

# Affordable housing shortage hits Nashville, Tennessee

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Working class residents of Nashville, Tennessee, are increasingly burdened by housing costs, one expression of widening social inequality in the city and the US as a whole.

The office of Nashville's Democratic mayor, Megan Berry, released a report in late May titled "Housing in Nashville," bringing to light what many locals already know: there is a lack of affordable housing in the city and its greater metropolitan area.

According to the findings, the population of Nashville increased by nearly 24 percent between 2005 and 2015, and is expected to grow another 12 percent between 2016 and 2026. However, over the last five years, there has only been a 5 percent increase in housing units, leaving a deficit of housing for Nashvillians.

Nashville, the capital of Tennessee and largest city in the state, has lost more than 20 percent of its affordable housing stock since 2000. In the year 2000, Nashville had an estimated 2,000-unit surplus of affordable rental housing; by 2015 the surplus had become a deficit of 18,000 affordable units.

Along with a population boom, Nashville is experiencing a construction boom. However, in the process of building new high-priced housing, it is estimated that enough existing housing stock is being torn down each week to populate a city block.

New construction has been primarily concentrated near the city's urban core, dominated by the country music tourism industry. In 2000, the urban core housed a population consisting generally lower-income families, with those with larger incomes residing in areas away from the city's center.

Since 2000, the income levels of those areas have practically reversed. This has increased the burden on working class families who once resided close to the majority of jobs located in downtown Nashville.

The housing market in Nashville is not unique. Working class families across the country are finding an increase in home prices is driving up housing costs and property taxes to the point of being an overwhelming burden on incomes that have remained stagnant. Millions of working families have been driven into poverty while wealth has been concentrated into fewer and fewer hands.

As Nashville's speculators and investors have prospered, it has become the sixth most unequal city in the country, according to a 2015 Brookings Institution analysis of Census Bureau data. The city has a long history of handouts to corporate interests, leaving necessities like low-income housing and public transportation to starve.

The *Tennessean* reported in January that "longtime property owners have been selling their homes" in neighborhoods such as Edgehill, East Nashville, Germantown, 12South and Bordeaux as "more and trendier restaurants" move in. Working class and lower-income residents have relocated to the suburbs, concentrating poverty at the city's edges.

Workers who relied on public transportation now find their commute dramatically increased, by hours in some cases. Many families have to plan their lives around their long commute, complicating child care arrangements and virtually eliminating the possibility of working a second job to make ends meet.

According to federal Housing and Urban Development criteria, a family is considered cost-burdened if 30 percent or more of its income is devoted to housing. Nearly one in four Nashville homeowners is cost-burdened, and almost half of Nashville renters are cost-burdened. Low-income families fare far worse, with three out of five considered cost-burdened.

The median price for a home in Nashville is

\$245,000. A family would have to earn a gross income of \$76,000 a year to be able to afford a house in Nashville without being cost-burdened. The median household income in Nashville is \$52,000.

Some new homes in areas originally developed for affordable housing in the 1970s are selling for far higher than the median prices. The *Tennessean* report highlighted one such home along South Street in the Edgehill neighborhood, listed for \$744,900.

Sallie Dowell, an 80-year-old Edgehill resident, has rejected numerous offers by real estate developers for her home. “They don’t want the homes anyway,” she told the *Tennessean*, “they just want the property.”

“Where am I going?” she asked. “I’m too old to be trying to move. I worked too hard for this house.”

Renters are in a similar situation as gross monthly rent rates have skyrocketed. In 2011, monthly rent averaged \$872 in Nashville, according to Census data analyzed by the *Tennessean* in February. The average rent rate had risen to \$1,401 by 2015 according to real estate site RentJungle—an increase of 60 percent.

Vanderbilt University associate professor and affordable housing researcher Jim Fraser told the paper, “Basically people can’t find a place ... One of the problems is that all the rentals that are being built are for market rate.” Effectively, apartments with luxury amenities that are marketed to high-income renters push up the cost of all rentals across the metropolitan area.

A separate report from the Tennessee Housing Development Agency (THDA) found that affordable housing across the state is deteriorating and will eventually disappear.

Nearly 70 percent of low-income residents live in properties built before 1980. Subsidies used for upkeep and maintenance that housing properties receive—such as Section 8 vouchers, public housing, and USDA funding—have seen a decrease in federal support, and funding for the construction of new affordable housing has virtually been eliminated.

Instead of federal funding to support affordable housing, the responsibility of preserving affordable housing has shifted to states, relying on housing trust funds and the Low Income Housing Tax Credit.

In a lucrative housing market like Nashville, affordable housing is slowly being demolished. The THDA survey found that 2,117 affordable units have

disappeared since 2001, and an estimated 11,000 more could go the same route in the next five years.

In an effort to fuel the speculative development bonanza, state lawmakers passed a law in 2016 which prohibits Nashville and other cities from mandating the construction of a limited number of affordable housing units through inclusionary zoning requirements.

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