

MARKET AT A GLANCE



OCCUPANCY RATE

96.4%

Up 130 bps since 1Q19



EFFECTIVE RENT

\$930

Up 4.9% since 1Q19



DELIVERIES

79

Units YTD

MULTIFAMILY TRENDS

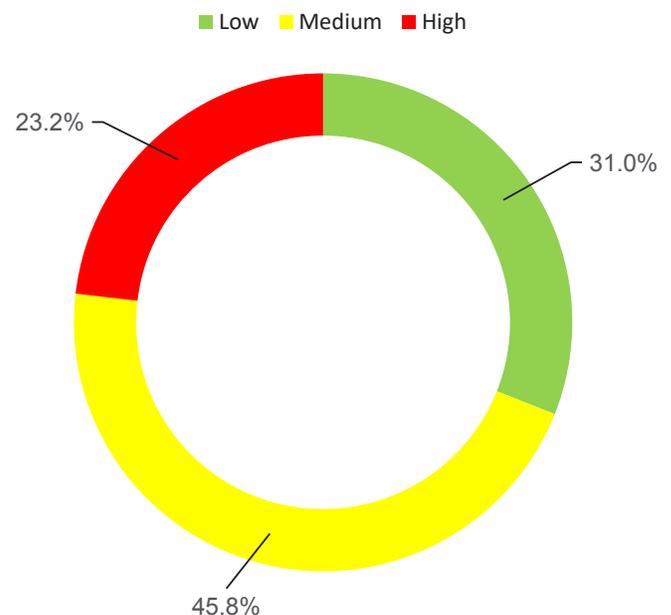
SETBACKS IN RENTER DEMAND EXPECTED DUE TO REMOTE STUDENT LEARNING

The emergence of COVID-19 is creating challenges for communities across the Knoxville metropolitan area, including on the University of Tennessee campus. As a major U.S. college town, renter demand in the Knoxville apartment market is largely driven by the local student body. In addition to classes being moved online for the duration of the spring and summer semesters, the university has established procedures to work remotely, drastically limiting the number of students staying on campus. As a result, new leasing activity was hindered much earlier than the market's seasonal trajectory. The University of Tennessee, Knoxville has already issued more than \$15 million in refunds to students, approximately 55% of which were made up housing costs. With the assistance of a court-ordered halt on evictions, apartment operators continue to focus on tenant retention. Tennessee's Governor Lee announced plans to officially retire the Safer at Home Order on April 30 and will proactively reopen the state's economy in the coming weeks. Although the health outlook for the state is showing signs of improvement, government officials are eager to put the economy back in motion to retain the livelihoods of its residents. Under the CARES Act, the state is also slated to receive \$2.6 billion to better protect its residents against the economic fallout from COVID-19. For Knoxville, there is a long road ahead before all of its industry sectors are prosperous again.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.1%	1.1%
Finance & insurance	4.4%	4.7%
Health care & social assistance	15.7%	16.0%
Information	1.8%	2.2%
Transportation & warehousing	4.0%	4.4%
Utilities	0.0%	0.4%
Wholesale trade	4.9%	4.7%
Total	31.0%	33.4%
MEDIUM		
Administrative & waste services	9.7%	7.4%
Educational services	1.2%	2.3%
Manufacturing	11.4%	10.1%
Mining, quarrying, & oil & gas extraction	0.1%	0.5%
Other services, except public administration	3.2%	3.6%
Professional & technical services	6.2%	7.5%
Retail trade	14.0%	12.2%
Total	45.8%	43.6%
HIGH		
Accommodation & food services	12.0%	11.1%
Arts, entertainment, & recreation	1.5%	1.9%
Construction	5.5%	6.1%
Management of companies & enterprises	2.5%	1.9%
Real estate & rental & leasing	1.5%	1.8%
Unclassified	0.0%	0.1%
Total	23.2%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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