



NCHMA Annual Meeting

Trend Spotting: Housing Market Updates

November 12, 2019

Nelson C. Pratt, MAI

President, Hodges & Pratt

1528 Coleman Road | Knoxville, TN 37909

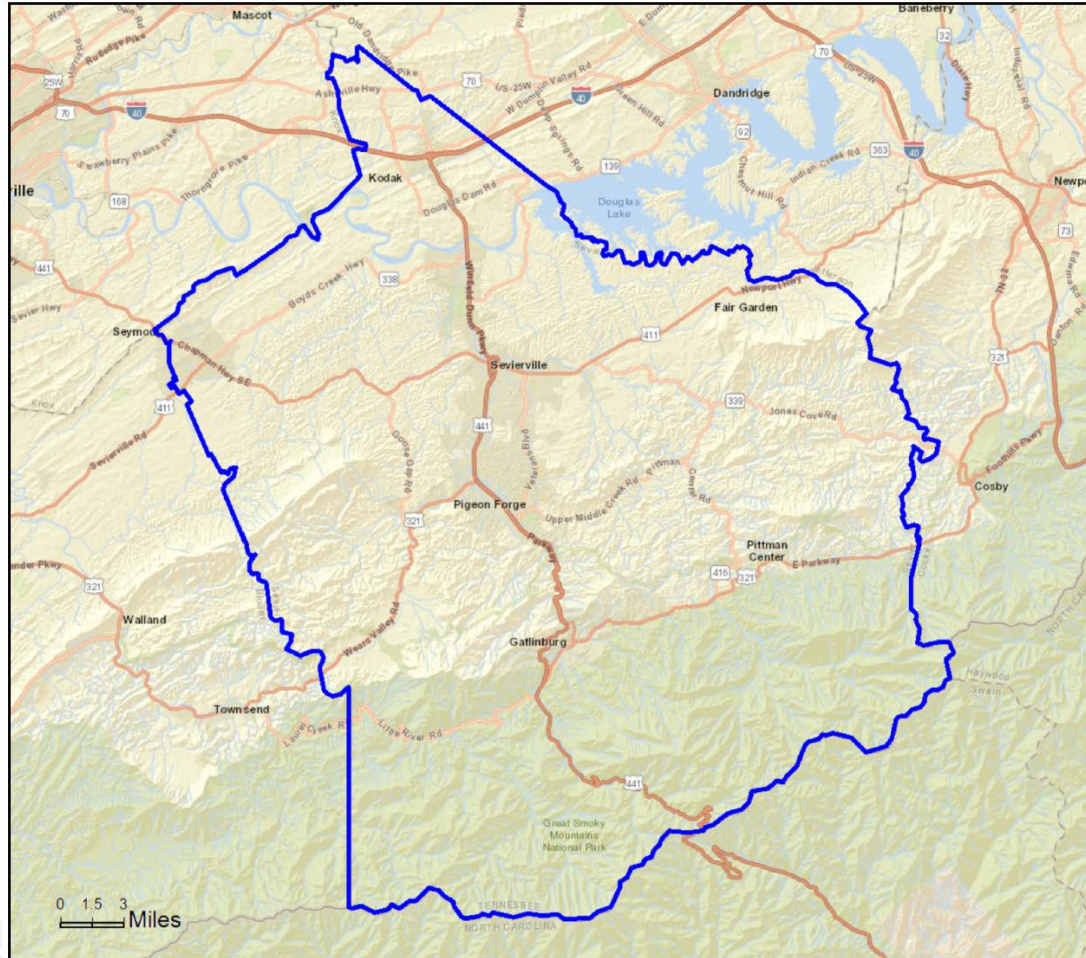
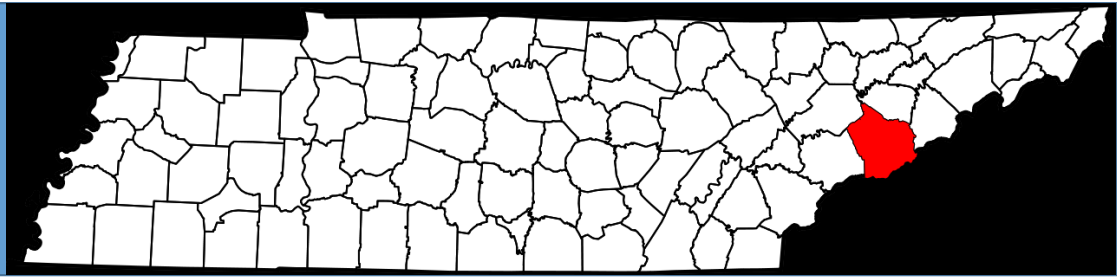
O: (865) 673-4840 x. 1 | C: (865) 850-0550

