) A ratio of 3.0 or below is generally recognized as affordable (i.e., a typical home costs about three times a typical annual household income). (26)
- **Rent** — Typical rent and typical wages among renters grew at similar rates in Tennessee between 2013 and 2023—16% and 14%, respectively, after adjusting for inflation. (27) (13) However, the number of lower-cost rentals—those below \$1,000/month—fell by nearly 50% over the same period. Meanwhile, the number priced above \$1,500/month grew by over 700% (**Figure 14**). (28)

In 2023, about 789,000 Tennessee households (or 27%) were cost-burdened—including nearly half of renters and a quarter of homeowners with a mortgage (Figures 15 and 16). When households spend 30% or more of their income on housing—including related costs such as utilities and property taxes—they are considered “cost-burdened.” As housing becomes more expensive, Tennesseans may be sorting into housing that better fits their budgets, because the share of those cost-burdened was lower in 2023 than in 2013 for all household types except homeowners without a mortgage. Meanwhile, the number across all types of households was not statistically significantly different. (29) (30)

¹ Rental unit vacancy rates are higher than homeowner vacancy rates primarily because renters move more frequently.

Figure 11. The Majority of Tennessee Households Own Their Home

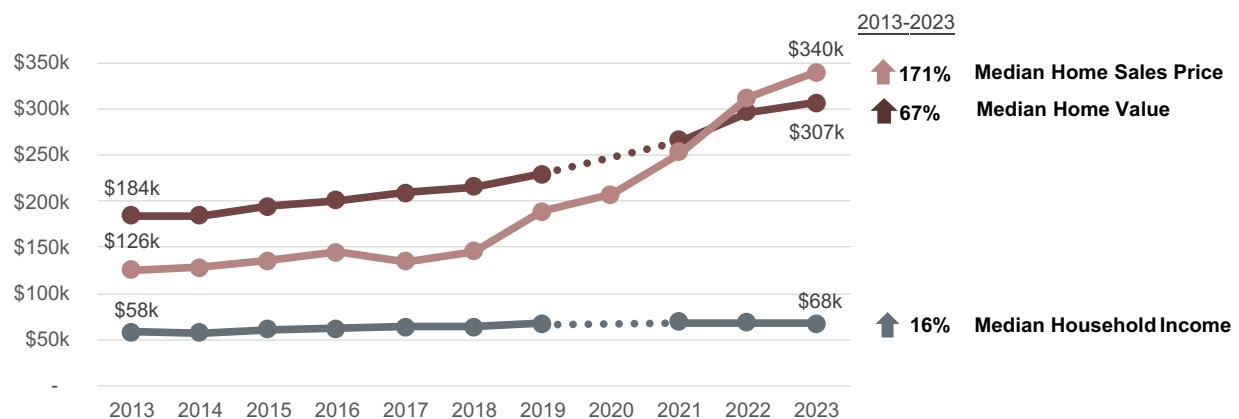
% of Tennessee Households by Ownership Status (2023)



Source: American Community Survey 1-Year Estimates (2023) (Table DP04) (13)

Figure 12. Typical Home Prices and Values Grew Significantly Faster Than Incomes in Tennessee

Median Value of Owner-Occupied Units, Home Sale Prices, and Household Incomes (adj. for inflation) (2013-2023)

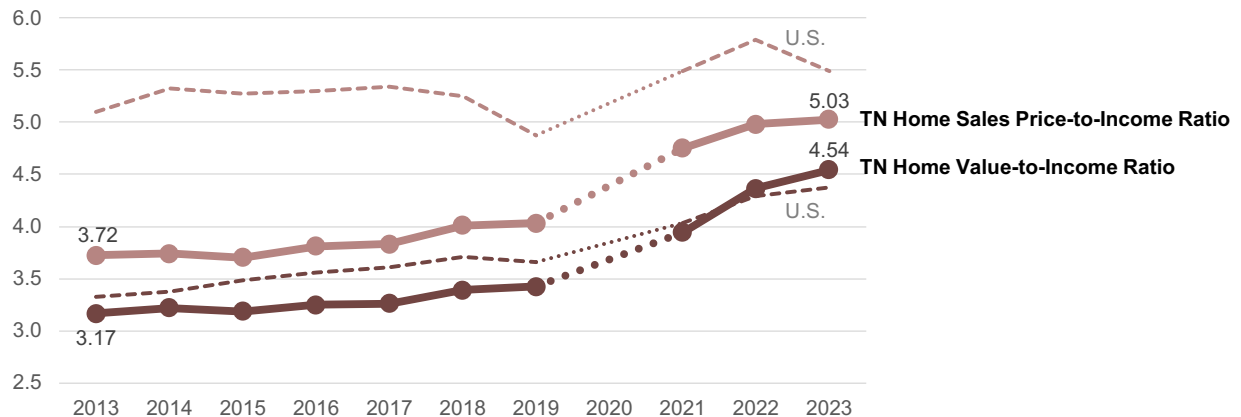


Note: Amounts are shown in 2023 dollars using the R-CPI-U-RS. ACS data for 2020 are unavailable due to pandemic-related survey disruptions.

Source: American Community Survey 1-Year Estimates (2013-2023) (Tables DP04 & B19013), Tennessee Housing Development Agency home sales data (2013-2023) (13) (31) (19)

Figure 13. Home Values Have Grown to Be Unaffordable—Mainly Since 2019

Median Home Value- and Median Home Sales Price- to Median Household Income Ratios (2013-2023)

