



NASHVILLE, TN

MACRO MARKET ANALYSIS

*Slumdog Millionaires
Real Estate Investing Accelerator
Erin Helle*

The Nashville Market



Nashville is one of the hottest real estate markets in the country today. The Nashville real estate boom began about 10 years ago and investors expect these trends to continue for the foreseeable future, making Nashville one of the most desirable real estate markets in the country.



Nashville is the capital and most populous city of the state of Tennessee. The city is located on the Cumberland River and it's population ranks 24th in the US. Located in northern Middle Tennessee, Nashville is the main core of the largest metropolitan area in Tennessee.



The Nashville metropolitan area contains more than two million people.

Home Values Forecast

(next 12 months)

National: 6.3%

Nashville Metro: 6.5%

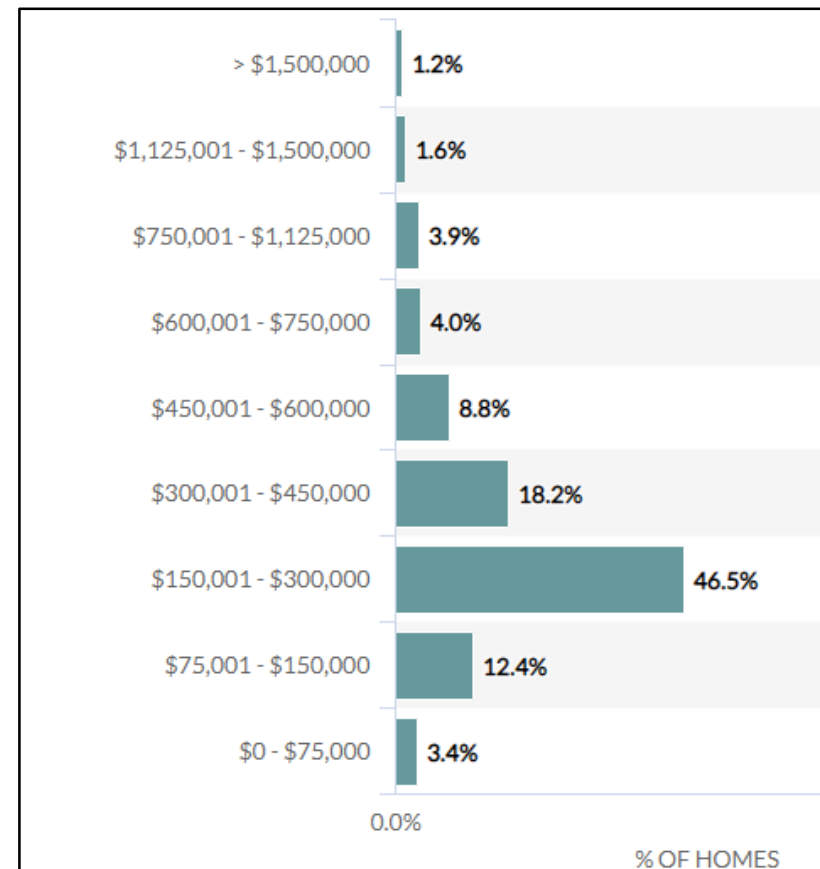
Major Cities - Home Values

Nashville

Current: \$262,600

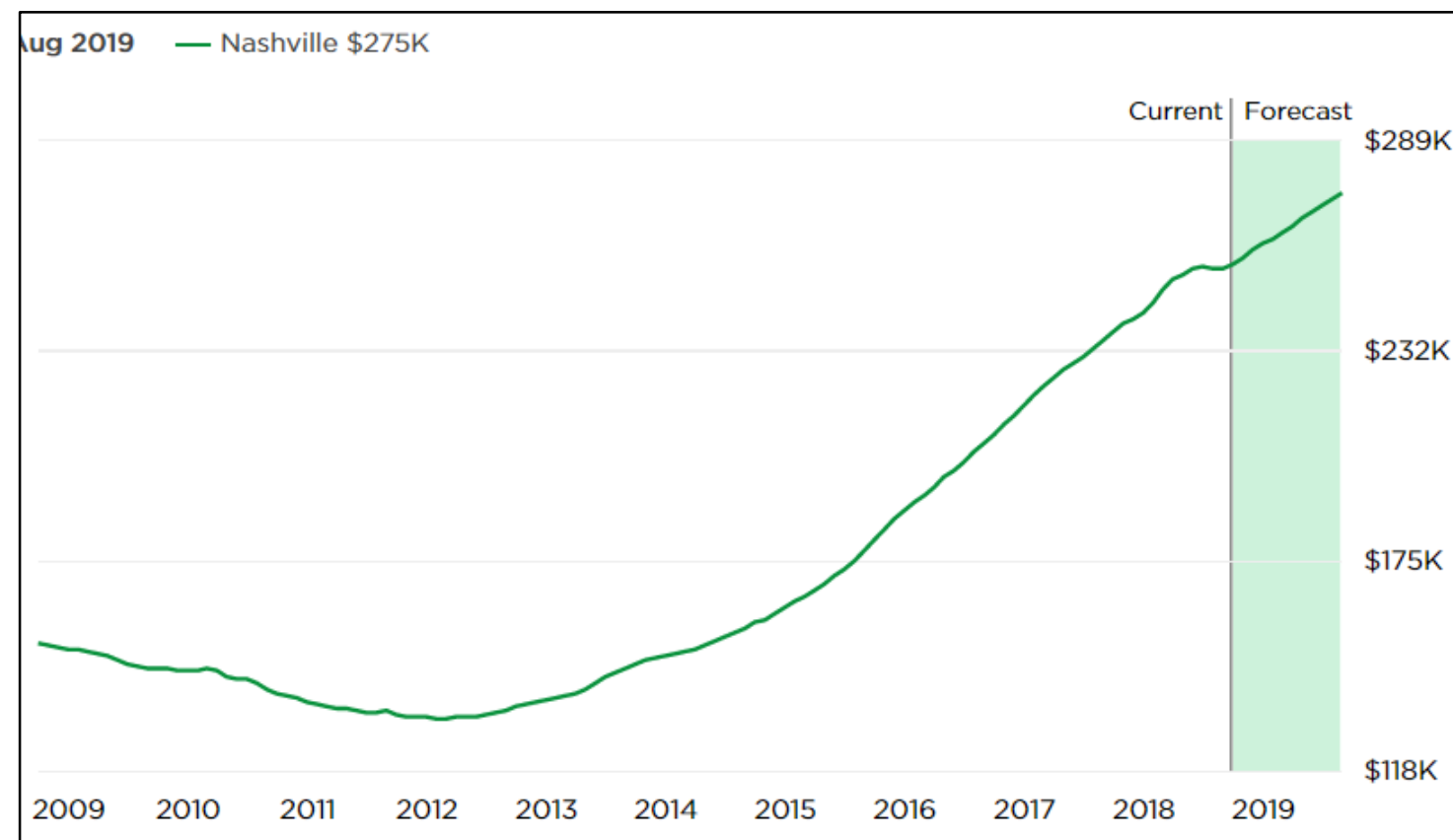
Monthly Change: 0.3%

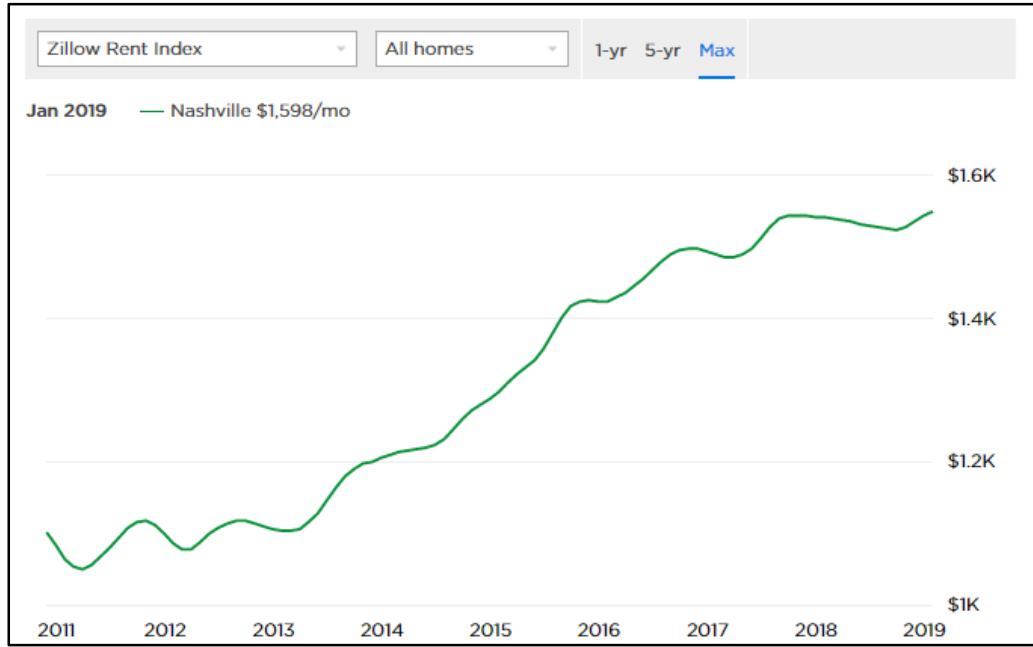
Annual Change: 8.3%



Property Values

- Median Sales Price: \$255,400
 - Annual Change: 7.9%
- Increasing Values: 72.9%