www.hodgesandpratt.com | nelson@hodgesandpratt.com



Hodges & Pratt Co.
Real Estate Appraisers & Consultants

Sevier County, TN



Sevier County, TN – 2016 Wildfire Event

Structures Affected

County	City of Gatlinburg	City of Pigeon Forge	Total
Commercial	Commercial	Commercial	Commercial
10	75	0	85
Residential	Residential	Residential	Residential
1327	1104	18	2449
Public	Public	Public	Public
0	10	1	11
Grand Total	Grand Total	Grand Total	Grand Total
1337	1189	19	2545



Sevier County, TN

- Housing Choice Vouchers (HCV)
 - An additional 50 HCV were made available to Sevier County.
- 2017 QAP
 - Sevier County Disaster Relief
 - Designed to encourage and promote replacement housing
- Local Incentives

Sevier County, TN – Conventional - Units

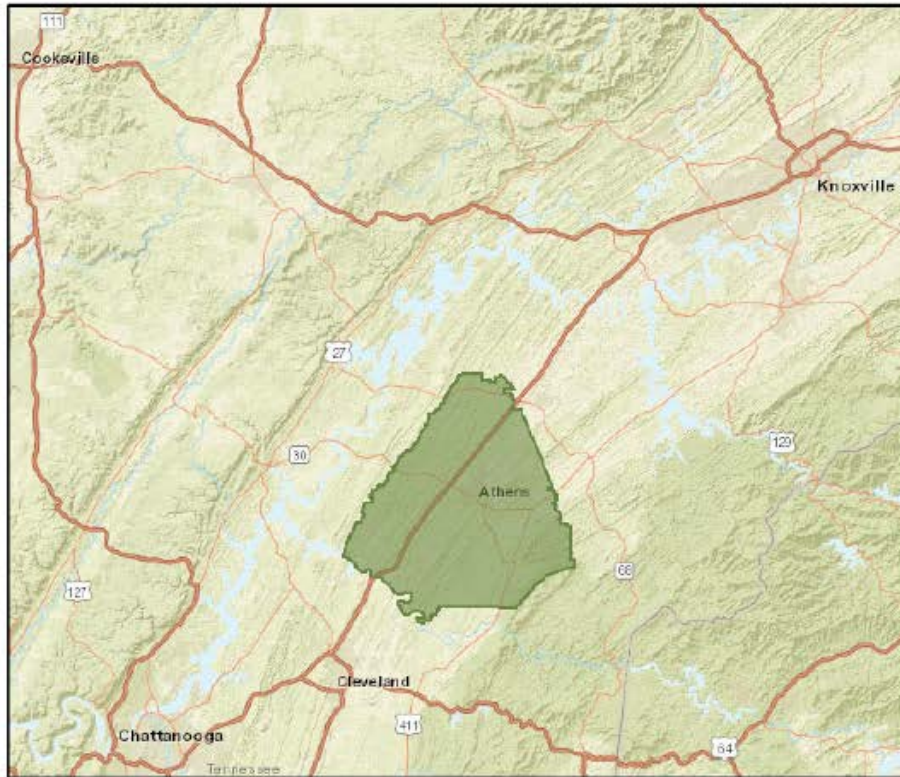
DEVELOPMENT NAME	FUNDING SUPPORT	FUNDED YEAR	PROPERTY ADDRESS	NUMBER OF UNITS
COLESON CREEK FLATS	OTHER	2018	OLD NEWPORT HWY	131
COLLECTIVE HOLDINGS LLC	OTHER	2019	CASHMERE WAY & GLADES RD.	180
CREEKSIDE GARDENS	MARKET RATE	2018	221 E. HARDIN LN	33
GATLINBURG INVESTMENTS	CITY SUPPORTED	2019	CHEROKEE ORCHARD	150
KODAK APARTMENTS	MARKET RATE	2018	BASS PRO DR	192
LOFTS	CITY SUPPORTED	2019	HOUSEHOLDER ST.	235
NEW ERA LOFTS	MARKET RATE	2019	2139 NEW ERA ROAD	168
OVERLOOK AT ALLENSVILLE SQUARE PH II	MARKET RATE	2018	293 MOUNT DR	144
RAILROAD ST APARTMENTS	MARKET RATE	2018	509 RAILROAD	21
VILLAS AT KYKER FERRY	CITY SUPPORTED	2018	KYKER FERRY	268
VILLAS AT PIGEON RIVER	CITY SUPPORTED	2018	WINFIELD DUNN PARKWAY	173
CONVENTIONAL UNITS			Total Units	1,695
BLUE MIST	OTHER	PLANNING	WALDEN CREEK RD.	500
BROOKS LANDING	OTHER	PLANNING	KEEGAN DRIVE & WILLA VIEW	27
CITI COMMUNITIES	OTHER	PLANNING	PARKWAY, PF	256
CONVENTIONAL UNITS			Total Units	2,478

