

Yardi® Matrix

Manufacturing Knoxville's Future

Multifamily Report Fall 2018

Investment Sales Stay Elevated

Occupancy Rises Due to Supply Constraints

Lifestyle Rents Accelerate Over Summer

KNOXVILLE MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

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Knoxville Finds a Second Wind

The metro's multifamily market is in the midst of a resurgence, with rents bouncing back to a 4.1% year-over-year growth rate as of August, while supply continues a slower pace of increase. With occupancy rates returning to some of the highest marks this cycle, further rent improvement is in the cards for Knoxville's rental market.

Demand is being driven by improvement in the hospitality sector, as well as manufacturing, which is slowly developing as a niche. In fact, new manufacturing investments continue to pour capital into Knoxville. Expansions at Denso's Maryville facility and MVP's Hardin Business Park's operation continue to be solid drivers for both the area's economy and image as a manufacturing haven. Through the 12 months ending in June, Knoxville's manufacturing sector grew at by far the fastest rate among major Tennessee metros.

Transaction activity stayed high through the first half of the year, and is on track to keep up the strong investment values that the metro has posted throughout the cycle's second half. As construction activity continues to stall, with only 2,000 units underway and an additional 1,700 in the planning and permitting stages, further rent growth is likely in Knoxville.

Recent Knoxville Transactions

The Preserve at Hardin Valley



City: Knoxville, Tenn.
Buyer: Grimley Residential
Purchase Price: \$48 MM
Price per Unit: \$162,463

The Commons at Knoxville



City: Knoxville, Tenn.
Buyer: Timberline Real Estate Ventures
Purchase Price: \$38 MM
Price per Unit: \$178,909

Evergreen at the Bluffs



City: Knoxville, Tenn.
Buyer: Origin Development Partners
Purchase Price: \$18 MM
Price per Unit: \$113,863

Redpoint Knoxville



City: Knoxville, Tenn.
Buyer: Scion Group
Purchase Price: \$17 MM
Price per Unit: \$253,846