

The background of the cover is a photograph of a cityscape. In the foreground, a large, ornate bridge with a green-painted steel truss structure spans across a river. The bridge has multiple arches and is supported by stone piers. In the background, several tall buildings are visible, including a prominent one with a blue glass facade and another with a brick facade. The sky is clear and blue. A large, semi-transparent red shape is overlaid on the right side of the image, partially covering the bridge and buildings.

NAI Koella
RM Moore

Q4 2024

Knoxville Market Report

92.7 M
Inventory SF

1.3 M
12 Mo Net Absorption SF

1.2%
Vacancy Rate

\$8.75
Market Rent/SF



KNOXVILLE'S INDUSTRIAL MARKET REMAINS TIGHTEST IN NATION

Knoxville's industrial market remains one of the tightest in the nation. At 1.6%, the metro's vacancy rate is well below the national average of about 9.2%, and the current rate is also less than Knoxville's impressive long-term average rate of 2.5%. Absorption has remained firmly in positive territory, reaching 1.3 million SF over the past year with most of the leasing activity coming from logistics properties with is the market's primary property type.

Anchoring the metro's recent performance has been the combination of steady demand and a lack of large-scale speculative supply, keeping industrial vacancies tight. Low business costs and a strategic location at the crossroads of I-75, I-40, and I-81 have attracted many national companies to Knoxville, such as 3M and Newell.

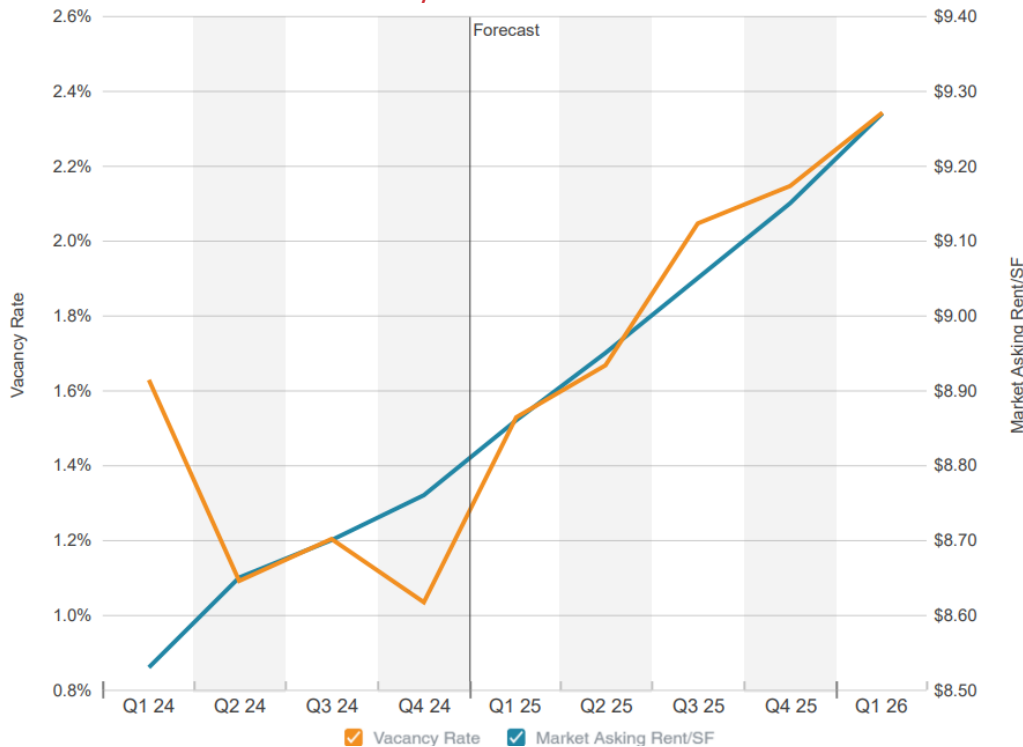
Despite the tight vacancy rate, leasing activity has held steady. More than 1.7 million SF of industrial space was leased in the trailing four quarters ending 24Q2, and while that represented a decline of about 30% from the market's average since 2020, it difficult to keep that pace when there is just 1.5 million SF of available space.

With such limited industrial availability in Knoxville, pricing power has held steady from a landlord's perspective. Asking rents grew by 4.4%, close to the pre-2020 annual average growth rate of about 5%. Furthermore, supply-side pressures are limited, given that over 80% of the under-construction pipeline is already pre-leased. That will likely pave the way for additional rent gains in the coming quarters, even if demand slows due to a slowing economy.

While Knoxville is not typically a magnet for institutional investment, activity within the capital markets space has not slowed as much here as in other parts of the county. Sales volume has slowed over the past year with 92 deals taking place over the past trailing four quarters; this compares to an average of about 110 deals annually over the past five years. Most deals over the last year are smaller, involving an average building size of 36,000 SF and an average sales price of \$2.7 million.

