

NAI Koella
RM Moore

Q4 2025

Knoxville Market Report

92.9 M
Inventory SF

(460) K
12 Mo Net Absorption SF

2.0%
Vacancy Rate

\$8.95
Market Rent/SF

TIGHTEST MARKET IN NATION

Knoxville's industrial market remains one of the tightest in the nation. At 2.0%, the metro's vacancy rate is significantly lower than the national average of approximately 7.6%, and it is also lower than Knoxville's impressive long-term average rate of 2.1%. Anchoring the metro's historically strong performance has been steady demand.

However, the first half of 2025 resulted in negative absorption, particularly in 25Q2, which had the lowest quarterly absorption in over 10 years. These two quarters pushed the annual total into negative territory, reaching -490,000 SF over the past year. However, 25Q3 rebounded with some positive demand, with most leasing activity coming from logistics properties.

Knoxville has a robust industrial base, with manufacturing sectors engaged in the production of automotive parts, metals, and machinery. Major companies, such as 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 intersection of I-75, I-40, and I-81 have attracted numerous national companies to Knoxville, including 3M and Newell.

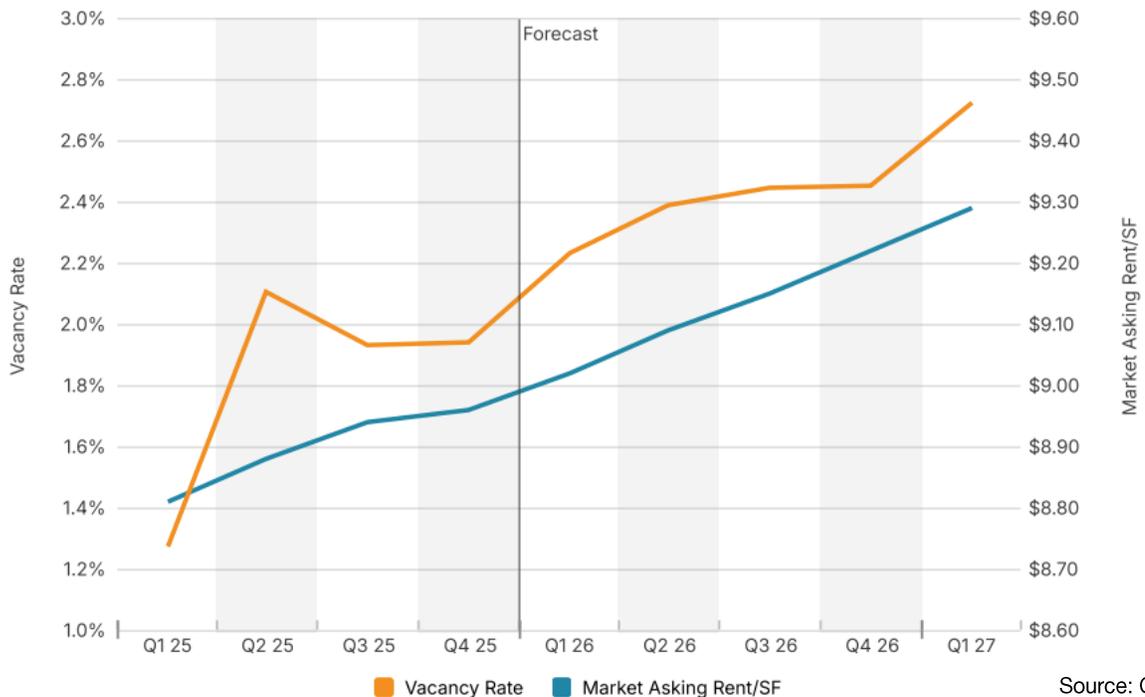
Despite the tight availability, leasing activity has remained steady, although it is lower than the robust demand that reached record highs in 2021, 2022, and the early part of 2023. Some of the larger leases executed over the past year include those with the United States Postal Service, which subleased 127,000 SF in Andersonville. The lease has two years remaining at \$7.00 per SF. Power Systems, a fitness equipment provider, is renewing its 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 limited industrial availability in Knoxville, pricing power has declined primarily due to the small amount of available inventory. Over the past year, asking rents increased by 2.9%, which is less than the pre-2020 annual average growth rate of approximately 5% and down from the 10% increase just a few years ago.

Construction activity has been steadily declining since it peaked in early 2023 with over 2.2 million SF under construction. Currently, only 440,000 SF is under development, including a 280,000 SF distribution center which broke ground during 25Q2 in Mascot. It is estimated to be completed in 2027.

