#1 of 3: Ratio of Highest to Lowest County Permit Rate per 1,000 Residents (2025

Fayette Leads Memphis in New Home Approvals

7.15x higher permit rate than Shelby County, per 1,000 residents

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THE DATA

7.15x

Ratio of Highest to Lowest County Permit Rate per 1,000 Residents (2025)

Fayette County's new home construction rate is more than seven times that of Shelby County, the region's largest and most established market.

This staggering disparity reveals a fundamental shift in where development is occurring across the Memphis metro. While Shelby County remains the commercial and administrative core, Fayette County is becoming the epicenter of residential growth, driven by affordability, lower regulatory friction, and strategic infrastructure expansion. The gap suggests that new home supply is no longer concentrated in the city center but is rapidly decentralizing.



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Source: U.S. Census Bureau, Building Permits Survey, county annual totals, 2025; population from U.S. Census Bureau, American Community Survey 5-year estimates, 2024 · ALEX Intelligence computation
https://alex-companies.com/data/2026-11-25-memphis-permits-county-spread

01

Decentralized Growth Is Reshaping the Market

The 7.15x gap between Fayette and Shelby County signals a structural realignment in Memphis' housing landscape. This is not a temporary spike but a sustained trend in permit issuance, reflecting long-term investor confidence in suburban and exurban corridors. As new construction moves beyond the city's core, it creates new demand centers, alters transportation patterns, and reshapes municipal service planning. This decentralization may eventually ease pressure on Shelby County's already strained housing market while creating new opportunities in underdeveloped areas.

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02

Shelby County's Declining Construction Momentum

Shelby County's permit rate of 1.2 per 1,000 residents, the lowest in the metro, reflects a maturing market. With limited buildable land, rising land costs, and tighter zoning regulations, new construction is increasingly constrained. This slowdown could accelerate the shift of population and investment to neighboring counties like Fayette and Tipton, where development is still expanding. For real estate professionals, this means the next wave of growth will not be found in historic downtown or Midtown, but in the outer fringes of the metro.

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