Source: CoStar Group

Vacancy Rates & Rental Rates Per SF



Source: CoStar Group

Sevierville

+1 865 453 8111

Knoxville

+1 865 531 6400

www.koellamoore.com

Submarket Overview

<p>Anderson County \$760M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>10.3M</td><td>Market Asking Rent/SF</td><td>\$7.67</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.4%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>(319K)</td><td>Market Sale Price/SF</td><td>\$74</td></tr> <tr><td>Vacancy Rate</td><td>3.7%</td><td>12 Mo Sales Vol</td><td>\$21M</td></tr> </table>	Inventory SF	10.3M	Market Asking Rent/SF	\$7.67	Under Constr SF	0	Market Asking Rent Growth	4.4%	12 Mo Net Absorp SF	(319K)	Market Sale Price/SF	\$74	Vacancy Rate	3.7%	12 Mo Sales Vol	\$21M	<p>Bearden/Papermill/W Town \$474M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>5.6M</td><td>Market Asking Rent/SF</td><td>\$9.43</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.4%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>37.4K</td><td>Market Sale Price/SF</td><td>\$85</td></tr> <tr><td>Vacancy Rate</td><td>0.8%</td><td>12 Mo Sales Vol</td><td>\$5M</td></tr> </table>	Inventory SF	5.6M	Market Asking Rent/SF	\$9.43	Under Constr SF	0	Market Asking Rent Growth	4.4%	12 Mo Net Absorp SF	37.4K	Market Sale Price/SF	\$85	Vacancy Rate	0.8%	12 Mo Sales Vol	\$5M
Inventory SF	10.3M	Market Asking Rent/SF	\$7.67																														
Under Constr SF	0	Market Asking Rent Growth	4.4%																														
12 Mo Net Absorp SF	(319K)	Market Sale Price/SF	\$74																														
Vacancy Rate	3.7%	12 Mo Sales Vol	\$21M																														
Inventory SF	5.6M	Market Asking Rent/SF	\$9.43																														
Under Constr SF	0	Market Asking Rent Growth	4.4%																														
12 Mo Net Absorp SF	37.4K	Market Sale Price/SF	\$85																														
Vacancy Rate	0.8%	12 Mo Sales Vol	\$5M																														
<p>Blount County \$1.2B Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>15.3M</td><td>Market Asking Rent/SF</td><td>\$9.08</td></tr> <tr><td>Under Constr SF</td><td>143K</td><td>Market Asking Rent Growth</td><td>4.6%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>792K</td><td>Market Sale Price/SF</td><td>\$74</td></tr> <tr><td>Vacancy Rate</td><td>0.4%</td><td>12 Mo Sales Vol</td><td>\$9.5M</td></tr> </table>	Inventory SF	15.3M	Market Asking Rent/SF	\$9.08	Under Constr SF	143K	Market Asking Rent Growth	4.6%	12 Mo Net Absorp SF	792K	Market Sale Price/SF	\$74	Vacancy Rate	0.4%	12 Mo Sales Vol	\$9.5M	<p>Campbell Station/Farragut \$15.2M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>147K</td><td>Market Asking Rent/SF</td><td>\$10.08</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.8%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>0</td><td>Market Sale Price/SF</td><td>\$103</td></tr> <tr><td>Vacancy Rate</td><td>0%</td><td>12 Mo Sales Vol</td><td>\$0</td></tr> </table>	Inventory SF	147K	Market Asking Rent/SF	\$10.08	Under Constr SF	0	Market Asking Rent Growth	4.8%	12 Mo Net Absorp SF	0	Market Sale Price/SF	\$103	Vacancy Rate	0%	12 Mo Sales Vol	\$0
Inventory SF	15.3M	Market Asking Rent/SF	\$9.08																														
Under Constr SF	143K	Market Asking Rent Growth	4.6%																														
12 Mo Net Absorp SF	792K	Market Sale Price/SF	\$74																														
Vacancy Rate	0.4%	12 Mo Sales Vol	\$9.5M																														
Inventory SF	147K	Market Asking Rent/SF	\$10.08																														
Under Constr SF	0	Market Asking Rent Growth	4.8%																														
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$103																														
Vacancy Rate	0%	12 Mo Sales Vol	\$0																														
<p>Cedar Bluff/Walker Spgs \$39.5M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>420K</td><td>Market Asking Rent/SF</td><td>\$10.48</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.5%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>(6.1K)</td><td>Market Sale Price/SF</td><td>\$94</td></tr> <tr><td>Vacancy Rate</td><td>1.4%</td><td>12 Mo Sales Vol</td><td>\$4M</td></tr> </table>	Inventory SF	420K	Market Asking Rent/SF	\$10.48	Under Constr SF	0	Market Asking Rent Growth	4.5%	12 Mo Net Absorp SF	(6.1K)	Market Sale Price/SF	\$94	Vacancy Rate	1.4%	12 Mo Sales Vol	\$4M	<p>Downtown \$124M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>2.1M</td><td>Market Asking Rent/SF</td><td>\$6.63</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.4%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>(2.8K)</td><td>Market Sale Price/SF</td><td>\$59</td></tr> <tr><td>Vacancy Rate</td><td>0.4%</td><td>12 Mo Sales Vol</td><td>\$0</td></tr> </table>	Inventory SF	2.1M	Market Asking Rent/SF	\$6.63	Under Constr SF	0	Market Asking Rent Growth	4.4%	12 Mo Net Absorp SF	(2.8K)	Market Sale Price/SF	\$59	Vacancy Rate	0.4%	12 Mo Sales Vol	\$0
Inventory SF	420K	Market Asking Rent/SF	\$10.48																														
Under Constr SF	0	Market Asking Rent Growth	4.5%																														
12 Mo Net Absorp SF	(6.1K)	Market Sale Price/SF	\$94																														
Vacancy Rate	1.4%	12 Mo Sales Vol	\$4M																														
Inventory SF	2.1M	Market Asking Rent/SF	\$6.63																														
Under Constr SF	0	Market Asking Rent Growth	4.4%																														
12 Mo Net Absorp SF	(2.8K)	Market Sale Price/SF	\$59																														
Vacancy Rate	0.4%	12 Mo Sales Vol	\$0																														
<p>East \$266M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>3.1M</td><td>Market Asking Rent/SF</td><td>\$8.03</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.5%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>104K</td><td>Market Sale Price/SF</td><td>\$87</td></tr> <tr><td>Vacancy Rate</td><td>0%</td><td>12 Mo Sales Vol</td><td>\$3.7M</td></tr> </table>	Inventory SF	3.1M	Market Asking Rent/SF	\$8.03	Under Constr SF	0	Market Asking Rent Growth	4.5%	12 Mo Net Absorp SF	104K	Market Sale Price/SF	\$87	Vacancy Rate	0%	12 Mo Sales Vol	\$3.7M	<p>Loudon County \$473M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>7.4M</td><td>Market Asking Rent/SF</td><td>\$8.17</td></tr> <tr><td>Under Constr SF</td><td>14K</td><td>Market Asking Rent Growth</td><td>4.6%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>49.1K</td><td>Market Sale Price/SF</td><td>\$64</td></tr> <tr><td>Vacancy Rate</td><td>0%</td><td>12 Mo Sales Vol</td><td>\$3.5M</td></tr> </table>	Inventory SF	7.4M	Market Asking Rent/SF	\$8.17	Under Constr SF	14K	Market Asking Rent Growth	4.6%	12 Mo Net Absorp SF	49.1K	Market Sale Price/SF	\$64	Vacancy Rate	0%	12 Mo Sales Vol	\$3.5M
Inventory SF	3.1M	Market Asking Rent/SF	\$8.03																														
Under Constr SF	0	Market Asking Rent Growth	4.5%																														
12 Mo Net Absorp SF	104K	Market Sale Price/SF	\$87																														
Vacancy Rate	0%	12 Mo Sales Vol	\$3.7M																														
Inventory SF	7.4M	Market Asking Rent/SF	\$8.17																														
Under Constr SF	14K	Market Asking Rent Growth	4.6%																														
12 Mo Net Absorp SF	49.1K	Market Sale Price/SF	\$64																														
Vacancy Rate	0%	12 Mo Sales Vol	\$3.5M																														
<p>North/Broadway \$1.4B Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>19.2M</td><td>Market Asking Rent/SF</td><td>\$8.73</td></tr> <tr><td>Under Constr SF</td><td>52.5K</td><td>Market Asking Rent Growth</td><td>4.3%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>260K</td><td>Market Sale Price/SF</td><td>\$75</td></tr> <tr><td>Vacancy Rate</td><td>1.7%</td><td>12 Mo Sales Vol</td><td>\$19.8M</td></tr> </table>	Inventory SF	19.2M	Market Asking Rent/SF	\$8.73	Under Constr SF	52.5K	Market Asking Rent Growth	4.3%	12 Mo Net Absorp SF	260K	Market Sale Price/SF	\$75	Vacancy Rate	1.7%	12 Mo Sales Vol	\$19.8M	<p>North/Emory Road \$187M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>2.2M</td><td>Market Asking Rent/SF</td><td>\$10.35</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.6%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>134K</td><td>Market Sale Price/SF</td><td>\$87</td></tr> <tr><td>Vacancy Rate</td><td>0.3%</td><td>12 Mo Sales Vol</td><td>\$3.6M</td></tr> </table>	Inventory SF	2.2M	Market Asking Rent/SF	\$10.35	Under Constr SF	0	Market Asking Rent Growth	4.6%	12 Mo Net Absorp SF	134K	Market Sale Price/SF	\$87	Vacancy Rate	0.3%	12 Mo Sales Vol	\$3.6M
Inventory SF	19.2M	Market Asking Rent/SF	\$8.73																														
Under Constr SF	52.5K	Market Asking Rent Growth	4.3%																														
12 Mo Net Absorp SF	260K	Market Sale Price/SF	\$75																														
Vacancy Rate	1.7%	12 Mo Sales Vol	\$19.8M																														
Inventory SF	2.2M	Market Asking Rent/SF	\$10.35																														
Under Constr SF	0	Market Asking Rent Growth	4.6%																														
12 Mo Net Absorp SF	134K	Market Sale Price/SF	\$87																														
Vacancy Rate	0.3%	12 Mo Sales Vol	\$3.6M																														
<p>Pellissippi/Lovell \$984M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>9.9M</td><td>Market Asking Rent/SF</td><td>\$11.47</td></tr> <tr><td>Under Constr SF</td><td>50K</td><td>Market Asking Rent Growth</td><td>4.4%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>21.5K</td><td>Market Sale Price/SF</td><td>\$99</td></tr> <tr><td>Vacancy Rate</td><td>0.9%</td><td>12 Mo Sales Vol</td><td>\$28.8M</td></tr> </table>	Inventory SF	9.9M	Market Asking Rent/SF	\$11.47	Under Constr SF	50K	Market Asking Rent Growth	4.4%	12 Mo Net Absorp SF	21.5K	Market Sale Price/SF	\$99	Vacancy Rate	0.9%	12 Mo Sales Vol	\$28.8M	<p>South \$721M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>9.5M</td><td>Market Asking Rent/SF</td><td>\$7.74</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.2%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>202K</td><td>Market Sale Price/SF</td><td>\$76</td></tr> <tr><td>Vacancy Rate</td><td>2.3%</td><td>12 Mo Sales Vol</td><td>\$24.6M</td></tr> </table>	Inventory SF	9.5M	Market Asking Rent/SF	\$7.74	Under Constr SF	0	Market Asking Rent Growth	4.2%	12 Mo Net Absorp SF	202K	Market Sale Price/SF	\$76	Vacancy Rate	2.3%	12 Mo Sales Vol	\$24.6M
Inventory SF	9.9M	Market Asking Rent/SF	\$11.47																														
Under Constr SF	50K	Market Asking Rent Growth	4.4%																														
12 Mo Net Absorp SF	21.5K	Market Sale Price/SF	\$99																														
Vacancy Rate	0.9%	12 Mo Sales Vol	\$28.8M																														
Inventory SF	9.5M	Market Asking Rent/SF	\$7.74																														
Under Constr SF	0	Market Asking Rent Growth	4.2%																														
12 Mo Net Absorp SF	202K	Market Sale Price/SF	\$76																														
Vacancy Rate	2.3%	12 Mo Sales Vol	\$24.6M																														
<p>Campbell Station/Farragut \$15.2M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory SF</td><td>147K</td><td>Market Asking Rent/SF</td><td>\$10.08</td></tr> <tr><td>Under Constr SF</td><td>0</td><td>Market Asking Rent Growth</td><td>4.8%</td></tr> <tr><td>12 Mo Net Absorp SF</td><td>0</td><td>Market Sale Price/SF</td><td>\$103</td></tr> <tr><td>Vacancy Rate</td><td>0%</td><td>12 Mo Sales Vol</td><td>\$0</td></tr> </table>	Inventory SF	147K	Market Asking Rent/SF	\$10.08	Under Constr SF	0	Market Asking Rent Growth	4.8%	12 Mo Net Absorp SF	0	Market Sale Price/SF	\$103	Vacancy Rate	0%	12 Mo Sales Vol	\$0																	
Inventory SF	147K	Market Asking Rent/SF	\$10.08																														
Under Constr SF	0	Market Asking Rent Growth	4.8%																														
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$103																														
Vacancy Rate	0%	12 Mo Sales Vol	\$0																														

