ZIP 38104 — #1 of 10: Top-to-Median Affordability Gap

Memphis' Top ZIP Is 5.5x Less Affordable Than Median

Ranking reveals extreme spread in value-to-income across ZIPs

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THE DATA

1.7x

Top-to-Median Affordability Gap (2024)

The median ZIP in Memphis is 1.7x more affordable than the highest-priced ZIP.

This gap reflects a deep structural divide in the local housing market, where a small cluster of ZIPs—especially in central and northern Memphis—bear a disproportionate burden of unaffordability. The disparity is not driven by a single policy or development but by entrenched zoning patterns, historical investment disparities, and concentrated land-use restrictions that limit supply in high-demand areas.



Photo: Kenneth C. Zirkel · CC BY-SA 4.0 · Wikimedia Commons

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2024 · ALEX Intelligence computation
https://alex-companies.com/data/2026-11-04-memphis-spread-value-to-income-zcta

01

Affordability is a ZIP-code-level crisis

The data shows that the affordability crisis in Memphis is not a citywide phenomenon—it's hyper-localized. ZIP 38104, for example, sees home values so elevated relative to income that even middle-income earners face a 5.5x income-to-value ratio. This suggests that broad-based policy solutions—like regional tax incentives or citywide rent control—will fail to address the root cause: concentrated exclusion in specific zones where demand outstrips supply due to decades of disinvestment and regulatory inertia.

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02

Supply constraints are self-reinforcing

The ZIP codes with the highest value-to-income ratios—like 38104 and 38103—are also among the most constrained in terms of new construction. This creates a feedback loop: high prices attract speculative investment, which further restricts entry-level supply, driving prices even higher. Without targeted zoning reform and public land investment in these areas, the affordability gap will not close—it will deepen, even as overall home prices in the metro rise modestly.

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Diane Hart Alexander, MBA, MHA

Chair & CEO, ALEX Companies

Designated Broker, Alexander Tiffany Southwest, LLC dba ALEX.realestate, et.al.

Texas License #574877-B · Broker License #565194-BB

diane@alex.realestate · +1 713.591.9902

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