Sevier County, TN – Affordable Deals

DEVELOPMENT NAME	FUNDING SUPPORT	FUNDED YEAR	PROPERTY ADDRESS	NUMBER OF UNITS
DOUGLAS GREENE *	LIHTC	2017	SNYDER ROAD	80
FOREST COVE *	LIHTC	2018	2111 NEW ERA RD	96
GATEVIEW RIDGE *	LIHTC	2018	AVERY LANE	96
LONDON PLACE *	LIHTC	2018	1106 RIDGE RD	72
MATTHEW MANOR *	LIHTC	2018	DOUGLAS DAM AND BRYAN ROAD	56
PICKENS WAYS *	LIHTC	2018	VETERANS BLVD	96
RIVERSIDE VILLAGE *	LIHTC	2018	EAST HARDIN LANE	36
WATSON GLADE PLACE *	LIHTC	2018	849 GLADES RD	50
* LIHTC			Total Units	582

McMinn County

McMinn County



GCEP

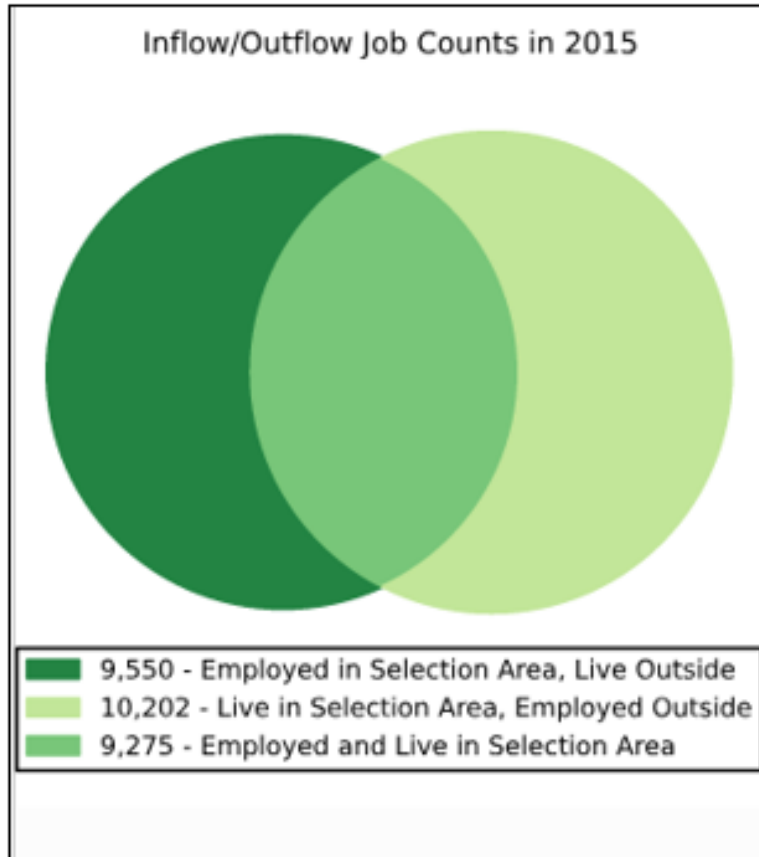




McMinn County, TN

- **Limited New Supply**
- **High Occupancy Rates (98% in McMinn County)**
- **Below Average Rental Rates**
- **Rents Required for New Construction**
- **Challenges to the Market**
 - **Low to Moderate Household Growth**
 - **Below Average Rents**
 - **Proximity to Other Markets**

