The background of the cover is a photograph of a cityscape. In the foreground, a green-painted steel truss bridge spans across a river. The bridge has ornate black lampposts with multiple globes. In the background, several tall buildings are visible, including a prominent glass skyscraper and a brick building. The sky is clear and blue. A large, semi-transparent red triangle is overlaid on the right side of the image, pointing towards the top right.

NAI Koella
RM Moore

Q3 2025

Knoxville Market Report

92.5 M
Inventory SF

(307) K
12 Mo Net Absorption SF

2.0%
Vacancy Rate

\$8.88
Market Rent/SF

TIGHTEST MARKET 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 7.5%, and the current rate is also less than Knoxville's impressive long-term average rate of 2.25%. Anchoring the metro's historically strong performance has been steady demand.

However, the past two quarters have resulted in each having negative absorption, particularly in 25Q2, which had the lowest quarterly absorption in over 10 years. These two quarters pushed into annual negative territory, reaching 4,300 SF over the past year with most of the leasing activity coming from logistics properties.

Knoxville has a strong industrial base, with manufacturing sectors involved in production such as automotive parts, metals, and machinery. Major companies like Denso Manufacturing (auto parts) and Alcoa (aluminum production) have significant operations in the area. Location also plays a big role in its industrial market as it is at the center of the eastern half of the U.S. and within one day's drive of three-fourths of the U.S. population. 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.

Due to the tight availability, leasing activity has slightly declined. Year-over-year leasing activity is down about 20%. Some of the larger leases executed over the past year include Power Systems, a fitness equipment provider, renewing their lease for 227,150 square feet of industrial space at 5700 Casey Drive for 5 years at \$5.50/SF NNN. Also during the second quarter, Packaging Corporation of America renewed its lease within the 130,500 SF warehouse in Mascot. They reupped for five more years at \$6.00/SF MG.

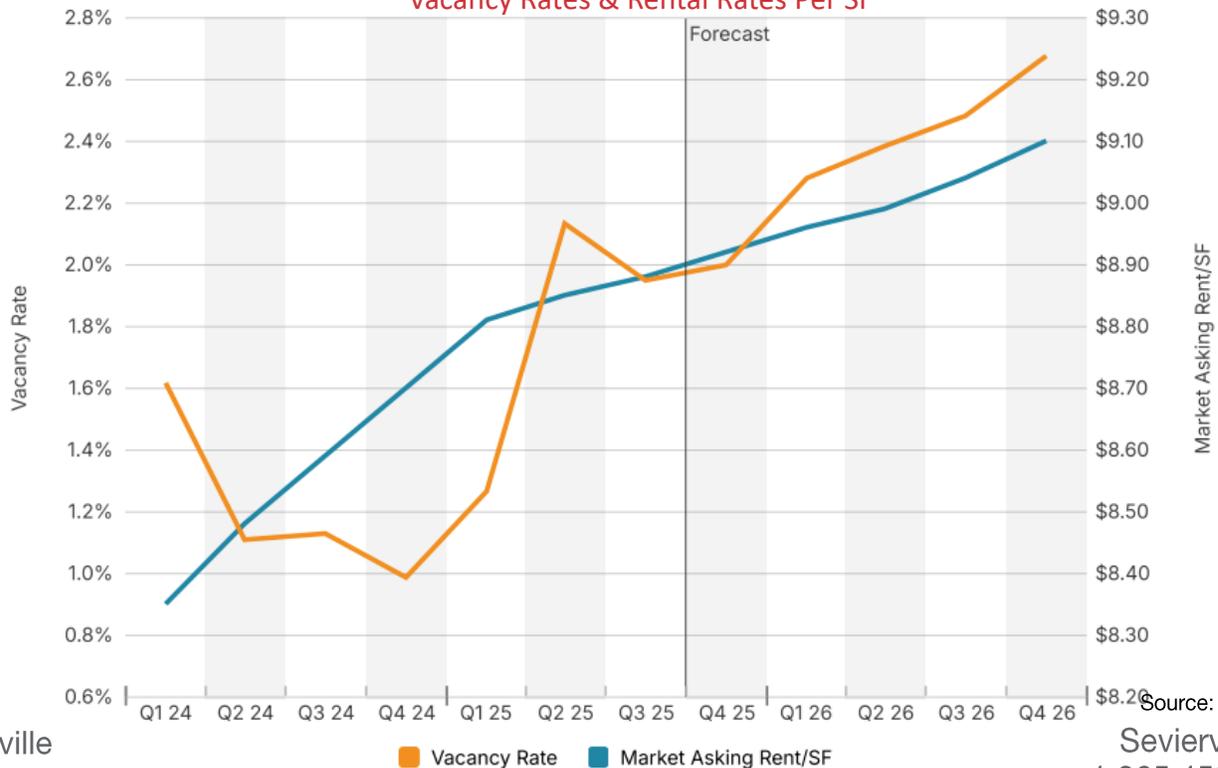
With such limited industrial availability in Knoxville, pricing power has declined mainly due to the small available inventory. Over the past year, asking rents grew by 3.3%, less than the pre-2020 annual average growth rate of about 5% and down from the almost 11% increase just a few years ago.

Supply-side pressures are limited as minimal new square footage is being constructed. The 450,000 SF constructed in the past year hasn't given much relief as only 150,000 SF is available. The listed space is within the Knoxville Logistics Center, which was completed during 25Q2.