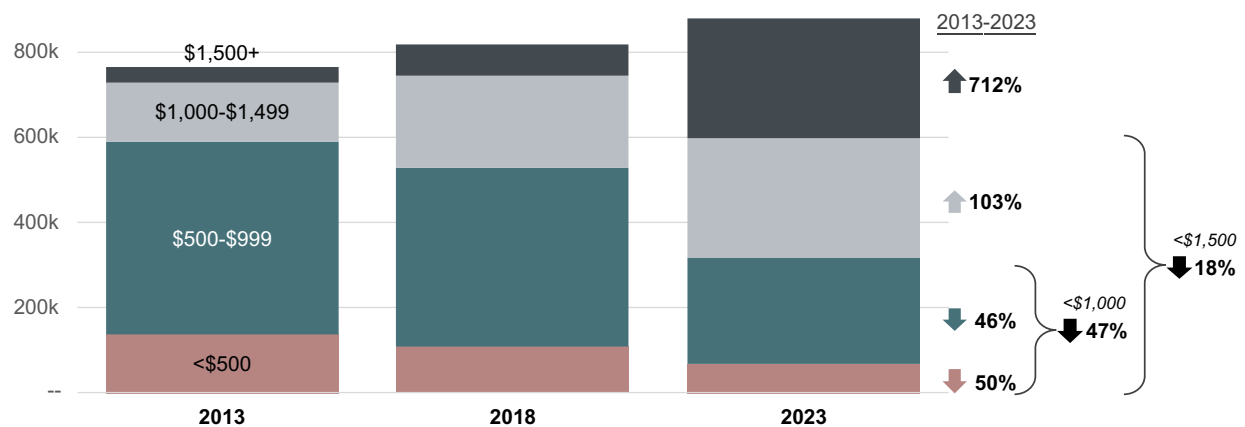


Note: ACS data for 2020 are unavailable due to pandemic-related survey disruptions.

Source: American Community Survey 1-Year Estimates(2013-2023) (Tables DP04 & B19013), THDA Home Sales data (2013-2023) (13) (31) (19)

Figure 14. Fewer Low-Cost Rental Units Exist in Tennessee Than in the Past

Number of Rental Households in Tennessee by Gross Monthly Rent (2013, 2018, & 2023)

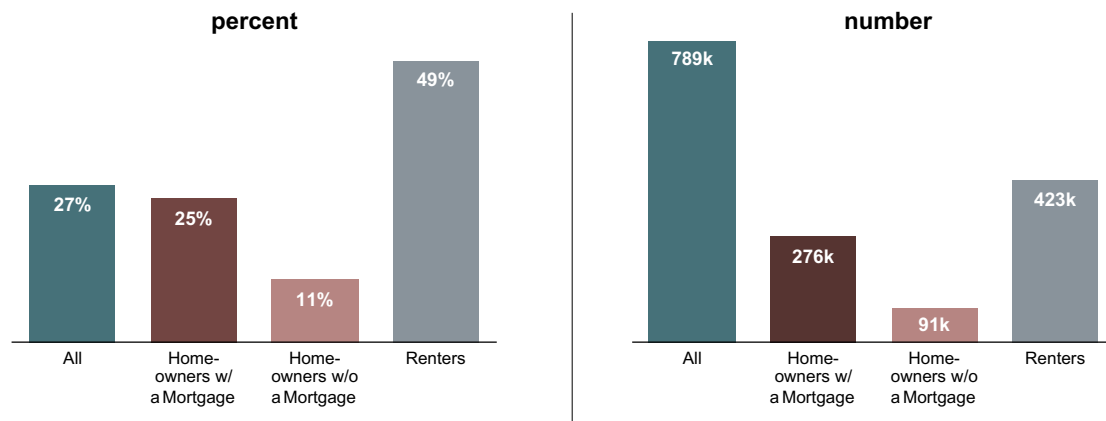


Note: Cost categories reported by the Census Bureau over time are not adjusted for inflation.

Source: American Community Survey 1-Year Estimates (2013, 2018, & 2023) (Table B25063) (28)

Figure 15. Over 25% of Tennessee Households Were Cost-Burdened in 2023

Tennessee Households Spending 30% or More of Income on Housing (2013-2023)

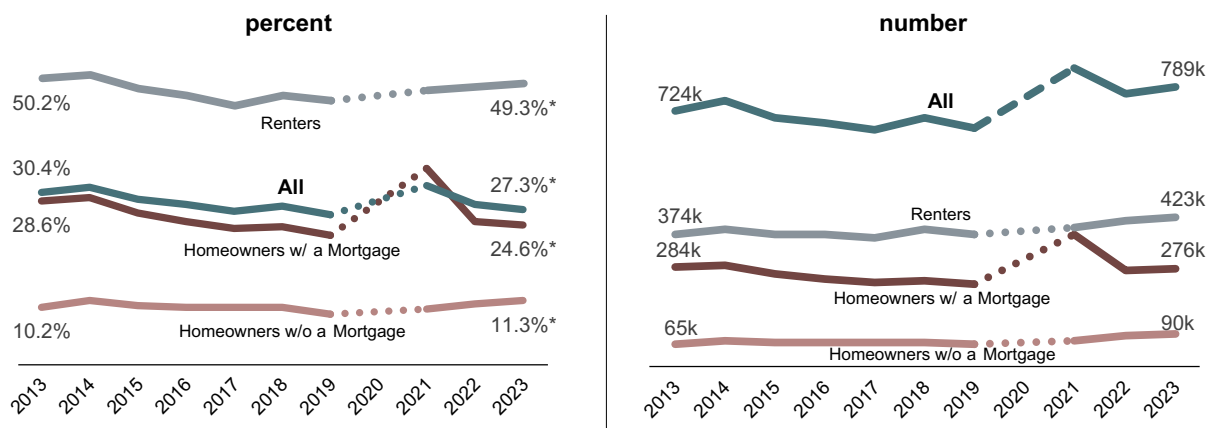


Note: Percentages represent the proportion of Tennesseans who are cost-burdened among that group of households.

Source: American Community Survey 1-Year Estimates (2013-2023) (Table DP04) (13)

Figure 16. Nearly 790,000 Tennessee Households Were Cost-Burdened in 2023

Tennessee Households Spending 30% or More of Income on Housing (2013-2023)



*Represent a statistically significantly different value from 2013. All other 2023 values are not. Note: 2020 data are unavailable due to pandemic-related disruptions. Percentages represent the proportion of Tennesseans who are cost-burdened among that group of households.