- Decreasing Values: 20.1%
- The property appreciation rate in Nashville, which was quite high for the past few years, has now started to slow down to favor buyers. This shift is becoming a good sign for buyers looking to invest in Nashville real estate in 2019.

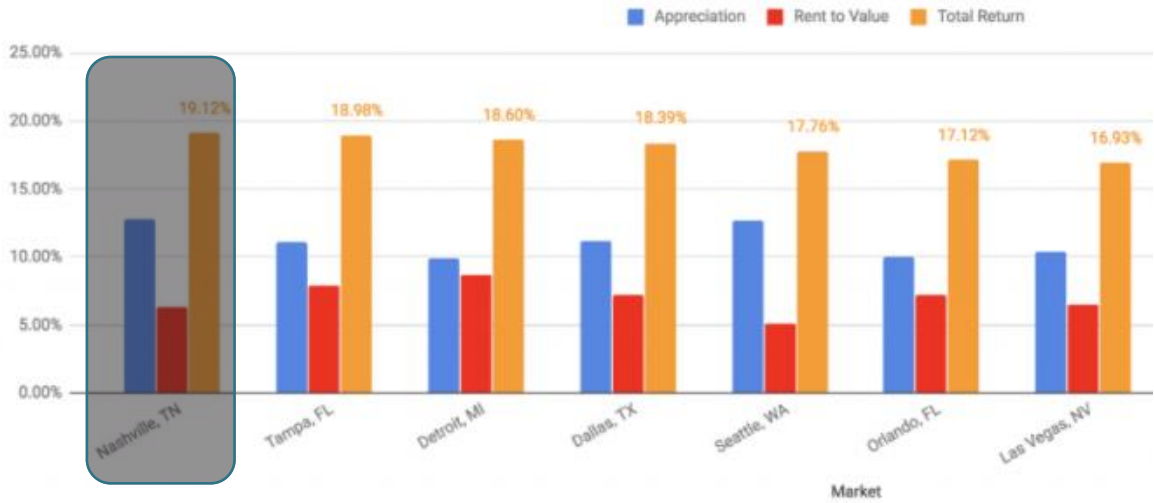




Historical Rental Vacancy Rate data for Nashville			
Date	US	Tennessee	Nashville, TN
2017	6.18%	6.67%	5.85%
2016	5.89%	6.68%	3.96%
2015	5.85%	7.13%	4.87%
2014	6.32%	7.24%	3.99%
2013	6.49%	7.86%	5.67%
2012	6.77%	7.89%	6.65%
2011	7.40%	8.54%	8.10%
2010	8.17%	10.33%	8.48%