Construction activity has been steadily declining since it peaked in early 2023 with over 2.2 million SF under construction. Currently, only 97,000 SF is under development, and construction starts have also been declining, signaling that new supply will be tight throughout the second half of 2025.

Source: CoStar Group

Vacancy Rates & Rental Rates Per SF



Source: CoStar Group

Submarket Overview

Anderson County | \$782M Asset Value

Knoxville - TN USA

Inventory SF	10M ↓	Market Asking Rent/SF	\$7.98 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.8% ↑
12 Mo Net Absorp SF	(391K)	Market Sale Price/SF	\$78 ↑
Vacancy Rate	5.9% ↑	12 Mo Sales Vol	\$10M ↓

Bearden/Papermill/W Town | \$516M Asset Value

Knoxville - TN USA

Inventory SF	5.6M ↓	Market Asking Rent/SF	\$9.77 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.3% ↑
12 Mo Net Absorp SF	(23.1K)	Market Sale Price/SF	\$92 ↑
Vacancy Rate	1.3% ↑	12 Mo Sales Vol	\$4.6M ↓

Blount County | \$1.3B Asset Value

Knoxville - TN USA

Inventory SF	15.5M ↑	Market Asking Rent/SF	\$9.07 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.5% ↑
12 Mo Net Absorp SF	137K	Market Sale Price/SF	\$81 ↑
Vacancy Rate	0.3% ↑	12 Mo Sales Vol	\$8M ↓

Campbell Station/Farragut | \$16.4M Asset Value

Knoxville - TN USA

Inventory SF	147K ↓	Market Asking Rent/SF	\$10.70 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.8% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$112 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$0 ↓

Cedar Bluff/Walker Spgs | \$42.1M Asset Value

Knoxville - TN USA

Inventory SF	420K ↓	Market Asking Rent/SF	\$10.80 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.3% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$100 ↑
Vacancy Rate	1.4% ↓	12 Mo Sales Vol	\$950K ↓

Downtown | \$135M Asset Value

Knoxville - TN USA

Inventory SF	2.1M ↓	Market Asking Rent/SF	\$6.92 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.2% ↑
12 Mo Net Absorp SF	1.3K	Market Sale Price/SF	\$64 ↑
Vacancy Rate	0.2% ↓	12 Mo Sales Vol	\$3.6M ↑

East | \$252M Asset Value

Knoxville - TN USA

Inventory SF	2.7M ↓	Market Asking Rent/SF	\$8.14 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.7% ↑
12 Mo Net Absorp SF	(413K)	Market Sale Price/SF	\$92 ↑
Vacancy Rate	16.2% ↑	12 Mo Sales Vol	\$31.3M ↑

Loudon County | \$522M Asset Value

Knoxville - TN USA

Inventory SF	7.5M ↑	Market Asking Rent/SF	\$8.34 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.5% ↑
12 Mo Net Absorp SF	(29.5K)	Market Sale Price/SF	\$70 ↑
Vacancy Rate	0.6% ↑	12 Mo Sales Vol	\$3.9M ↑

North/Broadway | \$1.5B Asset Value

Knoxville - TN USA

Inventory SF	19M ↑	Market Asking Rent/SF	\$9.07 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.3% ↑
12 Mo Net Absorp SF	231K	Market Sale Price/SF	\$80 ↑
Vacancy Rate	1.5% ↓	12 Mo Sales Vol	\$25.3M ↑

North/Emory Road | \$202M Asset Value

Knoxville - TN USA

Inventory SF	2.2M ↓	Market Asking Rent/SF	\$10.38 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.7% ↑
12 Mo Net Absorp SF	5.8K	Market Sale Price/SF	\$94 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$0 ↓

Pellissippi/Lovell | \$1B Asset Value

Knoxville - TN USA

Inventory SF	9.7M ↑	Market Asking Rent/SF	\$11.43 ↑
Under Constr SF	96.6K ↑	Market Asking Rent Growth	3.3% ↑
12 Mo Net Absorp SF	(63.4K)	Market Sale Price/SF	\$106 ↑
Vacancy Rate	1.2% ↑	12 Mo Sales Vol	\$14.4M ↓

South | \$763M Asset Value

Knoxville - TN USA

Inventory SF	9.6M ↓	Market Asking Rent/SF	\$8.02 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.6% ↑
12 Mo Net Absorp SF	195K	Market Sale Price/SF	\$79 ↑
Vacancy Rate	0.2% ↓	12 Mo Sales Vol	\$775K ↓

Union County | \$31.1M Asset Value

Knoxville - TN USA

Inventory SF	490K ↓	Market Asking Rent/SF	\$10.13 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.4% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$64 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$0 ↓

Source: CoStar Group

39.3 M
Inventory SF

161 K
12 Mo Net Absorption SF

3.2%
Vacancy Rate

\$23.19
Market Rent/SF

VOLATILE QUARTERLY DEMAND

Despite volatile quarterly demand and negative net absorption during 25Q2, Knoxville's office market fundamentals continue to perform well. The start of 2024 saw strong demand, with new leases signed by Allcor Staffing, ESS, and Cannon and Cannon Inc. The last couple of quarters also saw strong activity after Type One Energy Group and Aqua-Chem signed new deals.

During 25Q2, Apex Bank purchased Discovery office park for its new campus headquarters. The 345,000 SF campus previously served as Scripps Networks' headquarters. Apex Bank will relocate its corporate headquarters and national mortgage-servicing division to the campus. For the move, Apex no longer leases 180,000 SF within the park, and since this is no longer speculative space, it counts as negative absorption. However, despite 25Q2 having all that negative space, the Knoxville office market had an annual net absorption of 190,000 SF over the past year.