Source: CoStar Group

Vacancy Rates & Rental Rates Per SF



Source: CoStar Group

Submarket Overview

Anderson County | \$768M Asset Value

Knoxville - TN USA

Inventory SF	9.8M ↑	Market Asking Rent/SF	\$7.77 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.5% ↑
12 Mo Net Absorp SF	(56K)	Market Sale Price/SF	\$78 ↑
Vacancy Rate	3.3% ↑	12 Mo Sales Vol	\$1.8M ↓

Bearden/Papermill/W Town | \$524M Asset Value

Knoxville - TN USA

Inventory SF	5.6M ↓	Market Asking Rent/SF	\$9.87 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.7% ↑
12 Mo Net Absorp SF	(54.4K)	Market Sale Price/SF	\$93 ↑
Vacancy Rate	1.6% ↑	12 Mo Sales Vol	\$5.5M ↑

Blount County | \$1.3B Asset Value

Knoxville - TN USA

Inventory SF	15.6M ↑	Market Asking Rent/SF	\$9.23 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.0% ↑
12 Mo Net Absorp SF	168K	Market Sale Price/SF	\$82 ↑
Vacancy Rate	0.1% ↓	12 Mo Sales Vol	\$9.3M ↓

Campbell Station/Farragut | \$16.5M Asset Value

Knoxville - TN USA

Inventory SF	147K ↓	Market Asking Rent/SF	\$10.93 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.2% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$112 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$0 ↓

Cedar Bluff/Walker Spgs | \$42.9M Asset Value

Knoxville - TN USA

Inventory SF	421K ↓	Market Asking Rent/SF	\$10.97 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.6% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$102 ↑
Vacancy Rate	1.4% ↓	12 Mo Sales Vol	\$0 ↓

Downtown | \$157M Asset Value

Knoxville - TN USA

Inventory SF	2.4M ↓	Market Asking Rent/SF	\$6.98 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.8% ↑
12 Mo Net Absorp SF	(2.9K)	Market Sale Price/SF	\$65 ↑
Vacancy Rate	0.4% ↑	12 Mo Sales Vol	\$3.6M

East | \$281M Asset Value

Knoxville - TN USA

Inventory SF	2.7M ↓	Market Asking Rent/SF	\$8.09 ↑
Under Constr SF	281K	Market Asking Rent Growth	3.4% ↑
12 Mo Net Absorp SF	(440K)	Market Sale Price/SF	\$93 ↑
Vacancy Rate	16.3% ↑	12 Mo Sales Vol	\$29.5M ↑

Loudon County | \$534M Asset Value

Knoxville - TN USA

Inventory SF	7.5M ↑	Market Asking Rent/SF	\$8.42 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.0% ↑
12 Mo Net Absorp SF	(399K)	Market Sale Price/SF	\$71 ↑
Vacancy Rate	5.4% ↑	12 Mo Sales Vol	\$3.2M ↓

North/Broadway | \$1.6B Asset Value

Knoxville - TN USA

Inventory SF	19M ↑	Market Asking Rent/SF	\$9.28 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.7% ↑
12 Mo Net Absorp SF	85.4K	Market Sale Price/SF	\$82 ↑
Vacancy Rate	1.6% ↓	12 Mo Sales Vol	\$33.5M ↑

North/Emory Road | \$201M Asset Value

Knoxville - TN USA

Inventory SF	2.2M ↓	Market Asking Rent/SF	\$10.51 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	3.2% ↑
12 Mo Net Absorp SF	6K	Market Sale Price/SF	\$93 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$8.7M ↑

Pellissippi/Lovell | \$1.1B Asset Value

Knoxville - TN USA

Inventory SF	9.8M ↓	Market Asking Rent/SF	\$11.52 ↑
Under Constr SF	108K ↑	Market Asking Rent Growth	2.8% ↑
12 Mo Net Absorp SF	(40.2K)	Market Sale Price/SF	\$106 ↑
Vacancy Rate	0.5% ↑	12 Mo Sales Vol	\$17.2M ↓

South | \$783M Asset Value

Knoxville - TN USA

Inventory SF	9.6M ↓	Market Asking Rent/SF	\$8.09 ↑
Under Constr SF	54K	Market Asking Rent Growth	3.2% ↑
12 Mo Net Absorp SF	209K	Market Sale Price/SF	\$81 ↑
Vacancy Rate	0.2% ↓	12 Mo Sales Vol	\$200K ↓

Union County | \$31.5M Asset Value

Knoxville - TN USA

Inventory SF	490K ↓	Market Asking Rent/SF	\$10.31 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.7% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$64 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$0 ↓

Source: CoStar Group

39 M
Inventory SF

7.9 K
12 Mo Net Absorption SF

3.2%
Vacancy Rate

\$23.26
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. Over the past several years, the market has seen overall strong demand, with new leases signed by Allcor Staffing, ESS, and Cannon and Cannon Inc. The last couple of quarters also saw strong activity following the signing of new deals by Type One Energy Group and Aqua-Chem.

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 -27,000 SF over the past year.

