NAI Koella RM Moore



THIRD QUARTER 2026

Knoxville Market Report

Industrial, office, retail and multifamily. What the numbers say this quarter, and what they mean for you.

2.3%	2.8%	2.0%	8.6%
INDUSTRIAL VACANCY	OFFICE VACANCY	RETAIL VACANCY	MULTIFAMILY VACANCY

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Q3 2026 AT A GLANCE

Scarce Space, Steady Demand

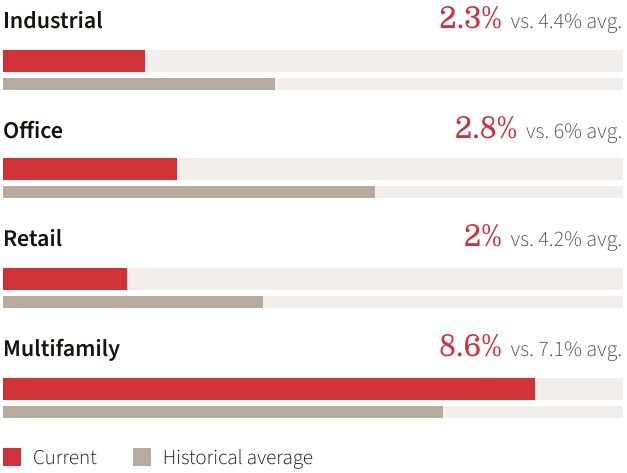
Every quarter we read the numbers for what they mean to the people who own, lease and invest in East Tennessee property. This quarter, three of the four sectors tell the same story: there is very little space to be had. Retail vacancy has fallen to 2.0% and office to 2.8%, both the lowest on record for Knoxville.

Industrial is still one of the tightest markets in the country at 2.3%, though it has loosened from its 2024 low as more buildings come to market. Multifamily is the exception. Vacancy is elevated at 8.6%, but it peaked in the first quarter and renters are absorbing new units at one of the fastest rates the market has seen.

Q3 2026	Industrial	Office	Retail	Multifamily
Inventory	95.2M SF	39.0M SF	61.3M SF	49,514 units
Vacancy Rate	**2.3%**	**2.8%**	**2.0%**	**8.6%**
Historical Average Vacancy	4.4%	6.0%	4.2%	7.1%
Market Asking Rent	$9.40/SF	$24.63/SF	$19.95/SF	$1,528/unit
Rent Growth, Year over Year	2.9%	2.5%	1.4%	1.3%
12 Mo Net Absorption	(178K) SF	123K SF	459K SF	2,109 units
Under Construction	1.05M SF	20.8K SF	480K SF	3,187 units
12 Mo Sales Volume	$177.6M	$209.1M	$279.7M	$190.2M
Market Cap Rate	8.1%	9.8%	7.9%	6.2%

VACANCY TODAY VS. HISTORICAL AVERAGE

Knoxville market, Q3 2026



THREE THINGS WE'RE WATCHING

1 **Office tenants are running out of options**

Only 20,770 SF of office is under construction, against a 10-year average of 110,000 SF. Space that exists today is the supply for the next two years.

2 **New industrial supply is limited and concentrated**

New 1.05 million SF under construction is only ~1% of existing inventory, and half of it is committed to two projects: Greenheck's manufacturing campus and Keurig Dr Pepper's build-to-suit.

3 **Multifamily has turned the corner**

Vacancy peaked at 9.9% in Q1 2026. With construction starts slowing, CoStar projects 7.1% within 12 months.

195.5M SF	1.55M SF	$856.6M	49,514
COMMERCIAL INVENTORY	COMMERCIAL UNDER CONSTRUCTION	SALES, PAST 12 MONTHS	APARTMENT UNITS

Source: CoStar. Commercial totals combine industrial, office and retail. Historical average vacancy is CoStar's long-run market average.



INDUSTRIAL MARKET REPORT · KNOXVILLE · Q3 2026

Still One of the Tightest Markets in the Country

Demand paused this year. Construction didn't.