Source: CoStar Group

38.2 M
Inventory SF

311 K
12 Mo Net Absorption SF

3.2%
Vacancy Rate

\$21.88
Market Rent/SF



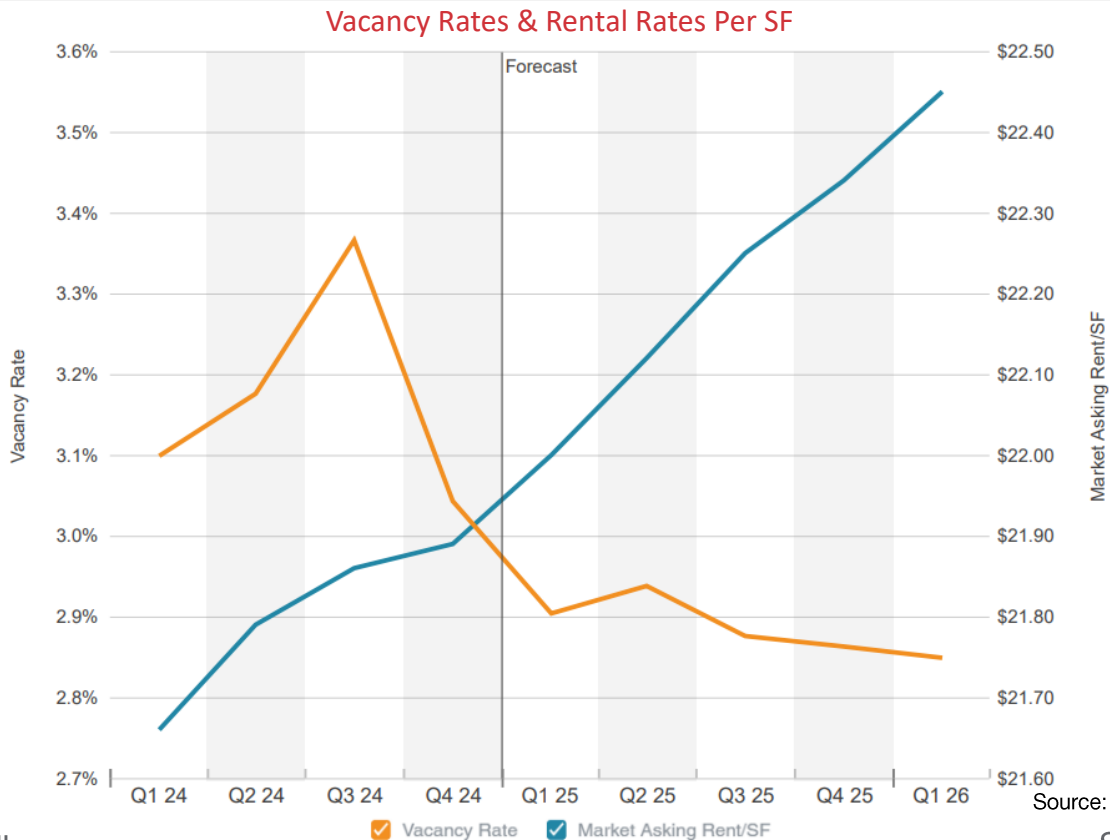
OFFICE DEMAND CONTINUES TO INCREASE

After a strong start to the year, demand for office space in Knoxville has started to pick back up. Had it not been for the removal of more than 400,000 SF of office space since the beginning of 2020, the market's vacancy rate would likely be drastically higher than the current rate of 3.2%. Yet, it also speaks to how tight the market was before 2020.

One important factor that has contributed to the good health of the local office market is the shortage of new office developments in recent years. The last time a year saw at least 100,000 SF of net new supply was in 2017. Additionally, Knoxville's office inventory has decreased over the past five years due to the high number of conversions and demolitions, which led to the removal of existing space. That will change as 89,000 SF of space currently under construction is delivered. As most of these buildings will finish being constructed in 2025, there will be a slight uptick in the market's vacancy rate, but it will remain below the market's long-term average.

