



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%, logging 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

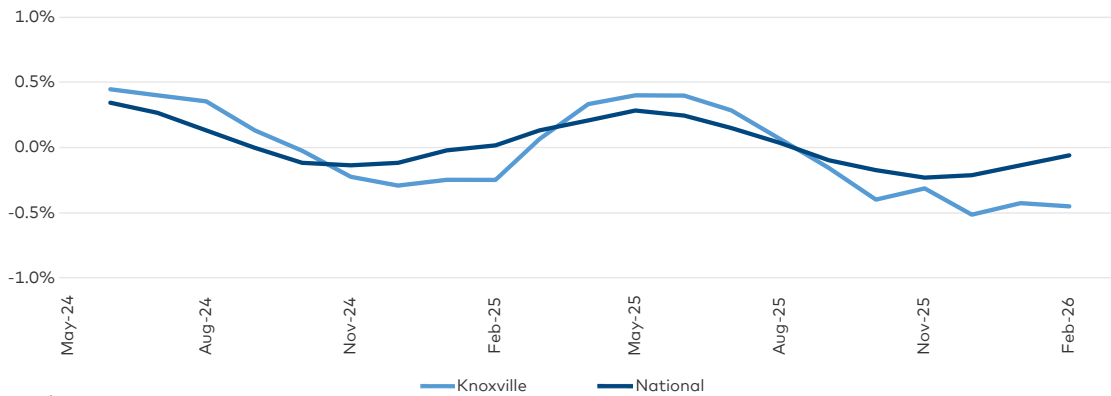


City: Louisville, Tenn.
Buyer: JBA Group
Purchase Price: \$14 MM
Price per Unit: \$54,356

RENT TRENDS

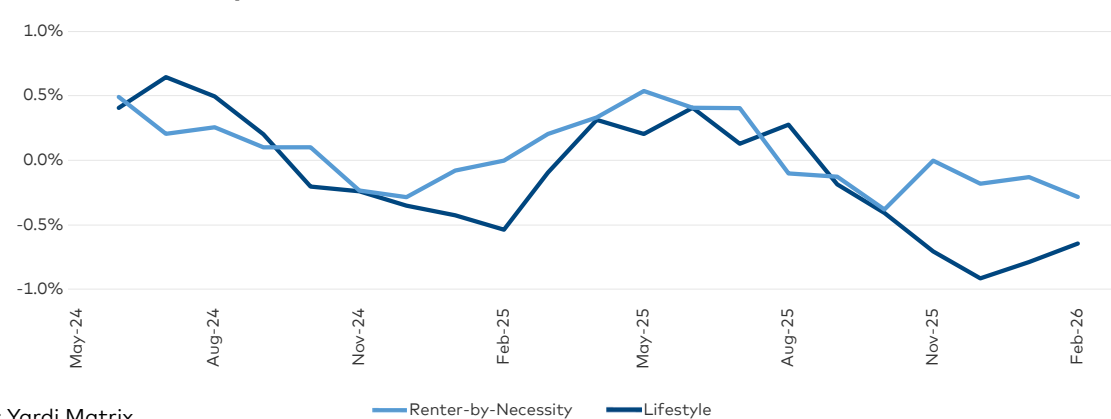
- ▶ Knoxville's advertised asking rents fell 0.4% on a trailing three-month (T3) basis through February to \$1,470, lagging the national rate, which slid 10 basis points to \$1,740. The metro's rent movement stayed negative for a fifth consecutive month, as continued supply pressure affected pricing. On a year-over-year basis, rent performance was weak, with Knoxville down 0.9% in February while the U.S. average inched up 0.1%.
- ▶ The pullback in advertised asking rents was more pronounced in the Lifestyle segment, where rates fell 0.6%, on a T3 basis through February to \$1,740. Renter-by-Necessity rates proved somewhat more resilient but still declined 0.3% to \$1,295.
- ▶ The occupancy rate in stabilized properties recorded a significant 70-basis-point decline year-over-year through February, to 94.9%, above the 94.3% national average. The new influx of Lifestyle units slashed 80 basis points off RBN occupancy to 95.0%, while Lifestyle occupancy decreased 40 basis points to 94.8%.
- ▶ Rent growth was scattered across the map on a year-over-year basis through February, with gains recorded in seven of the 19 submarkets tracked by Yardi Matrix. The largest gains were registered in Knoxville–Downtown (11.2% to \$1,911), Maryville (9.6% to \$1,393) and Oakridge (3.0% to \$1,280). Meanwhile, the biggest rent drops were reported in Cedar Bluff (-5.9% to \$1,409), Powell (-3.7% to \$1,312) and Knoxville–East (-2.7% to \$1,576).