Source: U.S Census Bureau ACS 1-Year Estimates (2013-2023) (Table DP04) (13)

4. Some areas and populations in Tennessee may feel these housing challenges more than others.

The unique population trends Tennessee has experienced in recent years have created **affordability challenges for areas that have not traditionally faced housing pressures**. Tennessee's more urban areas have long had more competitive housing markets with higher home price-to-income ratios. When shrinking inventories and growing populations converged, Tennessee met it with continued growth in new housing construction, mainly in urban areas. As migration to outlying counties absorbed housing stock in markets unprepared for sudden population growth, higher housing prices began to seep into increasingly rural areas in the early 2020s—particularly in Middle and East Tennessee. For example:

- **Home Price Growth** — Middle Tennessee counties tended to experience the highest growth in home prices between 2013 and 2023—particularly more rural ones just outside of the largest and most urban counties (**Figure 17**). The increase in housing prices far outpaced the growth in the typical household income during this time in nearly every county. Still, on average, these differences were larger for rural counties than urban ones—especially in Middle and East Tennessee (**Figures 18 and 19**).
- **Price-to-Income Ratios** — No matter the starting point, all of Tennessee's 10 metro areas saw growth in the ratio between the typical home sales price and the area median income between 2013 and 2023—meaning that home ownership became increasingly out of reach for local households (**Figure 20**). At the county level, fewer than half of Tennessee's 95 counties had price-to-income ratios above the 3.0 affordability threshold in 2013. By 2020, that number increased to 65 counties and swelled over the next three years—reaching all but 12 counties by 2023 (**Figure 21**). Over this same period, the number of rural counties above that 3.0 affordability threshold rose from 23 in 2013 to 60 in 2023.

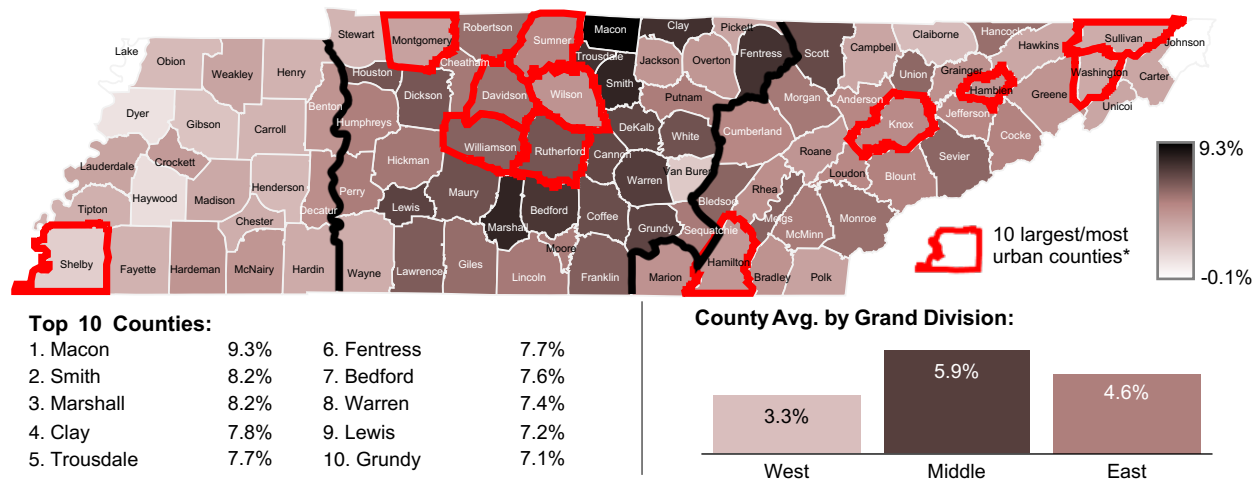
The shares of cost-burdened households vary significantly across the state and for populations within communities. For example:

- **Geographic Differences (Figures 22-26)** — Across Tennessee's 95 counties, the share of households that were cost-burdened during 2019-2023 ranged from 33% in Davidson County to just 14% in Johnson County (**Figure 22**). The gap between counties was widest for renters, ranging from half of renter households in Madison County to 20% in Clay (**Figure 23**). These differences are even starker across communities. For example, there are six Census tracts—which are smaller than zip code areas—across the state where more than 70% of all households were cost-burdened (**Figure 26**).
- **Racial Differences (Figures 27-28)** — Black, Hispanic, and white households are cost-burdened at different rates, on average. Statewide, a greater share of black households is cost-burdened than white or Hispanic households (**Figure 27**) (32). At the county level, there are 12 counties where over half of all black households are cost-burdened (**Figure 28**) and 33 where over half of black renter households are cost-burdened. By contrast, there are no counties where more than

30% of white households are cost-burdened and only one county—Sequatchie—where more than half of white renters were cost-burdened.

Figure 17. Middle Tennessee Counties Experienced the Highest Home Price Growth Rates From 2013 To 2023

Avg. Annual Change in Median Home Sales Price (adj. for inflation) (2013-2023)



*Based on 2020 urban/rural designations and 2023 population estimates. (11) (10) Note: Underlying sales prices were adjusted for inflation using the R-CPI-U-RS. (33) (34) Changes represent compound annual growth rates between 2013 and 2023.