McMinn County, TN



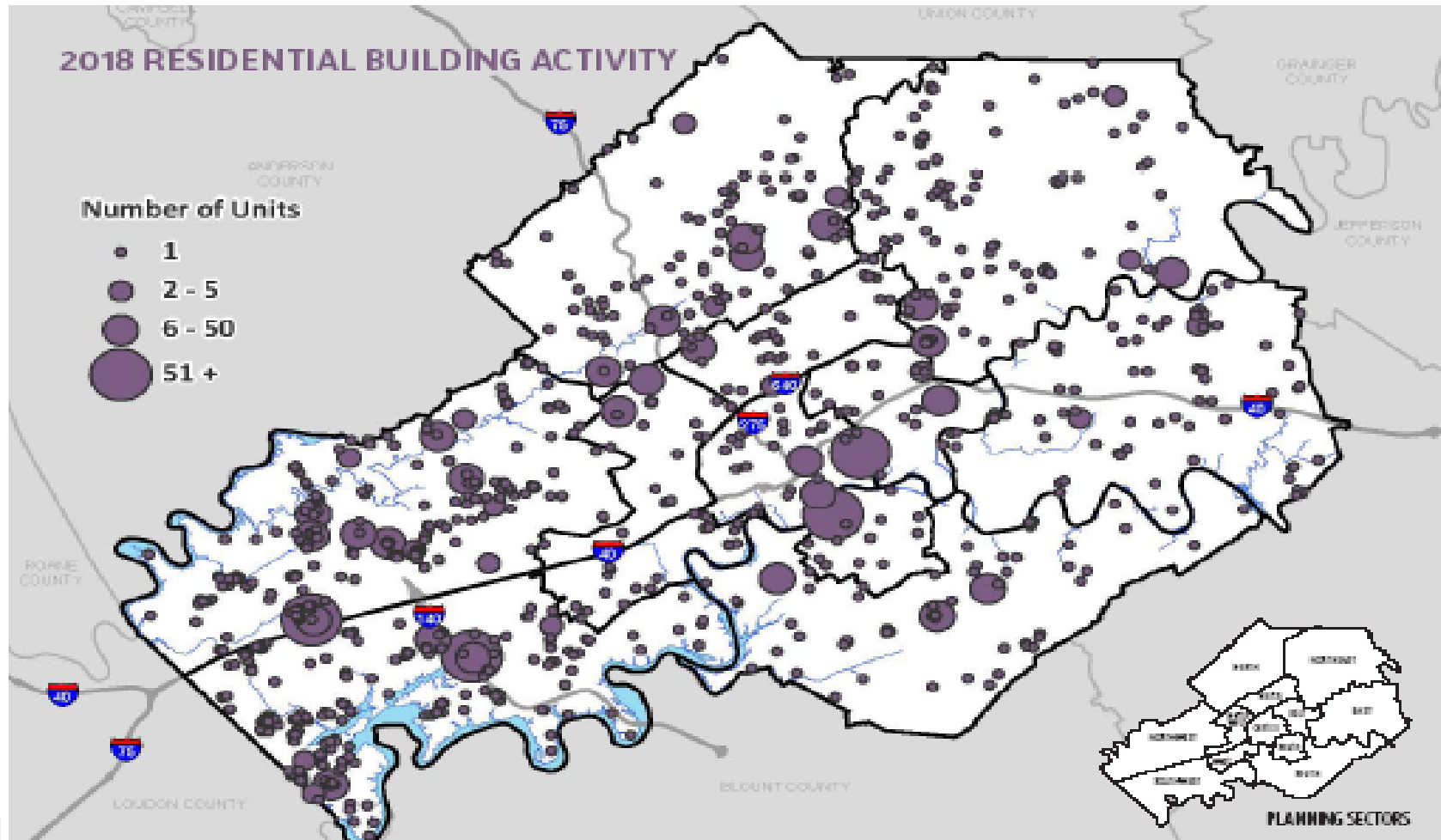
Inflow/Outflow Job Counts (All Jobs) 2015		
	Count	Share
<u>Employed in the Selection Area</u>	18,825	100.0%
<u>Employed in the Selection Area but Living Outside</u>	9,550	50.7%
<u>Employed and Living in the Selection Area</u>	9,275	49.3%
<u>Living in the Selection Area</u>	19,477	100.0%
<u>Living in the Selection Area but Employed Outside</u>	10,202	52.4%
<u>Living and Employed in the Selection Area</u>	9,275	47.6%



