

Memphis

Rental Real Estate Overview 2023

Located along the Mississippi River, Memphis, Tennessee, has been an iconic American city since its foundation in 1819. From music to barbecue to rich civil rights history, the city is full of opportunities for everyone... including investors.

About Memphis

The Memphis metro area is the second most populous in the entire state of Tennessee, next to Nashville. And it's for good reason.

Conveniently situated on the Mississippi river, Memphis has one of the busiest ports in the entire United States. The city has also earned the nickname "America's Distribution Center" since it features the [busiest cargo airport](#) in all of North America (second-busiest in the entire world). In fact, FedEx was founded in Memphis in 1971, and still employs more than 30,000 employees in the state. UPS also has a large distribution center at the Memphis airport.

Memphis, Elvis Presley's chosen home, is known worldwide as the "Home of the Blues" and the "Birthplace of Rock 'n' Roll". But Elvis wasn't the only artist to bring music to the city. In fact, 24 out of 97 early inductees into the Rock 'n' Roll Hall of Fame come from within 100 miles of the city. Memphis is also home to prominent gospel, jazz, R&B, rap, and soul artists.

To this day, the musical influence of these artists permeates the culture of the city. Beale Street, a 3-block section downtown, is "America's Most Iconic Street" and "Tennessee's Top Tourism Attraction". On Beale Street, thousands of visitors can eat, drink, and listen to live music at dozens of blues bars and other music clubs.

But Memphis isn't just a music attraction and a busy cargo hub. Memphis has a beautiful mild-Southern climate and features 238 sunny days every year. A true iconic Southern town, it also features some of the United States' [best barbecue](#) - rivaling Texas and Kansas City for the top flavors.

Still, culture isn't all Memphis is known for...it's also one of the hottest housing markets in the U.S. today. Read on to find out how this hidden gem may be the perfect place to expand to as a real estate investor.

CITY STATISTICS

Population

628,118 (city proper)
1.34 million (metro)

Median Income

\$28,571 /capita
\$44,317 /household

Median Age

34.3

Area

317.4 sq. mi.

Unemployment rate

4.2%

GDP

\$86.5 billion

Highest Paying Jobs

General internal medicine physicians, psychiatrists, chief executives, general dentists, physicists, medical scientists, nurse anesthetists

Major employers

FedEx, ServiceMaster, International Paper, Autozone, First Horizon National Corporation, St. Jude Children's Research Hospital, Methodist Le Bonheur Healthcare, Baptist Memorial Hospital, Smith & Nephew

MEMPHIS REAL ESTATE MARKET STATISTICS

202

Neighborhoods

2,490

Homes for sale
as of April 2023

\$189.9K

Median List
Price

\$195K

Median Sold
Price

\$135

Median Price per
Square Foot

99.64%

Sale-to-List
Price Ratio

40

Median Days
on Market

\$1,069

Median Monthly
Rent

9.5%

1-Year
Appreciation Rate

15.2

Price-To-Rent
Ratio

8.3%

Rental Vacancy
Rate

1.9%

Homeowner Vacancy
Rate

MOST EXPENSIVE NEIGHBORHOODS

Neighborhood	Average Monthly Rent	Median Listing Price
River Oaks / Brierwood	\$2,126	\$833,494
Belle Meade / Village	\$1,989	\$745,160
Red Acres / High Point Terrace	\$1,787	\$656,748
Chickasaw Garden / Lundee	\$2,099	\$626,414
South Germantown	\$2,105	\$575,680

LEAST EXPENSIVE NEIGHBORHOODS

Neighborhood	Average Monthly Rent	Median Listing Price
Fountain Court Block Club	\$1,303	\$41,248
Hollywood	\$1,064	\$42,836
Hollywood West	\$1,238	\$43,710
Elvis Presley Blvd / Kerr Ave	\$1,307	\$45,362
North Memphis East	\$1,279	\$48,067

LOOKING FOR AN INVESTOR-FRIENDLY AGENT?

From accessing off-market deals, to building a team, to determining the right rental rates, buying properties in a new market can prove tough for any investor. That's why we launched Evernest Brokerage.

You no longer need in-depth expertise to invest in [some of the best real estate markets](#) in the United States. Working with Evernest's in-house brokerage team of investor-friendly real estate agents is the most efficient way to build a local team and grow your rental portfolio.

It's simple. Visit our website, pick your market, fill out the form, and a member of our team will get back to you within 24 hours.

Get started here
TODAY!



FIVE REASONS TO INVEST IN MEMPHIS REAL ESTATE

While many investors may look to markets like Nashville or Columbus, Memphis is a hidden gem for anyone looking for an affordable market with huge upside potential.

Here are our top five reasons to invest in the Memphis real estate market:

1. Low Cost of Living
2. Stable Economy
3. Great Rental Prospects
4. Quality of Life
5. Investor-Friendly Market



1.

LOW COST OF LIVING

In today's inflated economy, many cities boast a "low cost of living". But most of them can't compare to Memphis' rate at [13% below the national average!](#)

Here's the breakdown of that figure:

- **Housing:** 20% below average
- **Utilities:** 9% below average
- **Groceries:** 8% below average
- **Transportation:** 7% below average

These incredible numbers have helped Memphis rank on multiple lists of [the](#)

[United States' most affordable metro areas...](#) and if compared only to **big** cities, [Memphis ranks #1!](#)

Another hidden cost of living in any location is the tax rate. Since Tennessee has no individual income tax, residents can keep an average of 4.5% more of the money they earn than U.S. citizens in other states. Property taxes are also some of the [lowest in the nation](#), making it a great bet for property investment.



2.

