



MARKET AT A GLANCE



OCCUPANCY RATE **96.5%**
Up 30 bps since 2Q19



EFFECTIVE RENT **\$926**
Up 2.8% since 2Q19



TOTAL INVENTORY **51,024**

OCCUPANCY AND RENT TRENDS

KNOXVILLE RESILIENCY UNDERPINS HEALTHY APARTMENT FUNDAMENTALS

The Knoxville economy showed signs of a rebound as employers began rehiring following the phased reopening of businesses. After payrolls dropped by approximately 44,200 positions in April, employers added back 29,00 workers in the last two months of the second quarter. The rapid recovery underpinned sustained apartment demand as leasing activity slightly exceeded the 73 additions during the second quarter. Apartment demand is expected to continue in the third quarter as the University of Tennessee, Knoxville plans to resume in-person classes on August 19. During the second quarter, demand was highest in the North Knoxville submarket, where average effective rent of \$831 per month was lowest in the metro. Greater Knoxville monthly rent averaged \$926 in the second quarter, up 0.7% from the first quarter. Apartment operators were encouraged to keep upward pressure on rent as occupancy remained 50 basis points higher than the five-year average at an average of 96.5% in the second quarter. The increase in rent amid sustained demand has benefited apartment owners. While 6.4% of surveyed CMBS and Fannie Mae loans were granted forbearance in June, none of these loans were in delinquent status.



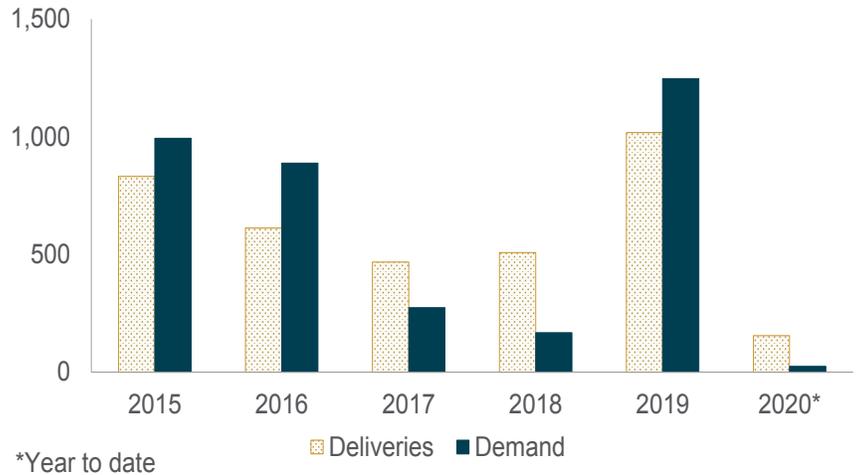
DELIVERIES AND DEMAND



DELIVERIES 155
Units YTD



NET ABSORPTION 24
Units YTD



ECONOMIC TRENDS

2019 3.4% **UNEMPLOYMENT*** 2020 9.1%
570 BPS CHANGE

2019 405.1k **EMPLOYMENT**** 2020 390.5k
-3.6% CHANGE

2019 16.8k **EXISTING SFH SALES**** 2020 14.3k
-14.9% CHANGE

2019 893.0k **POPULATION**** 2020 899.9k
0.8% CHANGE

2019 2.07% **10-YEAR TREASURY**** 2020 0.73%
-130 BPS CHANGE

*May; **June



KNOXVILLE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Downtown/University/South Knoxville	97.0%	-30	120	\$934	1.3%	1.8%	-25	132	0	38
North Knoxville	96.9%	50	-50	\$831	0.4%	2.7%	80	-48	0	30
Southwest Knoxville	96.3%	0	-50	\$979	0.1%	3.0%	-3	163	0	240
West Knoxville	96.2%	-10	150	\$971	1.2%	3.1%	52	624	73	427
TOTALS	96.5%	0	30	\$926	0.7%	2.8%	105	871	73	735



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