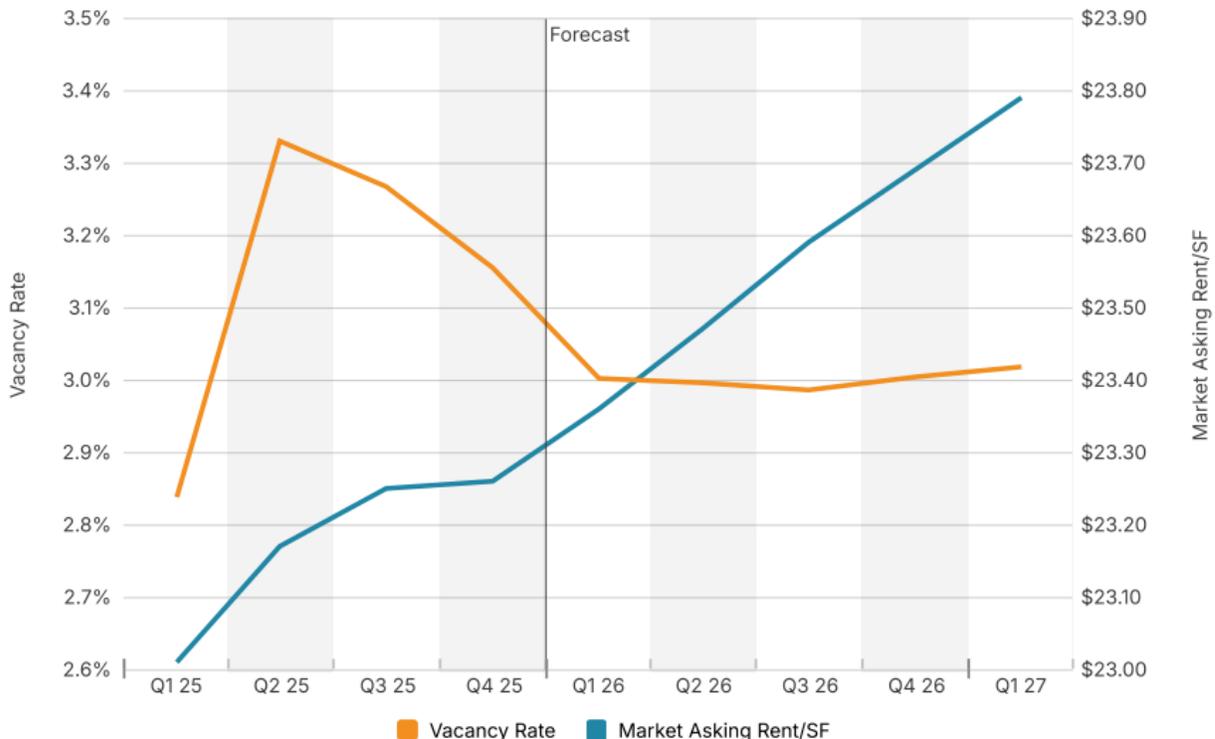
The new 84,000 SF University of Tennessee Research Park at Cherokee Farm finished construction earlier in 2025. The building includes a 40,000-square-foot high bay and laboratory space for UT faculty, students and industry collaborators to conceptualize, prototype and test sustainable composite materials 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, resulting in the removal of existing space. Several office buildings, including Dunford Hall, have been demolished 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.

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, 79,000 SF of newly constructed space was delivered, with all the available space leased. There is currently 9,200 SF of office construction within the market. Despite a tight vacancy rate of 3.2% and slowing construction activity, uncertainty surrounding future office-using needs has slowed rent growth. Asking rent growth has been declining, as that rate over the past year grew by 1.6%, below the metro's rate of about 4% from this time last year. However, they outpaced the national average by about 350 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 | \$343M Asset Value Knoxville - TN USA

Inventory SF	3.4M ↓	Market Asking Rent/SF	\$21.91 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	(82.1K)	Market Sale Price/SF	\$100 ↑
Vacancy Rate	3.7% ↑	12 Mo Sales Vol	\$8.4M ↑

Bearden/Papermill/W Town | \$860M Asset Value Knoxville - TN USA

Inventory SF	5.9M ↑	Market Asking Rent/SF	\$25.50 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	60.7K	Market Sale Price/SF	\$146 ↑
Vacancy Rate	3.8% ↑	12 Mo Sales Vol	\$17.5M ↓

Blount County | \$521M Asset Value Knoxville - TN USA

Inventory SF	3.9M ↓	Market Asking Rent/SF	\$22.52 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.5% ↑
12 Mo Net Absorp SF	(3.3K)	Market Sale Price/SF	\$133 ↑
Vacancy Rate	2.9% ↑	12 Mo Sales Vol	\$10.5M ↑

Campbell Station/Farragut | \$166M Asset Value Knoxville - TN USA

Inventory SF	1.1M ↓	Market Asking Rent/SF	\$26.86 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	37.5K	Market Sale Price/SF	\$157 ↑
Vacancy Rate	2.8% ↓	12 Mo Sales Vol	\$5.3M ↑

Cedar Bluff/Walker Spgs | \$379M Asset Value Knoxville - TN USA

Inventory SF	3M ↓	Market Asking Rent/SF	\$22.39 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.4% ↑
12 Mo Net Absorp SF	(49.5K)	Market Sale Price/SF	\$125 ↑
Vacancy Rate	6.9% ↑	12 Mo Sales Vol	\$12.3M ↓

