



## MULTIFAMILY REPORT

# Midyear Softening In Knoxville

September 2025

**Rent Growth Slows, Still Above US**

**Investors Trade Value-Add Assets**

**New Construction Surges**



# KNOXVILLE MULTIFAMILY



## Softer Gains Across Fundamentals

Halfway through the year, Knoxville's multifamily market typically begins to cool down. This pattern holds true in 2025. Rent growth moderated to 0.3%, on a trailing three-month basis through July, to \$1,508, and occupancy fell 60 basis points year-over-year to 95.6% as of June. Knoxville outperformed the national figure, which was down 10 basis points in occupancy, to 94.7%, and up 20 basis points in rent growth.

Knoxville's employment growth moderated to 1.1% year-over-year through May, maintaining its lead over the 0.8% U.S. rate. Growth was uneven across sectors, for a total of 4,300 net jobs. Four sectors added positions, led by education and health services (2,800 jobs) and trade, transportation and utilities (1,600 jobs). Meanwhile, four sectors lost 1,100 jobs combined, led by government (-400 jobs) and manufacturing (-300 jobs). The unemployment rate rose to 3.8% in June, between the 3.5% state and the 4.1% U.S. figure. Notable developments include the University of Tennessee's eight-story chemistry building, which is slated for completion in 2029.

Developers delivered 288 units in 2025 through July and had another 4,545 underway, with new construction increasing by 130% year-over-year. Meanwhile, investment activity remained low totaling just \$42 million and consisting entirely of value-add sales. The price per unit decreased 4.0% this year, to \$135,873.

## Market Analysis | September 2025

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## Recent Knoxville Transactions

### Ivy at West Hills



City: Knoxville, Tenn.  
Buyer: Sandhurst Apartment  
Management  
Purchase Price: \$27 MM  
Price per Unit: \$153,714

### Cassell Ridge



City: Knoxville, Tenn.  
Buyer: Everest Properties  
Purchase Price: \$16 MM  
Price per Unit: \$113,571