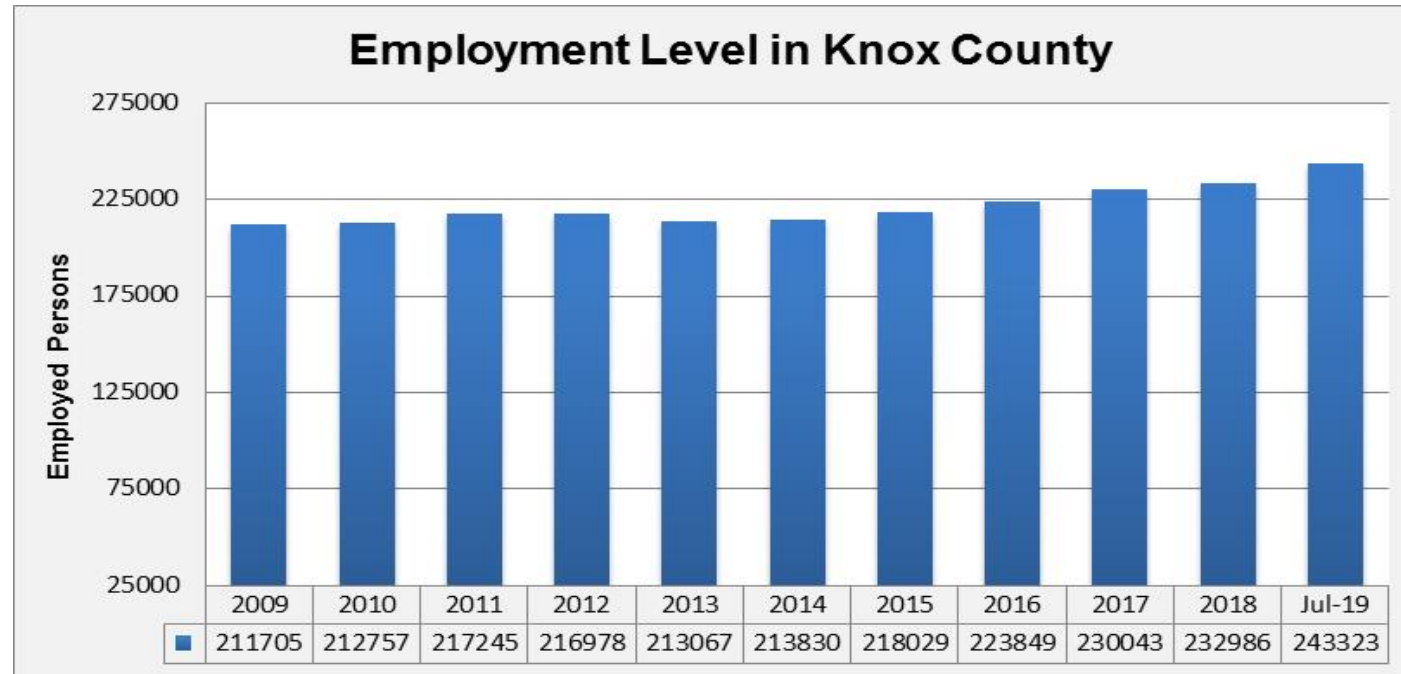
McMinn County, TN

- **Potential Incentives – Conventional Housing**
 - TIFF
 - PILOT
 - RFP to Developers

Knoxville Market



Knoxville Market



Population Growth								
Area	2000	2010	2019	Proj. 2024	Annual % Change 2000-2010	Annual % Change 2010- 2019	Annual % Change 2019-2024	Gross % Change 2019-2024
Knoxville	173,368	179,257	192,237	199,155	0.33%	0.78%	0.71%	3.47%
Knox County	382,032	432,226	470,277	491,880	1.23%	0.94%	0.90%	4.39%
Knoxville, MSA	748,252	837,571	895,244	927,801	1.13%	0.74%	0.71%	3.51%
Tennessee	5,689,283	6,346,105	6,885,931	7,195,563	1.09%	0.91%	0.88%	4.30%

Source: U.S. Census Bureau/STDB Projections

Knoxville Market



Prepared By Reis, Inc.