STABLE ECONOMY

Memphis has the [highest GDP in the state of Tennessee](#) next to Nashville. But this isn't a one-time achievement. Memphis has maintained a stable economy for years. When average employment rates across the U.S. are compared over the past 10 years, Memphis ranks #1 for most stable job creation across time, [according to Bloomberg](#).

[Three Fortune 500 companies](#) also call Memphis their home: FedEx Corp., Autozone Inc., and International Paper Co. FedEx employs around 30,000 employees in the city alone, earning Memphis the nickname "America's Distribution Center", since the company was founded locally in 1971.

Part of the reason Memphis has been able to maintain a stable economy is the major connection points the city features. Memphis' infrastructure includes:

- [Busiest cargo airport in the North America](#) (MEM)
- [Fifth-largest inland port in the U.S.](#) (Port of Memphis)
- Eight federal highways
- Three interstate highways
- Seven state highways



3.

GREAT RENTAL PROSPECTS

With interest rates on the rise, more renters are piling into the U.S. market. While this is a great sign for investors, it's important to invest where rental prices show signs of continuing to grow.

With a high quality of life, diverse job market, and thriving economy, Memphis is a prime location for rental property investors. While Memphis still has fantastic rental prices in comparison to the rest of the country, rental prices have gone up [11% in the last year alone](#).

Currently, renters make up over 55% of total units in Memphis - and this number has stayed above 50% consistently, earning Memphis a place on the [list of cities with the highest percentage of renters](#).

And yet, Memphis still has some of the [most affordable rental prices in the country](#), meaning there's still room for growth in rental rates. With prices rising across the U.S., these rates are a great sign for investors as more and more people will continue moving to places with a low cost of living.



4.

QUALITY OF LIFE

In addition to the low cost of living, Memphis has a lot to offer to both prospective residents and investors.

To begin, the "Home of the Blues" and the "Birthplace of Rock 'n' Roll" is home to many musicians and other performers. Music festivals often attract visitors to the city. A favorite destination is Beale Street: the three-block entertainment district featuring live music, bars, and delicious southern food.

In addition to music, Memphis features incredible history. Graceland, Elvis Presley's Memphis home, welcomes more than 500,000 visitors each year. The National Civil Rights Museum is another common attraction.

Memphis also features beautiful southern "patio weather", with mild winters and average summer temperatures. It also has an average of 238 sunny days per year, well above the U.S. average of 205.



5.

INVESTOR-FRIENDLY MARKET

With [affordable housing costs and a steady market](#), investing in Memphis real estate is a solid choice. As the second largest metro area in the region, Memphis is a hub for jobs and transportation as well as a great place to live. In fact, the city is [ranked on WalletHub's list](#) of the best real estate markets.

In addition to being one of the most affordable markets in the United States, Memphis has a few other qualities that make it a perfect location for investment.

Tennessee has some of the [lowest property taxes in the entire U.S.](#) In fact, the median yearly amount paid by property owners is only \$1,220; half the national average! This means that any investment you make now won't drain your bank account with continual costs after the purchase.

In addition, Tennessee has several laws that protect landlords.

- The state doesn't limit the [amount you can charge](#) as a security deposit.
- Tennessee has no rent control laws.
- No notice is required before raising rent.

There are many markets that boast landlord-friendly perks and benefits, but they don't come close to matching the low taxes, friendly laws, and affordability that Memphis features!

MEMPHIS REAL ESTATE PREDICTIONS

Home values will hold or increase slightly in Memphis.

Home prices are starting to decline in many other U.S. cities however, Zillow is predicting an 1.4% increase in Memphis real estate prices by the close of 2023. When assessing Memphis real estate trends over the past two decades, there were only several quarters in which real estate values decreased, and they only decreased slightly. For example, during the housing market crash of 2008 when home values across the country were cut in half, Memphis real estate values were only reduced by 3%-4%. Memphis has a history of maintaining a stable market even in a volatile economy, which is a great sign for investors.

Demand for rentals in Memphis will remain high.

With increased mortgage rates, many otherwise prospective homebuyers will start looking for rentals. This poses the perfect opportunity for investors.

Because of more renters entering the market, rental prices should stay steady or continue to rise.

Since rental prices are so low in comparison to the rest of the U.S., there's plenty of room for price growth. It's also possible that with inflation driving costs up nationwide, people from out of state will look for areas like Memphis with a great cost of living and low taxes.

These facts make Memphis one of the cities with the greatest opportunity for investors in the U.S. for 2023-2024. So, what are you waiting for?

INVEST WITH EVERNEST

For the investor looking for a “hidden gem” in the real estate world, Memphis is a great place to start. However, every investment opportunity comes with risk, which is even greater when you’re breaking into a new market.

That’s why it’s crucial to have a team surrounding you as you build wealth and make investment decisions. Knowledgeable investment teams can help you avoid the common mistakes most investors make (and give you the extra boost of confidence to know you’re making a smart investment decision).

Here at [Evernest](#), we have extensive, boots-on-the-ground experience when it comes to investing in Tennessee. And not only that—we’ve also been [analyzing and sharing our information](#) about this opportunity-filled market for other investors to study.

Our local team can be your eyes and ears in the Memphis real estate world, saving you hours of time (and a few headaches as well). We’ll connect you with investor-friendly real estate agents and advisors to make your wealth-building journey smooth and successful.

Ready to invest with the help of a qualified team?

[Let’s talk.](#)

Are you an investor not just limited to Memphis or Tennessee? You can invest in [some of the best real estate markets](#) in the United States by working with Evernest’s in-house Brokerage team of investor-friendly Real Estate Agents. All you have to do is fill out this [form](#) and one of our agents will reach out within 24 hours.

*Make the best investments in the most attractive markets
with Evernest.....in good times and bad.*

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