Source: The Sycamore Institute's analysis of data from the Tennessee Housing Development Agency (19)

(continued on next page)

Figure 18. Typical Home Prices Increased Significantly Faster Than Incomes in Nearly Every Tennessee County Between 2013 and 2023

Avg. Annual Change in Median Home Sales Price vs. Household Income (adj. for inflation) (2013-2023)

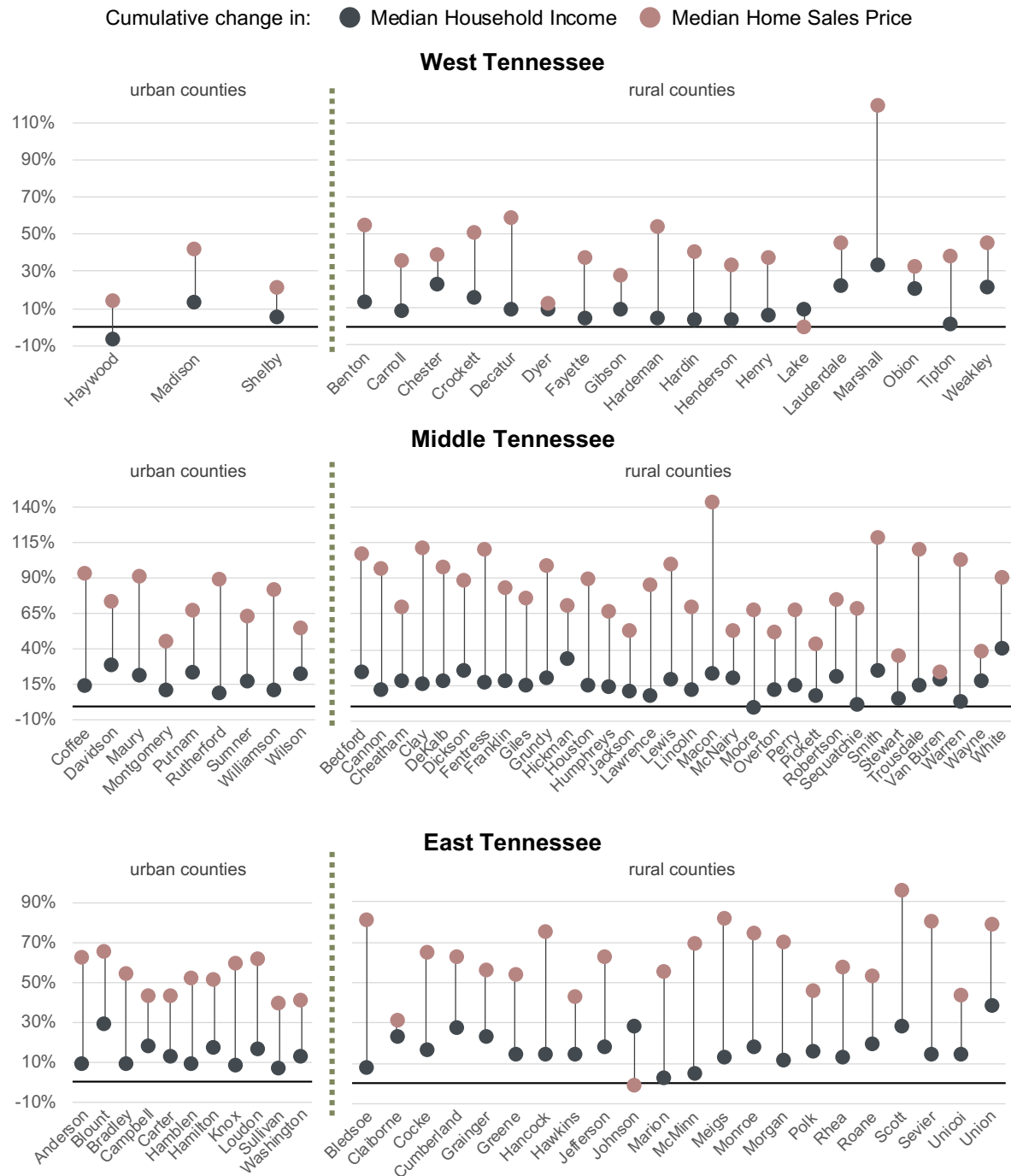


Note: Underlying amounts were adjusted for inflation using the R-CPI-U-RS. (33) (34) Changes represent compound annual growth rates between 2013 and 2023.

Source: The Sycamore Institute's analysis of data from the Tennessee Housing Development Agency and the U.S. Census Bureau's Small Area Income and Poverty Estimates (19) (35)

Figure 19. On Average, Home Price and Income Change Gaps Grew Faster for Rural Counties Than Urban Ones

Avg. Annual Change in Median Home Sales Price vs. Household Income (adj. for inflation) (2013-2023)

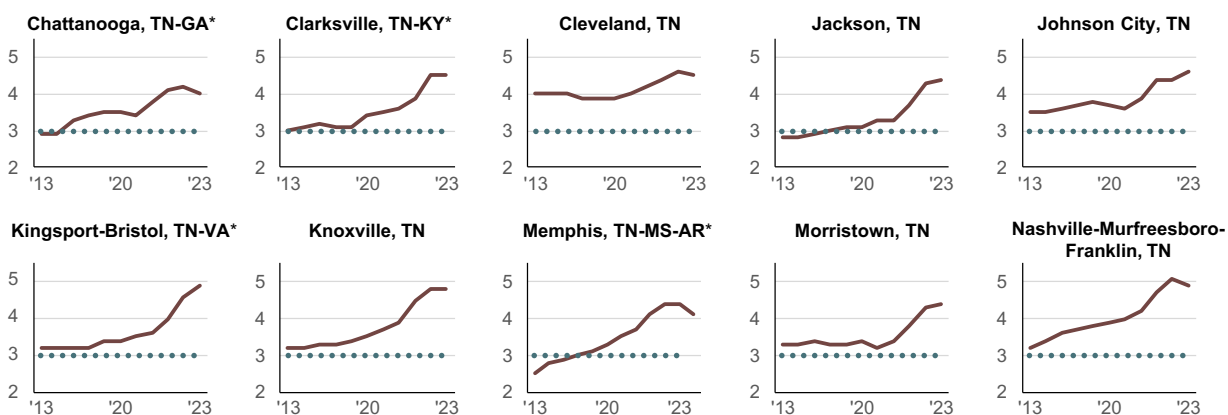


Note: Underlying amounts were adjusted for inflation using the R-CPI-U-RS. (34) (33) County designations are based on 2020 Census designations. (11)

Source: The Sycamore Institute's analysis of data from the Tennessee Housing Development Agency and the U.S. Census Bureau's Small Area Income and Poverty Estimates (19) (35)

Figure 20. Typical Home Prices Grew Relative to Income in All of Tennessee's 10 Metro Areas Between 2013 and 2023