A rapid economic recovery coincided with an uptick in office leasing activity in 2021 and 2022. However, that seems short-lived, as recent leasing trends displayed a slimming. Knoxville's trailing four-quarter leasing activity came in at about 730,000 SF. That represented a year-over-year slowing of leasing activity by about 206%. While leasing activity has slowed, annual absorption reached 390,000 SF, thanks to a strong start to 2024.

Despite the tight vacancy and modest space demand, uncertainty surrounding future office-using needs has slowed rent growth. For example, asking rents over the past year grew by 1.8%, which is below the metro's rate of 4.5% from this time last year, but outpaced the national average by about 350 basis points as conditions are much tighter in Knoxville than many other parts of the country.



Source: CoStar Group

Submarket Overview

Anderson County | \$326M Asset Value

Knoxville - TN USA

Inventory SF	3.4M ↓	Market Asking Rent/SF	\$20.12 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	73K	Market Sale Price/SF	\$97 ↓
Vacancy Rate	1.7% ↓	12 Mo Sales Vol	\$4.9M ↓

Bearden/Papermill/W Town | \$850M Asset Value

Knoxville - TN USA

Inventory SF	6M ↓	Market Asking Rent/SF	\$23.79 ↑
Under Constr SF	84K ↓	Market Asking Rent Growth	1.8% ↑
12 Mo Net Absorp SF	15.6K	Market Sale Price/SF	\$141 ↑
Vacancy Rate	4.1% ↓	12 Mo Sales Vol	\$27.8M ↓

Blount County | \$408M Asset Value

Knoxville - TN USA

Inventory SF	3.4M ↓	Market Asking Rent/SF	\$21.21 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	(26.7K)	Market Sale Price/SF	\$121 ↓
Vacancy Rate	3.1% ↑	12 Mo Sales Vol	\$4.5M ↓

Campbell Station/Farragut | \$162M Asset Value

Knoxville - TN USA

Inventory SF	1M ↑	Market Asking Rent/SF	\$24.92 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	43.4K	Market Sale Price/SF	\$154 ↓
Vacancy Rate	6.4% ↑	12 Mo Sales Vol	\$1.4M ↓

Cedar Bluff/Walker Spgs | \$377M Asset Value

Knoxville - TN USA

Inventory SF	3M ↓	Market Asking Rent/SF	\$21.26 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.7% ↑
12 Mo Net Absorp SF	(20.4K)	Market Sale Price/SF	\$126 ↓
Vacancy Rate	5.6% ↑	12 Mo Sales Vol	\$11.2M ↓

Downtown | \$739M Asset Value

Knoxville - TN USA

Inventory SF	5.2M ↓	Market Asking Rent/SF	\$22.16 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.8% ↑
12 Mo Net Absorp SF	45K	Market Sale Price/SF	\$141 ↓
Vacancy Rate	1.7% ↓	12 Mo Sales Vol	\$9M ↓

East | \$31.3M Asset Value

Knoxville - TN USA

Inventory SF	284K ↓	Market Asking Rent/SF	\$16.42 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	3.9K	Market Sale Price/SF	\$110 ↓
Vacancy Rate	0.6% ↓	12 Mo Sales Vol	\$425K ↓

Loudon County | \$121M Asset Value

Knoxville - TN USA

Inventory SF	965K ↓	Market Asking Rent/SF	\$22.76 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.8% ↑
12 Mo Net Absorp SF	41.5K	Market Sale Price/SF	\$126 ↓
Vacancy Rate	1.8% ↓	12 Mo Sales Vol	\$170K ↓

North/Broadway | \$571M Asset Value

Knoxville - TN USA

Inventory SF	4.8M ↑	Market Asking Rent/SF	\$19.53 ↑
Under Constr SF	5K ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	80.8K	Market Sale Price/SF	\$120 ↓
Vacancy Rate	1.5% ↓	12 Mo Sales Vol	\$8.2M ↓

North/Emory Road | \$98M Asset Value

Knoxville - TN USA

Inventory SF	692K ↓	Market Asking Rent/SF	\$23.59 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	1.9K	Market Sale Price/SF	\$142 ↓
Vacancy Rate	2.8% ↓	12 Mo Sales Vol	\$645K ↓

Pellissippi/Lovell | \$753M Asset Value

Knoxville - TN USA

Inventory SF	5.5M ↑	Market Asking Rent/SF	\$23.39 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.8% ↑
12 Mo Net Absorp SF	6.5K	Market Sale Price/SF	\$137 ↑
Vacancy Rate	5.8% ↑	12 Mo Sales Vol	\$20.5M ↑

South | \$229M Asset Value

Knoxville - TN USA

Inventory SF	1.8M ↓	Market Asking Rent/SF	\$20.46 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.0% ↑
12 Mo Net Absorp SF	(9.6K)	Market Sale Price/SF	\$125 ↓
Vacancy Rate	2.0% ↑	12 Mo Sales Vol	\$0 ↓

Union County | \$16.1M Asset Value

Knoxville - TN USA

Inventory SF	165K ↓	Market Asking Rent/SF	\$20.10 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$98 ↓
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$375K ↓

Source: CoStar Group

Knoxville
+1 865 531 6400

www.koellamoore.com

Sevierville
+1 865 453 8111

61.4 M
Inventory SF

331 K
12 Mo Net Absorption SF

2.6%
Vacancy Rate

\$19.01
Market Rent/SF



VACANCY RATES BELOW 10 YEAR AVERAGE

The Knoxville retail market has a vacancy rate of 2.6% as of the first quarter of 2025.

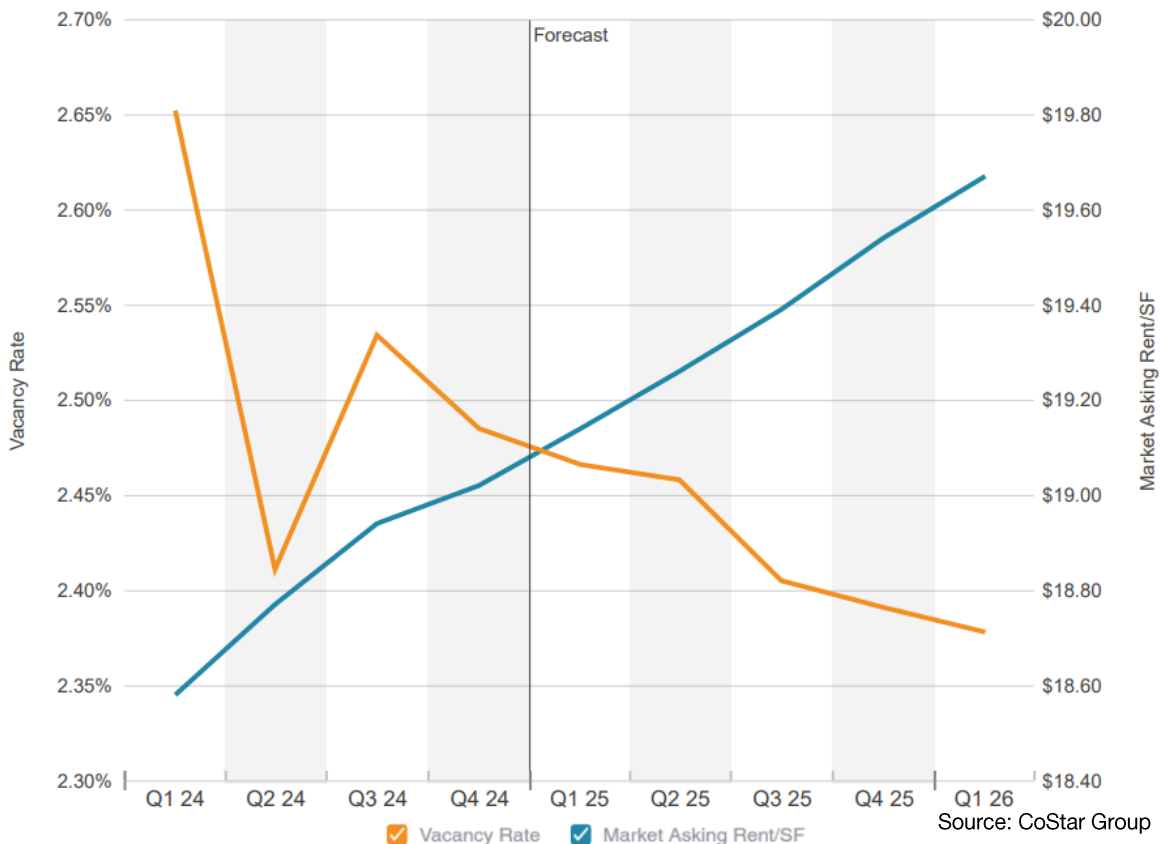
Knoxville's vacancy rate of 2.6% compares to the market's five-year average of 3.1% and the 10-year average of 3.4%.