Downtown | \$748M Asset Value Knoxville - TN USA

Inventory SF	5.3M ↓	Market Asking Rent/SF	\$22.74 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.8% ↑
12 Mo Net Absorp SF	(3.5K)	Market Sale Price/SF	\$142 ↑
Vacancy Rate	1.8% ↑	12 Mo Sales Vol	\$9.4M ↑

East | \$34.7M Asset Value Knoxville - TN USA

Inventory SF	290K ↓	Market Asking Rent/SF	\$18.95 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.5% ↑
12 Mo Net Absorp SF	(5.5K)	Market Sale Price/SF	\$120 ↑
Vacancy Rate	2.5% ↑	12 Mo Sales Vol	\$1.6M ↓

Loudon County | \$126M Asset Value Knoxville - TN USA

Inventory SF	971K ↓	Market Asking Rent/SF	\$24.25 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	(33.9K)	Market Sale Price/SF	\$130 ↑
Vacancy Rate	5.2% ↑	12 Mo Sales Vol	\$9.8M ↑

North/Broadway | \$585M Asset Value Knoxville - TN USA

Inventory SF	4.7M ↓	Market Asking Rent/SF	\$21.76 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.5% ↑
12 Mo Net Absorp SF	(36.8K)	Market Sale Price/SF	\$123 ↑
Vacancy Rate	2.3% ↑	12 Mo Sales Vol	\$10.4M ↓

North/Emory Road | \$103M Asset Value Knoxville - TN USA

Inventory SF	706K ↓	Market Asking Rent/SF	\$27.84 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.9% ↑
12 Mo Net Absorp SF	19.2K	Market Sale Price/SF	\$145 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$410K ↓

Pellissippi/Lovell | \$759M Asset Value Knoxville - TN USA

Inventory SF	5.6M ↓	Market Asking Rent/SF	\$24.18 ↑
Under Constr SF	9.3K	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	117K	Market Sale Price/SF	\$136 ↑
Vacancy Rate	3.7% ↓	12 Mo Sales Vol	\$14.2M ↓

South | \$225M Asset Value Knoxville - TN USA

Inventory SF	1.9M ↓	Market Asking Rent/SF	\$22.06 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.7% ↑
12 Mo Net Absorp SF	1.7K	Market Sale Price/SF	\$121 ↑
Vacancy Rate	0.4% ↓	12 Mo Sales Vol	\$2.7M

Union County | \$16.1M Asset Value Knoxville - TN USA

Inventory SF	165K ↓	Market Asking Rent/SF	\$21.81 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$98 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$0 ↓

Source: CoStar Group

61.3 M
Inventory SF

6.1 K
12 Mo Net Absorption SF

2.6%
Vacancy Rate

\$19.63
Market Rent/SF

LOW VACANCY RATES

The Knoxville retail market has a vacancy rate of 2.6% as of the first quarter of 2026. Over the past year, the market's vacancy rate has changed by 0.3%, a result of 180,000 SF of net delivered space and -9,200 SF of net absorption.

Knoxville's vacancy rate of 2.6% compares to the market's five-year average of 2.6% and the 10-year average of 3.0%.

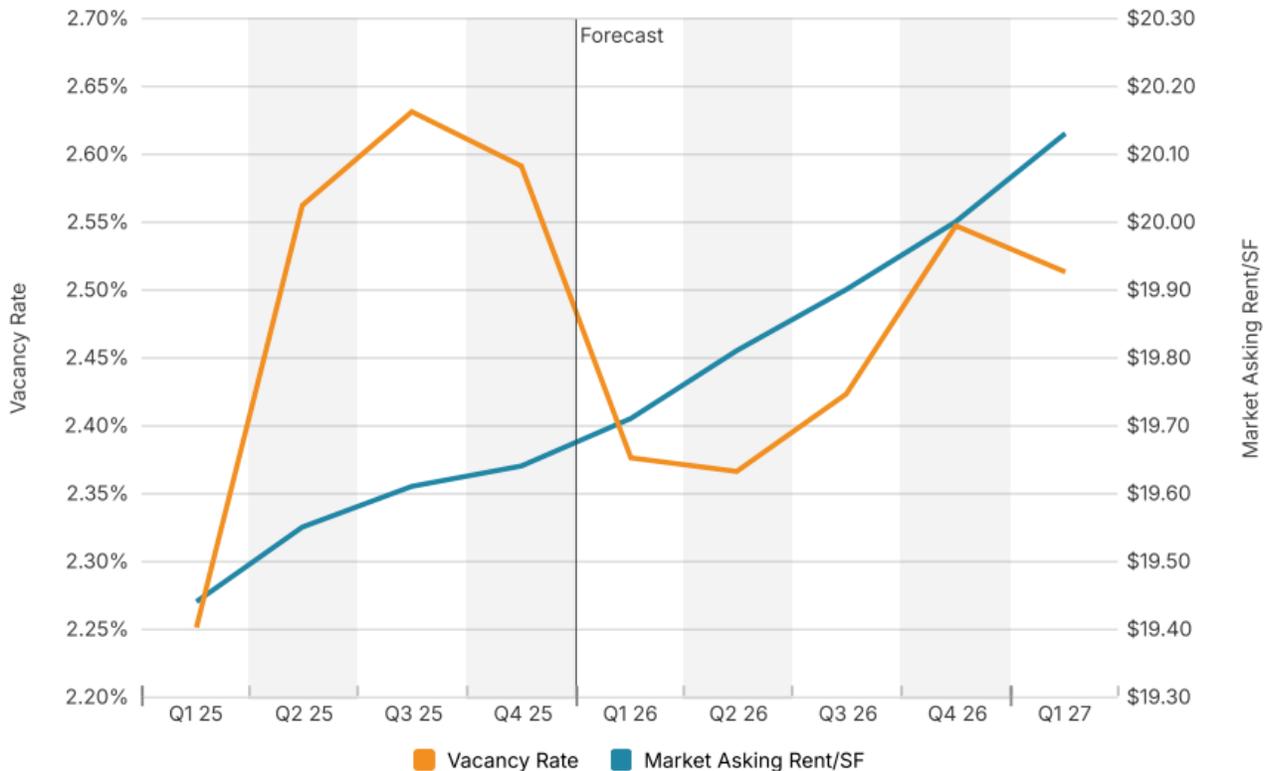
Among the retail subtypes, neighborhood center vacancy stands at 5.7%, power center vacancy is 3.8%, strip center vacancy is 2.3%, mall vacancy is 3.3%, and general retail vacancy is 1.0%. The Knoxville retail market has roughly 1.7 million SF of space listed as available, for an availability rate of 2.8%.