95.2M	2.3%	$9.40	(178K)
INVENTORY SF	VACANCY RATE	MARKET RENT/SF	12 MO NET ABSORPTION SF
1.05M SF under construction	vs. ~7.2% U.S. · +0.4 pts YoY	+2.9% year over year	209K SF delivered

WHAT WE'RE SEEING

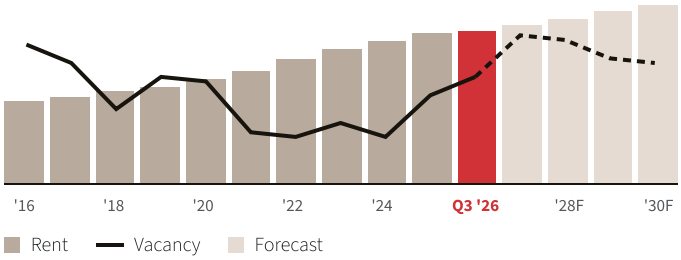
Knoxville industrial vacancy stands at 2.3%, against a national rate of roughly 7.2%. That gap comes from a location at the meeting point of I-40, I-75 and I-81, within a day's drive of three-quarters of the U.S. population, and a manufacturing base that goes well beyond warehousing. DENSO, Alcoa, 3M and Newell Brands all operate here.

The market has softened from its 1.0% low in 2024. Net absorption over the past 12 months totaled negative 178,000 SF, and the second quarter turned negative again after a brief recovery. The year's largest lease was Sysco's 318,767 SF commitment at 900 Tennessee Ave., part of a $42 million sale-leaseback with Blue Owl Capital.

Construction has climbed to just over 1.0 million SF, half of it preleased. The East submarket holds 807,000 SF of that, including a 280,800 SF speculative building in Eastbridge Business Park due in early 2027 and the first 190,000 SF phase of Greenheck Group's manufacturing campus. Rents rose 2.9% to $9.40/SF, slower than the 6.5% pre-2020 pace.

VACANCY & ASKING RENT/SF

$9.40 · 2.3%



Asking rent has nearly doubled since 2016, from $5.01 to $9.40/SF. Vacancy has stayed at or below 3.0% the entire time, and CoStar projects a peak near 3.2% in 2027 as new buildings deliver.

BY PROPERTY TYPE

	INVENTORY	VACANCY	RENT
Logistics	52.1M SF	2.7%	$8.49
Specialized	29.0M SF	2.0%	$9.19
Flex	14.2M SF	1.5%	$13.24

12 MO SALES VOLUME	UNDER CONSTRUCTION
$177.6M	1.05M SF
86 properties traded	50.2% preleased
MARKET SALE PRICE	**MARKET CAP RATE**
$87/SF	8.1%
U.S. average $159/SF	U.S. average 7.5%

OUR TAKE

Tenants have a bit more room to negotiate than earlier in the post-pandemic cycle, though that room remains modest. For owners, quality products still leases quickly: flex vacancy is 1.5% and specialized industrial is 2.0%.

Source: CoStar. U.S. figures are national averages as reported by CoStar. Forecast years marked F.

Where the Space Is, and Isn't

Five of the six largest submarkets are below 1.5% vacancy. The exceptions point to new construction in the East submarket and older, larger vacancies in Loudon and Campbell counties. Anderson County led the market with 525,000 SF of net absorption.

SUBMARKET	INVENTORY SF	VACANCY	ASKING RENT	RENT GROWTH	12 MO NET ABSORPTION	UNDER CONSTR.	PRICE/SF
North/Broadway	19.6M	1.3%	$9.55	2.6%	61.7K	0	$85
Blount County	15.6M	0.2%	$9.55	2.5%	19.5K	73.9K	$87
Pellissippi/Lovell	10.0M	1.1%	$12.08	2.7%	40.6K	60.0K	$108
South	9.9M	1.2%	$8.54	4.2%	(22.9K)	108K	$87
Anderson County	9.8M	0.3%	$8.19	2.8%	525K	0	$83
Loudon County	8.2M	4.8%	$8.87	3.2%	(267K)	0	$76
Bearden/Papermill/W Town	5.6M	4.3%	$10.19	2.4%	(166K)	0	$96
Roane County	5.4M	4.3%	$8.26	5.2%	(35.6K)	0	$87
East	2.8M	15.7%	$8.64	3.7%	8.8K	807K	$96
Downtown	2.4M	0.1%	$7.15	2.5%	2.2K	0	$67
North/Emory Road	2.2M	0.6%	$10.91	2.7%	(12.8K)	0	$93
Campbell County	2.0M	14.7%	$8.09	3.2%	(267K)	0	$55
Knoxville Market	**95.2M**	**2.3%**	**$9.40**	**2.9%**	**(178K)**	**1.05M**	**$87**