Home Sales Price to Income Ratio by Metropolitan Statistical Area (2013-2023)

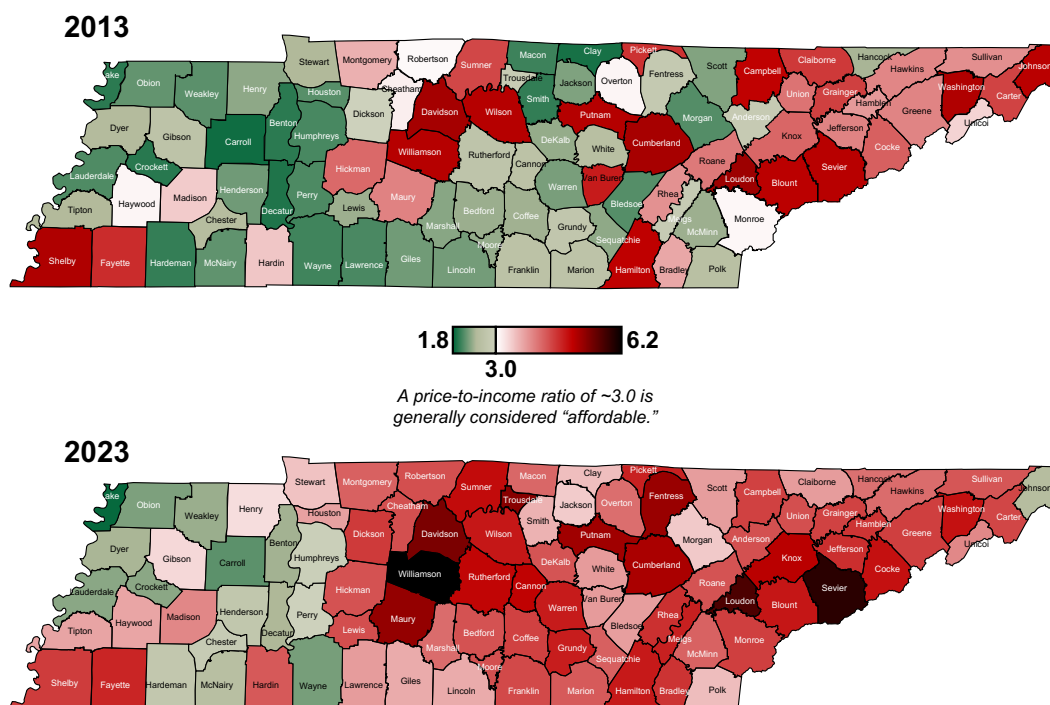


Note: Represents the ratio of median home sales price to the median household income. Dotted lines represent a ratio of 3.0, which is generally recognized as affordable. *Includes areas in adjoining states.

Source: Harvard University Joint Center on Housing Studies

Figure 21. Over The Last Decade, Higher Housing Prices Have Increasingly Seeped Into Tennessee's Rural Areas

Home Sales Price to Income Ratio (2013-2023)



See SycamoreTN.org for interactive data.

Source: The Sycamore Institute's analysis of data from the Tennessee Housing Development Agency and the U.S. Census Bureau's Small Area Income and Poverty Estimates (19) (35)

Figure 22. Across Counties, 14% to 33% of All Households Are Considered Cost-Burdened

Percent of Households Spending 30% or More of Income on Housing (2019-2023)



Top 5 Counties:

1. Davidson	33%
2. Shelby	33%
3. Madison	30%
4. Haywood	30%
5. Hardeman	28%

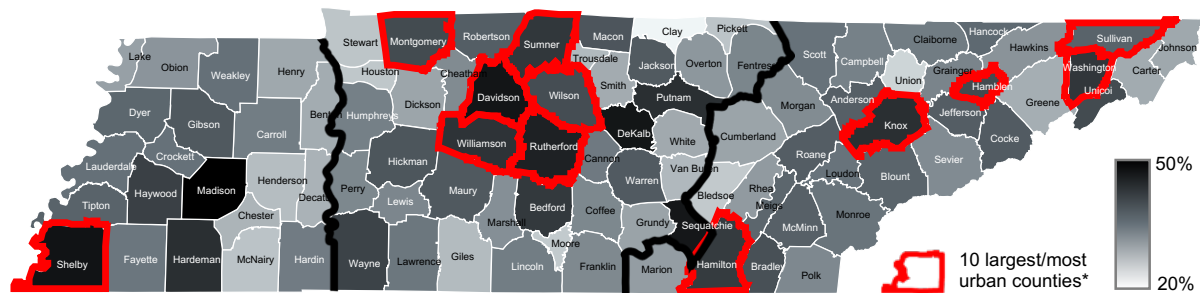
Bottom 5 Counties:

91. Polk	16%
92. Van Buren	16%
93. Union	15%
94. Chester	15%
95. Johnson	14%

Source: American Community Survey 5-Year Estimates (2019-2023) (22)

Figure 23. Across Counties, 20% to 50% of Renter Households Are Considered Cost-Burdened

Percent of Renter Households Spending 30% or More of Income on Housing (2019-2023)



Top 5 Counties:

