

NAI Koella
RM Moore

Q3'19

Knoxville Market Report

83.9 M
Inventory SF

(406 K)
12 Mo Net Absorption SF

2.4%
Vacancy Rate

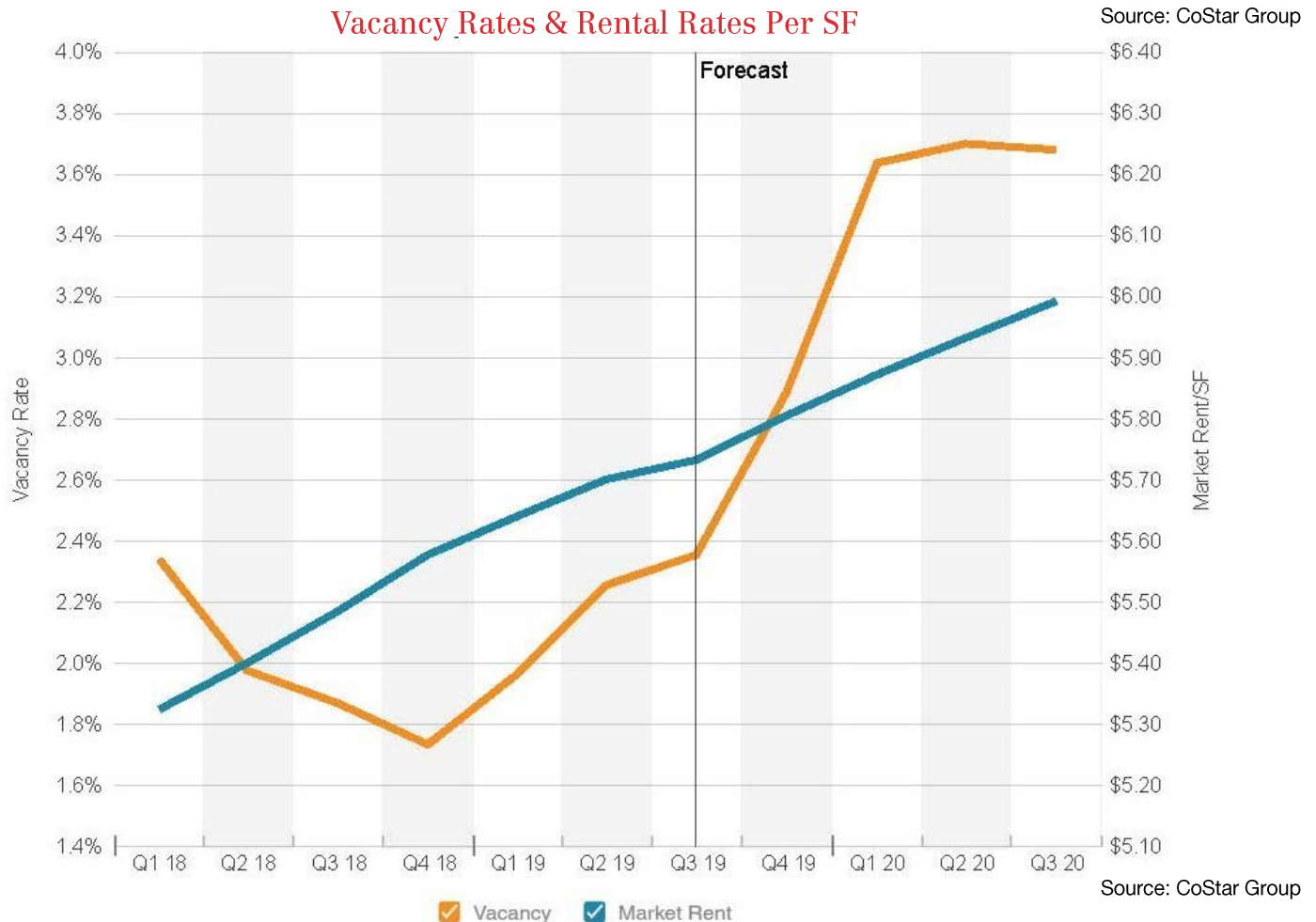
\$5.72
Market Rent/SF

STEADY DEMAND

Vacancies in Knoxville have ticked up slightly over the past year, though remain well below the metro's historical average. Property owners have benefited from minimal construction and steady demand for space and have pushed rents accordingly. Although showing signs of softening, over the past 12 months, industrial rents have grown by 4.3%.

Low business costs and a strategic location have attracted many national companies, such as 3M and Fresenius Medical Care, to open or expand operations in Knoxville. Investors have taken notice and are responding to these solid market fundamentals. Although investment activity has slowed down throughout 2019, both volume and asset pricing reached cycle highs last year.