As of the first quarter of 2026, there is 210,000 SF of retail space under construction in Knoxville. In comparison, the market has averaged 250,000 SF of under construction inventory over the past 10 years. The Knoxville retail market contains roughly 61.3 million SF of inventory. The market has approximately 16.7 million SF of neighborhood center inventory, 3.5 million SF of power center inventory, 2.6 million SF of strip center inventory, 2.6 million SF of mall inventory, and 35.9 million SF of general retail.

Market rents in Knoxville are \$19.60/SF. Rents have changed by 1.8% year over year in Knoxville, compared to a change of 1.9% nationally. Market rents have changed by 2.8% in neighborhood center properties year over year, 1.6% in power center properties, 2.2% in strip center properties, -1.6% in mall properties, and 1.7% 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 | \$1.1B Asset Value

Knoxville - TN USA

Inventory SF	6.1M ↓	Market Asking Rent/SF	\$18.57 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.5% ↑
12 Mo Net Absorp SF	(52.2K)	Market Sale Price/SF	\$180 ↑
Vacancy Rate	1.9% ↑	12 Mo Sales Vol	\$9.1M ↓

Bearden/Papermill/W Town | \$1.2B Asset Value

Knoxville - TN USA

Inventory SF	6.5M ↑	Market Asking Rent/SF	\$25.92 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	0.2% ↑
12 Mo Net Absorp SF	(41.9K)	Market Sale Price/SF	\$186 ↑
Vacancy Rate	3.4% ↑	12 Mo Sales Vol	\$22.4M ↑

Blount County | \$1.3B Asset Value

Knoxville - TN USA

Inventory SF	7.8M ↑	Market Asking Rent/SF	\$18.63 ↑
Under Constr SF	125K ↓	Market Asking Rent Growth	2.5% ↑
12 Mo Net Absorp SF	93.5K	Market Sale Price/SF	\$162 ↑
Vacancy Rate	2.3% ↑	12 Mo Sales Vol	\$27.5M ↓

Campbell Station/Farragut | \$845M Asset Value

Knoxville - TN USA

Inventory SF	4M ↓	Market Asking Rent/SF	\$26.90 ↑
Under Constr SF	48K ↑	Market Asking Rent Growth	1.3% ↑
12 Mo Net Absorp SF	(3.4K)	Market Sale Price/SF	\$209 ↑
Vacancy Rate	2.5% ↑	12 Mo Sales Vol	\$13.6M ↓

Cedar Bluff/Walker Spgs | \$453M Asset Value

Knoxville - TN USA

Inventory SF	2.5M ↓	Market Asking Rent/SF	\$21.68 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.2% ↑
12 Mo Net Absorp SF	21.1K	Market Sale Price/SF	\$180 ↑
Vacancy Rate	0.2% ↓	12 Mo Sales Vol	\$4.7M ↑

Downtown | \$419M Asset Value

Knoxville - TN USA

Inventory SF	1.7M ↓	Market Asking Rent/SF	\$24.14 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.0% ↑
12 Mo Net Absorp SF	32.8K	Market Sale Price/SF	\$244 ↓
Vacancy Rate	8.3% ↓	12 Mo Sales Vol	\$33.1M ↑

East | \$247M Asset Value

Knoxville - TN USA

Inventory SF	1.7M ↓	Market Asking Rent/SF	\$14.47 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.4% ↑
12 Mo Net Absorp SF	(6.9K)	Market Sale Price/SF	\$150 ↑
Vacancy Rate	1.6% ↑	12 Mo Sales Vol	\$7.7M ↑

