

# Why Memphis Is Tennessee's Most Affordable Market

A new data trend signals a potential shift in real estate dynamics

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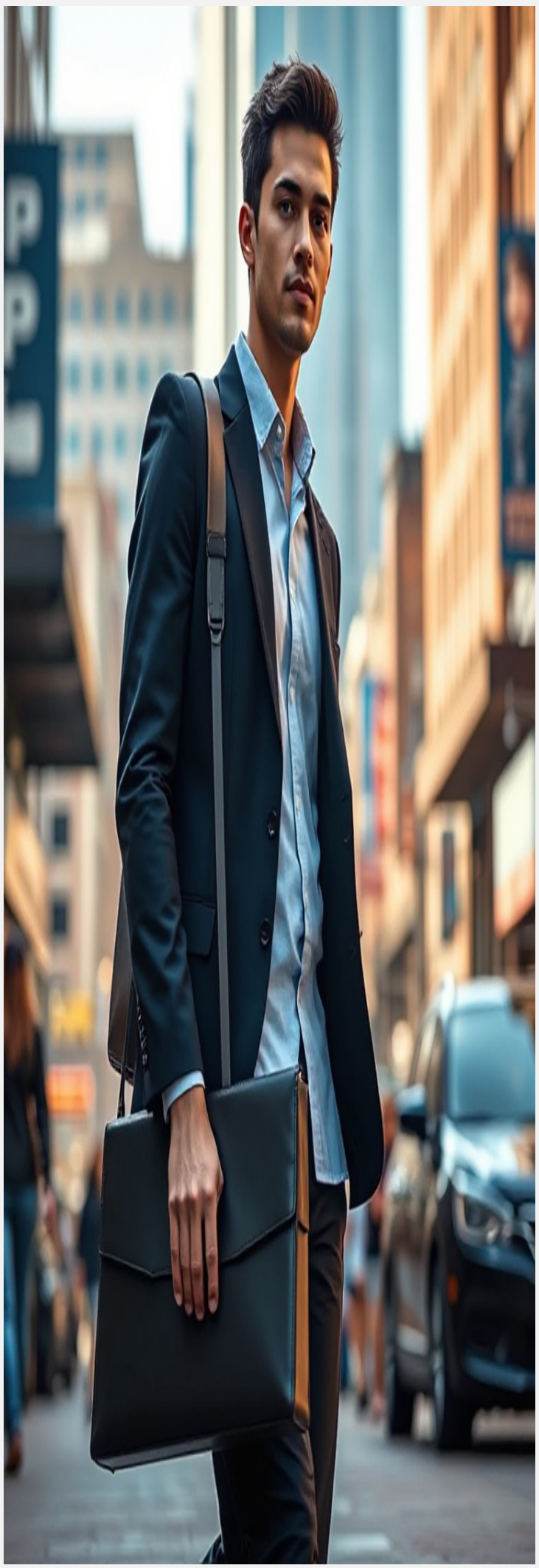
THE DATA

# 3.8%

## Homeownership Rate

Among Tennessee metro areas, Memphis has the lowest homeownership rate.

This statistic reveals an unexpected dynamic in Memphis' housing market—where affordability is high but ownership remains low. The trend suggests a growing renter population, possibly driven by job mobility and a younger demographic entering the housing market. This pattern contrasts with more established metropolitan areas like Nashville or Knoxville, where homeownership rates are significantly higher.



Source: St. Louis Fed · Published August 25, 2026

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# Affordability May Be a Temporary Shield

The low homeownership rate in Memphis may be masking underlying shifts in local housing demand. If younger, transient populations are driving rental growth but not ownership, this could result in long-term affordability challenges. This scenario would make Memphis more vulnerable to economic shifts compared to more stable homeownership markets like Williamson County or Georgetown TX, where population stability supports sustained demand.




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## A Housing Market in Transition

While Memphis remains the most affordable market in Tennessee, its housing dynamics are evolving rapidly. With fewer residents buying homes and more renting, the long-term supply-demand balance is shifting. This could lead to higher rent growth and potentially a new affordability challenge unless policy or market forces support more stable homeownership rates.

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