Among the retail subtypes, neighborhood center vacancy stands at 5.1%, power center vacancy is 5.1%, strip center vacancy is 1.8%, mall vacancy is 4.9%, and general retail vacancy is 1.0%. The Knoxville retail market has roughly 2.0 million SF of space listed as available, for an availability rate of 3.2%.

As of the first quarter of 2025, there is 130,000 SF of retail space under construction in Knoxville. In comparison, the market has averaged 280,000 SF of under construction inventory over the past 10 years. The Knoxville retail market contains roughly 61.4 million SF of inventory. The market has approximately 16.5 million SF of neighborhood center inventory, 4.1 million SF of power center inventory, 2.7 million SF of strip center inventory, 2.6 million SF of mall inventory, and 35.5 million SF of general retail.

Market rents in Knoxville are \$19.00/SF. Rents have changed by 3.4% year over year in Knoxville, compared to a change of 1.9% nationally. Market rents have changed by 3.9% in neighborhood center properties year over year, 5.7% in power center properties, 2.9% in strip center properties, 4.3% in mall properties, and 2.7% in general retail properties. Annual rent growth of 3.4% in Knoxville compares to the market's five-year average of 4.3% and its 10-year average of 3.3%. Source: CoStar Group

Vacancy Rates & Rental Rates Per SF



Submarket Overview

Anderson County | \$1.1B Asset Value

Knoxville - TN USA

Inventory SF	6.1M ↓	Market Asking Rent/SF	\$17.49 ↑
Under Constr SF	66.8K ↑	Market Asking Rent Growth	3.0% ↑
12 Mo Net Absorp SF	35.7K	Market Sale Price/SF	\$181 ↑
Vacancy Rate	1.1% ↓	12 Mo Sales Vol	\$30.7M ↑

Bearden/Papermill/W Town | \$1.3B Asset Value

Knoxville - TN USA

Inventory SF	6.5M ↓	Market Asking Rent/SF	\$25.15 ↑
Under Constr SF	0	Market Asking Rent Growth	4.0% ↑
12 Mo Net Absorp SF	(29.7K)	Market Sale Price/SF	\$197 ↑
Vacancy Rate	2.8% ↑	12 Mo Sales Vol	\$17.3M ↑

Blount County | \$1.4B Asset Value

Knoxville - TN USA

Inventory SF	7.6M ↑	Market Asking Rent/SF	\$18.05 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.9% ↑
12 Mo Net Absorp SF	122K	Market Sale Price/SF	\$190 ↑
Vacancy Rate	2.6% ↓	12 Mo Sales Vol	\$32.7M ↓

Campbell Station/Farragut | \$860M Asset Value

Knoxville - TN USA

Inventory SF	4M ↑	Market Asking Rent/SF	\$26.90 ↑
Under Constr SF	40.1K ↓	Market Asking Rent Growth	3.8% ↑
12 Mo Net Absorp SF	42.3K	Market Sale Price/SF	\$213 ↑
Vacancy Rate	2.5% ↑	12 Mo Sales Vol	\$61.6M ↑

Cedar Bluff/Walker Spgs | \$473M Asset Value

Knoxville - TN USA

Inventory SF	2.5M ↓	Market Asking Rent/SF	\$21.82 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	4.2% ↑
12 Mo Net Absorp SF	36.9K	Market Sale Price/SF	\$186 ↑
Vacancy Rate	1.1% ↓	12 Mo Sales Vol	\$3.8M ↓

Downtown | \$496M Asset Value

Knoxville - TN USA

Inventory SF	2.1M ↓	Market Asking Rent/SF	\$23.56 ↑
Under Constr SF	0	Market Asking Rent Growth	3.6% ↑
12 Mo Net Absorp SF	(1.2K)	Market Sale Price/SF	\$231 ↑
Vacancy Rate	8.3% ↓	12 Mo Sales Vol	\$6M ↓

East | \$238M Asset Value

Knoxville - TN USA

Inventory SF	1.6M ↓	Market Asking Rent/SF	\$13.50 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.7% ↑
12 Mo Net Absorp SF	19.9K	Market Sale Price/SF	\$148 ↑
Vacancy Rate	0.8% ↓	12 Mo Sales Vol	\$5.6M ↑

Loudon County | \$498M Asset Value

Knoxville - TN USA

Inventory SF	2.8M ↑	Market Asking Rent/SF	\$18.01 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.9% ↑
12 Mo Net Absorp SF	(34.9K)	Market Sale Price/SF	\$180 ↑
Vacancy Rate	2.1% ↑	12 Mo Sales Vol	\$13M ↑

North/Broadway | \$1.9B Asset Value

Knoxville - TN USA

Inventory SF	10.9M ↑	Market Asking Rent/SF	\$18.38 ↑
Under Constr SF	22K ↑	Market Asking Rent Growth	3.0% ↑
12 Mo Net Absorp SF	129K	Market Sale Price/SF	\$172 ↑
Vacancy Rate	2.7% ↓	12 Mo Sales Vol	\$55.6M ↑

North/Emory Road | \$302M Asset Value

Knoxville - TN USA

Inventory SF	1.4M ↓	Market Asking Rent/SF	\$20.61 ↑
Under Constr SF	0	Market Asking Rent Growth	3.0% ↑
12 Mo Net Absorp SF	23.1K	Market Sale Price/SF	\$208 ↑
Vacancy Rate	1.1% ↓	12 Mo Sales Vol	\$2M ↓

Pellissippi/Lovell | \$1B Asset Value

Knoxville - TN USA

Inventory SF	5.2M ↑	Market Asking Rent/SF	\$21.80 ↑
Under Constr SF	5K ↓	Market Asking Rent Growth	3.8% ↑
12 Mo Net Absorp SF	(42.1K)	Market Sale Price/SF	\$202 ↑
Vacancy Rate	2.8% ↑	12 Mo Sales Vol	\$14.7M ↑

South | \$574M Asset Value

Knoxville - TN USA

Inventory SF	4.4M ↑	Market Asking Rent/SF	\$13.52 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.5% ↑
12 Mo Net Absorp SF	63.1K	Market Sale Price/SF	\$130 ↑
Vacancy Rate	4.1% ↓	12 Mo Sales Vol	\$4.6M ↓

Union County | \$93M Asset Value

Knoxville - TN USA

Inventory SF	526K ↑	Market Asking Rent/SF	\$15.73 ↑
Under Constr SF	0	Market Asking Rent Growth	2.2% ↑
12 Mo Net Absorp SF	10.6K	Market Sale Price/SF	\$177 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$2.8M ↑

Source: CoStar Group

45,441
Inventory Units

1,303
12 Mo Net Absorption Units

7.6%
Vacancy Rate

\$1,438
Market Rent/Unit

RECORD SETTING WAVE OF SUPPLY

Knoxville's apartment market performance has been shifting lately, as a record-setting wave of supply has been the central theme. Demand for those apartments increased throughout 2024, as 1,300 units were absorbed in the trailing four quarters. Yet, the robust demand will need to continue in order to offset the delivery of 1,700 new units during the same period, which helped to increase the market's vacancy rate to 7.6%.

