



MULTIFAMILY REPORT

# Knoxville Peaks

April 2025



Supply Remains Elevated

Rent Deceleration Continues

Employment Market Improves

# KNOXVILLE MULTIFAMILY



## Supply Pressures Rents, Occupancy

Knoxville's multifamily market has posted fairly consistent performance with solid fundamentals for a few years. The metro's allure led to robust stock expansion in 2024, inducing pressure on rent growth, which declined 0.3%, on a trailing three-month basis through February, to \$1,460, while remaining unchanged year-over-year. Additionally, the occupancy rate in stabilized properties decreased 0.7% year-over-year, to 95.7% in February.

Knoxville's employment growth recovery continued, up 1.5% in 2024, surpassing the 1.3% U.S. rate for the first time since 2023. The unemployment rate was 3.5% in January, leading the state (3.7%) and the U.S. (4.0%). While the metro gained 6,200 net jobs in 2024, information and leisure and hospitality lost 500 jobs combined. Education and health services (3,900 jobs) and manufacturing (1,200 jobs) accounted for most of the job gains. The \$114 million multi-use stadium Covenant Health Park is slated to open in March. The project will create 400 jobs and is expected to generate \$500 million over the next 30 years.

On the heels of last year's 5.1% peak supply growth, construction activity remained strong, with deliveries already accounting for 0.7% of stock as of February. Meanwhile, investment activity paused, with just \$107 million in multifamily assets trading in 2024. The price per unit fell 24.5% year-over-year to \$141,473, well below the \$228,671 U.S. average.

## Market Analysis | April 2025

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x14006

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Anca Gagiuc

Senior Associate Editor

### Recent Knoxville Transactions

#### The Collective at Sutherland



City: Knoxville, Tenn.  
Buyer: Covenant Capital Group  
Purchase Price: \$52 MM  
Price per Unit: \$131,944

#### Canyon & Knox Landing

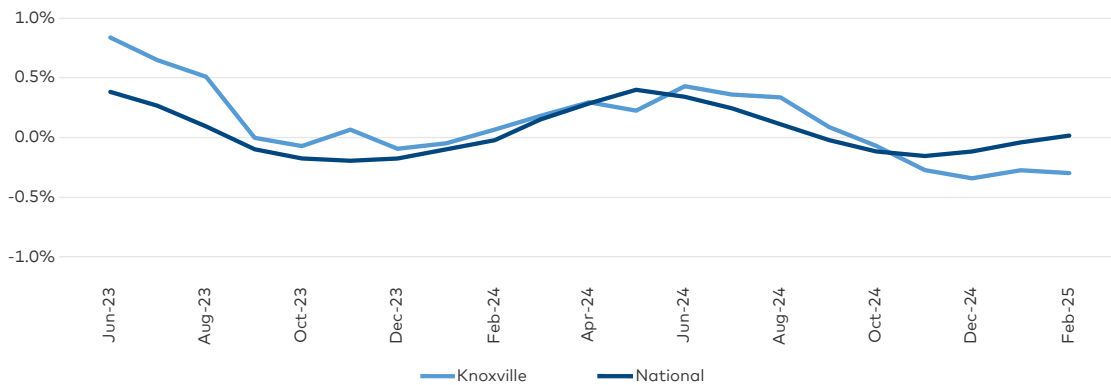


City: Knoxville, Tenn.  
Buyer: TAZRock Asset  
Management  
Purchase Price: \$24 MM  
Price per Unit: \$121,762