One important factor contributing to the good health of the local office market is the shortage of new office developments in recent years. In the past year, 140,000 SF of newly constructed space was delivered, with all the available space leased. There is currently 0 SF of office construction within the market.

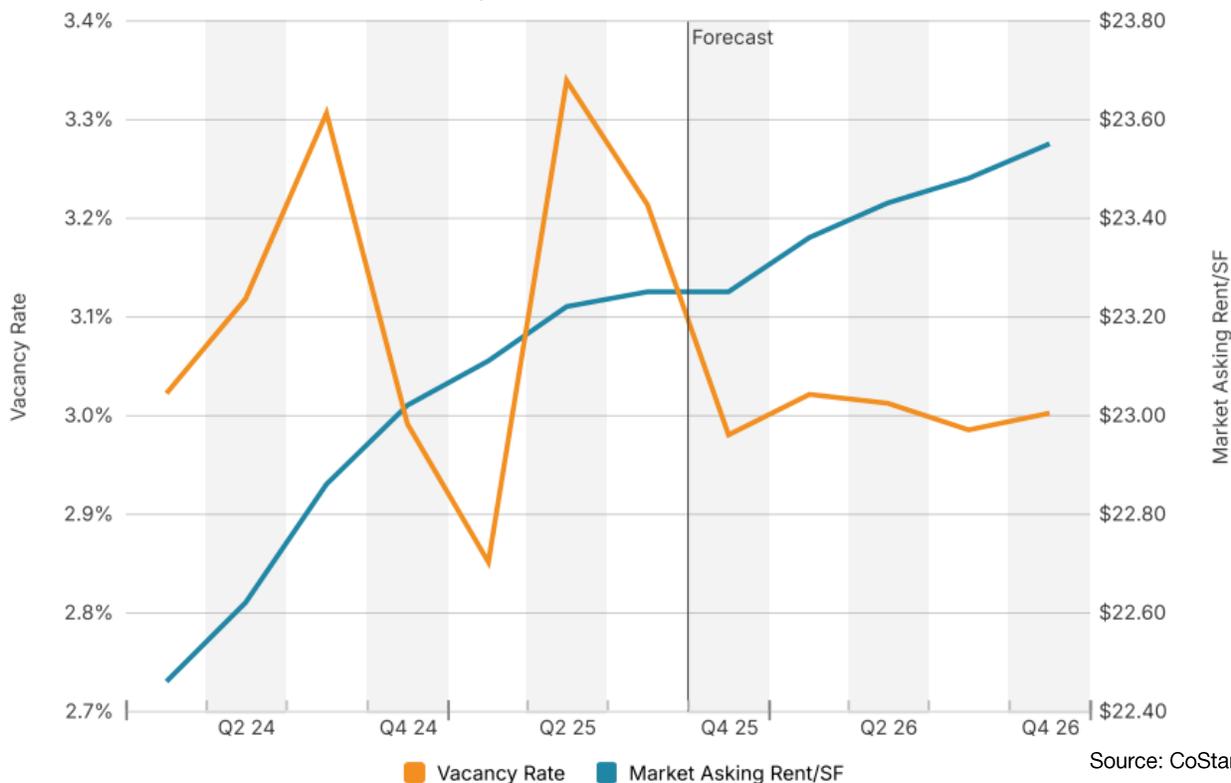
The new 84,000 SF University of Tennessee Research Park at Cherokee Farm finished construction earlier in 2025. The building includes a 40,000-square-foot high bay and laboratory space for UT faculty, students and industry collaborators to conceptualize, prototype and test sustainable composite materials for advanced manufacturing, including precision agriculture, architecture and automotive applications.

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. Several office buildings have been demolished including Dunford Hall to make way for the Haslam College of Business building. The building was built in 1963 and served as a dorm and office space. The old Public Safety Center at 800 Howard Baker Jr. Ave. was demolished for a science museum. The Knoxville Police Department used the building as its headquarters for decades.

Despite a tight vacancy rate of 3.2% and slowing construction activity, uncertainty surrounding future office-using needs has slowed rent growth. Asking rents over the past year grew by 1.4% outpacing the national average by about 100 basis points as conditions are much tighter in Knoxville than in many other parts of the country.

Vacancy Rates & Rental Rates Per SF

Source: CoStar Group



Source: CoStar Group

Submarket Overview

Anderson County | \$330M Asset Value Knoxville - TN USA

Inventory SF	3.4M ↓	Market Asking Rent/SF	\$21.94 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.8% ↑
12 Mo Net Absorp SF	(236)	Market Sale Price/SF	\$97 ↓
Vacancy Rate	2.9% ↑	12 Mo Sales Vol	\$8.2M ↓

Bearden/Papermill/W Town | \$830M Asset Value Knoxville - TN USA

Inventory SF	5.9M ↑	Market Asking Rent/SF	\$25.20 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.5% ↑
12 Mo Net Absorp SF	96.8K	Market Sale Price/SF	\$141 ↓
Vacancy Rate	3.6% ↓	12 Mo Sales Vol	\$46.7M ↑

