



MULTIFAMILY REPORT

# Knoxville's Endurance

September 2024

**YoY Completions Healthy**

**Job Growth Turns Negative**

**YoY Rent Gains Outpace US**

# KNOXVILLE MULTIFAMILY



## Rent Growth Recovers, Development Improves

Knoxville's multifamily fundamentals remained relatively healthy in the face of economic headwinds, compared to most larger metros. Advertised asking rents were up 0.4% on a trailing three-month basis through July, to \$1,479, exceeding the 0.3% U.S. rate. Year-over-year, rates were up 1.8% and more than double the 0.8% national figure. Occupancy declined 40 basis points year-over-year, but clocked in at a healthy 96.2%, as of June.

Knoxville unemployment stood at 3.4% in June, according to preliminary data from the Bureau of Labor Statistics. That was 70 basis points below the national figure. In the 12 months ending in May, the metro's labor pool contracted by 0.1%, marking the second consecutive month of net losses. Three sectors maintained a steady pace—education and health services added 2,800 jobs, while manufacturing and government grew by 900 positions each. Professional and business services lost the most out of all sectors (2,800 jobs). Key projects in the metro include an upcoming, 7,000-seat sports stadium and a \$300 million corporate campus that will include warehousing and manufacturing facilities.

Multifamily development remained healthy, with Knoxville adding 661 units to its inventory year-to-date through July, already more than the 517 units completed in all of 2023. The metro had 2,978 units under construction, along with 5,000 in the planning and permitting stages.

### Recent Knoxville Transactions

#### The Artisan West



City: Knoxville, Tenn.  
Buyer: Covenant Capital Group  
Purchase Price: \$31 MM  
Price per Unit: \$161,082

## Market Analysis | September 2024

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