## RENT TRENDS

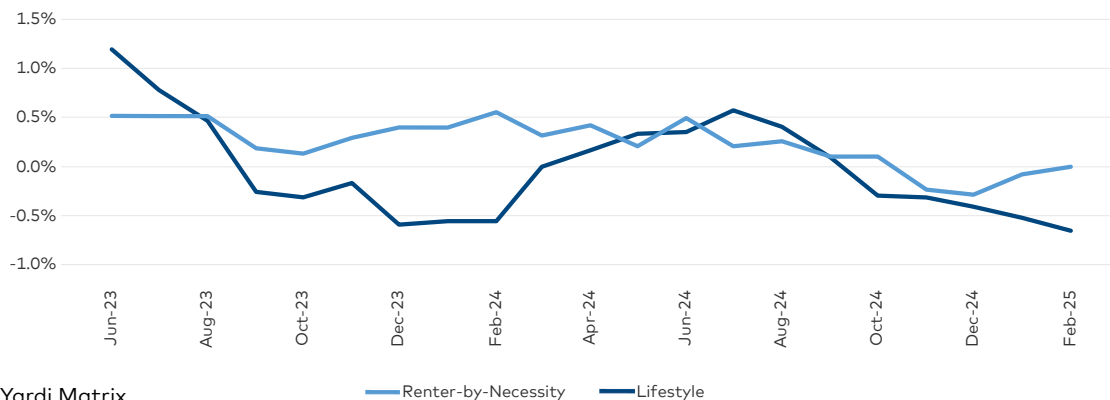
- ▶ Knoxville average advertised asking rents recorded a fourth month of declines, down 0.3%, on a trailing three-month (T3) basis through February, to \$1,460. Meanwhile, the U.S. average remained unchanged at \$1,751. On a year-over-year basis, rent growth in Knoxville was flat, while the national rate increased 1.2%.
- ▶ The tail end of Knoxville's slow leasing season saw its weakest rent growth over the past two years due to the peak in supply growth recorded in 2024. With more than 1,800 Lifestyle units and just 432 Renter-by-Necessity apartments delivered in 2024, RBN advertised asking rents remained unchanged, on a T3 basis through February, at \$1,279, while rents in the upscale Lifestyle segment fell 0.7% to \$1,761.
- ▶ The abundance of new lifestyle projects impacted not only rent movement but also the occupancy rate in stabilized properties, which was down 0.7% year-over-year to 95.7% as of February. Availability of new Lifestyle stock and falling rents caused RBN occupancy to drop 1.0% year-over-year to 95.9% in February. Meanwhile, Lifestyle occupancy inched down 0.2% to 95.4%.
- ▶ Of Yardi Matrix's 19 tracked submarkets, nine posted rent declines on a year-over-year basis, including some of the most sought-after areas, such as Knoxville-Downtown (-3.7% to \$1,748) and Northshore (-0.9% to \$1,613). Meanwhile, in Hardin Valley, the metro's most expensive submarket, rents continued to increase, up 1.1% to \$1,852. The submarket also led the under-construction pipeline as of February.

**Knoxville vs. National Rent Growth (Trailing 3 Months)**



Source: Yardi Matrix

**Knoxville Rent Growth by Asset Class (Trailing 3 Months)**



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ Knoxville employment growth remained on an upward trend, up 1.5% in 2024 and 20 basis points higher than the U.S. rate for the first time since September 2023. The metro's job market rebounded from negative growth in the second quarter of 2024. Meanwhile, unemployment started 2025 at 3.5%, outperforming the state (3.7%) and the U.S. (4.0%), and trailing Nashville (3.1%), according to data from the Bureau of Labor Statistics.
- ▶ The metro gained 6,200 net jobs in 2024, sustained mostly by education and health services (3,900 jobs) and manufacturing (1,200 jobs). Knoxville's largest sectors posted minimal gains—trade, transportation and utilities (300 jobs) and professional and business services (500 jobs). Two sectors recorded losses. Information shed 200 positions and leisure and hospitality lost 300 jobs.
- ▶ Recent development activity in Knoxville includes Type One Energy's headquarters relocation. In 2026, the nuclear fusion company plans to begin building a prototype of a commercial fusion power plant at an Anderson County coal plant that closed in 2023. The project will create 300 jobs. Meanwhile, HVAC company Greenheck Group announced a \$300 million investment in Knox County by building its fourth corporate campus and create 440 jobs. Meanwhile, Knoxville's recently completed multi-use, 7,500-seat stadium will create roughly 400 jobs.