Blount County | \$505M Asset Value Knoxville - TN USA

Inventory SF	3.9M ↑	Market Asking Rent/SF	\$22.44 ↓
Under Constr SF	0 ↓	Market Asking Rent Growth	-0.7% ↓
12 Mo Net Absorp SF	672	Market Sale Price/SF	\$128 ↑
Vacancy Rate	2.9% ↓	12 Mo Sales Vol	\$13.2M ↑

Campbell Station/Farragut | \$162M Asset Value Knoxville - TN USA

Inventory SF	1.1M ↑	Market Asking Rent/SF	\$26.80 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.7% ↑
12 Mo Net Absorp SF	50.5K	Market Sale Price/SF	\$152 ↓
Vacancy Rate	5.9% ↓	12 Mo Sales Vol	\$6.7M

Cedar Bluff/Walker Spgs | \$370M Asset Value Knoxville - TN USA

Inventory SF	3M ↓	Market Asking Rent/SF	\$22.08 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.5% ↑
12 Mo Net Absorp SF	(38.4K)	Market Sale Price/SF	\$122 ↓
Vacancy Rate	6.3% ↑	12 Mo Sales Vol	\$16.7M ↓

Downtown | \$755M Asset Value Knoxville - TN USA

Inventory SF	5.6M ↓	Market Asking Rent/SF	\$23.32 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.0% ↑
12 Mo Net Absorp SF	26.6K	Market Sale Price/SF	\$135 ↓
Vacancy Rate	1.4% ↓	12 Mo Sales Vol	\$3M ↓

East | \$32.7M Asset Value Knoxville - TN USA

Inventory SF	287K ↓	Market Asking Rent/SF	\$18.04 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	(726)	Market Sale Price/SF	\$114 ↓
Vacancy Rate	2.1% ↑	12 Mo Sales Vol	\$2.4M ↑

Loudon County | \$124M Asset Value Knoxville - TN USA

Inventory SF	973K ↓	Market Asking Rent/SF	\$23.84 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.7% ↑
12 Mo Net Absorp SF	10.1K	Market Sale Price/SF	\$127 ↑
Vacancy Rate	3.3% ↓	12 Mo Sales Vol	\$9.8M ↑

North/Broadway | \$568M Asset Value Knoxville - TN USA

Inventory SF	4.8M ↑	Market Asking Rent/SF	\$21.51 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.7% ↑
12 Mo Net Absorp SF	24.4K	Market Sale Price/SF	\$119 ↓
Vacancy Rate	1.6% ↓	12 Mo Sales Vol	\$7.1M ↓

North/Emory Road | \$96.1M Asset Value Knoxville - TN USA

Inventory SF	703K ↓	Market Asking Rent/SF	\$27.73 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	19.3K	Market Sale Price/SF	\$137 ↓
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$410K ↓

Pellissippi/Lovell | \$730M Asset Value Knoxville - TN USA

Inventory SF	5.5M ↑	Market Asking Rent/SF	\$23.95 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.7% ↑
12 Mo Net Absorp SF	19.7K	Market Sale Price/SF	\$132 ↓
Vacancy Rate	5.1% ↓	12 Mo Sales Vol	\$13.5M ↓

South | \$219M Asset Value Knoxville - TN USA

Inventory SF	1.9M ↓	Market Asking Rent/SF	\$22.04 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.8% ↑
12 Mo Net Absorp SF	(28.6K)	Market Sale Price/SF	\$118 ↓
Vacancy Rate	2.3% ↑	12 Mo Sales Vol	\$2.7M ↑

Union County | \$15.7M Asset Value Knoxville - TN USA

Inventory SF	165K ↓	Market Asking Rent/SF	\$21.70 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$96 ↓
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$375K

Source: CoStar Group

61 M
Inventory SF

245 K
12 Mo Net Absorption SF

2.6%
Vacancy Rate

\$19.43
Market Rent/SF

LOW VACANCY RATES

The Knoxville retail market has a vacancy rate of 2.6% as of the fourth quarter of 2025. Over the past year, the market's vacancy rate has changed by 0.1%, a result of 350,000 SF of net delivered space and 260,000 SF of net absorption.

Knoxville's vacancy rate of 2.6% compares to the market's five-year average of 2.8% and the 10-year average of 3.1%.

