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Report Examines Downtown Knoxville's Housing Market

While Knoxville's residential property trends do not always follow those at the national level, the city, like many across the county, has recently experienced residential growth and renewed interest in downtown living. The Metropolitan Planning Commission's latest Technical Report "[Downtown Knoxville's Housing Market](#)" examines the city's downtown housing market by looking at total inventory, annual additions, construction investment, residential sales, and pricing per square foot.

Knoxville's downtown residential market has experienced dramatic growth in the past nine years. There were approximately 535 downtown residential units in 2000. That number grew by 96 percent to 1,051 units in 2008. Since 2000, more than \$80 million has been invested in residential construction and renovation in downtown Knoxville.

The Gay Street corridor has the greatest number of residential dwelling units with 320, while Jackson Avenue is second with 135. These two streets account for 43 percent

of the residential living downtown. Summit Towers, a senior independent living facility, has the largest number of units with 278.

The average residential sales price in downtown Knoxville increased 232 percent between 2000 and 2008. The average sale price began climbing in 2003 and, aside from a dip in 2005, rose to \$338,682 in 2008. The number of units sold increased in 2004 then rose dramatically from 2006 to 2008. During this three year time period, the demand for more upscale residential living drove the increase in sales price and units sold.

Comparatively, the average condo sales price in the Knoxville Metro area grew 50 percent since 2000 to an average of \$162,100 in 2008. The average sales price per square foot in downtown increased from \$71.96 in 2000 to \$225.69 in 2008.

Although the number of residential units downtown nearly doubled since 2000, few have been designated strictly for rental. The Sterchi Lofts, JFG Flats and the Emporium are the largest developments marketed solely for rent and account for the largest portion of the downtown rental market.

There are currently 180 residential units either under construction or proposed in downtown Knoxville. These include The Elliot on West Church Avenue, the Crimson Building on Gay Street and the Southeastern Glass Building on Broadway. The Daylight Building on Union Avenue and the Farragut Building on Gay Street are scheduled to provide 117 additional rental units.

The complete report is available at no charge online at www.knoxmpc.org or in the MPC Library.

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