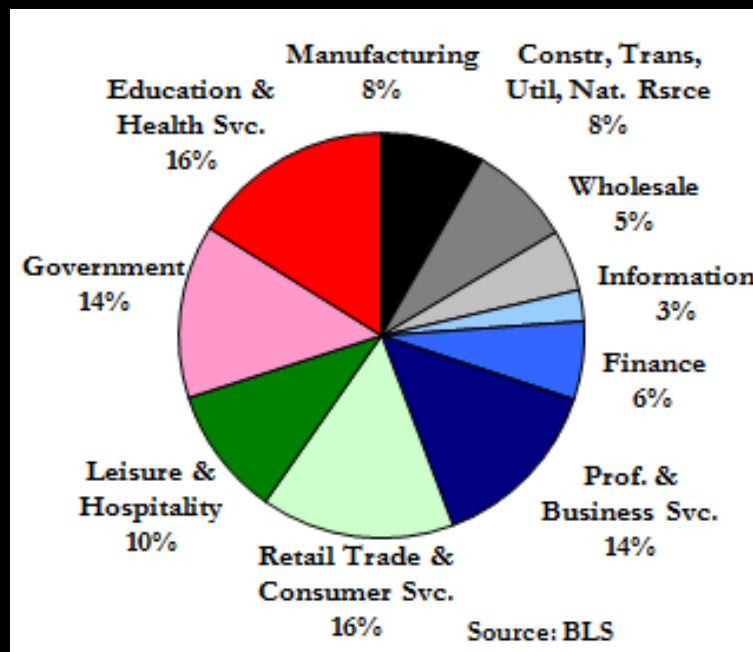
Real Gross Rent in Nashville Tennessee (2017 dollars) ²			
	2017	1 Year Change	3 Year Change
US Median Gross Rent	\$1,012	+1.61%	+5.86%
Tennessee Median Gross Rent	\$833	+1.71%	+5.71%
Nashville, TN Median Gross Rent	\$1,030	+4.25%	+14.19%

10 Markets Offering Investors the Highest Total Returns



Return on Investment

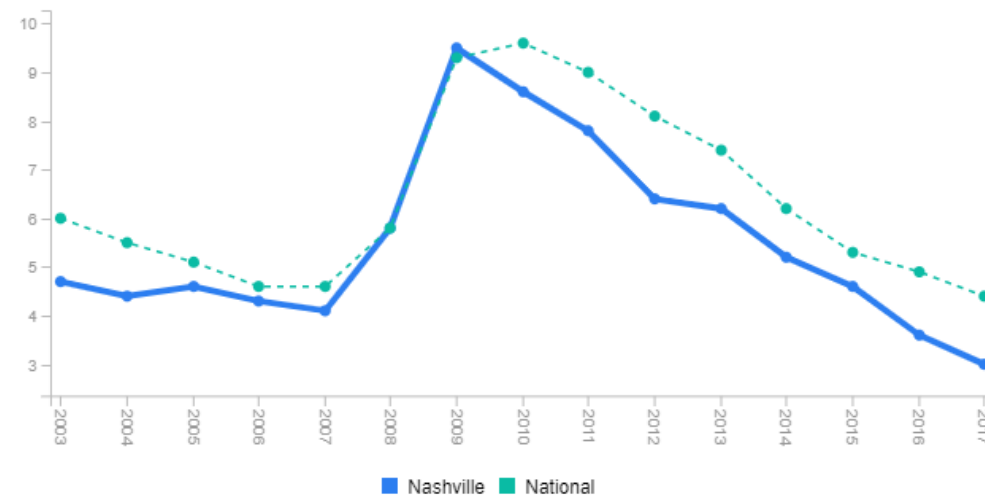
- Average Rent: \$1,567
 - Annual Change: 0.3%
- Price To Rent Ratio: 13.39
- Low Vacancy Rate
- In the last 10 years, Nashville has experienced some of the highest home appreciation rates of any community in the nation. Nashville real estate appreciated 59.19% which is an average annual home appreciation rate of 4.76%, putting Nashville in the top 10% nationally for real estate appreciation.



Strong Economy and Diverse Industry





- Nashville's strength as a community truly rests on one solid foundation—its economic diversity. The city is a great "neighborhood" of private and public business and industry, where people are as likely to go to work each morning in banks, hospitals, or government offices as to drive trucks, punch cash registers, or work on assembly lines. (Citydata.com)
- The area has benefited from low unemployment, consistent job growth, heavy outside investment and expansion, and a broadening of the labor force. Although the city's economy is not reliant on any one area of production, Nashville is a leader in finance and insurance, health care, music and entertainment, publishing, transportation technology, higher education, biotechnology, plastics, and tourism and conventions. (Citydata.com)
- Nashville is now home to tech-enabled companies like AllianceBernstein, Lyft, UBS, Ernst & Young, Eventbrite, Postmates and Houzz, among others.

Unemployment Rate Over Time





Data sourced from the Bureau of Labor Statistics.