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's employment growth decelerated to 1.2% in December, but stayed ahead of the 0.6% U.S. rate. The labor market tightened, with unemployment at 2.9% in December, down 30 basis points year-over-year, according to preliminary data from the Bureau of Labor Statistics. The rate trailed both the state (3.6%) and the U.S. (4.4%) figures and matched Nashville's.
- ▶ Knoxville added 4,100 net jobs year-over-year through December, with gains in four sectors and losses in five. Education and health services (3,100 jobs) and government (2,300) accounted for most of the new positions, while the steepest cuts were in professional and business services (1,100), manufacturing (600) and mining, logging and construction (400).
- ▶ Notable CRE advancements in Knoxville include the opening of Covenant Health Park, a \$114 million downtown stadium project tied to an estimated \$480 million in economic impact and more than 400 full-time jobs. The development will help anchor broader redevelopment east of downtown. Meanwhile, Greenheck Group's \$300 million Midway Business Park campus is well underway, with the first phase expected to be operational in fall 2026, creating 440 jobs. Axle Logistics is expanding its North Central Street headquarters through a \$38 million, 85,000-square-foot project that's expected to add 651 jobs in Knox County over five years.

Knoxville Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	67.8	14.7%
90	Government	65	14.1%
80	Other Services	18.2	3.9%
70	Leisure and Hospitality	48.5	10.5%
50	Information	6.2	1.3%
55	Financial Activities	24.1	5.2%
40	Trade, Transportation and Utilities	93.1	20.2%
15	Mining, Logging and Construction	22.5	4.9%
30	Manufacturing	44.8	9.7%
60	Professional and Business Services	70.9	15.4%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Knoxville's population increased 3.6% between 2019 and 2022, outpacing the 2.0% U.S. rate.
- ▶ Based on the latest Census estimates, Knoxville's population grew by 2.6% between 2022 and 2024, slightly below the 2.7% U.S. rate.

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

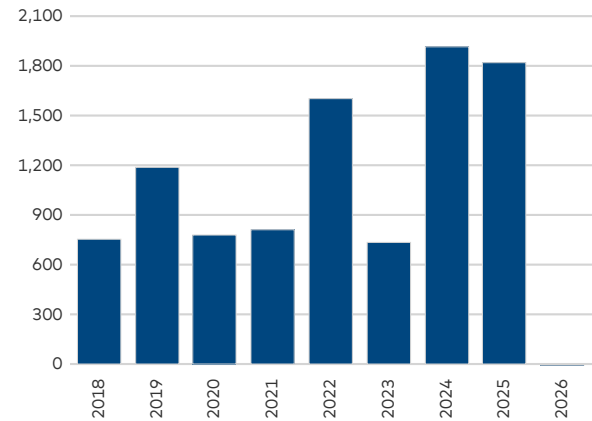
Source: U.S. Census

SUPPLY

- ▶ Developers delivered 1,818 units in 2025 in Knoxville, accounting for 4.0% of existing stock and leading the 3.2% U.S. rate. The volume was well above the 2.3% average annual expansion since 2018, even as growth moderated from 4.4% in 2024. The composition remained tilted toward Lifestyle properties, accounting for 87.8% of deliveries, followed by fully affordable (6.5%) and RBN stock (5.7%).
- ▶ As of February, Knoxville's construction pipeline had 4,657 units underway and another 4,700 in the planning and permitting stages. Developer interest remained high for Lifestyle projects, with the segment accounting for 85.2% of the rental pipeline, followed by fully affordable (10.1%) and RBN (4.7%).
- ▶ New construction accelerated to 2,744 units across 14 properties in 2025 from 1,723 units across eight properties in 2024. In 2026 through February, one 180-unit, fully affordable property broke ground in Oakridge, owned by a joint venture consisting of Collaborative Housing Solutions and Red Stone Equity Partners.
- ▶ Construction activity was spread across 11 of the 19 submarkets tracked by Yardi Matrix, with the largest pipelines in Knoxville–East (978 units), Hardin Valley (948) and Karns (625).