### Knoxville Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	64.4	14.5%
30	Manufacturing	48.9	11.0%
60	Professional and Business Services	69.2	15.5%
40	Trade, Transportation and Utilities	88.7	19.9%
80	Other Services	16.8	3.8%
15	Mining, Logging and Construction	21.5	4.8%
90	Government	61.9	13.9%
55	Financial Activities	21.9	4.9%
50	Information	6.6	1.5%
70	Leisure and Hospitality	45.7	10.3%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ Following a substantial 20.6% year-over-year increase in population in 2013, growth continued steadily in Knoxville, albeit at a slower pace.
- ▶ Between 2013 and 2022, Knoxville's population expanded by only 3.6%, remaining above the 2.0% U.S. average.

### Knoxville vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Knoxville	853,337	861,872	873,816	884,359

Source: U.S. Census

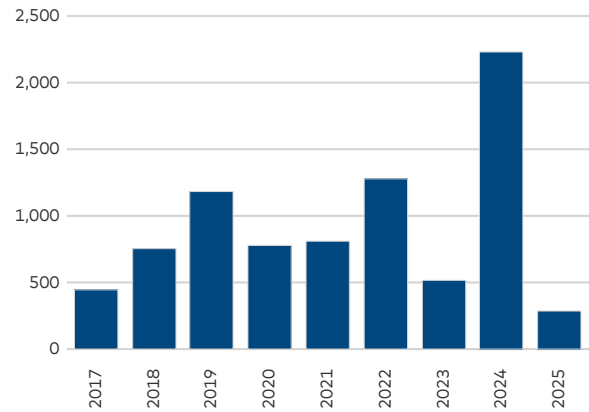
## SUPPLY

- ▶ Developers had 3,133 units under construction in Knoxville as of February, and another 5,000 in the planning and permitting phases. Interest in Lifestyle projects remained high, accounting for 68.7% of the units underway. The remaining share was split between RBN (18.2%) and fully affordable (13.1%) assets.
- ▶ In 2025 through February, 288 Lifestyle units came online in Knoxville, accounting for 0.7% of total stock. Meanwhile, the national rate rose 0.3%. Last year marked the highest delivery volume on record, up 5.1% or 2,233 units, considerably surpassing the previous peak years (1,277 units in 2022 and 1,185 units in 2019). Completions comprised 64.7% Lifestyle, 20% fully affordable and 15.3% RBN units.
- ▶ Construction starts dropped to 1,572 units across nine properties in 2024, from 2,519 units across eight properties in 2023. The largest project that broke ground in 2024 was a 316-unit Lifestyle property in Hardin Valley owned by Brookstone Partners.
- ▶ Development activity was limited across the map, occurring in eight of the 19 submarkets tracked by Yardi Matrix. Most of the construction was centered in western submarket Hardin Valley

(1,055 units), and in core submarket Knoxville–East (930 units). Next in line were South Knoxville and Farragut, each with one project underway, totaling 348 and 286 units, respectively.

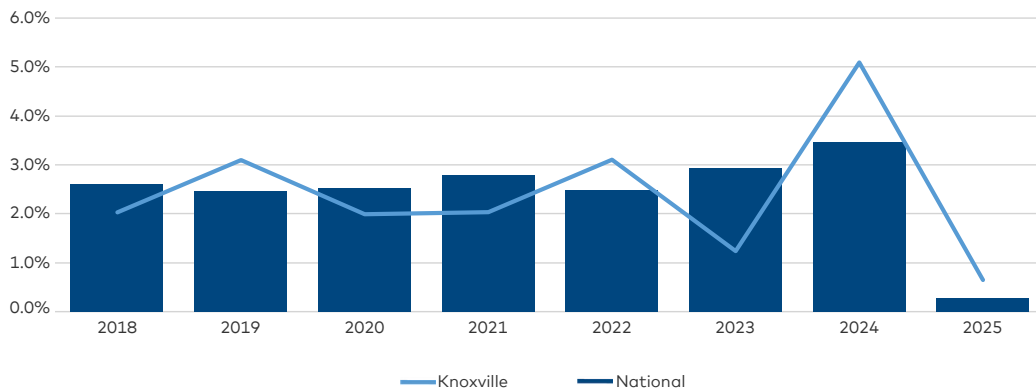
- ▶ The largest project under construction in Knoxville as of February was Vision, a 375-unit Lifestyle property in Knoxville–East, owned by Omnet Capital. The 12-story development is an adaptive reuse of a former Marriott hotel located in an Opportunity Zone.

