Memphis Housing Supply Tightens

New residential permits lag, creating a distinct market dynamic in the region.

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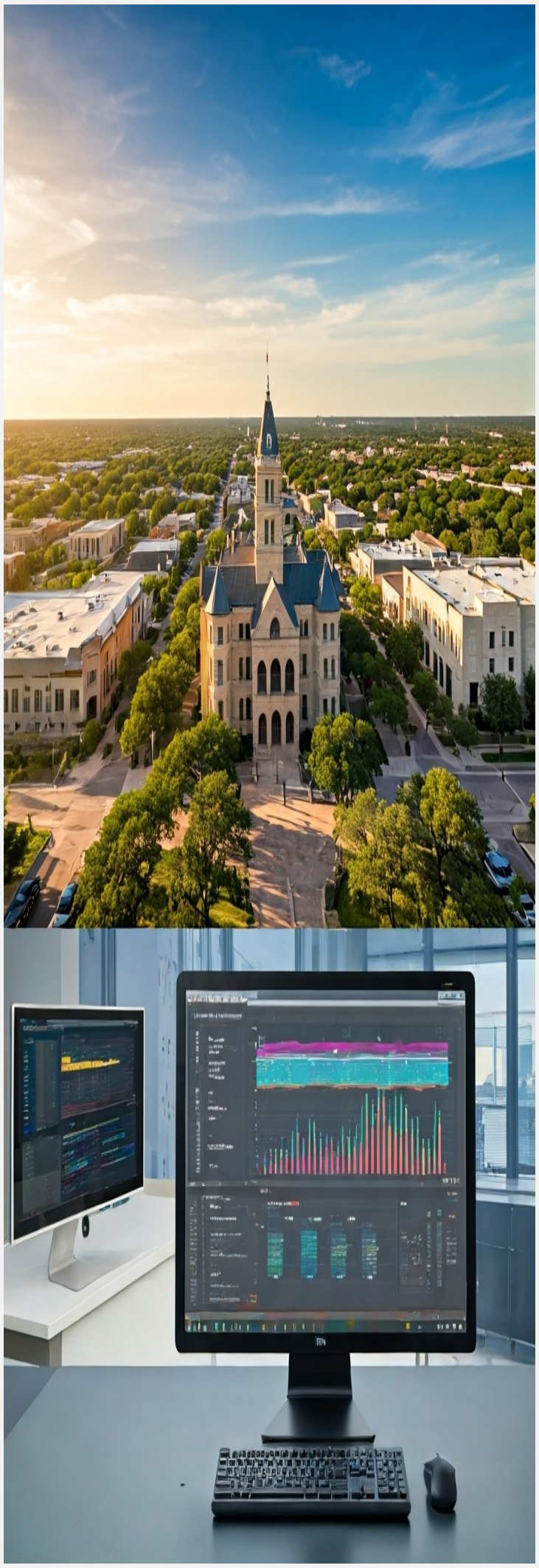
THE DATA

6.5%

Memphis Permit Growth

Memphis saw a 6.5% annual increase in new residential permits for Q2 2026.

This growth rate, while positive, trails other major Tennessee metros; for instance, the Federal Reserve Bank of St. Louis's report notes that UT Boyd Center data indicates Nashville and Knoxville saw permit increases of 12% and 10% respectively over the same period. This disparity contributes to tighter housing supply in the Memphis area, creating a distinct market dynamic compared to its state counterparts.



Source: Federal Reserve Bank of St. Louis · Published August 09, 2026

01

Supply Constraints Reshape Memphis Market Dynamics

The slower pace of new residential construction permits, as noted by the St. Louis Fed, means Memphis's housing inventory struggles to keep up with demand. This creates a competitive environment for buyers and can support sustained property value growth, distinct from other Tennessee markets.



02

Local Development Key to Future Affordability

While current conditions favor sellers, the long-term health of the Memphis market depends on increased development activity. Encouraging new construction and streamlining approval processes could alleviate supply pressures and foster greater housing accessibility for residents across the metro.

Real Estate Strategy & Intelligence Leader. Democratized Blue Ocean Strategist & Operator.

Diane Hart Alexander, MBA, MHA

Designated Broker, ALEX.RealEstate
Chair & CEO, ALEX

+1 713.591.9902 · diane@alex.realestate



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