Vacancy Rates & Rental Rates Per SF



Submarket Overview

<p>Anderson County \$612 M Asset Value Knoxville - TN</p> <p>Inventory SF 9.8 M ⬆ Market Rent/SF \$5.18 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 4.2% ⬆ 12 Mo Net Absorp SF (36.9 K) ⬆ Market Sale Price/SF \$62 ⬆ Vacancy Rate 3.4% ⬆ 12 Mo Sales Vol \$3.7 M ⬆</p>	<p>Bearden/Papermill/W Town \$313 M Asset Value Knoxville - TN</p> <p>Inventory SF 5.5 M ⬆ Market Rent/SF \$6.44 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 4.0% ⬆ 12 Mo Net Absorp SF (73.5 K) ⬆ Market Sale Price/SF \$57 ⬆ Vacancy Rate 1.8% ⬆ 12 Mo Sales Vol \$9.4 M ⬆</p>
<p>Blount County \$643 M Asset Value Knoxville - TN</p> <p>Inventory SF 14 M ⬆ Market Rent/SF \$5.82 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 3.9% ⬆ 12 Mo Net Absorp SF (11.5 K) ⬆ Market Sale Price/SF \$46 ⬆ Vacancy Rate 1.1% ⬆ 12 Mo Sales Vol \$5.3 M ⬆</p>	<p>Campbell Station/Farragut \$4.8 M Asset Value Knoxville - TN</p> <p>Inventory SF 73.6 K ⬆ Market Rent/SF \$7.75 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 3.7% ⬆ 12 Mo Net Absorp SF 0 ⬆ Market Sale Price/SF \$62 ⬆ Vacancy Rate 0% ⬆ 12 Mo Sales Vol \$0 ⬆</p>
<p>Cedar Bluff/Walker Spgs \$25.5 M Asset Value Knoxville - TN</p> <p>Inventory SF 425 K ⬆ Market Rent/SF \$6.54 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 4.1% ⬆ 12 Mo Net Absorp SF (3.2 K) ⬆ Market Sale Price/SF \$60 ⬆ Vacancy Rate 0% ⬆ 12 Mo Sales Vol \$0 ⬆</p>	<p>Downtown \$78.6 M Asset Value Knoxville - TN</p> <p>Inventory SF 2.2 M ⬆ Market Rent/SF \$4.62 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 4.3% ⬆ 12 Mo Net Absorp SF (28 K) ⬆ Market Sale Price/SF \$37 ⬆ Vacancy Rate 2.3% ⬆ 12 Mo Sales Vol \$1.2 M ⬆</p>
<p>East \$65 M Asset Value Knoxville - TN</p> <p>Inventory SF 1.8 M ⬆ Market Rent/SF \$5.07 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 4.8% ⬆ 12 Mo Net Absorp SF (10.9 K) ⬆ Market Sale Price/SF \$36 ⬆ Vacancy Rate 0.8% ⬆ 12 Mo Sales Vol \$5 M ⬆</p>	<p>Loudon County \$339 M Asset Value Knoxville - TN</p> <p>Inventory SF 5.7 M ⬆ Market Rent/SF \$5.53 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 4.9% ⬆ 12 Mo Net Absorp SF 230 K ⬆ Market Sale Price/SF \$59 ⬆ Vacancy Rate 0.1% ⬆ 12 Mo Sales Vol \$881 K ⬆</p>
<p>North/Broadway \$931 M Asset Value Knoxville - TN</p> <p>Inventory SF 18.6 M ⬆ Market Rent/SF \$5.64 ⬆ Under Constr SF 212 K ⬆ Annual Rent Growth 4.1% ⬆ 12 Mo Net Absorp SF (35.7 K) ⬆ Market Sale Price/SF \$50 ⬆ Vacancy Rate 1.9% ⬆ 12 Mo Sales Vol \$29.9 M ⬆</p>	<p>North/Emory Road \$111 M Asset Value Knoxville - TN</p> <p>Inventory SF 2 M ⬆ Market Rent/SF \$6.92 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 4.0% ⬆ 12 Mo Net Absorp SF (8.1 K) ⬆ Market Sale Price/SF \$56 ⬆ Vacancy Rate 0.6% ⬆ 12 Mo Sales Vol \$167 K ⬆</p>
<p>Pellissippi/Lovell \$602 M Asset Value Knoxville - TN</p> <p>Inventory SF 8.6 M ⬆ Market Rent/SF \$7.57 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 4.2% ⬆ 12 Mo Net Absorp SF 6.4 K ⬆ Market Sale Price/SF \$70 ⬆ Vacancy Rate 1.2% ⬆ 12 Mo Sales Vol \$12.1 M ⬆</p>	<p>South \$406 M Asset Value Knoxville - TN</p> <p>Inventory SF 9.1 M ⬆ Market Rent/SF \$4.55 ⬆ Under Constr SF 650 K ⬆ Annual Rent Growth 4.3% ⬆ 12 Mo Net Absorp SF (332 K) ⬆ Market Sale Price/SF \$42 ⬆ Vacancy Rate 4.3% ⬆ 12 Mo Sales Vol \$17 M ⬆</p>
<p>Union County \$20.9 M Asset Value Knoxville - TN</p> <p>Inventory SF 453 K ⬆ Market Rent/SF \$6.55 ⬆ Under Constr SF 0 ⬆ Annual Rent Growth 3.9% ⬆ 12 Mo Net Absorp SF 0 ⬆ Market Sale Price/SF \$46 ⬆ Vacancy Rate 0% ⬆ 12 Mo Sales Vol \$334 K</p>	

Source: CoStar Group

Knoxville
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www.koellamoore.com