Recent NAI Koella RM Moore Leasing

INDUSTRIAL · PAST 12 MONTHS

35,000 SF
10720 Lexington Dr.
Pellissippi/Lovell · Q3 '26

32,708 SF
HK Army, 490 Sam Rayburn Pkwy.
Roane County · Q3 '26

30,614 SF
5836 Casey Dr.
Bearden/Papermill · Q2 '26

23,412 SF
Magnum Venus Products, 100 Meco Ln.
Anderson County · Q2 '26

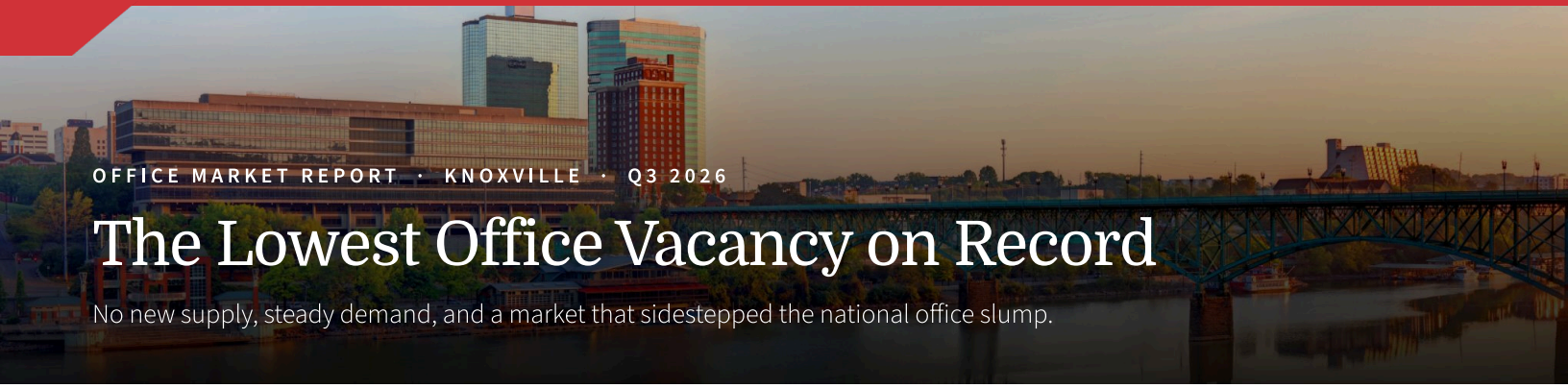
NOTABLE LEASES, PAST 12 MONTHS

Sysco Corporation	318,767 SF	
900 Tennessee Ave. · North/Broadway	Q2 '26	
Apollo Mechanical Contractors	114,080 SF	
115 Franklin Rd. · Anderson County	Q1 '26	
MVP	56,700 SF	
120 Flint Rd. · Anderson County · $6.95/SF	Q1 '26	

NOTABLE SALES, PAST 12 MONTHS

900 Tennessee Ave.	$42,000,000	
359,229 SF · Sale-leaseback to Blue Owl Capital	$117/SF	
812 Herron Rd.	$13,025,931	
30,940 SF	$421/SF	
700 Dalen Ln.	$10,250,000	
106,000 SF	$97/SF	
190 JD Yarnell Industrial Pkwy.	$10,200,000	
102,000 SF · 6.7% cap rate	$100/SF	

Source: CoStar. Twelve largest submarkets by inventory shown; market totals include all submarkets.



OFFICE MARKET REPORT · KNOXVILLE · Q3 2026

The Lowest Office Vacancy on Record

No new supply, steady demand, and a market that sidestepped the national office slump.

39.0M	2.8%	$24.63	123K
INVENTORY SF	VACANCY RATE	MARKET RENT/SF	12 MO NET ABSORPTION SF
20,770 SF under construction	Record low · −0.3 pts YoY	+2.5% year over year	24.9K SF delivered

WHAT WE'RE SEEING

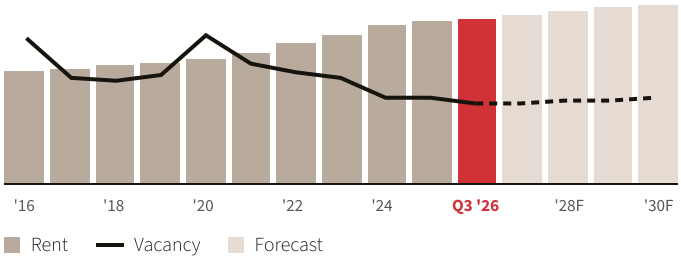
Office vacancy in Knoxville has fallen to 2.8%, the lowest on record and well under the market's five-year average of 3.4%. Tenants absorbed a net 123,000 SF over the past year while almost no new space was delivered. Nationally, office is still the most challenged property type. Here it's one of the tightest.