1. Madison	50%
2. Shelby	48%
3. Davidson	47%
4. DeKalb	47%
5. Sequatchie	47%

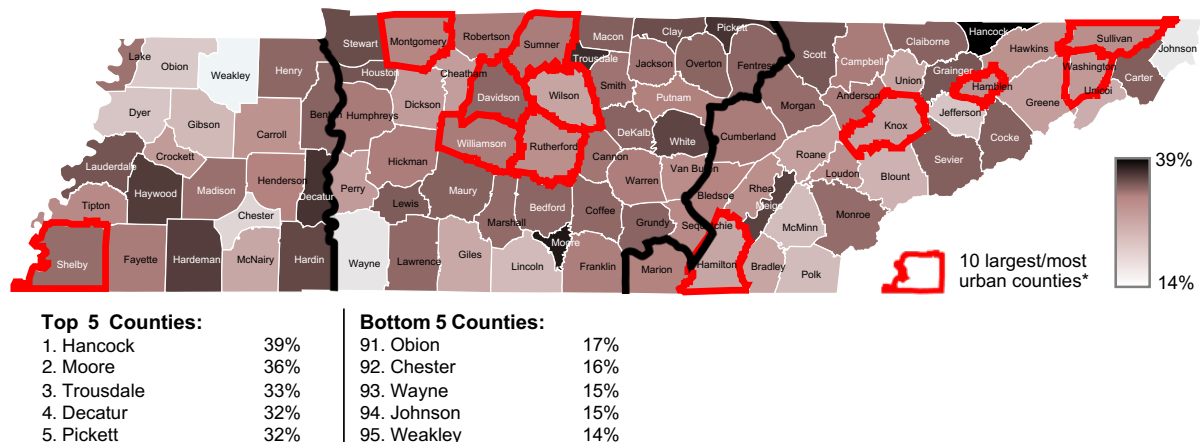
Bottom 5 Counties:

91. Houston	25%
92. Bledsoe	25%
93. Moore	25%
94. Union	23%
95. Clay	20%

Source: American Community Survey 5-Year Estimates (2019-2023) (22)

Figure 24. Across Counties, 14% to 39% of Owner Households With a Mortgage Are Considered Cost-Burdened

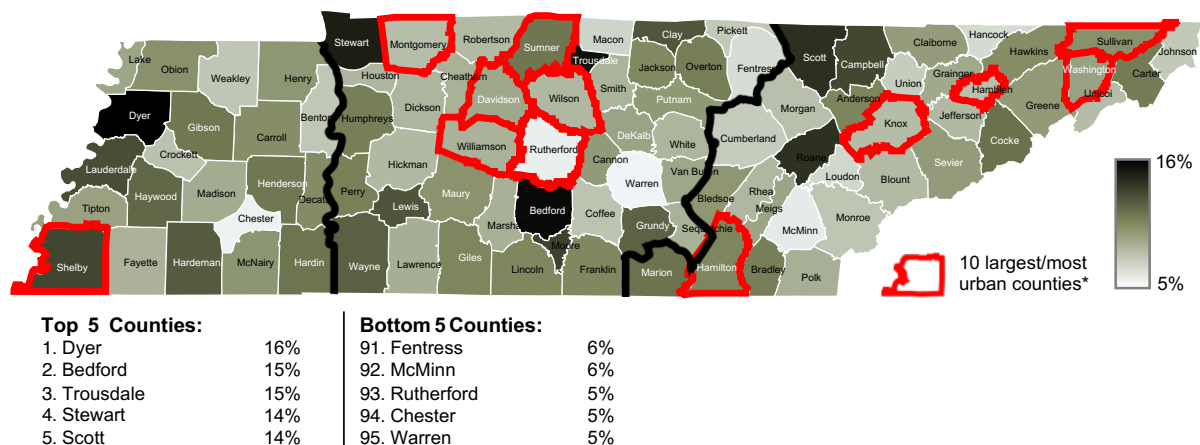
Percent of Owner Households With a Mortgage Spending 30% or More of Income on Housing (2019-2023)



Source: American Community Survey 5-Year Estimates (2019-2023) (22)

Figure 25. Across Counties, 5% to 16% of Owner Households Without a Mortgage Are Considered Cost-Burdened

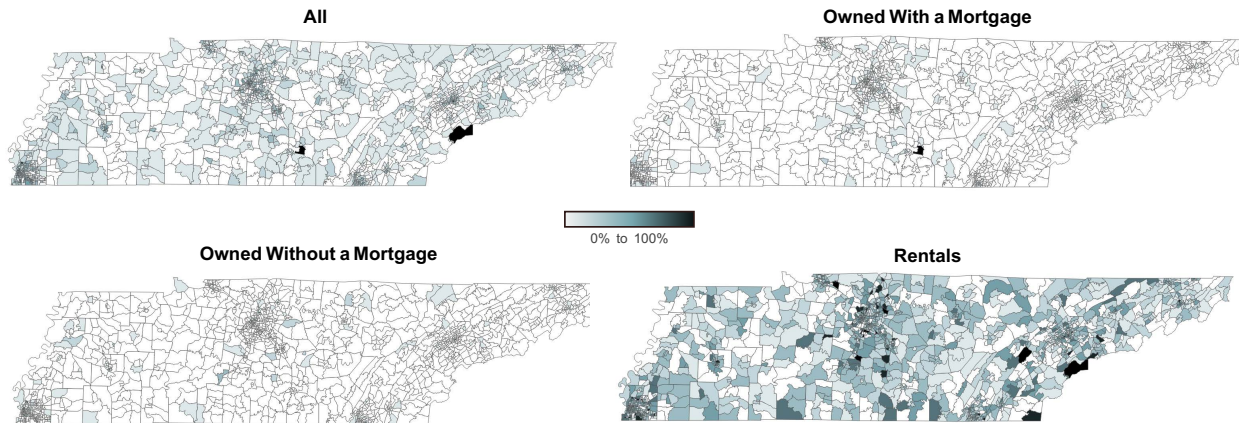
Percent of Owner Households Without a Mortgage Spending 30% or More of Income on Housing (2019-2023)



Source: American Community Survey 5-Year Estimates (2019-2023) (22)

Figure 26. The Share of Households Spending More Than 30% of Income on Housing Varies Across the State and Within Communities

Percent of Households Spending 30% or More of Income on Housing by Household Type and Census Tract (2019-2023)