Sevierville
+1 865 453 8111

36.3 M
Inventory SF

261 K
12 Mo Net Absorption SF

4.3%
Vacancy Rate

\$17.08
Market Rent/SF

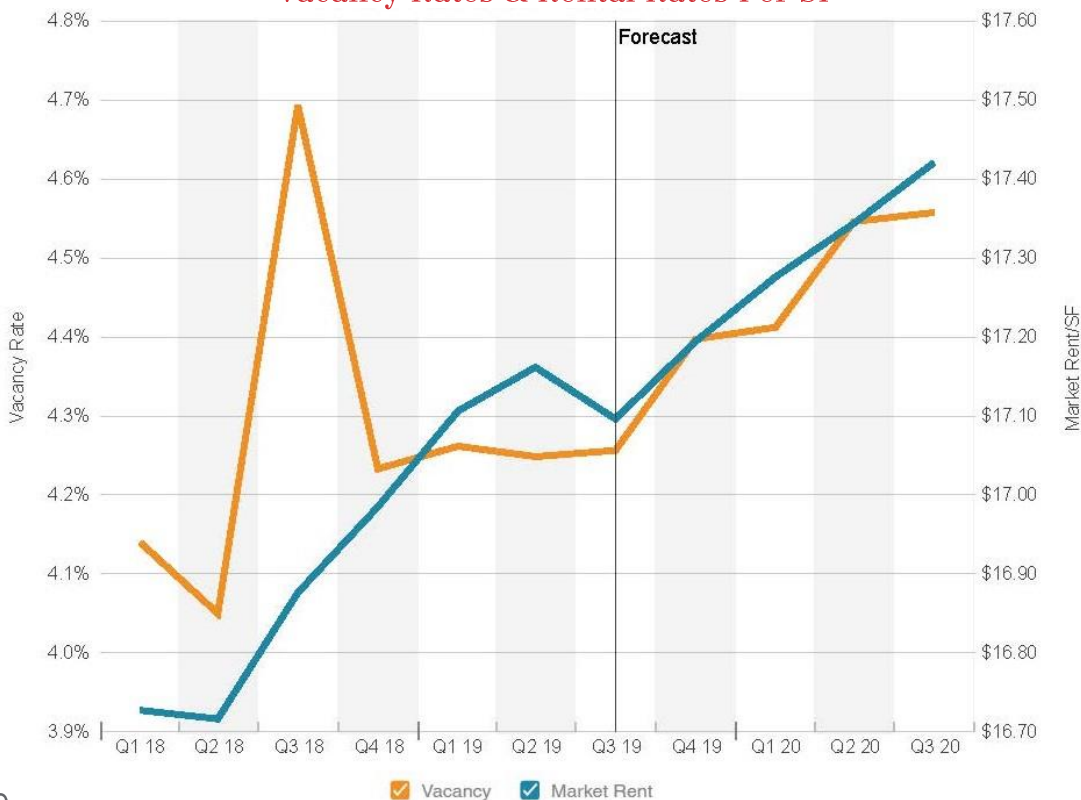
HISTORICALLY LOW VACANCIES

Despite inconsistent demand, Knoxville's office vacancy rate continues to hover around a historical low. Development has been meager over the past decade, helping both occupancies and rent growth improve. Some build-to-suit additions delivered earlier this year, making 2019 the second-busiest year for net supply additions since 2011.

Over the past 12 months, owners have increased rents by 1.2%. While this level of growth still trails the national benchmark, it is outperforming the metro's historical average. The stable office fundamentals have kept investors interested in the market. Sales volume continues to be elevated in 2019, building off of the record-setting year the metro experienced in 2018. Additionally, SF pricing continues to trend upward. One Riverwalk, a \$160 million project that will include 300 multifamily units, a 150-room hotel, retail space, and a 180,000-SF office tower, is one of Knoxville's newest developments that is helping reshape downtown's commercial footprint and extending it south of the river. The city successfully retained a major national player, Regal Entertainment Group, in a heavily incentivized deal that relocated Regal's headquarters to a renovated office tower in late 2017.

Vacancy Rates & Rental Rates Per SF

Source: CoStar Group



Source: CoStar Group

Submarket Overview

Anderson County | \$293 M Asset Value

Knoxville - TN

Inventory SF	2.9 M ↓	Market Rent/SF	\$14.90 ↑
Under Constr SF	0 ↓	Annual Rent Growth	2.1% ↑
12 Mo Net Absorp SF	78.3 K	Market Sale Price/SF	\$100 ↓
Vacancy Rate	5.3% ↓	12 Mo Sales Vol	\$4.1 M ↓

Bearden/Papermill/W Town | \$732 M Asset Value

Knoxville - TN

Inventory SF	5.6 M ↑	Market Rent/SF	\$17.92 ↑
Under Constr SF	0 ↓	Annual Rent Growth	1.9% ↑
12 Mo Net Absorp SF	36.9 K	Market Sale Price/SF	\$128 ↑
Vacancy Rate	3.6% ↓	12 Mo Sales Vol	\$11.2 M ↑

Blount County | \$337 M Asset Value

Knoxville - TN

Inventory SF	2.8 M ↓	Market Rent/SF	\$16.23 ↑
Under Constr SF	0 ↓	Annual Rent Growth	1.9% ↑
12 Mo Net Absorp SF	(13 K)	Market Sale Price/SF	\$120 ↑
Vacancy Rate	3.3% ↑	12 Mo Sales Vol	\$6.8 M ↓

Campbell Station/Farragut | \$138 M Asset Value

Knoxville - TN

Inventory SF	942 K ↓	Market Rent/SF	\$20.17 ↑
Under Constr SF	0 ↓	Annual Rent Growth	1.3% ↑
12 Mo Net Absorp SF	10.8 K	Market Sale Price/SF	\$147 ↑
Vacancy Rate	10.0% ↓	12 Mo Sales Vol	\$1.7 M ↓

Cedar Bluff/Walker Spgs | \$383 M Asset Value

Knoxville - TN

Inventory SF	3.1 M ↓	Market Rent/SF	\$16.44 ↑
Under Constr SF	8 K	Annual Rent Growth	2.2% ↑
12 Mo Net Absorp SF	3.1 K	Market Sale Price/SF	\$123 ↑
Vacancy Rate	4.3% ↓	12 Mo Sales Vol	\$6.6 M ↓