Demand comes from institutions that stay put: the University of Tennessee, Oak Ridge National Laboratory and the Oak Ridge corridor, major hospital systems, and a growing professional services base. Pellissippi/Lovell led with 190,000 SF of net absorption, including Acrisure's 59,748 SF at 2401 Cherahala Blvd. and Kiewit's 37,722 SF at 1431 Centerpoint Blvd.

Asking rents rose 2.5% to $24.63/SF, with 4 & 5 Star space up 3.5%. Investors noticed: $209 million in office property traded over the past year, above the five-year average of $186 million, led by the $44.2 million sale of Riverview Tower on S. Gay St.

VACANCY & ASKING RENT/SF

$24.63 · 2.8%



Asking rent is up from $16.85/SF in 2016 to $24.63/SF. Over the same stretch vacancy has fallen from 5.1% to 2.8%, and CoStar expects it to hold near 3% through 2030.

BY BUILDING CLASS

	INVENTORY	VACANCY	RENT
4 & 5 Star	2.7M SF	6.1%	$26.07
3 Star	18.2M SF	2.4%	$26.16
1 & 2 Star	18.1M SF	2.7%	$22.89

12 MO SALES VOLUME	UNDER CONSTRUCTION
$209.1M	20,770 SF
5-year average $186M	10-year average 110,000 SF
MARKET SALE PRICE	**MARKET CAP RATE**
$145/SF	9.8%
U.S. average $281/SF	U.S. average 8.7%

OUR TAKE

If your lease expires in the next two years, start the conversation early. With almost nothing being built, your best options are existing buildings, and there is less available space in them every quarter.

Source: CoStar. U.S. figures are national averages as reported by CoStar. Forecast years marked F.

Pellissippi/Lovell Carried the Market

Pellissippi/Lovell absorbed 190,000 SF over the past year, more than the Knoxville market as a whole, and now sits at 1.4% vacancy. Cedar Bluff/Walker Springs, at 7.6%, holds the most vacant space of any submarket and is where tenants will find the widest choice.

SUBMARKET	INVENTORY SF	VACANCY		ASKING RENT	RENT GROWTH	12 MO NET ABSORPTION	UNDER CONSTR.	PRICE/SF
Bearden/Papermill/W Town	6.0M		**2.5%**	$26.66	2.5%	61.3K	0	$161
Pellissippi/Lovell	5.6M		**1.4%**	$25.37	2.5%	190K	14.1K	$153
Downtown	5.2M		**2.3%**	$23.81	2.5%	(39.6K)	0	$153
North/Broadway	4.6M		**3.6%**	$22.70	2.3%	(89.5K)	0	$136
Blount County	4.0M		**2.4%**	$25.19	2.5%	(7.7K)	0	$148
Anderson County	3.5M		**3.9%**	$23.13	2.5%	(30.4K)	0	$112
Cedar Bluff/Walker Spgs	3.0M		**7.6%**	$23.06	2.6%	(37.7K)	0	$136
South	1.9M		**0.1%**	$23.76	2.3%	16.5K	0	$136
Roane County	1.6M		**0.3%**	$24.72	2.5%	41.9K	0	$143
Campbell Station/Farragut	1.1M		**3.8%**	$28.48	2.6%	20.9K	0	$176
Loudon County	1.0M		**4.6%**	$25.16	2.3%	(10.2K)	0	$145
North/Emory Road	633K		**0.6%**	$28.73	2.0%	(3.5K)	0	$163
Knoxville Market	**39.0M**		**2.8%**	**$24.63**	**2.5%**	**123K**	**20.8K**	**$145**

Recent NAI Koella RM Moore Leasing

OFFICE · PAST 12 MONTHS

8,490 SF
Falling Waters at the Pellissippi
Pellissippi/Lovell · Q1 '26

7,200 SF
APAC-Atlantic, 10401 Kingston Pike
Pellissippi/Lovell · Q4 '25

5,825 SF
8904 Cross Park Dr.
Cedar Bluff/Walker Spgs · Q3 '26

4,600 SF
Gigi's Playhouse, 255 N. Peters Rd.
Cedar Bluff/Walker Spgs · Q2 '26

NOTABLE LEASES, PAST 12 MONTHS

Acrisure, LLC	59,748 SF	Q4 '25
2401 Cherahala Blvd. · Pellissippi/Lovell		
Kiewit Corporation	37,722 SF	Q3 '26
1431 Centerpoint Blvd. · Pellissippi/Lovell		
University of Tennessee	25,888 SF	Q4 '25
2400 Sutherland Ave. · Bearden/Papermill		
MVP	20,604 SF	Q1 '26
Oak Ridge Tool Bldg. · Anderson County		

NOTABLE SALES, PAST 12 MONTHS

Riverview Tower	$44,170,000	$132/SF
900 S. Gay St. · 334,198 SF		
Cherokee Mills	$23,100,000	$112/SF
2200-2300 Sutherland Ave. · 206,000 SF		
Western Plaza Office	$21,651,938	$610/SF
4315 Kingston Pike · 35,470 SF		
Physician's Plaza	$9,500,000	$220/SF
1855 Tanner Way · 43,098 SF		

Source: CoStar. Twelve largest submarkets by inventory shown; market totals include all submarkets.