### Knoxville Completions (as of February 2025)



Source: Yardi Matrix

### Knoxville vs. National Completions as a Percentage of Total Stock (as of February 2025)

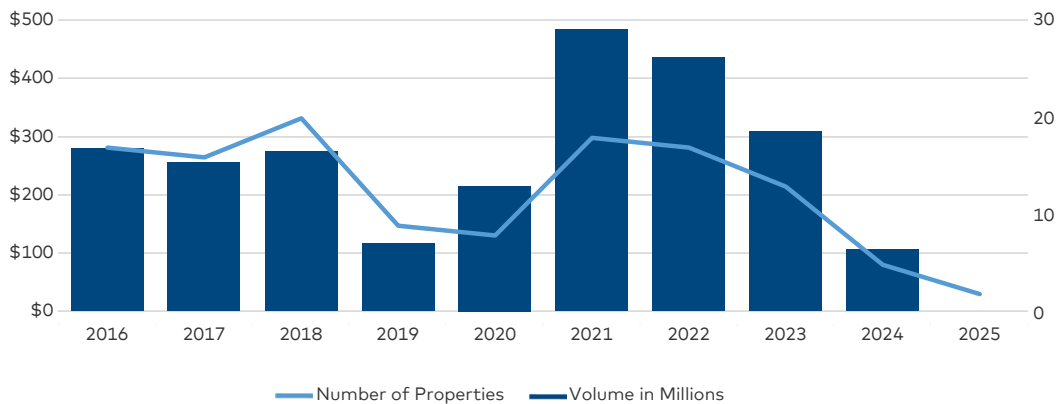


Source: Yardi Matrix

## TRANSACTIONS

- ▶ Multifamily investment slowed substantially in Knoxville, amounting to just \$107 million in 2024.
- ▶ The average price per unit decreased by 24.5% year-over-year to \$141,473 in 2024, the lowest value since 2019. Meanwhile, the U.S. figure rose 17.8% year-to-date to \$228,671 in February. Last year's sales composition contributed to the decline in the per-unit price, as transactions involved mostly value-add assets. Four of the five sales were for properties built in the 1970s and 1980s.
- ▶ The only Lifestyle property that traded in Knoxville in 2024 was the 396-unit The Collective at Sutherland in Middlebrook, acquired by Covenant Capital Group from Dominion Group. The property was built in three phases from 1972 through 2008. It sold for \$52 million, or \$131,944 per unit, with aid from a \$37 million CMBS loan issued by CBRE Capital Markets.

**Knoxville Sales Volume and Number of Properties Sold** (as of February 2025)



Source: Yardi Matrix

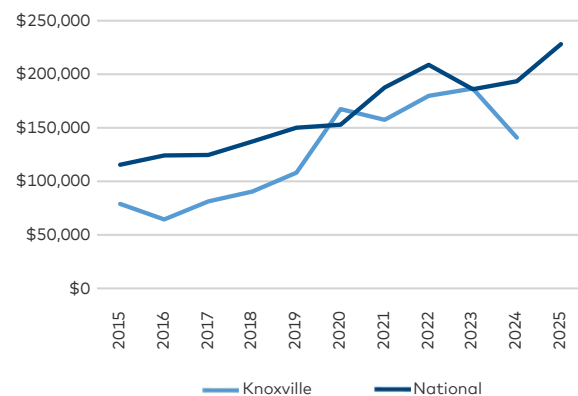
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Middlebrook	52
Knoxville–West	24