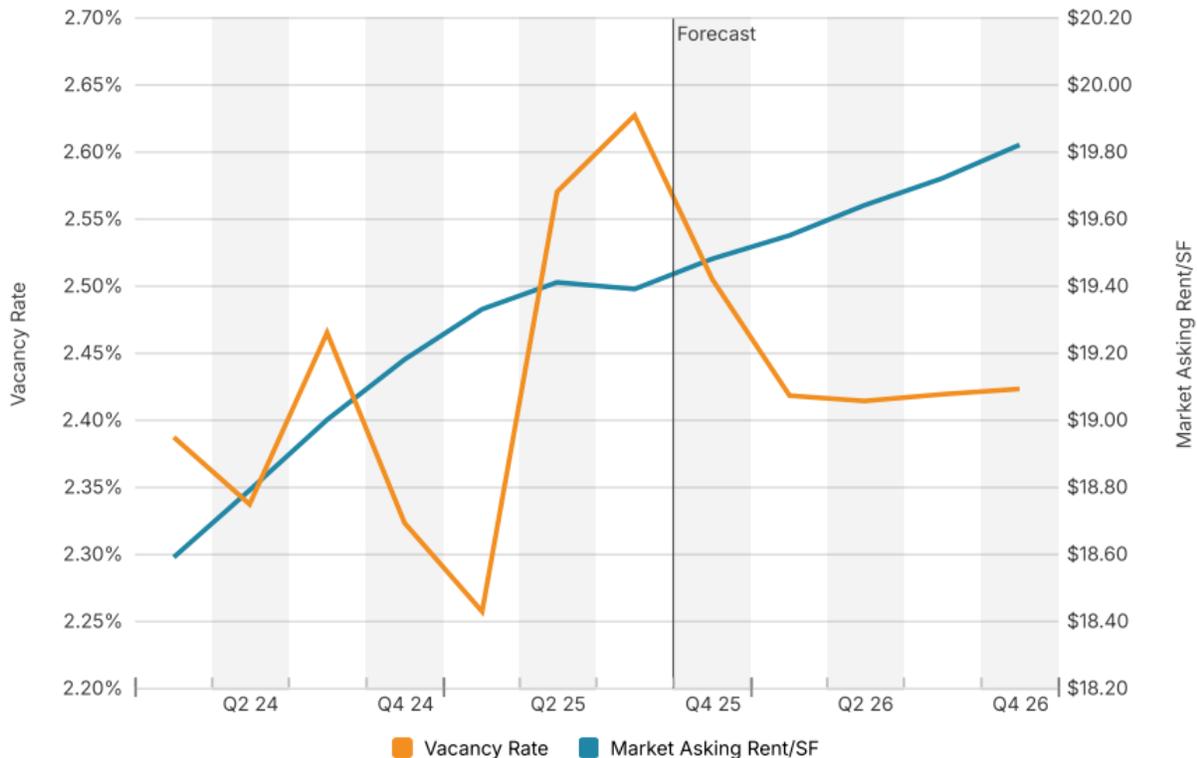
Among the retail subtypes, neighborhood center vacancy stands at 5.7%, power center vacancy is 3.5%, strip center vacancy is 2.0%, mall vacancy is 4.0%, and general retail vacancy is 1.0%. The Knoxville retail market has roughly 1.8 million SF of space listed as available, for an availability rate of 2.9%.

As of the fourth quarter of 2025, there is 67,000 SF of retail space under construction in Knoxville. In comparison, the market has averaged 270,000 SF of under construction inventory over the past 10 years. The Knoxville retail market contains roughly 61.0 million SF of inventory. The market has approximately 16.6 million SF of neighborhood center inventory, 3.5 million SF of power center inventory, 2.7 million SF of strip center inventory, 2.6 million SF of mall inventory, and 35.6 million SF of general retail.

Market rents in Knoxville are \$19.40/SF. Rents have changed by 2.0% year over year in Knoxville, compared to a change of 1.8% nationally. Market rents have changed by 3.1% in neighborhood center properties year over year, 0.8% in power center properties, 2.6% in strip center properties, -1.0% in mall properties, and 2.0% in general retail properties. In Knoxville, five-year average annual rent growth is 4.2% and 10-year average annual rent growth is 3.4%.

Source: CoStar Group

Vacancy Rates & Rental Rates Per SF



Source: CoStar Group

Submarket Overview

Anderson County | \$330M Asset Value Knoxville - TN USA

Inventory SF	3.4M	Market Asking Rent/SF	\$21.94	↑
Under Constr SF	0	Market Asking Rent Growth	1.8%	↑
12 Mo Net Absorp SF	(236)	Market Sale Price/SF	\$97	↓
Vacancy Rate	2.9%	12 Mo Sales Vol	\$8.2M	↓

Bearden/Papermill/W Town | \$830M Asset Value Knoxville - TN USA

Inventory SF	5.9M	Market Asking Rent/SF	\$25.20	↑
Under Constr SF	0	Market Asking Rent Growth	1.5%	↑
12 Mo Net Absorp SF	96.8K	Market Sale Price/SF	\$141	↓
Vacancy Rate	3.6%	12 Mo Sales Vol	\$46.7M	↑

Blount County | \$505M Asset Value Knoxville - TN USA

Inventory SF	3.9M	Market Asking Rent/SF	\$22.44	↓
Under Constr SF	0	Market Asking Rent Growth	-0.7%	↓
12 Mo Net Absorp SF	672	Market Sale Price/SF	\$128	↑
Vacancy Rate	2.9%	12 Mo Sales Vol	\$13.2M	↑

Campbell Station/Farragut | \$162M Asset Value Knoxville - TN USA

Inventory SF	1.1M	Market Asking Rent/SF	\$26.80	↑
Under Constr SF	0	Market Asking Rent Growth	1.7%	↑
12 Mo Net Absorp SF	50.5K	Market Sale Price/SF	\$152	↓
Vacancy Rate	5.9%	12 Mo Sales Vol	\$6.7M	↓

Cedar Bluff/Walker Spgs | \$370M Asset Value Knoxville - TN USA

Inventory SF	3M	Market Asking Rent/SF	\$22.08	↑
Under Constr SF	0	Market Asking Rent Growth	1.5%	↑
12 Mo Net Absorp SF	(38.4K)	Market Sale Price/SF	\$122	↓
Vacancy Rate	6.3%	12 Mo Sales Vol	\$16.7M	↓

Downtown | \$755M Asset Value Knoxville - TN USA

Inventory SF	5.6M	Market Asking Rent/SF	\$23.32	↑
Under Constr SF	0	Market Asking Rent Growth	2.0%	↑
12 Mo Net Absorp SF	26.6K	Market Sale Price/SF	\$135	↓
Vacancy Rate	1.4%	12 Mo Sales Vol	\$3M	↓

