

Yardi® Matrix

Knoxville Banks On Job Stability

Multifamily Report Summer 2018

**Rent Growth
Rebounds**

**New Supply
Stays Tepid**

**Low Yields Slow
Acquisition Pace**

KNOXVILLE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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East Tennessee Fights for Its Spot

Knoxville is in the midst of a rental housing revival, spurred by the metro's trend-defying economic development. The market registered limited inventory growth, while both home prices and rents continued their upward path. With occupancy in stabilized assets staying above 95.5% in both the Renter-by-Necessity and Lifestyle segments, demand continues to be strong across asset classes.

While employment growth has tapered, key sectors such as manufacturing and construction are driving record-low unemployment rates. A burgeoning hospitality pipeline has resulted in strong job growth, as the sector added 2,400 positions in the 12 months ending in February. Meanwhile, manufacturing continued to expand against type. The latest projects to boost the sector are manufacturer Protomet's \$30 million investment in Maremont's former plant in Loudon County and Scapa Tapes North America's expansion project in Knox County, which is worth an estimated \$40 million.

Knoxville's multifamily pipeline remains limited, with 1,439 units underway as of April and an estimated 700 units in this year's pipeline. Modest inventory expansion and strong occupancy will likely result in further improvement, leading Yardi Matrix to forecast around 3.0% growth in 2018.

Recent Knoxville Transactions

The Metropolitan



City: Knoxville, Tenn.
Buyer: Goldelm
Purchase Price: \$48 million
Price per Unit: \$92,307

Bridalwood at Westland



City: Knoxville, Tenn.
Buyer: J.A. Fielden
Purchase Price: \$35 million
Price per Unit: \$113,636

Woodlands West



City: Knoxville, Tenn.
Buyer: Middle Farms Capital
Purchase Price: \$34 million
Price per Unit: \$73,593

Walden Legacy



City: Knoxville, Tenn.
Buyer: Bluestone Properties
Purchase Price: \$31 million
Price per Unit: \$130,932