Downtown | \$773 M Asset Value

Knoxville - TN

Inventory SF	5.3 M ↓	Market Rent/SF	\$18.12 ↑
Under Constr SF	40 K ↑	Annual Rent Growth	1.6% ↑
12 Mo Net Absorp SF	(126 K)	Market Sale Price/SF	\$145 ↑
Vacancy Rate	3.1% ↓	12 Mo Sales Vol	\$1.8 M ↓

East | \$30.2 M Asset Value

Knoxville - TN

Inventory SF	269 K ↓	Market Rent/SF	\$14.84 ↑
Under Constr SF	0 ↓	Annual Rent Growth	3.5% ↑
12 Mo Net Absorp SF	2.6 K	Market Sale Price/SF	\$112 ↑
Vacancy Rate	0.6% ↓	12 Mo Sales Vol	\$1.1 M

Loudon County | \$110 M Asset Value

Knoxville - TN

Inventory SF	832 K ↓	Market Rent/SF	\$16.52 ↑
Under Constr SF	0 ↓	Annual Rent Growth	1.2% ↑
12 Mo Net Absorp SF	(62.1 K)	Market Sale Price/SF	\$132 ↑
Vacancy Rate	13.0% ↑	12 Mo Sales Vol	\$668 K ↓

North/Broadway | \$563 M Asset Value

Knoxville - TN

Inventory SF	4.8 M ↓	Market Rent/SF	\$15.61 ↑
Under Constr SF	0 ↓	Annual Rent Growth	2.0% ↑
12 Mo Net Absorp SF	59.4 K	Market Sale Price/SF	\$117 ↑
Vacancy Rate	3.2% ↓	12 Mo Sales Vol	\$11.3 M ↑

North/Emory Road | \$89.9 M Asset Value

Knoxville - TN

Inventory SF	638 K ↓	Market Rent/SF	\$19.08 ↑
Under Constr SF	0 ↓	Annual Rent Growth	1.6% ↑
12 Mo Net Absorp SF	32.9 K	Market Sale Price/SF	\$141 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$49.4 M ↑

Pellissippi/Lovell | \$697 M Asset Value

Knoxville - TN

Inventory SF	5.2 M ↑	Market Rent/SF	\$18.17 ↑
Under Constr SF	0 ↓	Annual Rent Growth	1.4% ↑
12 Mo Net Absorp SF	80.2 K	Market Sale Price/SF	\$133 ↑
Vacancy Rate	7.5% ↑	12 Mo Sales Vol	\$22.7 M ↑

South | \$247 M Asset Value

Knoxville - TN

Inventory SF	1.8 M ↓	Market Rent/SF	\$16.09 ↑
Under Constr SF	0 ↓	Annual Rent Growth	1.9% ↑
12 Mo Net Absorp SF	8.6 K	Market Sale Price/SF	\$134 ↑
Vacancy Rate	3.5% ↓	12 Mo Sales Vol	\$145 K ↓

Union County | \$17.2 M Asset Value

Knoxville - TN

Inventory SF	173 K ↓	Market Rent/SF	\$14.20 ↑
Under Constr SF	0 ↓	Annual Rent Growth	2.6% ↑
12 Mo Net Absorp SF	2.8 K	Market Sale Price/SF	\$100 ↑
Vacancy Rate	0% ↓	12 Mo Sales Vol	\$135 K ↓