East | \$32.7M Asset Value Knoxville - TN USA

Inventory SF	287K	Market Asking Rent/SF	\$18.04	↑
Under Constr SF	0	Market Asking Rent Growth	1.6%	↑
12 Mo Net Absorp SF	(726)	Market Sale Price/SF	\$114	↓
Vacancy Rate	2.1%	12 Mo Sales Vol	\$2.4M	↑

Loudon County | \$124M Asset Value Knoxville - TN USA

Inventory SF	973K	Market Asking Rent/SF	\$23.84	↑
Under Constr SF	0	Market Asking Rent Growth	1.7%	↑
12 Mo Net Absorp SF	10.1K	Market Sale Price/SF	\$127	↑
Vacancy Rate	3.3%	12 Mo Sales Vol	\$9.8M	↑

North/Broadway | \$568M Asset Value Knoxville - TN USA

Inventory SF	4.8M	Market Asking Rent/SF	\$21.51	↑
Under Constr SF	0	Market Asking Rent Growth	1.7%	↑
12 Mo Net Absorp SF	24.4K	Market Sale Price/SF	\$119	↓
Vacancy Rate	1.6%	12 Mo Sales Vol	\$7.1M	↓

North/Emory Road | \$96.1M Asset Value Knoxville - TN USA

Inventory SF	703K	Market Asking Rent/SF	\$27.73	↑
Under Constr SF	0	Market Asking Rent Growth	1.9%	↑
12 Mo Net Absorp SF	19.3K	Market Sale Price/SF	\$137	↓
Vacancy Rate	0%	12 Mo Sales Vol	\$410K	↓

Pellissippi/Lovell | \$730M Asset Value Knoxville - TN USA

Inventory SF	5.5M	Market Asking Rent/SF	\$23.95	↑
Under Constr SF	0	Market Asking Rent Growth	1.7%	↑
12 Mo Net Absorp SF	19.7K	Market Sale Price/SF	\$132	↓
Vacancy Rate	5.1%	12 Mo Sales Vol	\$13.5M	↓

South | \$219M Asset Value Knoxville - TN USA

Inventory SF	1.9M	Market Asking Rent/SF	\$22.04	↑
Under Constr SF	0	Market Asking Rent Growth	1.8%	↑
12 Mo Net Absorp SF	(28.6K)	Market Sale Price/SF	\$118	↓
Vacancy Rate	2.3%	12 Mo Sales Vol	\$2.7M	↑

Union County | \$15.7M Asset Value Knoxville - TN USA

Inventory SF	165K	Market Asking Rent/SF	\$21.70	↑
Under Constr SF	0	Market Asking Rent Growth	1.6%	↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$96	↓
Vacancy Rate	0%	12 Mo Sales Vol	\$375K	↓

Source: CoStar Group

46,765

Inventory Units

1,010

12 Mo Net Absorption Units

8.5%

Vacancy Rate

\$1,480

Market Rent/Unit

ROBUST CONSTRUCTION COMPLETION

Two straight quarters of robust construction completions have spiked Knoxville's multifamily vacancy rate to its highest level in more than a decade. Almost 2,000 units were delivered during 25Q2 and 25Q3, combined. While the demand during that time has remained high, it wasn't enough to match all those new units. Thus, overall vacancy jumped from 7.2% at the start of the year to the current rate of 8.5%.

Recent deliveries, along with the 1,800 units currently under construction, mean supply-side pressures will likely remain through the end of 2025 and into 2026. That has already removed some pricing power, as asking rents have steadily declined over the last several years. Annual rent growth was about -0.7% 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 five years.

Developers are often driven by the presence of a younger renter cohort, particularly in places like Downtown Knoxville. The area is home to the University of Tennessee, which enrolls 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.

After robust demand for apartments was close to matching 2021's record highs, quarterly absorption cooled through most of 2024. However, the net demand has picked back up during 2025. Over the past 12 months, net absorption totaled 1,000 units, which aligns with the historical average for the market.