Loudon County | \$488M Asset Value

Knoxville - TN USA

Inventory SF	2.7M ↓	Market Asking Rent/SF	\$18.73 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.2% ↑
12 Mo Net Absorp SF	(3.6K)	Market Sale Price/SF	\$180 ↑
Vacancy Rate	2.4% ↑	12 Mo Sales Vol	\$13.5M ↑

North/Broadway | \$1.9B Asset Value

Knoxville - TN USA

Inventory SF	10.8M ↑	Market Asking Rent/SF	\$19.06 ↑
Under Constr SF	4K ↓	Market Asking Rent Growth	2.3% ↑
12 Mo Net Absorp SF	(9.4K)	Market Sale Price/SF	\$173 ↑
Vacancy Rate	3.2% ↑	12 Mo Sales Vol	\$36.4M ↓

North/Emory Road | \$330M Asset Value

Knoxville - TN USA

Inventory SF	1.5M ↓	Market Asking Rent/SF	\$21.42 ↑
Under Constr SF	5.2K	Market Asking Rent Growth	2.4% ↑
12 Mo Net Absorp SF	2.2K	Market Sale Price/SF	\$212 ↑
Vacancy Rate	0.8% ↓	12 Mo Sales Vol	\$7.1M ↑

Pellissippi/Lovell | \$1B Asset Value

Knoxville - TN USA

Inventory SF	5.1M ↓	Market Asking Rent/SF	\$23.28 ↑
Under Constr SF	13.8K	Market Asking Rent Growth	1.7% ↑
12 Mo Net Absorp SF	(4.2K)	Market Sale Price/SF	\$201 ↑
Vacancy Rate	0.8% ↑	12 Mo Sales Vol	\$10.4M ↓

South | \$591M Asset Value

Knoxville - TN USA

Inventory SF	4.4M ↓	Market Asking Rent/SF	\$14.26 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	2.7% ↑
12 Mo Net Absorp SF	(40.2K)	Market Sale Price/SF	\$134 ↑
Vacancy Rate	5.1% ↑	12 Mo Sales Vol	\$9.9M ↑

Union County | \$94.6M Asset Value

Knoxville - TN USA

Inventory SF	545K ↓	Market Asking Rent/SF	\$16.43 ↑
Under Constr SF	9.1K	Market Asking Rent Growth	1.6% ↑
12 Mo Net Absorp SF	0	Market Sale Price/SF	\$171 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$2.5M ↓

Source: CoStar Group

Knoxville

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www.koellamoore.com

Sevierville

+1 865 453 8111

47,270
Inventory Units

1,133
12 Mo Net Absorption Units

8.9%
Vacancy Rate

\$1,471
Market Rent/Unit

ROBUST CONSTRUCTION COMPLETION

Several recent quarters of robust construction completions have driven Knoxville's multifamily vacancy rate to its highest level in over a decade. About 1,900 units were delivered over the past year, outpacing the market's strong demand. Thus, overall vacancy jumped from 6.7% a year ago, to the current rate of 8.8%.

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 by nearly 13,000 individuals on average over the past three years, a growth rate that has almost doubled pre-pandemic norms.

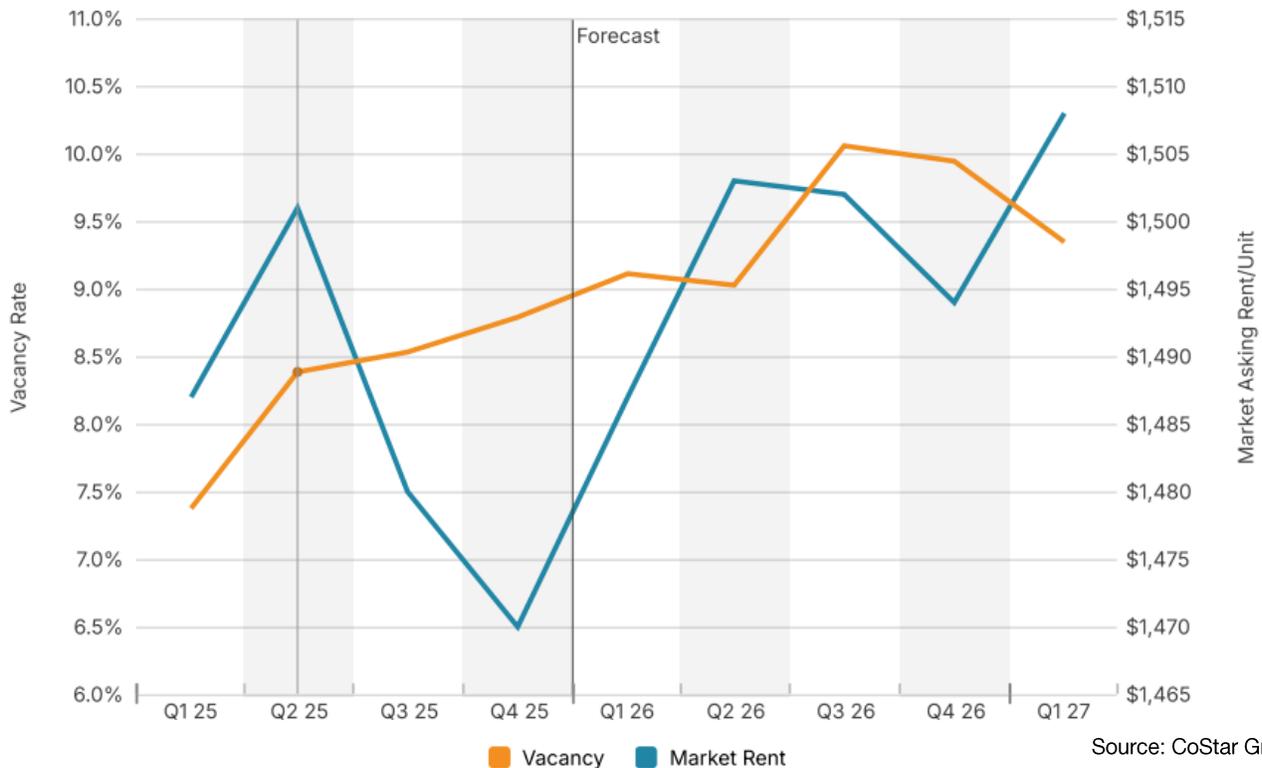
After robust demand for apartments was close to matching 2021's record highs, quarterly absorption cooled through most of 2024. However, the net demand has picked back up during 2025. Over the past 12 months, net absorption totaled 1,226 units, which aligns with the historical average for the market.