Source: CoStar Group

60.1 M
Inventory SF

174 K
12 Mo Net Absorption SF

2.7%
Vacancy Rate

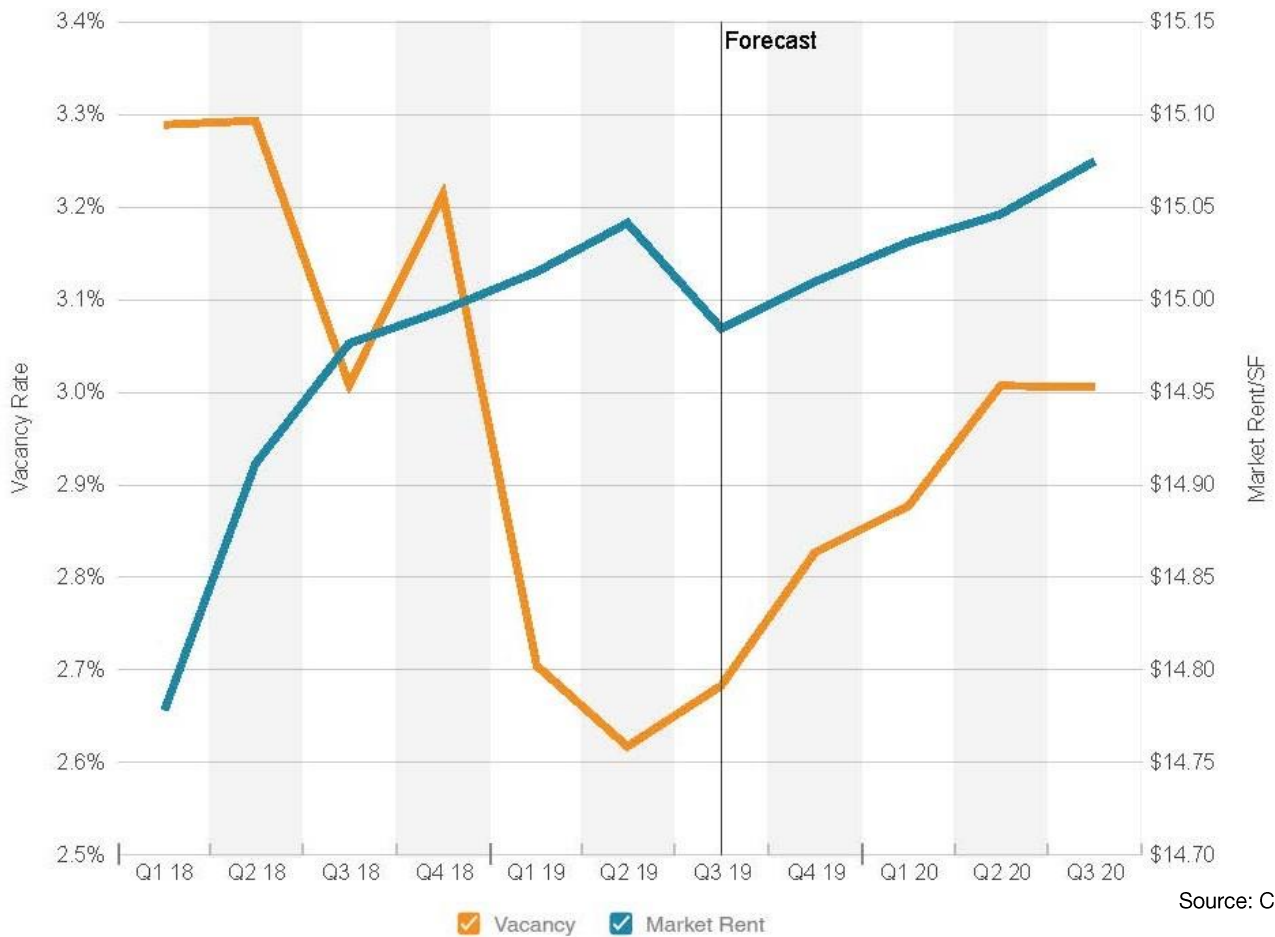
\$14.98
Market Rent/SF

A MIXED BAG

Despite Knoxville's improving economic and demographic trends, retail fundamentals are a mixed bag. While vacancies continue to compress and are hovering around an all-time low, demand has slowed down over the past several quarters. Additionally, rent growth has also compressed. While this reflects a trend seen nationally, the slowdown in rent growth has been more pronounced here than in other parts of the southeast. In fact, rent growth of 0.0% represents Knoxville's slowest 12-month stretch since 2012. Developers have been slow to add space in recent years and no year has seen supply increase of more than 1%. Even so, investors remain interested in Knoxville's retail market. Both sales volume and SF pricing set cycle records in 2018, thanks to a heightened transaction count. Investment activity has slowed down so far in 2019. Additionally, cap rates have started to tick up again.

Vacancy Rates & Rental Rates Per SF

Source: CoStar Group



Source: CoStar Group

Submarket Overview

Anderson County | \$793 M Asset Value

Knoxville - TN

Inventory SF	5.6 M ↑	Market Rent/SF	\$13.19 ↑
Under Constr SF	84.8 K ↑	Annual Rent Growth	0.1% ↑
12 Mo Net Absorp SF	246 K	Market Sale Price/SF	\$139 ↑
Vacancy Rate	2.9% ↓	12 Mo Sales Vol	\$21.4 M ↑

Bearden/Papermill/W Town | \$898 M Asset Value

Knoxville - TN

Inventory SF	6.5 M ↑	Market Rent/SF	\$19.82 ↑
Under Constr SF	26.6 K ↑	Annual Rent Growth	0% ↑
12 Mo Net Absorp SF	26 K	Market Sale Price/SF	\$136 ↓
Vacancy Rate	1.1% ↓	12 Mo Sales Vol	\$9.5 M ↓

Blount County | \$912 M Asset Value

Knoxville - TN

Inventory SF	7 M ↑	Market Rent/SF	\$13.65 ↓
Under Constr SF	2.5 K	Annual Rent Growth	-0.2% ↓
12 Mo Net Absorp SF	2.7 K	Market Sale Price/SF	\$130 ↑
Vacancy Rate	2.3% ↓	12 Mo Sales Vol	\$46.6 M ↑

Campbell Station/Farragut | \$568 M Asset Value

Knoxville - TN

Inventory SF	3.8 M ↑	Market Rent/SF	\$20.25 ↑
Under Constr SF	0 ↓	Annual Rent Growth	1.1% ↑
12 Mo Net Absorp SF	41.3 K	Market Sale Price/SF	\$149 ↓
Vacancy Rate	1.4% ↓	12 Mo Sales Vol	\$24.8 M ↑

Cedar Bluff/Walker Spgs | \$304 M Asset Value

Knoxville - TN

Inventory SF	2.5 M ↓	Market Rent/SF	\$16.63 ↓
Under Constr SF	15 K	Annual Rent Growth	-0.2% ↓
12 Mo Net Absorp SF	(11.2 K)	Market Sale Price/SF	\$121 ↑
Vacancy Rate	2.6% ↑	12 Mo Sales Vol	\$4 M ↑

Downtown | \$413 M Asset Value

Knoxville - TN

Inventory SF	2.4 M ↑	Market Rent/SF	\$18.82 ↑
Under Constr SF	0 ↓	Annual Rent Growth	0.2% ↑
12 Mo Net Absorp SF	(32.9 K)	Market Sale Price/SF	\$174 ↑
Vacancy Rate	5.8% ↑	12 Mo Sales Vol	\$9.9 M ↓