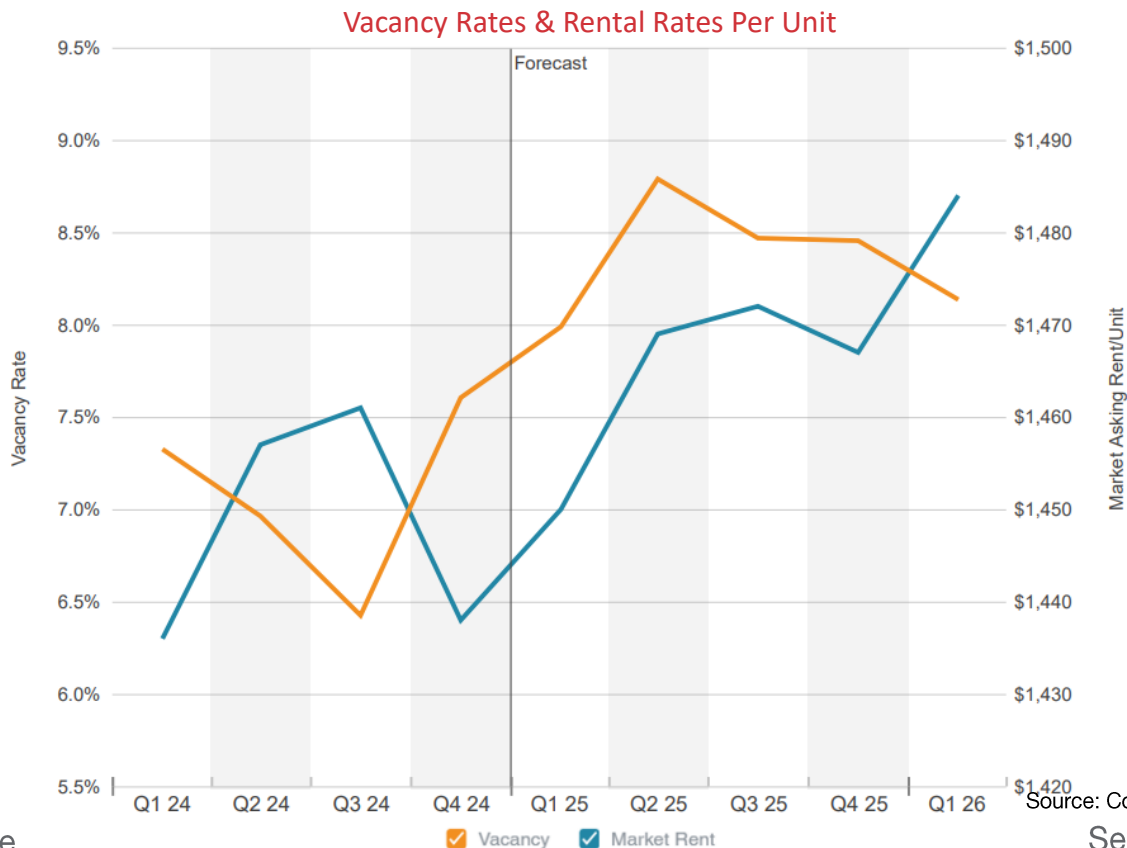
Developers are often driven by the presence of a younger renter cohort, particularly in places like Downtown Knoxville, as the area is home to the University of Tennessee and its enrollment of 32,000 students. Furthermore, Knoxville's population has grown on average by nearly 13,000 individuals over the past three years, a growth rate that has almost doubled pre-pandemic norms.

Recent deliveries, along with the 1,500 units currently under construction, mean supply-side pressures will likely remain through the end of 2025. That has already removed some pricing power, as asking rents have steadily declined over the last couple years. Annual rent growth grew by about 1.5% in the past year. This is down from the peak of 13.8% in mid-2022 and is about 500 basis points below the market's average over the past three years.

Since the cost to borrow capital has doubled over the past two years, fewer projects have been breaking ground. Construction starts in 2024 are at the lowest levels since pre-pandemic. While that slowing will not be felt for several quarters, as it will take two to three years for the current pipeline to empty out, the impact of such a slowing may start to play out by late 2025 into 2026. The slowing of new development should decrease the vacancy while increasing rent growth.

The rise in interest rates has impacted capital market investment activity since late 2022. Four-quarter trailing investment activity is down compared with the first couple of post-pandemic years, but it is comparable with the market's pre-pandemic norms.