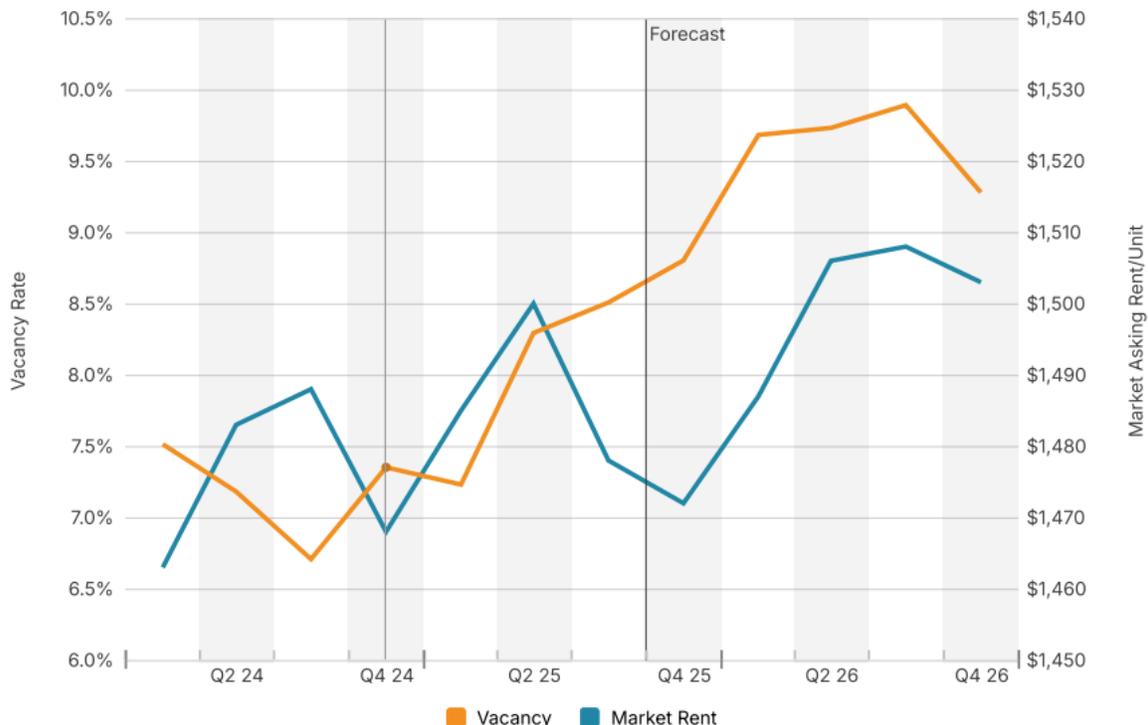
Despite a decrease in rent growth and elevated vacancy, sales volume over the previous 12 months came in higher than the annual average over the past 10 years. Though annual sales volume has decreased quarterly throughout much of the past year, the four-quarter trailing investment activity totaled \$421 million.

Looking ahead, after a record-setting wave of new apartment supply in Knoxville, construction activity has started to decrease, albeit slowly. Based on elevated construction costs, including borrowing capital, and an already saturated market, fewer projects have been breaking ground. In turn, construction starts are at the lowest levels since late 2021.

The slowing of new development should decrease vacancy while increasing rent growth. However, another 660 units are expected to be completed during 25Q4, which is forecast to keep the overall vacancy level elevated through most of 2026.

Source: CoStar Group

Vacancy Rates & Rental Rates Per Unit



Source: CoStar Group

Sevierville

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Knoxville

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www.koellamoore.com

Submarket Overview

Outlying Anderson County \$103M Asset Value Knoxville - TN USA				Downtown Knoxville \$642M Asset Value Knoxville - TN USA			
Inventory Units	817 ↓	Market Asking Rent/Unit	\$957 ↑	Inventory Units	3,206 ↑	Market Asking Rent/Unit	\$1,754 ↓
Under Constr Units	0 ↓	Annual Rent Growth	5.1% ↑	Under Constr Units	0 ↓	Annual Rent Growth	-5.6% ↓
12 Mo Absorp Units	(4)	Market Sale Price/Unit	\$126K ↑	12 Mo Absorp Units	107	Market Sale Price/Unit	\$200K ↑
Vacancy Rate	0.7% ↑	12 Mo Sales Vol	\$0 ↓	Vacancy Rate	13.3% ↑	12 Mo Sales Vol	\$5.4M ↓
Eastern Knox County \$13.3M Asset Value Knoxville - TN USA				Loudon County \$221M Asset Value Knoxville - TN USA			
Inventory Units	116 ↓	Market Asking Rent/Unit	\$1,642 ↑	Inventory Units	1,318 ↑	Market Asking Rent/Unit	\$1,604 ↑
Under Constr Units	0 ↓	Annual Rent Growth	3.3% ↑	Under Constr Units	0 ↓	Annual Rent Growth	0.5% ↑
12 Mo Absorp Units	(2)	Market Sale Price/Unit	\$114K ↑	12 Mo Absorp Units	103	Market Sale Price/Unit	\$168K ↑
Vacancy Rate	4.9% ↑	12 Mo Sales Vol	\$0 ↓	Vacancy Rate	30.3% ↑	12 Mo Sales Vol	\$12.8M
Maryville/Alcoa \$800M Asset Value Knoxville - TN USA				North Knoxville \$1.5B Asset Value Knoxville - TN USA			
Inventory Units	4,435 ↓	Market Asking Rent/Unit	\$1,362 ↑	Inventory Units	9,806 ↑	Market Asking Rent/Unit	\$1,325 ↓
Under Constr Units	0 ↓	Annual Rent Growth	1.2% ↑	Under Constr Units	569 ↓	Annual Rent Growth	-1.0% ↓
12 Mo Absorp Units	172	Market Sale Price/Unit	\$180K ↑	12 Mo Absorp Units	66	Market Sale Price/Unit	\$140K ↑
Vacancy Rate	4.7% ↓	12 Mo Sales Vol	\$71.2M ↑	Vacancy Rate	11.3% ↑	12 Mo Sales Vol	\$232M ↑
Oak Ridge \$422M Asset Value Knoxville - TN USA				South Knoxville \$239M Asset Value Knoxville - TN USA			
Inventory Units	2,536 ↓	Market Asking Rent/Unit	\$1,418 ↑	Inventory Units	2,100 ↓	Market Asking Rent/Unit	\$1,185 ↑
Under Constr Units	42 ↓	Annual Rent Growth	12.4% ↑	Under Constr Units	0 ↓	Annual Rent Growth	1.3% ↑
12 Mo Absorp Units	12	Market Sale Price/Unit	\$164K ↑	12 Mo Absorp Units	(7)	Market Sale Price/Unit	\$114K ↑
Vacancy Rate	6.7% ↓	12 Mo Sales Vol	\$0 ↓	Vacancy Rate	4.8% ↑	12 Mo Sales Vol	\$0 ↓
West Knoxville \$2.5B Asset Value Knoxville - TN USA				Western Knox County \$1.9B Asset Value Knoxville - TN USA			
Inventory Units	14,728 ↑	Market Asking Rent/Unit	\$1,453 ↓	Inventory Units	6,631 ↑	Market Asking Rent/Unit	\$1,878 ↑
Under Constr Units	665 ↑	Annual Rent Growth	-2.3% ↓	Under Constr Units	776 ↓	Annual Rent Growth	0.1% ↑
12 Mo Absorp Units	(123)	Market Sale Price/Unit	\$165K ↑	12 Mo Absorp Units	689	Market Sale Price/Unit	\$252K ↑
Vacancy Rate	6.2% ↑	12 Mo Sales Vol	\$93.3M ↓	Vacancy Rate	8.7% ↓	12 Mo Sales Vol	\$0 ↓
Union County \$1.9M Asset Value Knoxville - TN USA							
Inventory Units	42 ↓	Market Asking Rent/Unit	\$489 ↑				
Under Constr Units	0 ↓	Annual Rent Growth	1.2% ↑				
12 Mo Absorp Units	0	Market Sale Price/Unit	\$44.9K ↑				
Vacancy Rate	4.4% ↑	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