Nashville's Economic Drivers

	Number of jobs	Economic impact
 Health Care	250,000	\$38.8 billion
 Tourism & Hospitality	87,500	\$5.7 billion
 Manufacturing	82,100	\$9.5 billion
 Music & Entertainment	60,000	\$10 billion

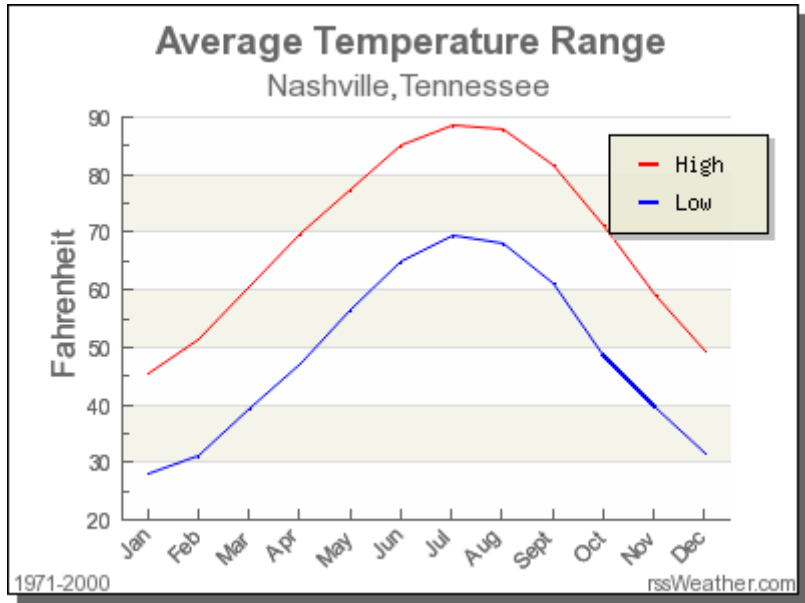
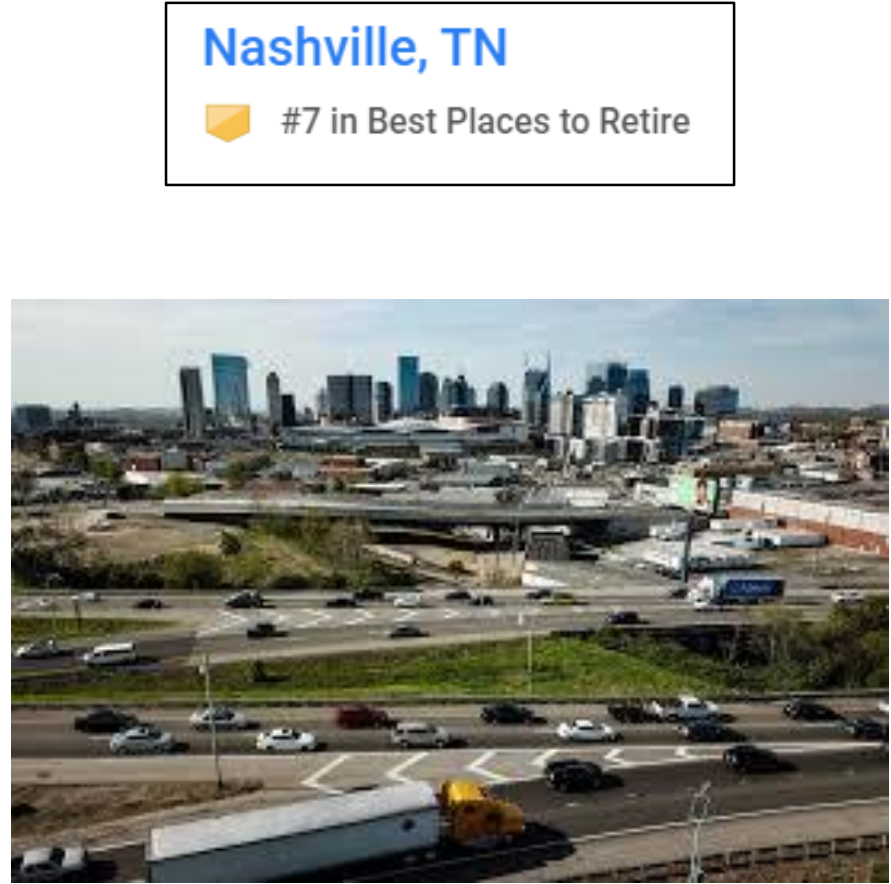
Source: Nashville 2018 Regional Economic Development Guide

Average Annual Salary	
	
Nashville	USA
\$45,780	\$49,630



Quality of Life

- The overall cost of living is 4.5% less than the national average. All components (groceries, housing, utilities, etc.) of cost-of-living are typically below the national average.
- Ease of transportation: Air, Road and Rail
- Nashville typically enjoys a mild and pleasant climate
- Nashville is AFORDABLE and LIVABLE!



