MEMPHIS, TN

2025 MARKET AT A GLANCE

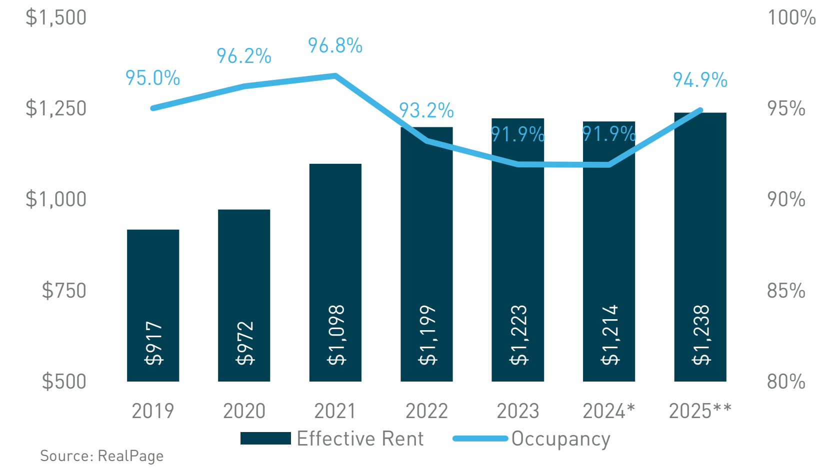
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
94.9%	$1,238	21.3%
UP 300 BPS YOY	UP 2.0% YOY	DOWN 30 BPS YOY

Household Formation and Rising Income to Spur Apartment Fundamentals

Apartment fundamentals in the Memphis metro area are set to advance in 2025, following flat performance in 2024. Many of the improvements in apartment fundamentals will be spurred by renewed household formation and rising incomes. This year is expected to mark a reversal in negative net migration and household consolidation of recent years. The anticipated net migration of approximately 3,300 new residents will drive a projected 1% growth in households. Furthermore, many households that consolidated in the last three years will unbundle. This shift in the demographic environment is expected to ramp up apartment demand. By year-end, metrowide apartment occupancy is forecast to rise to 94.9%, a 300-basis-point annual increase. Another factor in the rising apartment demand will be the addition of 1,231 new apartment units. Renters will find these amenity-rich apartments attractive when compared to the metro area's single-family housing stock, 59% of which is at least 35 years old. Affordability will also remain a compelling factor when deciding to rent: monthly house payments for newly originating mortgages typically command a 38% premium even as the metro's average monthly effective apartment rent is forecast to reach $1,238 by the fourth quarter of 2025. Additionally, the median household income in the metro area is forecast to rise 3.4% this year, encouraging many renters to seek multifamily housing that suits their newly independent lifestyle or to simply upgrade to a nicer or larger apartment. The heightened apartment demand will fuel rent growth. After decreasing 0.7% in 2024, average monthly effective rent is forecast to increase 2.0% by year-end 2025.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2024 are projected values. 2025 figures are forecast projections.