RETAIL MARKET REPORT · KNOXVILLE · Q3 2026

Retail Vacancy Reaches a Record Low

Tenants are filling space faster than it can be built.

61.3M	2.0%	$19.95	459K
INVENTORY SF	VACANCY RATE	MARKET RENT/SF	12 MO NET ABSORPTION SF
480K SF under construction	Record low · −0.6 pts YoY	+1.4% year over year	79.7K SF delivered

WHAT WE'RE SEEING

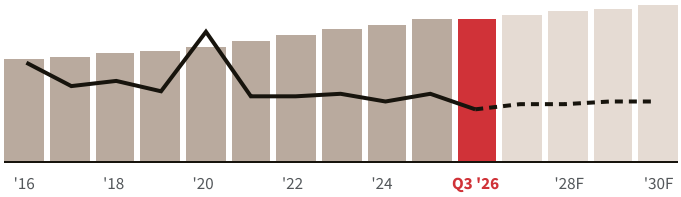
Retail vacancy fell to 2.0% this quarter, the lowest CoStar has recorded for Knoxville and down 0.6 points from a year ago. Tenants absorbed a net 459,000 SF over 12 months while only 79,700 SF was delivered. Power centers are effectively full at 0.5% vacancy, and general retail sits at 1.0%.

The largest leases show who is growing: fitness, entertainment and value. Crunch Fitness signed at Kingston Overlook (53,395 SF) and Foothills Mall (34,261 SF). Funcity Adventure Park took 67,800 SF at Windsor Square, and Bob's Discount Furniture and Pickleball Kingdom each took 40,000 SF at The Centre at Deane Hill.

Construction is running at 480,000 SF, nearly double the 10-year average, but 87% of it is already preleased. Most is in Blount County, where 387,000 SF is underway and 93% committed. Rent growth has cooled to 1.4%, and $280 million in retail property traded over the past year at an average of $174/SF.

VACANCY & ASKING RENT/SF

$19.95 · 2.0%



Asking rent is up from $14.28/SF in 2016 to $19.95/SF, while vacancy has fallen from 3.8% to 2.0%.

BY PROPERTY TYPE

	INVENTORY	VACANCY	RENT
General Retail	36.1M SF	1.0%	$19.34
Neighborhood Center	16.6M SF	4.3%	$18.57
Power Center	3.3M SF	0.5%	$24.40
Strip Center	2.6M SF	2.5%	$20.37
Malls	2.6M SF	2.5%	$31.18

12 MO SALES VOLUME	UNDER CONSTRUCTION
$279.7M	480K SF
197 properties traded	87.0% preleased

MARKET SALE PRICE	MARKET CAP RATE
$174/SF	7.9%
U.S. average $247/SF	U.S. average 7.4%

OUR TAKE

Well-located second-generation space is the scarcest thing in Knoxville retail. Owners with vacancy are negotiating from strength, and tenants should expect competition for good boxes.

Source: CoStar. U.S. figures are national averages as reported by CoStar. Forecast years marked F.

Downtown Led the Way

Downtown absorbed 135,000 SF over the past year, nearly 8% of its inventory, and Bearden/Papermill added another 93,500 SF at the market's second-highest rents. Only two of the twelve largest submarkets are above 4% vacancy.

SUBMARKET	INVENTORY SF	VACANCY	ASKING RENT	RENT GROWTH	12 MO NET ABSORPTION	UNDER CONSTR.	PRICE/SF
North/Broadway	10.9M	**3.0%**	$19.35	1.4%	48.6K	0	$170
Blount County	7.8M	**2.0%**	$19.31	1.1%	(26.2K)	387K	$165
Bearden/Papermill/W Town	6.4M	**1.6%**	$26.08	1.6%	93.5K	0	$185
Anderson County	6.1M	**1.1%**	$18.81	1.5%	63.4K	0	$174
Pellissippi/Lovell	5.0M	**1.5%**	$23.33	1.4%	13.7K	46.7K	$200
South	4.3M	**4.2%**	$14.89	1.8%	37.8K	0	$134
Campbell Station/Farragut	4.1M	**3.9%**	$27.37	1.4%	(42.9K)	46.5K	$205
Roane County	3.0M	**1.8%**	$12.47	0.8%	26.2K	0	$131
Loudon County	2.7M	**0.9%**	$19.12	1.2%	49.9K	0	$177
Cedar Bluff/Walker Spgs	2.5M	**0.0%**	$21.99	1.7%	3.1K	0	$181
Campbell County	2.4M	**0.4%**	$9.77	1.3%	47.1K	0	$148
Downtown	1.7M	**1.1%**	$24.40	1.6%	135K	0	$244
Knoxville Market	**61.3M**	**2.0%**	**$19.95**	**1.4%**	**459K**	**480K**	**$174**