Source: CoStar Group



Source: CoStar Group

Submarket Overview

<p>Outlying Anderson County \$78.1M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>809 ↓</td><td>Market Asking Rent/Unit</td><td>\$906 ↑</td></tr> <tr><td>Under Constr Units</td><td>0 ↓</td><td>Annual Rent Growth</td><td>1.9% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>(2)</td><td>Market Sale Price/Unit</td><td>\$96.6K ↑</td></tr> <tr><td>Vacancy Rate</td><td>0.6% ↑</td><td>12 Mo Sales Vol</td><td>\$0 ↓</td></tr> </table>	Inventory Units	809 ↓	Market Asking Rent/Unit	\$906 ↑	Under Constr Units	0 ↓	Annual Rent Growth	1.9% ↑	12 Mo Absorp Units	(2)	Market Sale Price/Unit	\$96.6K ↑	Vacancy Rate	0.6% ↑	12 Mo Sales Vol	\$0 ↓	<p>Downtown Knoxville \$673M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>3,247 ↓</td><td>Market Asking Rent/Unit</td><td>\$1,726 ↑</td></tr> <tr><td>Under Constr Units</td><td>348 ↓</td><td>Annual Rent Growth</td><td>0.4% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>(75)</td><td>Market Sale Price/Unit</td><td>\$187K ↑</td></tr> <tr><td>Vacancy Rate</td><td>12.4% ↑</td><td>12 Mo Sales Vol</td><td>\$0 ↓</td></tr> </table>	Inventory Units	3,247 ↓	Market Asking Rent/Unit	\$1,726 ↑	Under Constr Units	348 ↓	Annual Rent Growth	0.4% ↑	12 Mo Absorp Units	(75)	Market Sale Price/Unit	\$187K ↑	Vacancy Rate	12.4% ↑	12 Mo Sales Vol	\$0 ↓
Inventory Units	809 ↓	Market Asking Rent/Unit	\$906 ↑																														
Under Constr Units	0 ↓	Annual Rent Growth	1.9% ↑																														
12 Mo Absorp Units	(2)	Market Sale Price/Unit	\$96.6K ↑																														
Vacancy Rate	0.6% ↑	12 Mo Sales Vol	\$0 ↓																														
Inventory Units	3,247 ↓	Market Asking Rent/Unit	\$1,726 ↑																														
Under Constr Units	348 ↓	Annual Rent Growth	0.4% ↑																														
12 Mo Absorp Units	(75)	Market Sale Price/Unit	\$187K ↑																														
Vacancy Rate	12.4% ↑	12 Mo Sales Vol	\$0 ↓																														
<p>Eastern Knox County \$12.2M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>116 ↑</td><td>Market Asking Rent/Unit</td><td>\$1,616 ↑</td></tr> <tr><td>Under Constr Units</td><td>0 ↓</td><td>Annual Rent Growth</td><td>4.1% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>58</td><td>Market Sale Price/Unit</td><td>\$105K ↑</td></tr> <tr><td>Vacancy Rate</td><td>2.1% ↓</td><td>12 Mo Sales Vol</td><td>\$2.1M</td></tr> </table>	Inventory Units	116 ↑	Market Asking Rent/Unit	\$1,616 ↑	Under Constr Units	0 ↓	Annual Rent Growth	4.1% ↑	12 Mo Absorp Units	58	Market Sale Price/Unit	\$105K ↑	Vacancy Rate	2.1% ↓	12 Mo Sales Vol	\$2.1M	<p>Loudon County \$162M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>819 ↓</td><td>Market Asking Rent/Unit</td><td>\$1,508 ↑</td></tr> <tr><td>Under Constr Units</td><td>166 ↓</td><td>Annual Rent Growth</td><td>6.2% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>(6)</td><td>Market Sale Price/Unit</td><td>\$165K ↑</td></tr> <tr><td>Vacancy Rate</td><td>2.7% ↑</td><td>12 Mo Sales Vol</td><td>\$7.3M ↑</td></tr> </table>	Inventory Units	819 ↓	Market Asking Rent/Unit	\$1,508 ↑	Under Constr Units	166 ↓	Annual Rent Growth	6.2% ↑	12 Mo Absorp Units	(6)	Market Sale Price/Unit	\$165K ↑	Vacancy Rate	2.7% ↑	12 Mo Sales Vol	\$7.3M ↑
Inventory Units	116 ↑	Market Asking Rent/Unit	\$1,616 ↑																														
Under Constr Units	0 ↓	Annual Rent Growth	4.1% ↑																														
12 Mo Absorp Units	58	Market Sale Price/Unit	\$105K ↑																														
Vacancy Rate	2.1% ↓	12 Mo Sales Vol	\$2.1M																														
Inventory Units	819 ↓	Market Asking Rent/Unit	\$1,508 ↑																														
Under Constr Units	166 ↓	Annual Rent Growth	6.2% ↑																														
12 Mo Absorp Units	(6)	Market Sale Price/Unit	\$165K ↑																														
Vacancy Rate	2.7% ↑	12 Mo Sales Vol	\$7.3M ↑																														
<p>Maryville/Alcoa \$801M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>4,461 ↑</td><td>Market Asking Rent/Unit</td><td>\$1,330 ↑</td></tr> <tr><td>Under Constr Units</td><td>0 ↓</td><td>Annual Rent Growth</td><td>1.8% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>469</td><td>Market Sale Price/Unit</td><td>\$179K ↑</td></tr> <tr><td>Vacancy Rate</td><td>8.1% ↓</td><td>12 Mo Sales Vol</td><td>\$800K ↓</td></tr> </table>	Inventory Units	4,461 ↑	Market Asking Rent/Unit	\$1,330 ↑	Under Constr Units	0 ↓	Annual Rent Growth	1.8% ↑	12 Mo Absorp Units	469	Market Sale Price/Unit	\$179K ↑	Vacancy Rate	8.1% ↓	12 Mo Sales Vol	\$800K ↓	<p>North Knoxville \$1.3B Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>9,302 ↑</td><td>Market Asking Rent/Unit</td><td>\$1,293 ↑</td></tr> <tr><td>Under Constr Units</td><td>728 ↑</td><td>Annual Rent Growth</td><td>2.3% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>138</td><td>Market Sale Price/Unit</td><td>\$126K ↑</td></tr> <tr><td>Vacancy Rate</td><td>6.0% ↑</td><td>12 Mo Sales Vol</td><td>\$36M ↑</td></tr> </table>	Inventory Units	9,302 ↑	Market Asking Rent/Unit	\$1,293 ↑	Under Constr Units	728 ↑	Annual Rent Growth	2.3% ↑	12 Mo Absorp Units	138	Market Sale Price/Unit	\$126K ↑	Vacancy Rate	6.0% ↑	12 Mo Sales Vol	\$36M ↑
Inventory Units	4,461 ↑	Market Asking Rent/Unit	\$1,330 ↑																														
Under Constr Units	0 ↓	Annual Rent Growth	1.8% ↑																														
12 Mo Absorp Units	469	Market Sale Price/Unit	\$179K ↑																														
Vacancy Rate	8.1% ↓	12 Mo Sales Vol	\$800K ↓																														
Inventory Units	9,302 ↑	Market Asking Rent/Unit	\$1,293 ↑																														
Under Constr Units	728 ↑	Annual Rent Growth	2.3% ↑																														
12 Mo Absorp Units	138	Market Sale Price/Unit	\$126K ↑																														
Vacancy Rate	6.0% ↑	12 Mo Sales Vol	\$36M ↑																														
<p>Oak Ridge \$362M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>2,518 ↓</td><td>Market Asking Rent/Unit</td><td>\$1,218 ↑</td></tr> <tr><td>Under Constr Units</td><td>0 ↓</td><td>Annual Rent Growth</td><td>3.0% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>112</td><td>Market Sale Price/Unit</td><td>\$144K ↑</td></tr> <tr><td>Vacancy Rate</td><td>4.9% ↓</td><td>12 Mo Sales Vol</td><td>\$1.4M</td></tr> </table>	Inventory Units	2,518 ↓	Market Asking Rent/Unit	\$1,218 ↑	Under Constr Units	0 ↓	Annual Rent Growth	3.0% ↑	12 Mo Absorp Units	112	Market Sale Price/Unit	\$144K ↑	Vacancy Rate	4.9% ↓	12 Mo Sales Vol	\$1.4M	<p>South Knoxville \$207M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>2,045 ↓</td><td>Market Asking Rent/Unit</td><td>\$1,125 ↑</td></tr> <tr><td>Under Constr Units</td><td>0 ↓</td><td>Annual Rent Growth</td><td>3.1% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>(5)</td><td>Market Sale Price/Unit</td><td>\$101K ↑</td></tr> <tr><td>Vacancy Rate</td><td>5.6% ↑</td><td>12 Mo Sales Vol</td><td>\$19.7M ↑</td></tr> </table>	Inventory Units	2,045 ↓	Market Asking Rent/Unit	\$1,125 ↑	Under Constr Units	0 ↓	Annual Rent Growth	3.1% ↑	12 Mo Absorp Units	(5)	Market Sale Price/Unit	\$101K ↑	Vacancy Rate	5.6% ↑	12 Mo Sales Vol	\$19.7M ↑
Inventory Units	2,518 ↓	Market Asking Rent/Unit	\$1,218 ↑																														
Under Constr Units	0 ↓	Annual Rent Growth	3.0% ↑																														
12 Mo Absorp Units	112	Market Sale Price/Unit	\$144K ↑																														
Vacancy Rate	4.9% ↓	12 Mo Sales Vol	\$1.4M																														
Inventory Units	2,045 ↓	Market Asking Rent/Unit	\$1,125 ↑																														
Under Constr Units	0 ↓	Annual Rent Growth	3.1% ↑																														
12 Mo Absorp Units	(5)	Market Sale Price/Unit	\$101K ↑																														
Vacancy Rate	5.6% ↑	12 Mo Sales Vol	\$19.7M ↑																														
<p>West Knoxville \$2.2B Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>14,708 ↑</td><td>Market Asking Rent/Unit</td><td>\$1,433 ↑</td></tr> <tr><td>Under Constr Units</td><td>0 ↓</td><td>Annual Rent Growth</td><td>0.6% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>(6)</td><td>Market Sale Price/Unit</td><td>\$152K ↑</td></tr> <tr><td>Vacancy Rate</td><td>5.4% ↑</td><td>12 Mo Sales Vol</td><td>\$86.9M ↑</td></tr> </table>	Inventory Units	14,708 ↑	Market Asking Rent/Unit	\$1,433 ↑	Under Constr Units	0 ↓	Annual Rent Growth	0.6% ↑	12 Mo Absorp Units	(6)	Market Sale Price/Unit	\$152K ↑	Vacancy Rate	5.4% ↑	12 Mo Sales Vol	\$86.9M ↑	<p>Western Knox County \$1.6B Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>6,374 ↑</td><td>Market Asking Rent/Unit</td><td>\$1,842 ↑</td></tr> <tr><td>Under Constr Units</td><td>250 ↓</td><td>Annual Rent Growth</td><td>1.5% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>605</td><td>Market Sale Price/Unit</td><td>\$237K ↑</td></tr> <tr><td>Vacancy Rate</td><td>16.0% ↑</td><td>12 Mo Sales Vol</td><td>\$0 ↓</td></tr> </table>	Inventory Units	6,374 ↑	Market Asking Rent/Unit	\$1,842 ↑	Under Constr Units	250 ↓	Annual Rent Growth	1.5% ↑	12 Mo Absorp Units	605	Market Sale Price/Unit	\$237K ↑	Vacancy Rate	16.0% ↑	12 Mo Sales Vol	\$0 ↓
Inventory Units	14,708 ↑	Market Asking Rent/Unit	\$1,433 ↑																														
Under Constr Units	0 ↓	Annual Rent Growth	0.6% ↑																														
12 Mo Absorp Units	(6)	Market Sale Price/Unit	\$152K ↑																														
Vacancy Rate	5.4% ↑	12 Mo Sales Vol	\$86.9M ↑																														
Inventory Units	6,374 ↑	Market Asking Rent/Unit	\$1,842 ↑																														
Under Constr Units	250 ↓	Annual Rent Growth	1.5% ↑																														
12 Mo Absorp Units	605	Market Sale Price/Unit	\$237K ↑																														
Vacancy Rate	16.0% ↑	12 Mo Sales Vol	\$0 ↓																														
<p>Union County \$1.8M Asset Value Knoxville - TN USA</p> <table border="1"> <tr><td>Inventory Units</td><td>42 ↓</td><td>Market Asking Rent/Unit</td><td>\$487 ↑</td></tr> <tr><td>Under Constr Units</td><td>0 ↓</td><td>Annual Rent Growth</td><td>1.2% ↑</td></tr> <tr><td>12 Mo Absorp Units</td><td>0</td><td>Market Sale Price/Unit</td><td>\$43K ↑</td></tr> <tr><td>Vacancy Rate</td><td>4.0% ↑</td><td>12 Mo Sales Vol</td><td>\$0 ↓</td></tr> </table>	Inventory Units	42 ↓	Market Asking Rent/Unit	\$487 ↑	Under Constr Units	0 ↓	Annual Rent Growth	1.2% ↑	12 Mo Absorp Units	0	Market Sale Price/Unit	\$43K ↑	Vacancy Rate	4.0% ↑	12 Mo Sales Vol	\$0 ↓																	
Inventory Units	42 ↓	Market Asking Rent/Unit	\$487 ↑																														
Under Constr Units	0 ↓	Annual Rent Growth	1.2% ↑																														
12 Mo Absorp Units	0	Market Sale Price/Unit	\$43K ↑																														
Vacancy Rate	4.0% ↑	12 Mo Sales Vol	\$0 ↓																														