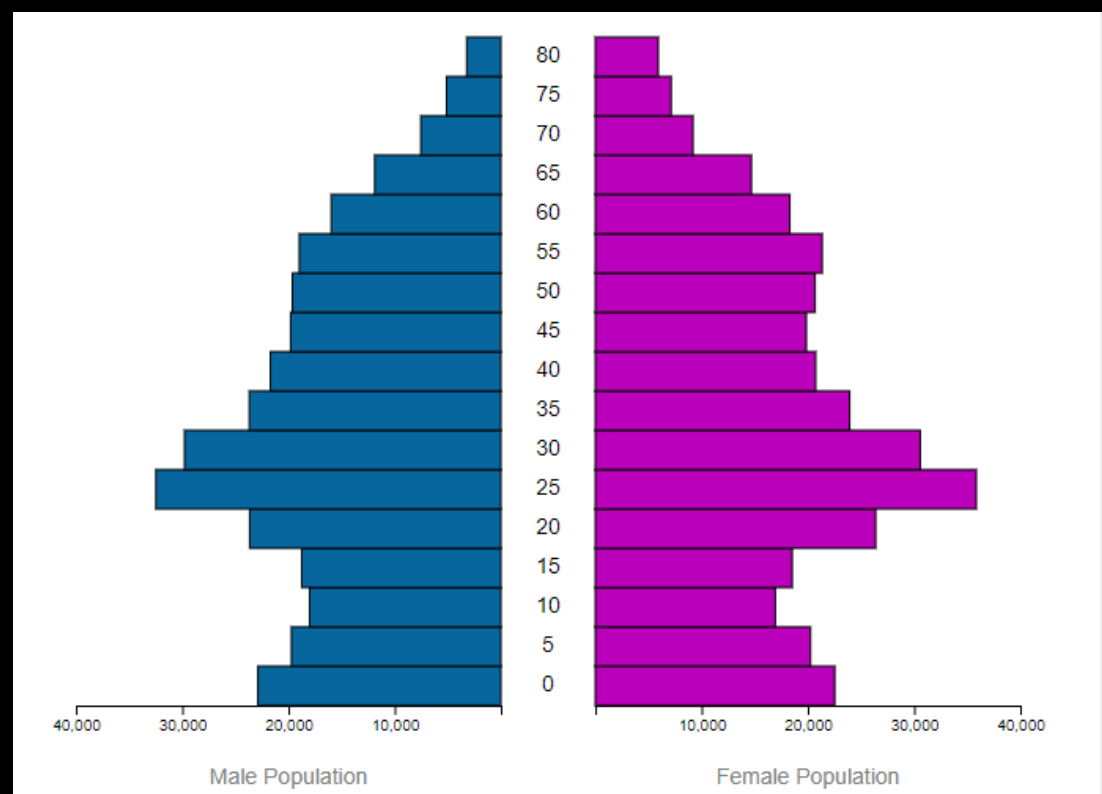
Nashville, TN
#11 in Best Places to Live