Recent deliveries, along with the 1,800 units currently under construction, indicate that supply-side pressures will likely persist through 2026. That has already removed some pricing power, as asking rents have steadily declined over the last several years. Annual rent growth changed by about 0.2% over the past year. This is down from the peak of 13.2% in mid-2022 and is about 500 basis points below the market's average over the past five years. Despite a decrease in rent growth and elevated vacancy rates, sales volume over the previous 12 months came in higher than the annual average over the past decade. Annual sales volume has increased quarterly throughout much of the past year with the four-quarter trailing investment activity totaled \$558 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.

Source: CoStar Group

Vacancy Rates & Rental Rates Per Unit



Source: CoStar Group

Submarket Overview

Outlying Anderson County | \$115M Asset Value Knoxville - TN USA

Inventory Units	857	Market Asking Rent/Unit	\$977
Under Constr Units	0	Annual Rent Growth	5.8%
12 Mo Absorp Units	(6)	Market Sale Price/Unit	\$134K
Vacancy Rate	0.9%	12 Mo Sales Vol	\$0

Downtown Knoxville | \$749M Asset Value Knoxville - TN USA

Inventory Units	3,207	Market Asking Rent/Unit	\$1,729
Under Constr Units	0	Annual Rent Growth	-5.5%
12 Mo Absorp Units	121	Market Sale Price/Unit	\$234K
Vacancy Rate	12.1%	12 Mo Sales Vol	\$45.4M

Eastern Knox County | \$16.7M Asset Value Knoxville - TN USA

Inventory Units	139	Market Asking Rent/Unit	\$1,639
Under Constr Units	0	Annual Rent Growth	1.2%
12 Mo Absorp Units	(4)	Market Sale Price/Unit	\$120K
Vacancy Rate	5.1%	12 Mo Sales Vol	\$0

Loudon County | \$257M Asset Value Knoxville - TN USA

Inventory Units	1,318	Market Asking Rent/Unit	\$1,597
Under Constr Units	0	Annual Rent Growth	-0.4%
12 Mo Absorp Units	171	Market Sale Price/Unit	\$195K
Vacancy Rate	25.7%	12 Mo Sales Vol	\$5.5M

Maryville/Alcoa | \$766M Asset Value Knoxville - TN USA

Inventory Units	4,496	Market Asking Rent/Unit	\$1,356
Under Constr Units	0	Annual Rent Growth	0.6%
12 Mo Absorp Units	158	Market Sale Price/Unit	\$170K
Vacancy Rate	4.3%	12 Mo Sales Vol	\$90.1M

North Knoxville | \$1.6B Asset Value Knoxville - TN USA

Inventory Units	9,812	Market Asking Rent/Unit	\$1,318
Under Constr Units	697	Annual Rent Growth	-1.9%
12 Mo Absorp Units	17	Market Sale Price/Unit	\$151K
Vacancy Rate	11.3%	12 Mo Sales Vol	\$200M

Oak Ridge | \$477M Asset Value Knoxville - TN USA

Inventory Units	2,578	Market Asking Rent/Unit	\$1,424
Under Constr Units	0	Annual Rent Growth	10.7%
12 Mo Absorp Units	(2)	Market Sale Price/Unit	\$185K
Vacancy Rate	9.8%	12 Mo Sales Vol	\$14M

South Knoxville | \$265M Asset Value Knoxville - TN USA

Inventory Units	2,100	Market Asking Rent/Unit	\$1,166
Under Constr Units	0	Annual Rent Growth	0.6%
12 Mo Absorp Units	5	Market Sale Price/Unit	\$126K
Vacancy Rate	4.4%	12 Mo Sales Vol	\$0