4.75 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

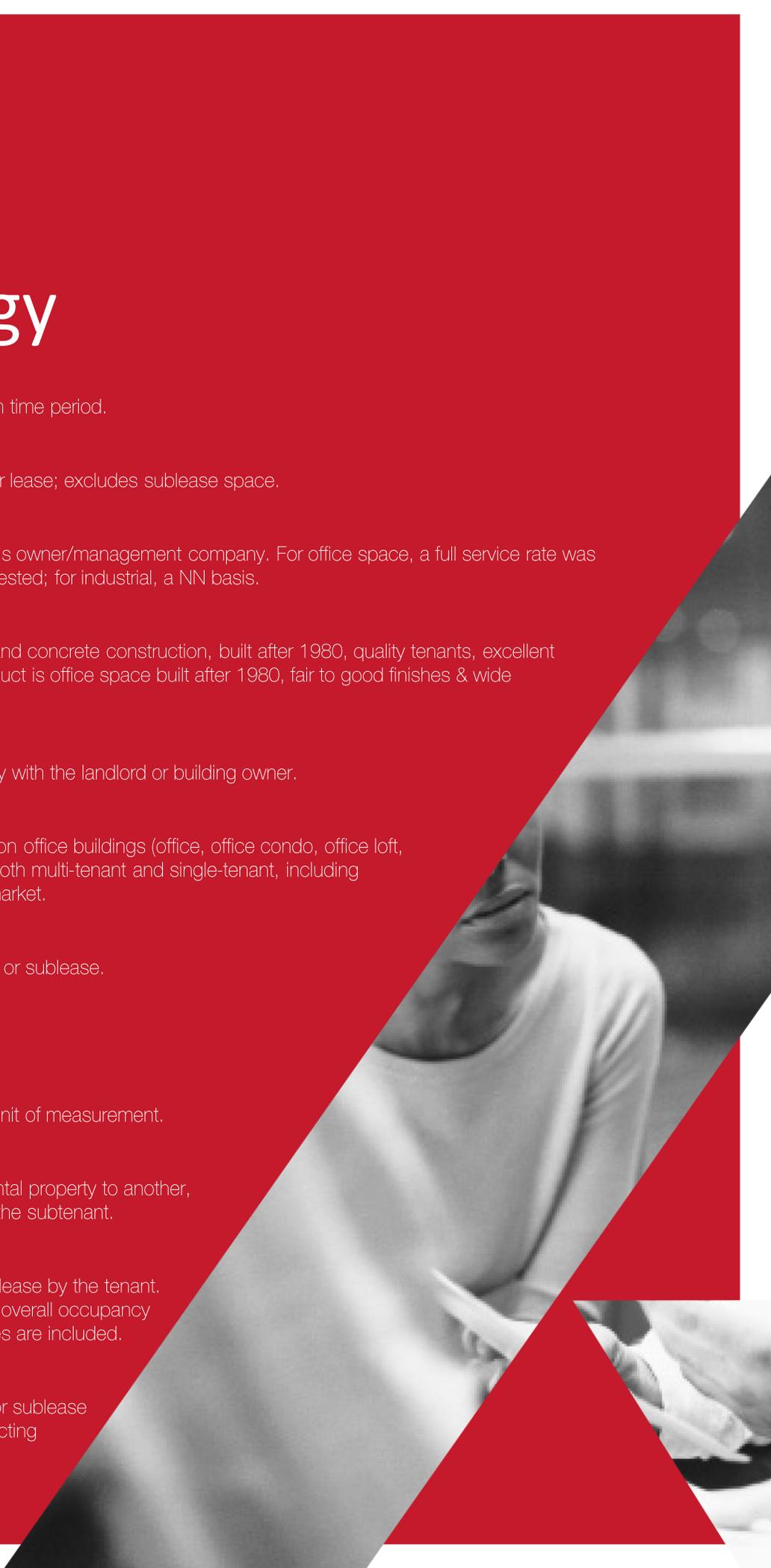
Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.

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.



Q3'25

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!

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