NOTABLE LEASES, PAST 12 MONTHS

Inline Electric Supply Co.	80,000 SF	
3600 Papermill Dr. · Bearden/Papermill	Q3 '26	
Funcity Adventure Park	67,800 SF	
Windsor Square · Pellissippi/Lovell	Q3 '26	
Crunch Fitness	53,395 SF	
Kingston Overlook · Pellissippi/Lovell	Q3 '26	
Bob's Discount Furniture	40,000 SF	
The Centre at Deane Hill · Bearden/Papermill	Q4 '25	

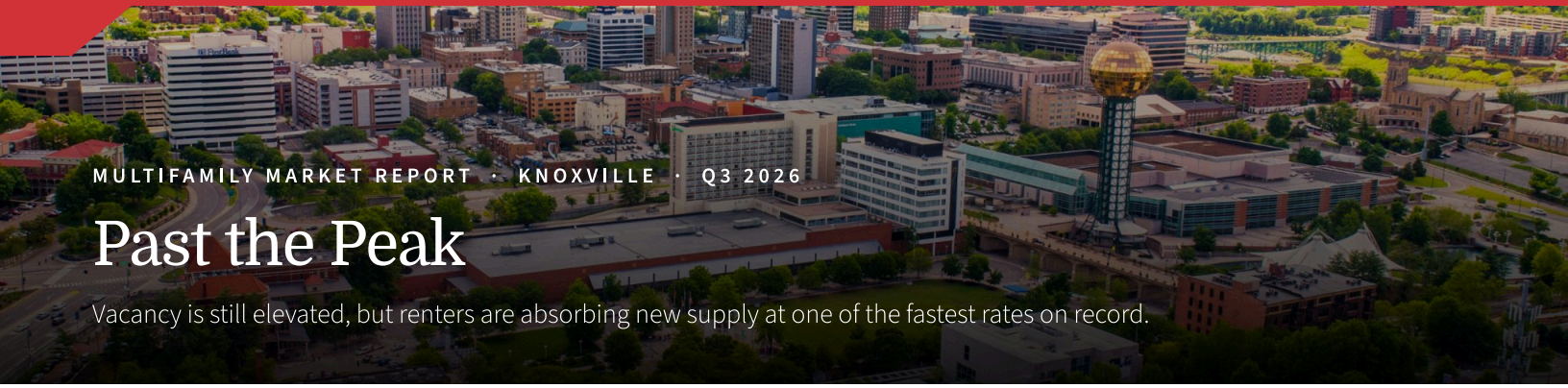
NOTABLE SALES, PAST 12 MONTHS

4430-4591 Kingston Pike	$32,033,699	
114,632 SF	$279/SF	
2501 University Commons	$26,000,000	
119,335 SF	$218/SF	
4405-4417 Kingston Pike	$11,314,363	
11,627 SF	$973/SF	
Kohl's, 5312 Washington Pike	$7,200,000	
86,584 SF	$83/SF	

IN THE PIPELINE

The largest project underway is a 143,914 SF building on E. Lamar Alexander Pkwy. in Blount County by Orange Development, scheduled for January 2027. Blount County's 387,000 SF under construction is 93.4% preleased.

Source: CoStar. Twelve largest submarkets by inventory shown; market totals include all submarkets.



MULTIFAMILY MARKET REPORT · KNOXVILLE · Q3 2026

Past the Peak

Vacancy is still elevated, but renters are absorbing new supply at one of the fastest rates on record.