West Knoxville | \$2.6B Asset Value Knoxville - TN USA

Inventory Units	14,999	Market Asking Rent/Unit	\$1,457
Under Constr Units	347	Annual Rent Growth	0.5%
12 Mo Absorp Units	(80)	Market Sale Price/Unit	\$170K
Vacancy Rate	8.2%	12 Mo Sales Vol	\$142M

Western Knox County | \$2B Asset Value Knoxville - TN USA

Inventory Units	6,692	Market Asking Rent/Unit	\$1,848
Under Constr Units	776	Annual Rent Growth	0.2%
12 Mo Absorp Units	747	Market Sale Price/Unit	\$262K
Vacancy Rate	7.5%	12 Mo Sales Vol	\$58.5M

Union County | \$1.9M Asset Value Knoxville - TN USA

Inventory Units	42	Market Asking Rent/Unit	\$491
Under Constr Units	0	Annual Rent Growth	1.1%
12 Mo Absorp Units	0	Market Sale Price/Unit	\$44.9K
Vacancy Rate	4.5%	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

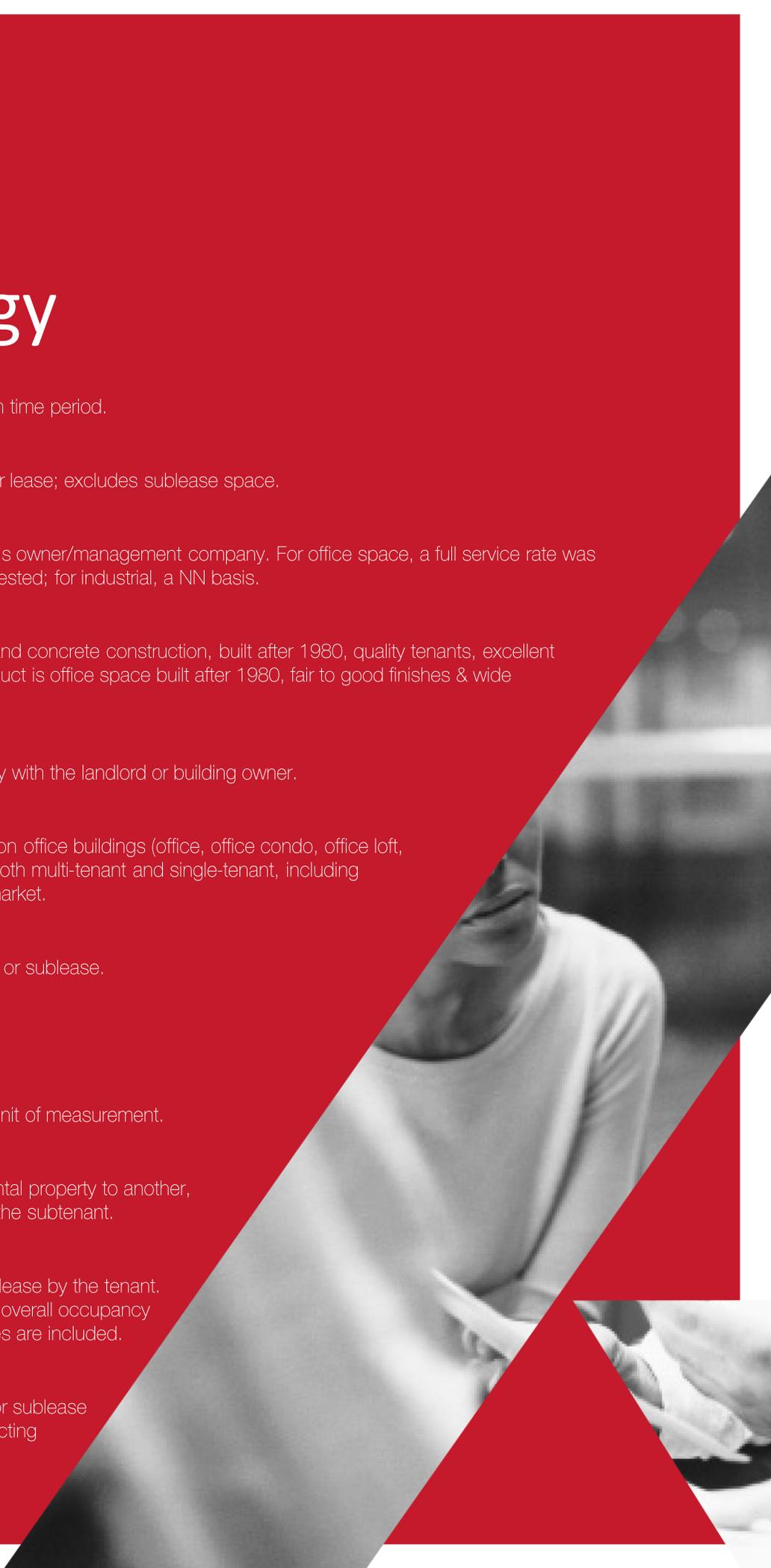
Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.

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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