East | \$205 M Asset Value

Knoxville - TN

Inventory SF	2 M ↓	Market Rent/SF	\$11.98 ↑
Under Constr SF	11.4 K ↓	Annual Rent Growth	0.5% ↑
12 Mo Net Absorp SF	12 K	Market Sale Price/SF	\$101 ↓
Vacancy Rate	0.5% ↓	12 Mo Sales Vol	\$3.8 M ↑

Loudon County | \$368 M Asset Value

Knoxville - TN

Inventory SF	2.7 M ↑	Market Rent/SF	\$14.23 ↓
Under Constr SF	0 ↓	Annual Rent Growth	-0.3% ↓
12 Mo Net Absorp SF	9.7 K	Market Sale Price/SF	\$135 ↓
Vacancy Rate	3.3% ↓	12 Mo Sales Vol	\$11.3 M ↓

North/Broadway | \$1.3 B Asset Value

Knoxville - TN

Inventory SF	10.9 M ↑	Market Rent/SF	\$14.10 ↓
Under Constr SF	0 ↓	Annual Rent Growth	0% ↓
12 Mo Net Absorp SF	(75.9 K)	Market Sale Price/SF	\$119 ↑
Vacancy Rate	4.2% ↑	12 Mo Sales Vol	\$28.2 M ↓

North/Emory Road | \$176 M Asset Value

Knoxville - TN

Inventory SF	1.2 M ↓	Market Rent/SF	\$16.01 ↓
Under Constr SF	5 K	Annual Rent Growth	-0.3% ↓
12 Mo Net Absorp SF	1.4 K	Market Sale Price/SF	\$149 ↑
Vacancy Rate	1.3% ↓	12 Mo Sales Vol	\$11.1 M ↑

South | \$421 M Asset Value

Knoxville - TN

Inventory SF	4.2 M ↑	Market Rent/SF	\$10.40 ↓
Under Constr SF	0 ↓	Annual Rent Growth	-0.2% ↓
12 Mo Net Absorp SF	3.7 K	Market Sale Price/SF	\$101 ↑
Vacancy Rate	3.8% ↑	12 Mo Sales Vol	\$11.8 M ↓

Pellissippi/Lovell | \$722 M Asset Value

Knoxville - TN

Inventory SF	4.8 M ↓	Market Rent/SF	\$18.11 ↓
Under Constr SF	8 K ↓	Annual Rent Growth	-0.6% ↓
12 Mo Net Absorp SF	(34.9 K)	Market Sale Price/SF	\$143 ↑
Vacancy Rate	3.2% ↓	12 Mo Sales Vol	\$24 M ↑

Union County | \$53.9 M Asset Value

Knoxville - TN

Inventory SF	511 K ↓	Market Rent/SF	\$9.44 ↓
Under Constr SF	0 ↓	Annual Rent Growth	-0.5% ↓
12 Mo Net Absorp SF	(11.4 K)	Market Sale Price/SF	\$105 ↑
Vacancy Rate	4.4% ↑	12 Mo Sales Vol	\$2.6 M