49,514	8.6%	$1,528	2,109
INVENTORY UNITS	VACANCY RATE	MARKET RENT/UNIT	12 MO NET ABSORPTION UNITS
3,187 under construction	Down from 9.9% in Q1 '26	+1.3% year over year	2,287 units delivered

WHAT WE'RE SEEING

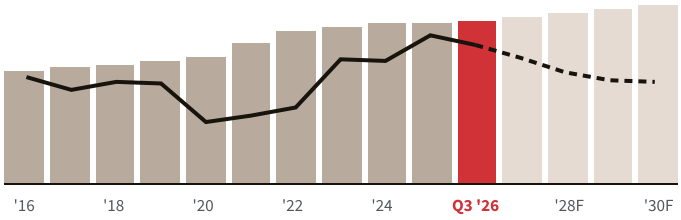
Multifamily vacancy stands at 8.6%, high by Knoxville standards but down from a peak of 9.9% in the first quarter of 2026. About 2,300 units delivered over the past year, and renters absorbed 2,109 of them, well above the 560 units per quarter the market averaged from 2016 through 2019.

The demand is real. The metro has added nearly 30,000 residents in three years, and about 70% of the University of Tennessee's 32,000 students live off campus. Supply has simply been larger: almost 20% of Knoxville's apartment inventory has been built since the start of 2021.

Asking rents rose 1.3% to $1,528 per unit, while effective rents were nearly flat at 0.2% as new communities lean on concessions. Construction starts have slowed, and CoStar expects vacancy to ease toward 7.1% over the next 12 months. Investment held near its 10-year average at $190 million, led by the $68.5 million sale of the 308-unit Bridlewood on Westland.

VACANCY & ASKING RENT/UNIT

$1,528 · 8.6%



Rent per unit is up from $1,057 in 2016 to $1,528. Vacancy climbed from 3.8% in 2020 to 9.2% at the end of 2025, and CoStar forecasts 6.3% by 2030.

BY BUILDING CLASS

	UNITS	VACANCY	RENT
4 & 5 Star	16,419	11.7%	$1,841
3 Star	17,666	8.6%	$1,515
1 & 2 Star	15,429	5.4%	$1,098

12 MO SALES VOLUME	EFFECTIVE RENT
$190.2M	$1,465
10-year average $193.6M	+0.2% year over year
MARKET SALE PRICE	**MARKET CAP RATE**
$190,817	6.2%
Per unit, up from $182,033	Unchanged from 2025

OUR TAKE

Lease-up competition will stay intense through 2026, especially in 4 & 5 Star communities at 11.7% vacancy. Older 1 & 2 Star properties, at 5.4%, are holding up well and continue to draw investor interest.

Source: CoStar. Forecast years marked F.

New Supply Is Concentrated in a Few Places

Western Knox County and South Knoxville, where most recent deliveries landed, are carrying vacancy near 14% and 16%. Maryville/Alcoa posted the lowest vacancy of any major submarket at 3.9%, along with some of the strongest rent growth at 3.6%.

SUBMARKET	UNITS	VACANCY	RENT/ UNIT	RENT GROWTH	12 MO DELIV.	12 MO ABSORP.	UNDER CONSTR.	PRICE/ UNIT
West Knoxville	15,454	**6.8%**	$1,491	1.5%	704	651	298	$178K
North Knoxville	10,262	**6.7%**	$1,403	0.7%	82	474	1,206	$169K
Western Knox County	7,437	**13.9%**	$1,895	0.4%	863	344	1,000	$275K
Maryville/Alcoa	4,675	**3.9%**	$1,444	3.6%	0	24	288	$172K
Downtown Knoxville	3,140	**7.6%**	$1,861	3.1%	0	221	35	$236K
Oak Ridge	2,578	**8.2%**	$1,285	0.2%	33	51	360	$182K
South Knoxville	2,184	**15.8%**	$1,272	-0.4%	256	44	0	$153K
Loudon County	1,318	**9.3%**	$1,617	0.6%	0	256	0	$181K
Outlying Anderson County	857	**0.1%**	$1,007	3.9%	0	2	0	$133K
Roane County	602	**7.4%**	$1,062	3.3%	0	3	0	$69K
Knoxville Market	**49,514**	**8.6%**	**$1,528**	**1.3%**	**2,287**	**2,109**	**3,187**	**$191K**

NOTABLE SALES, PAST 12 MONTHS

Bridlewood on Westland — $68,500,000
308 units · 8700 Hopemont Way — $222,402/unit

Vetra West Hills — $39,000,000
256 units · 3399 Lakebrook Blvd. — $152,343/unit

Strawberry Meadows Townhomes — $24,400,000
85 units · Built 2024 — $287,058/unit

The Flats at Jackson Square — $14,000,000
116 units · 82 E. Tennessee Ave. — $120,689/unit

UNDER CONSTRUCTION

Vision at Knoxville — 375 units
501 E. Hill Ave. · 12 stories — Dec 2026

Universal at Beaver Creek — 226 units
6990 Onyx Way — Jun 2027

Fourteen properties totaling 3,187 units are underway, an average of 228 units each. Western Knox County (1,000 units) and North Knoxville (1,206 units) account for more than two-thirds of the pipeline.

