



**EAST TENNESSEE
REALTORS®**

MEMBERS PREVIEW: 2026 Housing Market Forecast



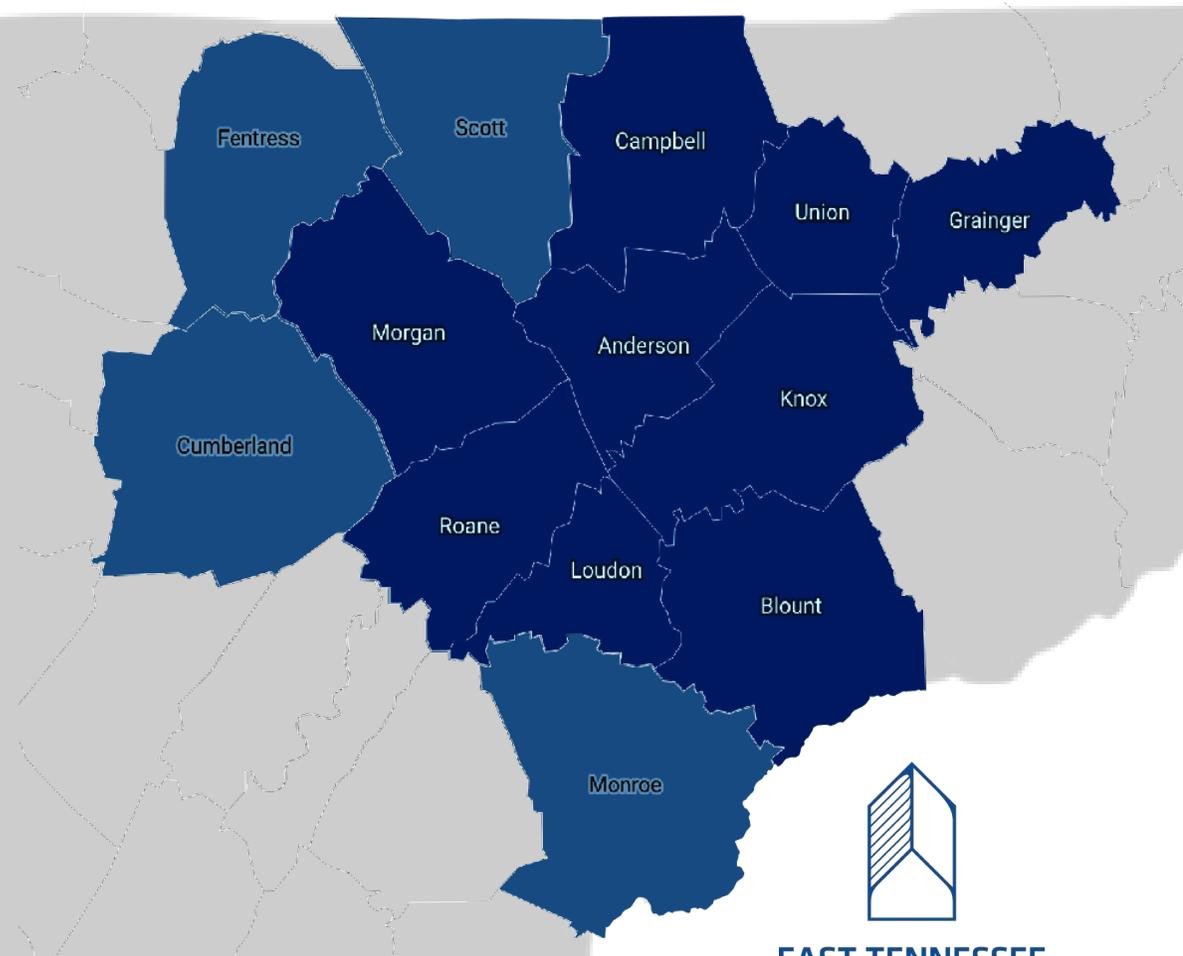
AGENDA



Economic Environment
Housing Market Conditions
Trends To Watch
Forecast

Regional Definitions

East Tennessee REALTORS® vs Knoxville Metropolitan Statistical Area (MSA)



EAST TENNESSEE
REALTORS®

Regional Definitions

East Tennessee REALTORS® vs Knoxville Metropolitan Statistical Area (MSA)

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Knoxville predicted to be the most popular city to move to in 2026, study says
The study predicts Knoxville to have 1.61 more newcomers moving into the Scruffy City for every person moving away.