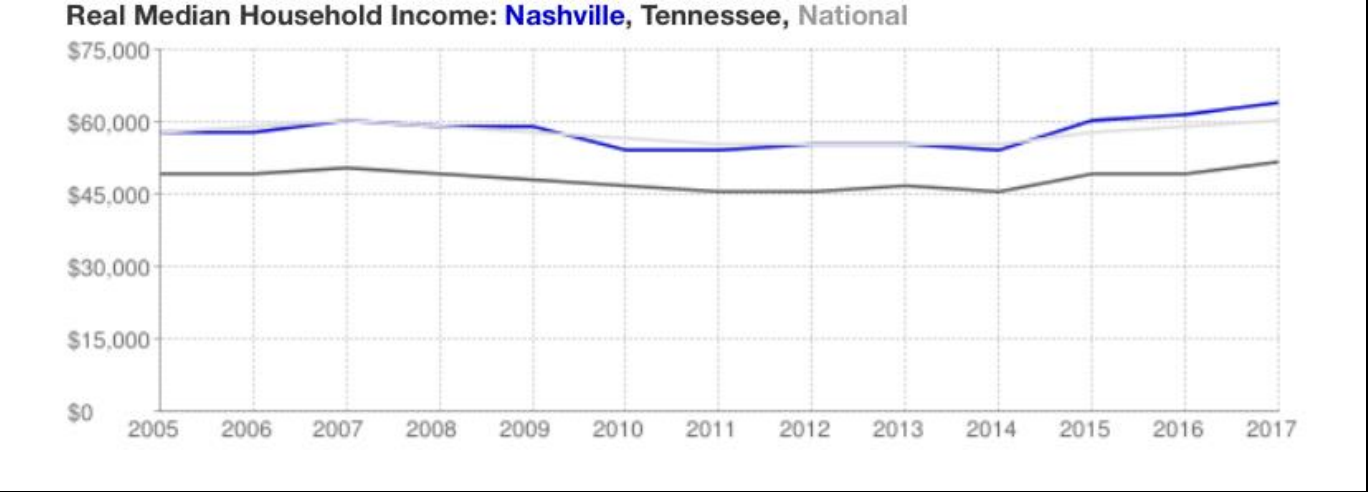


Demographics



- The population is growing, young and diverse
- Nashville has become a very popular destination for immigrants due to a healthy job market and fairly low cost of living. The foreign-born population of the city nearly doubled over the last decade and makes up nearly 12% of the population. The city is home to large populations of Mexicans, Kurds, Vietnamese, Cambodians, Laotians, Arabs and Bantus.





Nashville Tennessee Median Annual Rent as a Fraction of Median Household Income

	2017	1 Year Change	3 Year Change
US	20.13%	-0.30%	-0.76%
Tennessee	19.47%	-0.45%	-1.36%
Nashville, TN	19.33%	-0.12%	-0.75%

Real Median Household Income for Nashville Tennessee Show dollars as: [Nominal](#) [Real](#)

	2017	1 Year Change	3 Year Change
US	\$60,336	+2.51%	+8.49%
Tennessee	\$51,340	+3.53%	+11.66%
Nashville	\$63,939	+4.27%	+17.19%

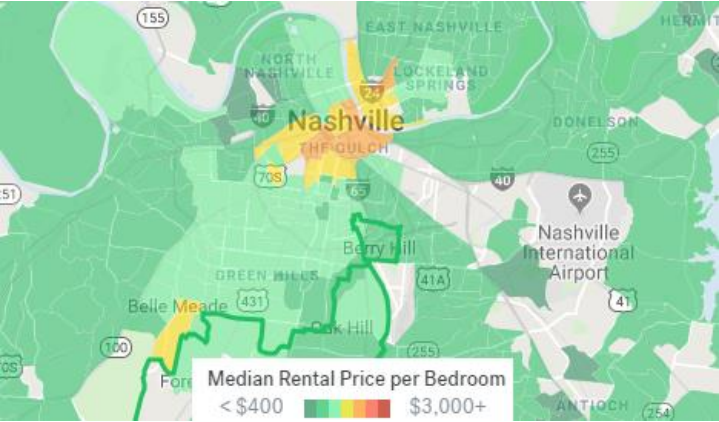
Resident Income

- Median household income for the Nashville-Davidson--Murfreesboro-Franklin Tennessee metro area was \$63,939 in 2017.
- Nashville median household income is \$12,599 higher than the median Tennessee household income and \$3,603 greater than the US median household income.

Other Considerations

- Landlord Friendly
 - Stable: Low vacancy and unemployment
 - Tourism
 - Large Student Population
 - Gentrification and Redevelopment
-





Home Values Forecast

(next 12 months)
National: 6.3%
Nashville Metro: 6.5%

Major Cities - Home Values

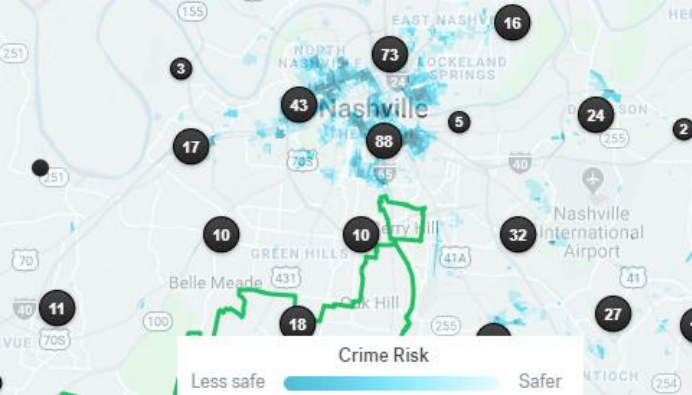
Nashville
Current: \$262,600
Monthly Change: 0.3%
Annual Change: 8.3%