Source: CoStar. Ten largest submarkets by inventory shown; market totals include all submarkets. Price per unit is CoStar's estimated market sale price.



WHY KNOXVILLE

Knoxville by the Numbers

Close to a million people now call the Knoxville metro home, and more arrive every year.

PEOPLE

973,487

Metro population, up 100,000 since 2019

3.7 Million

Live within a 100-mile radius

WORKFORCE

3.0%

Metro unemployment, vs. 4.3% U.S.

460,000

Metro jobs · 34,795 MSA businesses

COST & INCOME

85.5

Cost-of-living index, U.S. average = 100

$78,041

Median household income, +2.5% YoY

REACH

3/4

Of the U.S. population within a day's drive

9 Counties

In the Knoxville MSA

TRANSPORTATION

3	Interstates: I-40, I-75 and I-81
2	Railroads
125	Truck lines
6	Airlines
3	River terminals, linked to the Great Lakes and Gulf of Mexico

EDUCATION & RESEARCH

40,421

University of Tennessee students, with about 10,000 campus jobs

Oak Ridge National Laboratory, 25 miles west, is the largest science and energy lab in the Department of Energy system. The region has 10 four-year institutions.

Education, research, healthcare and advanced manufacturing give Knoxville a diversified base, and its relative affordability keeps drawing people and companies from larger markets.

Sources: CoStar and Oxford Economics (population, jobs, unemployment, income, University of Tennessee, ORNL); Knox County Metropolitan Planning Commission, Facts & Figures 2023 (100-mile population, businesses, cost of living, transportation, counties, institutions).

NAI KOELLA RM MOORE

The Market Leader, by Every Measure That Matters™

"Market leader" is easy to say. We would rather show you the measures.

This region is experiencing unprecedented growth. We've been here before. We manage more space and handle more sales and leasing than any other local firm.



THE MEASURE OF SCALE AND EXPERIENCE

Deepest Roots

Knoxville, Sevierville, Oak Ridge, and across the region. Our home since 1983. 43 years in business and 475 years of combined experience on one team. **Local knowledge you cannot replicate.**

THE MEASURE OF PERFORMANCE

Proof, Not Promises

Anyone can promise results. Here is our 2025: 317+ transactions closed, 300+ active listings, and 4.75 million square feet under management. **Impactful results and a real track record.**

THE MEASURE OF ALIGNMENT

Built Differently

In commercial real estate, the letters after a name matter. 7 CCIM and 4 SIOR designations, plus CPM, CRE and FRICS. Woman-owned and minority-owned. **A depth of expertise few firms can match.**

THE MEASURE OF RESPONSIVENESS

Moves at Your Speed

Large enough to deliver, built to move. 20 brokers across retail, industrial, office and multifamily, so the right specialist is already on your deal. **Responsiveness fueled by market knowledge.**

4,750,000	800+	1000+	325+
SF UNDER MANAGEMENT	COMMERCIAL TENANTS	MULTIFAMILY TENANTS	NAI GLOBAL OFFICES, 65 COUNTRIES

ABOUT THIS REPORT

Market Report Terminology

Market data in this report comes from CoStar as of October 20, 2026. Twelve-month figures are trailing totals. Forecasts are CoStar's and are marked "F". Historical averages are over a 10 year period.

Absorption (Net)
The change in occupied space in a given time period.

Availability Rate
Space marketed for lease, vacant or not, as a share of total inventory.

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 NNN 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.

Cap Rate
A property's net operating income divided by its sale price.

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

Effective Rent
Asking rent less concessions such as free months.

Forecast
CoStar's projection for future periods, marked F in this report's charts.

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

Market Sale Price
CoStar's estimate of value per square foot or per unit across all properties in the market, informed by actual sales.

Overall Vacancy
All unoccupied lease space, either direct or sublease.

Preleased
The share of space under construction already committed to tenants.

RBA
Rentable building area.

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

Star Rating
CoStar's 1 to 5 rating of a building's design, construction and amenities. 4 & 5 Star broadly corresponds to Class A.

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

Sublease Space
Total square footage being marketed for lease by the existing tenant.

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

Under Construction
Buildings that have broken ground but have not yet delivered.



LET'S TALK

Want to learn more about what we're seeing across East Tennessee, Knoxville, or a particular submarket?

Contact us today to speak to an expert.

KOELLAMOORE.COM/MEASURES

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