Source: Yardi Matrix

<sup>1</sup> From March 2024 to February 2025

### Knoxville vs. National Sales Price per Unit



Source: Yardi Matrix

## Top 10 Emerging Multifamily Markets in 2025

By Anca Gagiuc

The U.S. multifamily sector posted steady performance in 2024, while dealing with a series of challenges, but some emerging markets still popped up. Rent growth was steady, but varied significantly across the country, driven by robust stock expansion in certain metros. U.S. employment growth maintained a 1.3 percent increase year-over-year in December, which is a slower pace than previous years, but still a healthy rate.

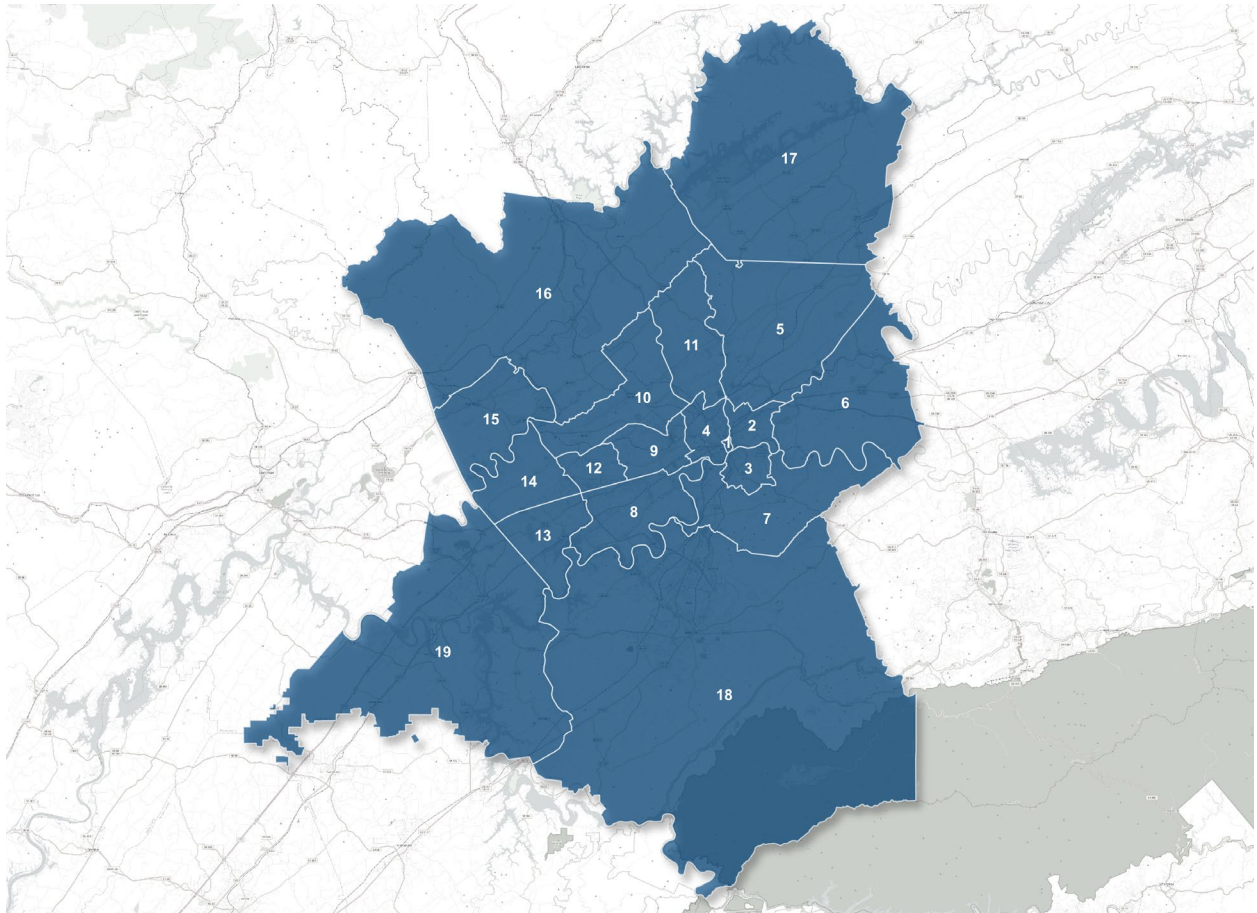
Rank	Metro	Units Delivered 2024	Construction Starts 2024	Occupancy Dec 2024
1	Tucson	2,323	2,441	92.0%
2	White Plains	3,455	6,885	97.0%
3	Madison	3,531	5,008	96.0%
4	Central East Texas	1,371	3,535	93.0%
5	Knoxville	2,366	4,575	96.0%
6	Lexington	976	1,698	96.0%
7	North Central Florida	3,616	5,171	94.0%
8	Columbia, S.C.	962	2,805	94.0%
9	Columbus, Ga.	1,107	932	95.0%
10	Lafayette	365	1,135	98.0%