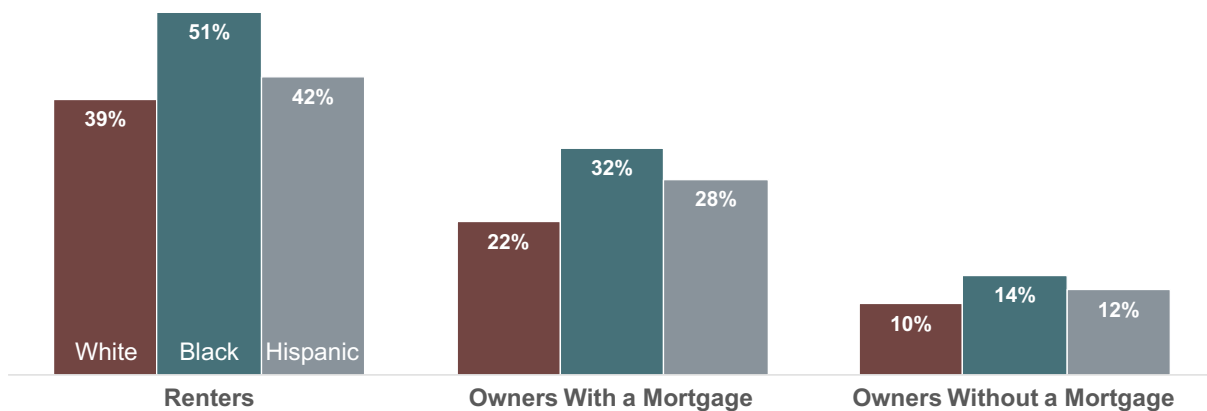


See dashboard on SycamoreTN.org for interactive data. Excludes Census Tracts with fewer than 10 households in any one of the household type categories.

Source: American Community Survey 5-Year Estimates (2019-2023) (Table DP04) (22)

Figure 27. Black and Hispanic Tennessee Households Have Higher Cost-Burdened Rates Than White Households

Percent of Households Spending 30% or More of Income on Housing by Race/Ethnicity and Household Type (2023)

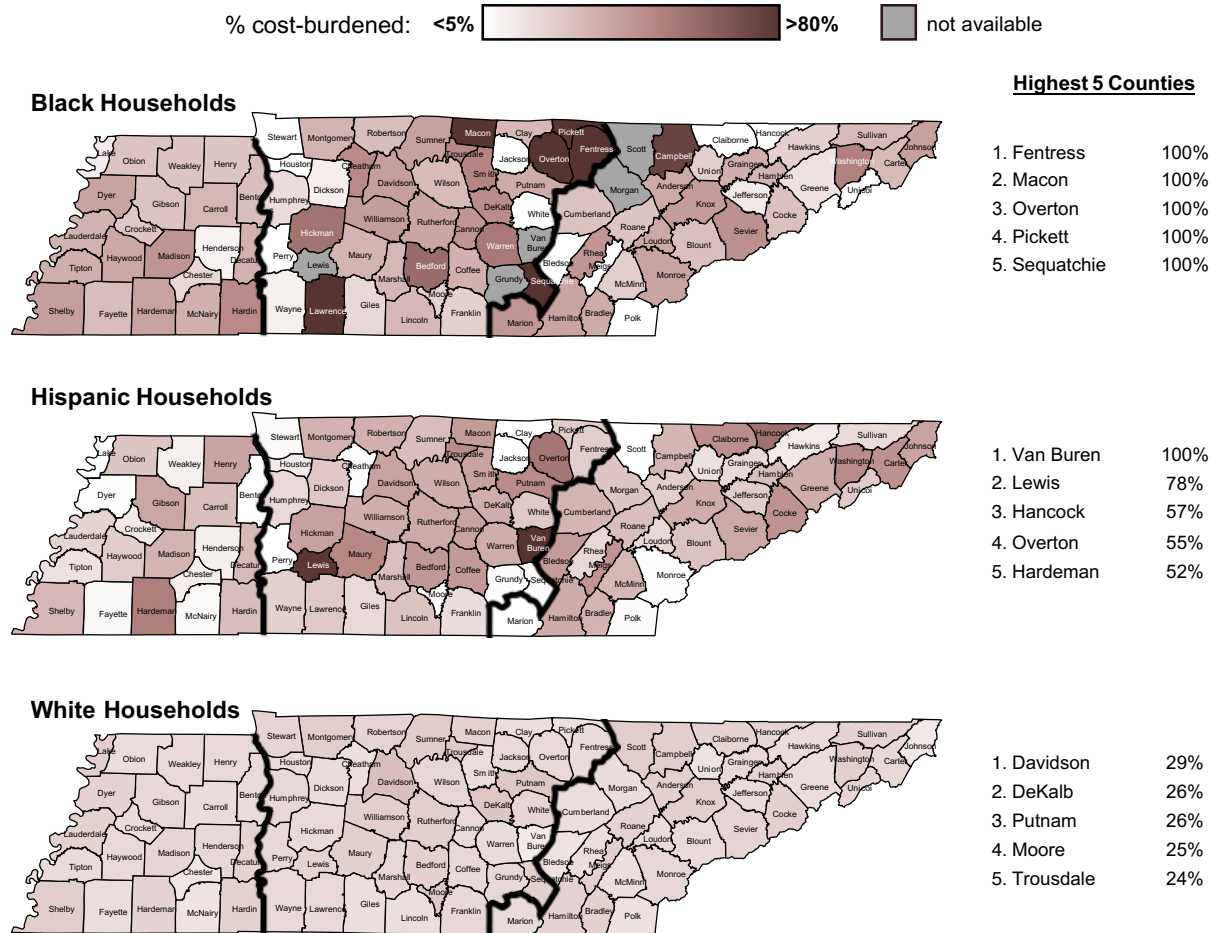


Note: Based on the race/ethnicity of the head of household.

Source: U.S Census Bureau ACS 1-Year Estimates (2023) (Tables B25140B/H/I) (32)

Figure 28. In Many Counties, Black and Hispanic Households Have Higher Cost-Burdened Rates Than White Households

Percent of Households Spending 30% or More of Income on Housing by Race/Ethnicity (2019-2023)



Note: Based on the race/ethnicity of the head of household.