Columbia Daily Herald's Post
Columbia Daily Herald
November 14 at 10:00 AM
Knoxville is expected to become one of the most popular relocation destinations in what to know.

WBIR Channel 10
November 10 at 7:19 PM
On a list of places to move, Knoxville seems to be climbing higher and higher on that list. A new moveBuddha report said that Knoxville will have the highest in-to-out ... See more

WBIR LOCAL NEWS
Knoxville residents voice concerns amid projected 2026 population influx

Americans are predicted to move to this Tennessee city in droves in 2026: Study
By Emily Davis
Published Nov. 7, 2025, 3:48 p.m. ET

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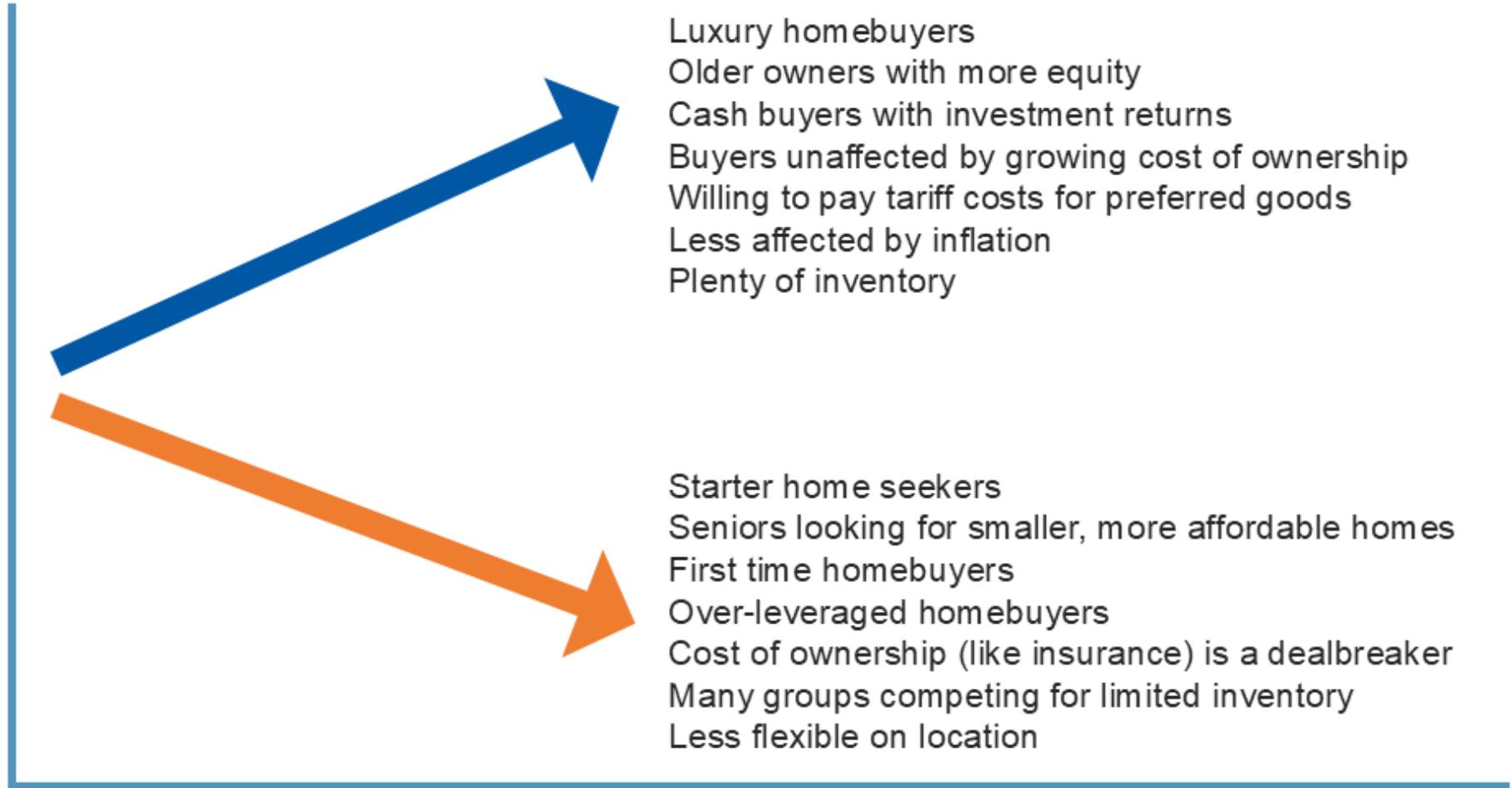
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The “K-shaped” Economy of Real Estate