### Knoxville, Tenn.

Other Tennessee markets, such as Chattanooga, have been in and out of our top 10 emerging multifamily markets list, but Knoxville has made good progress, up from eighth and ninth, to fifth spot. Employment growth was up 1.8 percent in 2024, 50 basis points above the national rate, registering the second-highest gain among the metros in this group. Compared with the other markets in this list, Knoxville's per-unit price ranked third highest.



## KNOXVILLE SUBMARKETS



Area No.	Submarket
1	Knoxville-Downtown
2	Knoxville-East
3	South Knoxville
4	Knoxville-West
5	Corryton
6	Strawberry Plains
7	Seymour
8	Northshore
9	Middlebrook
10	Karns

Area No.	Submarket
11	Powell
12	Cedar Bluff
13	Farragut
14	Hardin Valley
15	Oakridge
16	Anderson
17	Union
18	Maryville
19	Loudon



## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- ▶ *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- ▶ *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- ▶ *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- ▶ *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- ▶ *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- ▶ *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit [www.yardimatrix.com](http://www.yardimatrix.com) or call Ron Brock, Jr., at 480-663-1149 x14006.



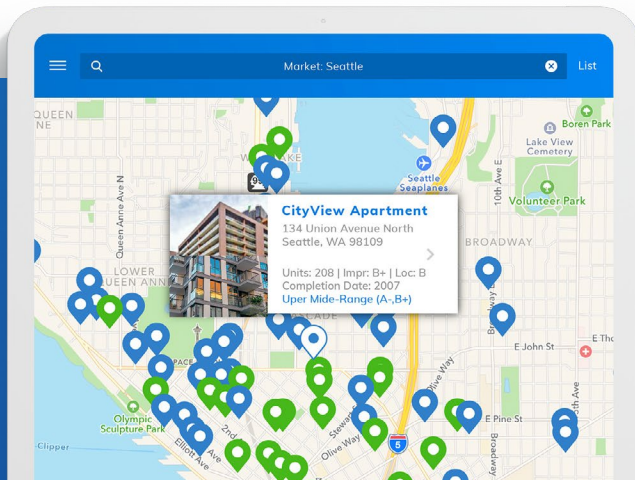
# Yardi<sup>®</sup> Matrix

Power your business  
with the industry's  
leading data provider



## MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily  
provides accurate data on  
nearly **23 million** units, covering  
over **92%** of the U.S. population.



(800) 866-1144

Learn more at [yardimatrix.com/multifamily](https://yardimatrix.com/multifamily)

Contact  
US



#### DISCLAIMER

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

#### COPYRIGHT NOTICE

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2025 Yardi Systems, Inc. All Rights Reserved.