Source: CoStar Group

35,935

Inventory Units



266

12 Mo Net Absorption Units



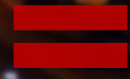
5.5%

Vacancy Rate



\$907

Market Rent/Unit



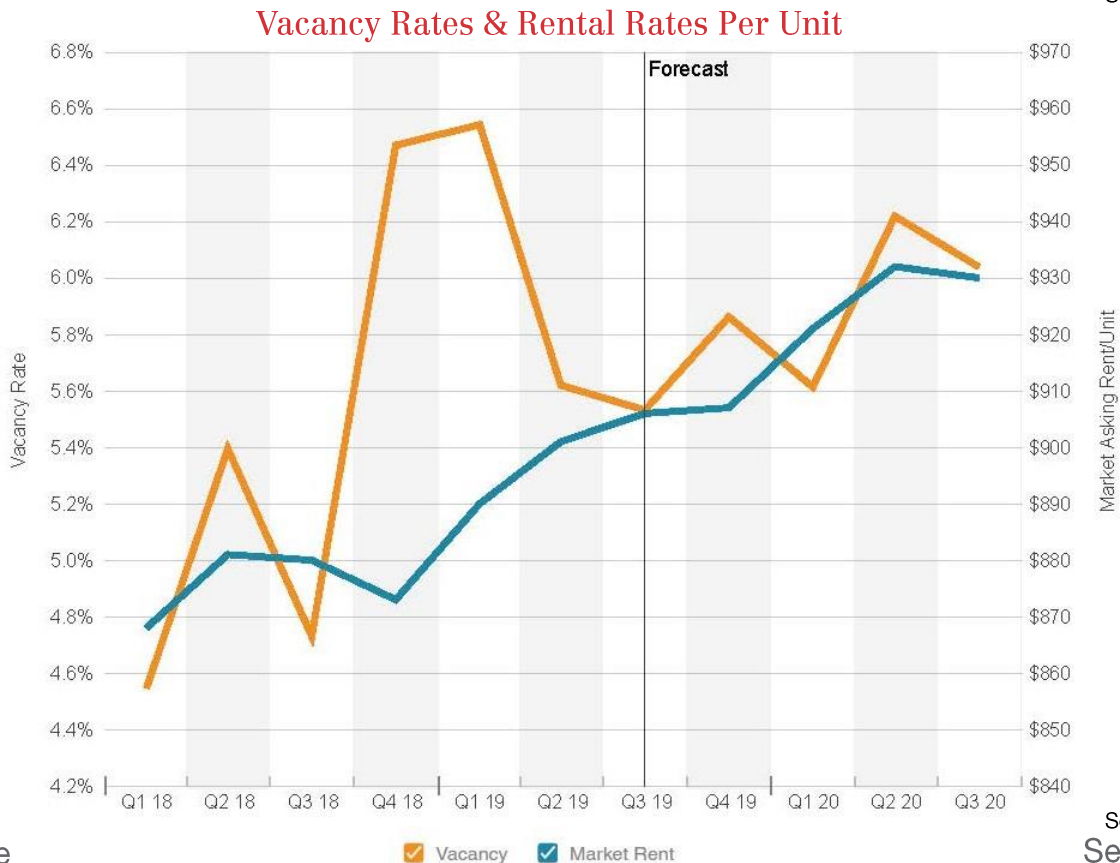
LANDLORDS ADVANTAGE

Vacancies in Knoxville are back below the metro's historical average thanks to continued improvements in the local economy. There are 1,300 units under construction and set to deliver over the next several quarters with more projects in the pipeline. Although these new projects represent a mere 3.5% increase in overall supply, we are keeping our eyes on specific submarkets that may be at or nearing saturation.

Rent growth continues to sit above the metro's historical average. In fact, landlords have increased rents by 3.0% over the past four quarters. Although sales volume has been meager in 2019, investors have been quite active in previous years. Total sales surpassed \$200 million for the third consecutive year in 2018 as more than 10% of the metro's inventory changed hands.

Thanks in part to Tennessee's favorable income tax structure, Knoxville's cost of living index is much lower than the U.S. average. Annual job growth has been volatile over the cycle, but overall, is in line with the national average. Healthy economic growth and improving demographics have encouraged developers to remain active in our market. We expect to realize continued growth in the multifamily segment for the foreseeable future.

Source: CoStar Group



Source: CoStar Group

Sevierville

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Knoxville

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Submarket Overview

Outlying Anderson County | \$58.2 M Asset Value

Knoxville - TN

Inventory Units	843 ↓	Market Asking Rent/Unit	\$639 ↑
Under Constr Units	0 ↓	Annual Rent Growth	1.5% ↑
12 Mo Absorp Units	1	Market Sale Price/Unit	\$69.1 K ↑
Vacancy Rate	0.6% ↓	12 Mo Sales Vol	\$0 ↓

Downtown Knoxville | \$274 M Asset Value

Knoxville - TN

Inventory Units	2,197 ↑	Market Asking Rent/Unit	\$1,128 ↓
Under Constr Units	283 ↓	Annual Rent Growth	-1.4% ↓
12 Mo Absorp Units	152	Market Sale Price/Unit	\$111 K ↑
Vacancy Rate	10.9% ↑	12 Mo Sales Vol	\$2.5 M

Eastern Knox County | \$1.1 M Asset Value

Knoxville - TN

Inventory Units	26 ↓	Market Asking Rent/Unit	\$649 ↑
Under Constr Units	0 ↓	Annual Rent Growth	1.6% ↑
12 Mo Absorp Units	0	Market Sale Price/Unit	\$41.5 K ↑
Vacancy Rate	6.9% ↓	12 Mo Sales Vol	\$0 ↓

Loudon County | \$24 M Asset Value

Knoxville - TN

Inventory Units	457 ↓	Market Asking Rent/Unit	\$956 ↑
Under Constr Units	0 ↓	Annual Rent Growth	3.0% ↑
12 Mo Absorp Units	0	Market Sale Price/Unit	\$52.4 K ↑
Vacancy Rate	3.0% ↓	12 Mo Sales Vol	\$0 ↓

Maryville/Alcoa | \$268 M Asset Value

Knoxville - TN

Inventory Units	2,994 ↓	Market Asking Rent/Unit	\$808 ↑
Under Constr Units	0 ↓	Annual Rent Growth	1.4% ↑
12 Mo Absorp Units	(13)	Market Sale Price/Unit	\$89.7 K ↑
Vacancy Rate	3.9% ↑	12 Mo Sales Vol	\$2.4 M ↓

North Knoxville | \$538 M Asset Value

Knoxville - TN

Inventory Units	8,012 ↓	Market Asking Rent/Unit	\$789 ↑
Under Constr Units	146	Annual Rent Growth	0.8% ↑
12 Mo Absorp Units	(21)	Market Sale Price/Unit	\$65.9 K ↓
Vacancy Rate	3.9% ↑	12 Mo Sales Vol	\$55.2 M ↑

Oak Ridge | \$146 M Asset Value

Knoxville - TN

Inventory Units	1,990 ↓	Market Asking Rent/Unit	\$733 ↑
Under Constr Units	0 ↓	Annual Rent Growth	6.5% ↑
12 Mo Absorp Units	(7)	Market Sale Price/Unit	\$73.5 K ↓
Vacancy Rate	5.8% ↑	12 Mo Sales Vol	\$26 M

South Knoxville | \$96 M Asset Value

Knoxville - TN

Inventory Units	1,706 ↓	Market Asking Rent/Unit	\$736 ↑
Under Constr Units	0 ↓	Annual Rent Growth	1.3% ↑
12 Mo Absorp Units	(7)	Market Sale Price/Unit	\$56.3 K ↓
Vacancy Rate	3.7% ↑	12 Mo Sales Vol	\$5.9 M ↑