Source: CoStar Group



NAI Koella RM Moore

NAI Koella | RM Moore has been shaping the East Tennessee commercial real estate landscape for **over 40 years** by providing expert, innovative business solutions to the community.

- NAI Koella | RM Moore is a full-service commercial real estate firm offering brokerage, development, advisory, and property management services.
- Our breadth of offerings and solid foundation in the community allows us to better understand and assist our clients in realizing their business objectives.
- At NAI Koella | RM Moore we are driven to create superior relationships and deliver exceptional results, and it is our people and their experience that make this possible.
- Each assignment and collaboration is different, but the keys to success are always the same - commitment and loyalty to our clients, solution-oriented thinking, and integrity in everything we do.

\$232+

Million in Total Volume
(2024)

#1

East Tennessee's Largest
Commercial Real Estate Firm

21

Brokers

6 M+

Square Feet of
Property Managed



POWER BROKER

2018 Top Firm Award




POWER BROKER

2018 Top Broker Award

Knoxville Market Facts & Figures

Build Your Business Here!

Population 
907,968 Live in Knox Metro
3.7 Million
 (Live w/in 100-mile radius)

9
 Counties in
 Knox MSA

Cost of Living 
 US Average... **100**
 Knox Metropolitan Area... **85.5**

Labor Force & Employment


Knox County  **253,636**
2.8% Unemployment Rate



Knox Metro  **434,722**
3.0% Metro Unemployment Rate

Post-Secondary Education

10 # of 4-Year Institutions
 (Including TN's LARGEST & OLDEST)

 The University of Tennessee
36,304 - Fall 2020 Enrollment
9,813 - # of Faculty & Staff

Transportation

- 125** Truck Lines
- 5** Airlines
- 3** Interstates (40, 75, & 81)
- 3** Local River Terminals
- 2** Railroads



Reach  of US Population
 within a day's drive

Directly LINKED to Great Lakes & Gulf of Mexico!



Knoxville MSA Businesses: **34,795**

INCLUDING:



Producers of:



Market Report

Terminology

Absorption (Net)

The change in occupied space in a given time period.

Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

Average Asking Rental Rate

Rental rate as quoted from each building's owner/management company. For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a NN basis.

Building Class

Class A product is office space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office space built after 1980, fair to good finishes & wide range of tenants.

Direct Vacancy

Space currently available for lease directly with the landlord or building owner.

Market Size

Includes all existing and under construction office buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, including owner-occupied buildings) within each market.

Overall Vacancy

All unoccupied lease space, either direct or sublease.

RBA

Rentable building area.

SF/PSF

Square foot/per square foot, used as a unit of measurement.

Sublease

Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.

Sublease Space

Total square footage being marketed for lease by the tenant. Sublease space is not considered in the overall occupancy or absorption numbers - only direct leases are included.

Sublease Vacancy

Space currently available in the market for sublease with an existing tenant within a building acting as the landlord.



Q4'24

Knoxville Market Report

The world's largest commercial real estate network.

Over 6,000+ professionals in more than 375+ offices worldwide.
All actively managed to work wherever you do.

Around the world, around the corner!

NAI Koella
RM Moore

255 N Peters Rd, Suite 101
Knoxville, TN 37923
Tel +1 865 777 3030
Tel +1 865 531 6400

963 Dolly Parton Pkwy. Sevierville, TN 37862
tel +1 865 453 8111

www.koellamoore.com