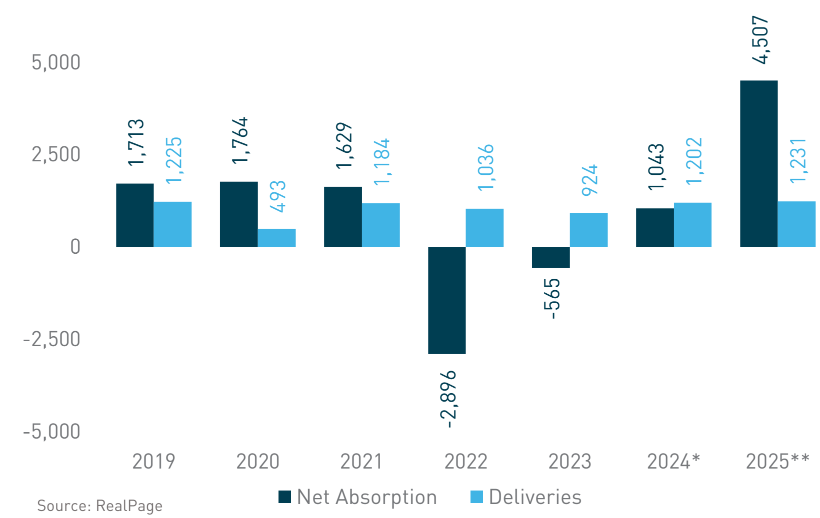
APARTMENT TRENDS



Source: RealPage

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

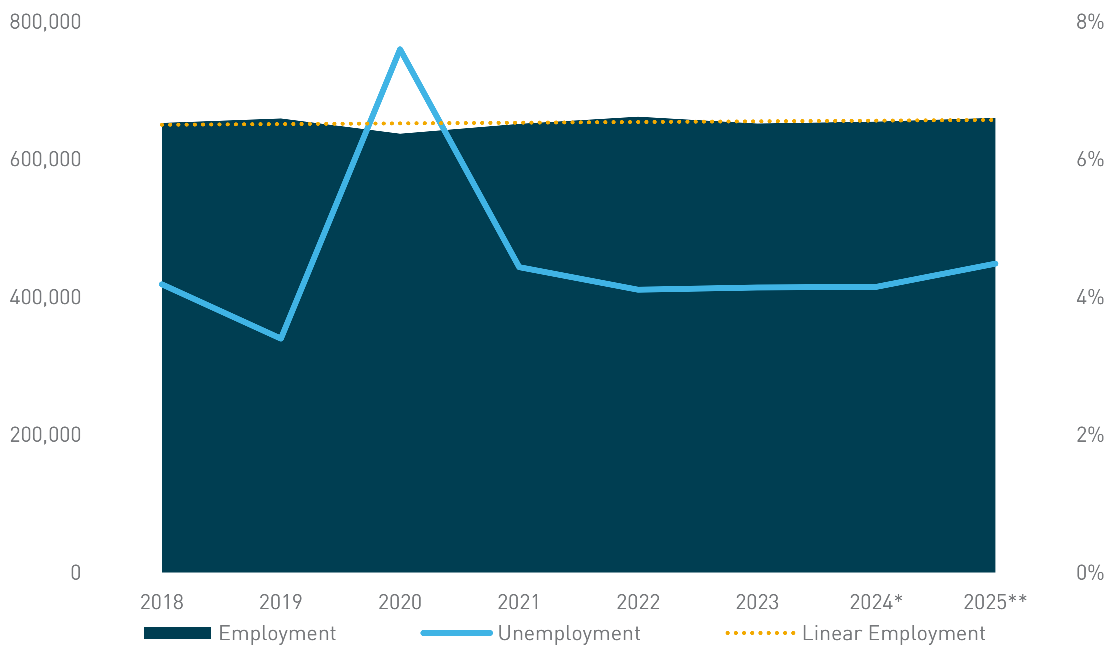


Source: RealPage

*Projected **Forecast

MEMPHIS, TN

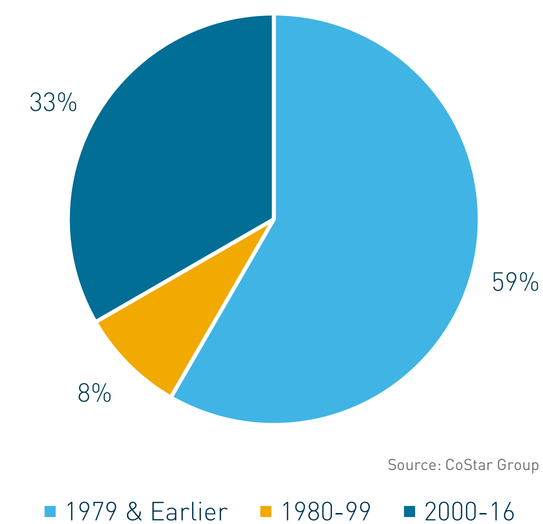
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



Source: CoStar Group

*YTD through Oct.

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
660,700	4.5%	$69,717	$91,481	7.6%
UP 0.9% YOY	UP 40 BPS YOY	UP 3.4% YOY	UP 1.9% YOY	UP 10 BPS YOY