Source: American Community Survey 5-Year Estimates (2019-2023) (Tables B25140B/H/I) (32)

5. The data don't tell the whole story.

The available data constrain detailed analysis. For example, the American Housing Survey provides detailed housing data across many areas of interest (e.g., types of housing, square footage, availability), but data are only available for limited time periods and two metro areas in Tennessee (Memphis and Nashville). Examples of other limitations include:

- Supply Data** — Available data make it difficult to assess supply at the local level in a timely manner—particularly for smaller, more rural counties. For example, supply data is not state-specific from the start to finish of a project. Approved building permits are good indicators of development intent, but approved permits are not finished housing units. The Census Bureau reports completed housing units at a regional level (i.e., South, West, etc.) but not at the state level. (36) Housing experts have also critiqued vacancy rates and housing unit counts because of

issues like blighted properties and vacation homes. (37) Meanwhile, the American Community Survey's 5-year estimates for smaller counties make it difficult to make timely assessments about vacancies and supply in Tennessee's more rural areas.

- **Ambiguous Terms** — Housing discussions are rife with buzzwords that don't always have clear definitions. For example, "starter homes" and "missing middle housing" have taken housing discussions by storm, yet measuring them proves difficult. For example, a starter home is generally defined as one with three or fewer bedrooms. However, 2023 data show these homes make up nearly 80% of Tennessee housing units—hardly a statewide shortage. (38) (13) However, these data do not include fully descriptive characteristics (e.g., single-family detached, apartment, duplex). As a result, it limits our ability to flesh out the shortage of what is in demand—single-family homes.
- **Areas for Further Research** — The drivers of housing choice need further research because housing wants differ from housing needs. (39) (40) The data clearly show that Tennesseans have moved away from urban areas and into more rural counties, straining unprepared housing markets. (7) (12) The numbers suggest that households may be spreading out to find more affordable housing, but it may leave out other motivating factors to move from high- to low-density areas—like quieter living, the number of small businesses, or COVID-19-related reasons. (15) (41) (42)

Parting Words

Tennessee's housing supply shortage is similar to that of other states. (43) However, it is historically unique in many ways—driven by migration into and around the state. As these trends slow and housing supply catches up, the recent rapid increase in housing costs is expected to ease—absent any unforeseen events. (44) Even as things stabilize, high housing costs are a challenging new normal, especially in communities that have not traditionally grappled with these issues. Future reports will explore policy levers to navigate these recent changes in the Tennessee housing market.

THE SYCAMORE INSTITUTE

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Geographic Designations

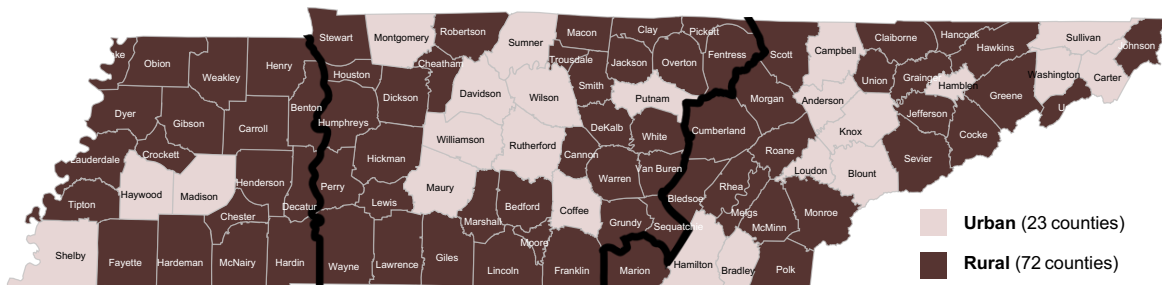
Rural/Urban Counties — The U.S. Census Bureau designates areas and counties as urban or rural. The Decennial Census counts the country’s population and designates some census tracts as urban based on housing, business, and population densities. If over 50% of a county’s population lives in urban tracts, a county is considered urban. All others are considered rural. (45) According to the 2020 Census, 23 of Tennessee’s 95 counties are considered urban, and 72 are rural (**Figure 29**).

Metro Areas — The U.S. Census Bureau designates metropolitan statistical areas (MSAs). MSAs are economically and socially integrated areas containing at least one core urban area with 50,000 or more people and its surrounding communities, which can include counties in other states. (46) Tennessee has 10 MSAs (**Figure 30**).

Suburban Areas — The Census Bureau does not define “suburbs.” Generally, the term describes communities outside a major city but within commuting distance for work or other resources. (47)

Figure 29. Tennessee’s Urban and Rural County Designations

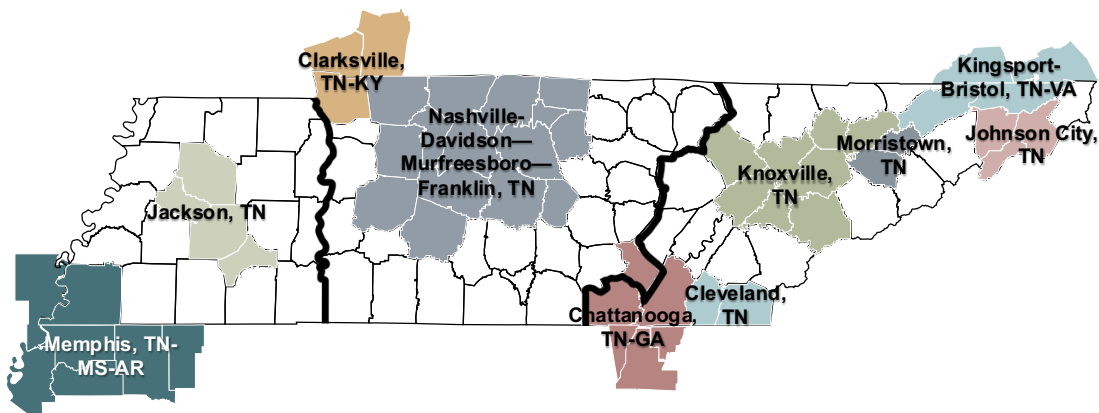
Urban and Rural County Designations (2020)



Source: U.S Census Bureau (11)

Figure 30. Tennessee’s 10 Metropolitan Statistical Areas

Metropolitan Statistical Areas Located in Tennessee (2025)



Source: U.S Census Bureau and The Office of Management and Budget (48)

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