Metro Executive Briefing

Apartment - 3rd Quarter 2019
Metro: Knoxville

Section 1 - Executive Briefing on Metro Conditions

Average Asking Rent \$809

- Up 1.0% from Q2 2019. ▲
- Has risen for eight consecutive quarters. ▲
- Expected to finish 2019 at \$816.

Average Vacancy Rate 3.7%

- Lowest in the South Atlantic region, eighth lowest in the nation.
- Drifted upward by 30 basis points. ▲
- Expected to finish 2019 at 4.1%.

Knoxville Market

Section 4 - Rent Growth Comparisons

	Asking Rent Growth							
	Quarterly			Annualized				
	3Q19	2Q19	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast	
	Knoxville	1.0%	1.1%	1.8%	5.5%	4.6%	4.0%	3.4%
	South Atlantic	1.0%	1.5%	1.1%	5.5%	4.8%	4.5%	3.3%
United States	1.0%	1.3%	1.0%	5.2%	4.6%	4.7%	3.4%	
Period Ending:	09/30/19	06/30/19	09/30/19	12/31/18	12/31/18	12/31/18	12/31/23	

Metro Rank Compared to:	Total Metros	Metro Ranks						
		3Q19	2Q19	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
South Atlantic	26	10	18	2	12	15	13	11
United States	82	24	50	2	26	32	41	27

Knoxville Market

Section 6 - Vacancy Rate Comparisons

	Vacancy Rates						
	Quarterly			Annualized			
	3Q19	2Q19	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Knoxville	3.7%	3.4%	3.5%	3.6%	4.0%	4.1%	4.4%
South Atlantic	5.1%	5.1%	5.1%	5.0%	4.9%	5.0%	5.5%
United States	4.7%	4.7%	4.7%	4.7%	4.5%	4.4%	5.1%
Period Ending:	09/30/19	06/30/19	09/30/19	12/31/18	12/31/18	12/31/18	12/31/23

Metro Rank Compared to:	Total Metros	Metro Ranks						
		3Q19	2Q19	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
South Atlantic	26	1	1	1	1	3	3	3
United States	82	8	7	8	11	24	28	21

West Knoxville Market

Conventional Occupancy						
Complex Name	Units	City	State	Date Surveyed	Original Year Built	Occupancy Rate
Aventine Northshore	246	Farragut	TN	August 13, 2019	2017	99.0%
The Villas on Wallace Road	76	Knoxville	TN	August 2, 2019	2016	100.0%
Greystone Vista	156	Knoxville	TN	August 13, 2019	2016	100.0%
The Preserve at Hardin Valley	296	Knoxville	TN	August 2, 2019	2013	100.0%
Wellsley Park at Deane Hill	249	Knoxville	TN	August 6, 2019	2013	95.0%
Amberleigh Bluff	336	Knoxville	TN	August 13, 2019	2011	98.8%
The Cove at Creekwood	208	Lenoir City	TN	August 5, 2019	2011	95.2%
The Enclave at Hardin Valley	236	Knoxville	TN	August 2, 2019	2009	99.2%
Greystone Summit	218	Knoxville	TN	August 13, 2019	2009	100.0%
Lovell Crossing*	288	Knoxville	TN	August 2, 2019	2007	n/a
Walden Legacy	236	Knoxville	TN	August 2, 2019	2005	100.0%
Heritage Lake at Westland	262	Knoxville	TN	August 13, 2019	2001	98.8%
Lanesborough	208	Farragut	TN	August 13, 2019	1997	100.0%
Derby Run	72	Farragut	TN	August 6, 2019	1990	98.6%
Greystone Pointe	328	Knoxville	TN	August 13, 2019	2018	100.0%
Tapestry at Turkey Creek	220	Knoxville	TN	August 13, 2019	2018	98.2%
Total / Averages	3,347				2010	98.8%

*Occupancy is unavailable; excluded from total and averages



West Knoxville Market

- **$\pm 1,000$ units in lease-up or under construction**
- **± 600 units in planning**
- **Vacancy $<3\%$**



Knoxville Affordable Housing

- **KCDC**
- City Participation
- Workforce Housing Deals