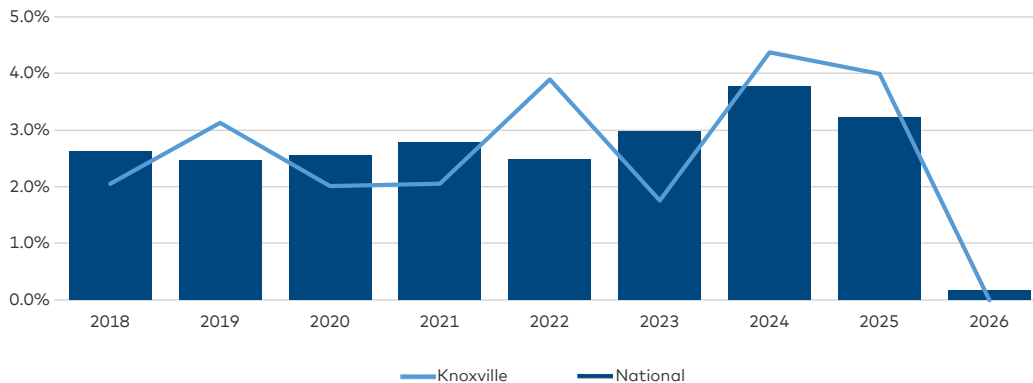
- ▶ Notable projects under construction in Knoxville as of February included Smithbilt's Belltown, a 537-unit Lifestyle property in Karns, scheduled for completion in the summer of 2027. The second largest project underway was Vision at Knoxville, a 375-unit adaptive reuse of a 1972-built hotel located in an Opportunity Zone in Knoxville East, owned by Omninet Capital.

Knoxville Completions (as of February 2026)



Source: Yardi Matrix

Knoxville vs. National Completions as a Percentage of Total Stock (as of February 2026)

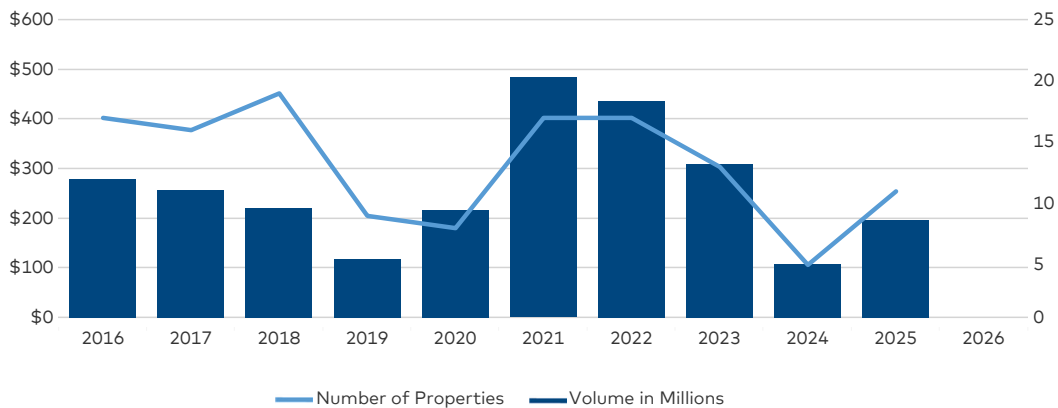


Source: Yardi Matrix

TRANSACTIONS

- ▶ Investment activity recorded somewhat of a rebound last year, with multifamily sales reaching \$196 million, an 83% year-over-year uptick from the decade low of 2024 (\$107 million). However, that was still well below the \$262 million annual average of the 10-year period.
- ▶ The average price per unit fell 6.2% to \$132,648, the lowest level since 2019. The decline was partly influenced by investor preference for value-add plays as RBN assets accounted for 80% of the sales composition. Meanwhile, the national average rose 5.1% to \$202,620 in December.
- ▶ Recent transactions included the \$14 million trade between seller WeldenField and buyer Ardent Vistas Equity Management for a 117-unit RBN asset in Oakridge. The property sold for \$119,658 per unit and was sustained by a \$3 million CMBS loan originated by Jones Lang LaSalle. The buyer also assumed the \$7 million outstanding balance of a \$7 million loan originally dated in 2022, held by Fannie Mae.