Murfreesboro
Current: \$238,800
Monthly Change: 0.6%
Annual Change: 8.6%

Franklin
Current: \$463,700
Monthly Change: 0.7%
Annual Change: 6.8%

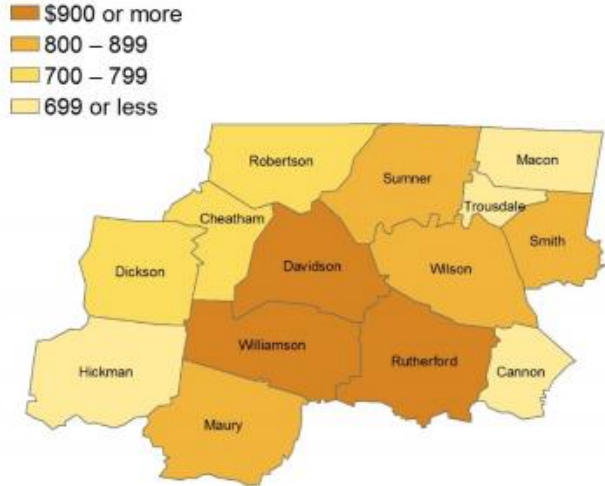
Hendersonville
Current: \$287,000
Monthly Change: 0.3%
Annual Change: 6.1%

Lebanon
Current: \$244,600
Monthly Change: 0.2%
Annual Change: 6.6%

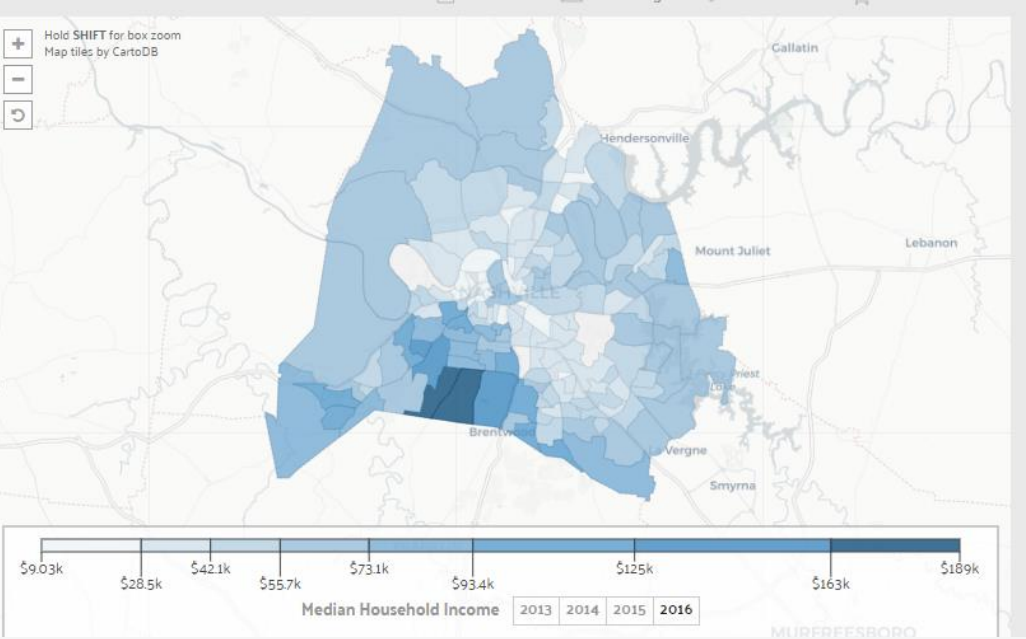


Average weekly wages for all industries by county

Nashville area, 2nd quarter 2018
(U.S. = \$1,055; Area = \$1,018)



Source: U.S. BLS, Quarterly Census of Employment and Wages.



MICRO MARKET ANALYSIS