Western Knox County | \$634 M Asset Value

Knoxville - TN

Inventory Units	3,663 ↑	Market Asking Rent/Unit	\$1,241 ↑
Under Constr Units	595 ↓	Annual Rent Growth	5.4% ↑
12 Mo Absorp Units	283	Market Sale Price/Unit	\$149 K ↑
Vacancy Rate	7.9% ↓	12 Mo Sales Vol	\$0 ↓

West Knoxville | \$1.3 B Asset Value

Knoxville - TN

Inventory Units	13,372 ↓	Market Asking Rent/Unit	\$912 ↑
Under Constr Units	240	Annual Rent Growth	3.6% ↑
12 Mo Absorp Units	(123)	Market Sale Price/Unit	\$95.4 K ↓
Vacancy Rate	5.6% ↑	12 Mo Sales Vol	\$27.4 M ↓

Union County | \$1.4 M Asset Value

Knoxville - TN

Inventory Units	44 ↓	Market Asking Rent/Unit	\$458 ↑
Under Constr Units	0 ↓	Annual Rent Growth	1.6% ↑
12 Mo Absorp Units	0	Market Sale Price/Unit	\$31.8 K ↑
Vacancy Rate	4.1% ↓	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.

\$220+

Million in Total Annual
Volume (2018)

#1

East Tennessee's Largest
Commercial Real Estate Firm

23

Brokers

1.5 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 
861,424 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... **86.4**

Labor Force & Employment

Knox County  **233,510**
3.4% Unemployment Rate
Knox Metro  **413,470**
3.8% Metro Unemployment Rate



Post-Secondary Education

10 # of 4-Year Institutions
(Including TN's LARGEST & OLDEST)
 The University of Tennessee
28,052 - Fall 2017 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

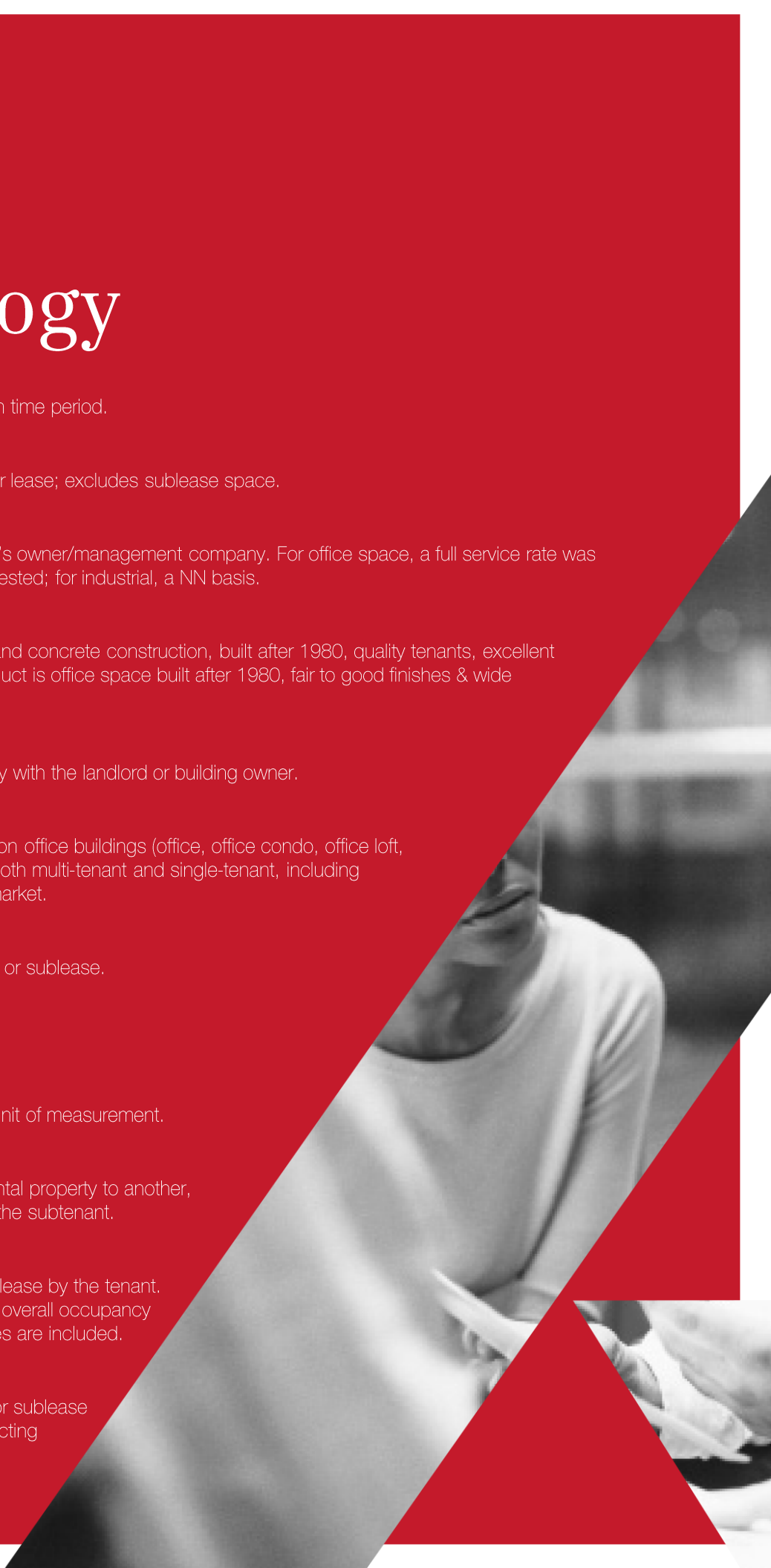
Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.

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.



Q3'19

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