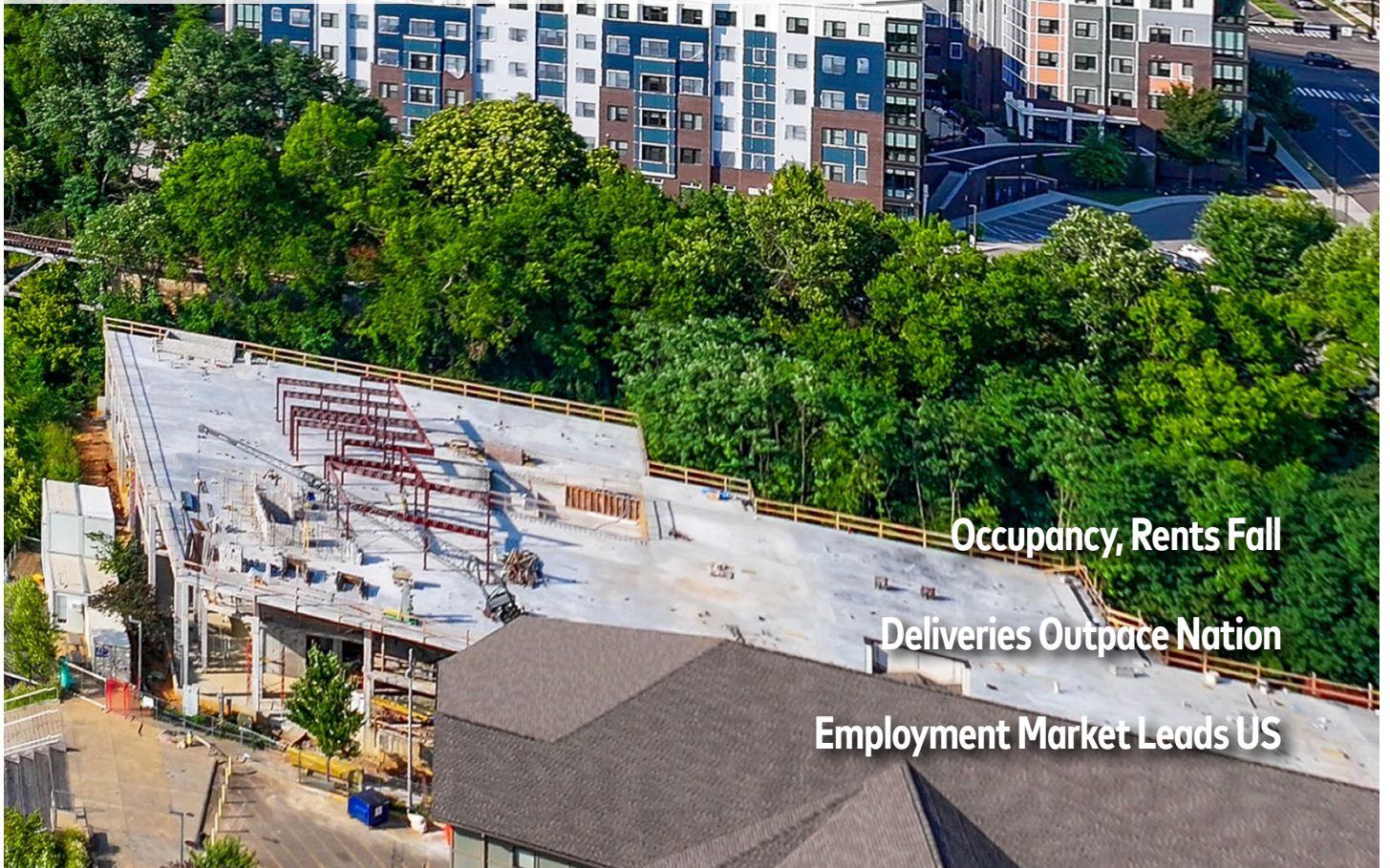




MULTIFAMILY REPORT

Knoxville Growth Ebbs

April 2026



Occupancy, Rents Fall

Deliveries Outpace Nation

Employment Market Leads US

KNOXVILLE MULTIFAMILY



Job Growth Solid Amid Softening Fundamentals

Knoxville's multifamily market registered a tepid start to 2026. Advertised asking rents decreased 0.4%, on a trailing three-month basis, to \$1,470 in February, while year-over-year rates fell 0.9%, lagging the national average which ticked up 0.1%. The occupancy rate in stabilized properties decreased 70 basis points to 94.9%, staying above the 94.3% U.S. average.

Employment growth slowed to 1.2% in December but still outpaced the 0.6% U.S. rate. Meanwhile, unemployment stood at 2.9%, below both Tennessee's 3.6% and the 4.4% national rate. The metro added 4,100 net jobs in 2025, with gains in four sectors, led by education and health services and government, while five sectors lost jobs, with the steepest declines in professional and business services, manufacturing and mining, logging and construction. Recent economic drivers include the opening of the \$114 million Covenant Health Park downtown stadium project and the first phase of Greenheck Group's \$300 million Midway Business Park campus, which will begin operations in fall 2026.

Supply remained robust, with 1,818 units delivered in 2025 and 4,657 underway as of February, sustained by an acceleration of construction starts in 2025. Investment activity improved in 2025, with multifamily sales reaching \$196 million, while the average price per unit fell 6.2% to \$132,648 in December.

Market Analysis | April 2026

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Recent Knoxville Transactions

Maplehurst Park



City: Knoxville, Tenn.
Buyer: The University Financing
Foundation
Purchase Price: \$39 MM
Price per Unit: \$191,024

Vetra West Hills



City: Knoxville, Tenn.
Buyer: Covenant Capital Group
Purchase Price: \$39 MM
Price per Unit: \$152,344

The Flats at Jackson Square



City: Oak Ridge, Tenn.
Buyer: Ardent Vistas Equity
Management
Purchase Price: \$14 MM
Price per Unit: \$119,658

Riverside South



City: Louisville, Tenn.
Buyer: JBA Group
Purchase Price: \$14 MM
Price per Unit: \$54,356