Knoxville Sales Volume and Number of Properties Sold (as of February 2026)



Source: Yardi Matrix

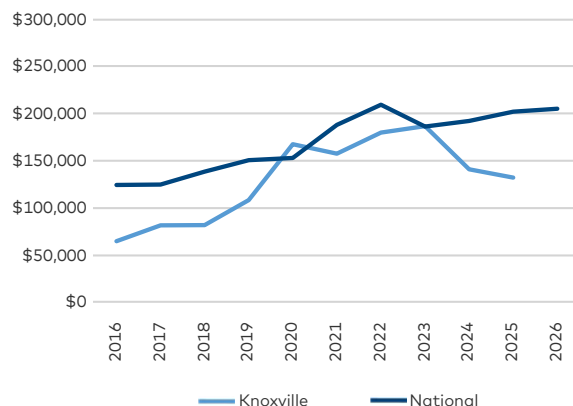
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Middlebrook	66
Knoxville—Downtown	39
Powell	32
Oakridge	14
Maryville	13
Knoxville—East	9
Northshore	6

Source: Yardi Matrix

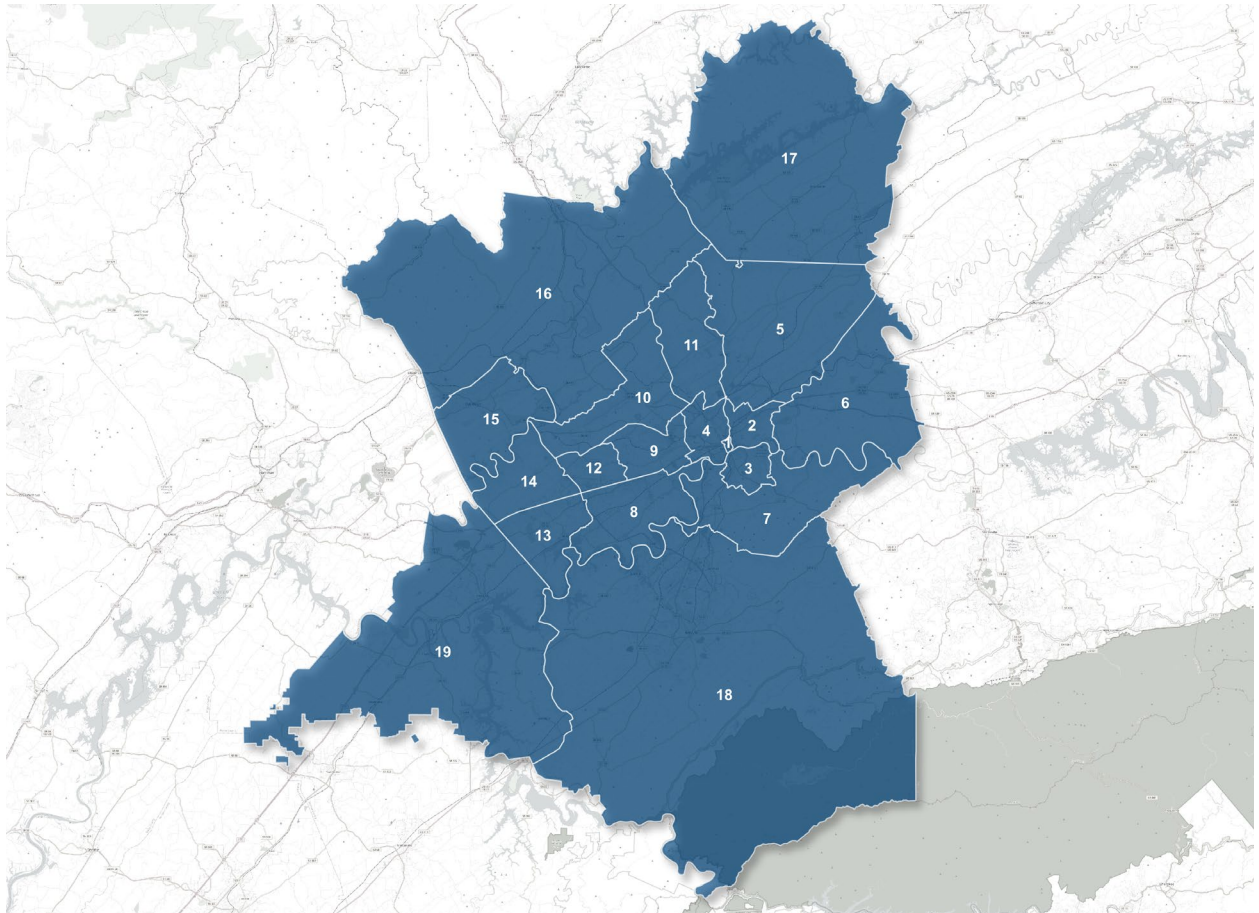
¹ From March 2025 to February 2026

Knoxville vs. National Sales Price per Unit



Source: Yardi Matrix

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.

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