Consumer spending power, behaviors split into two groups

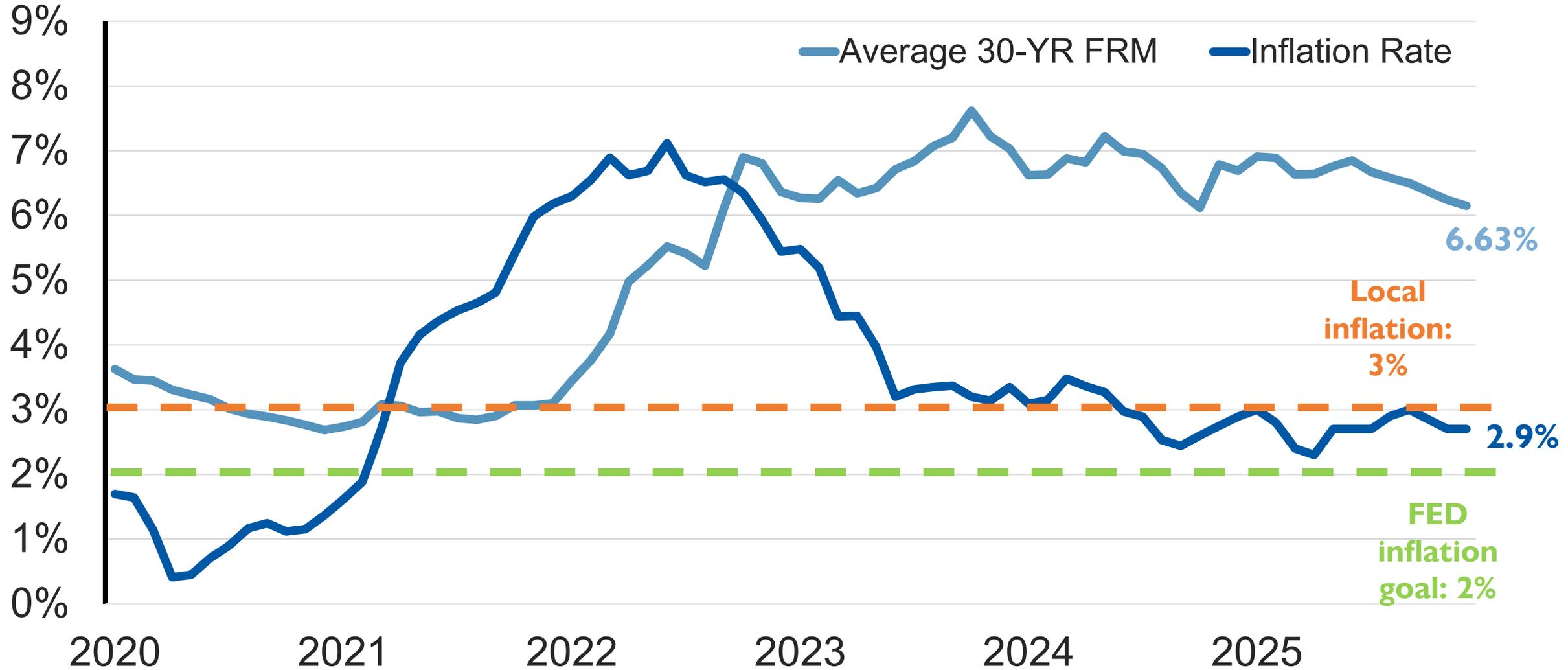


Luxury homebuyers
Older owners with more equity
Cash buyers with investment returns
Buyers unaffected by growing cost of ownership
Willing to pay tariff costs for preferred goods
Less affected by inflation
Plenty of inventory

Starter home seekers
Seniors looking for smaller, more affordable homes
First time homebuyers
Over-leveraged homebuyers
Cost of ownership (like insurance) is a dealbreaker
Many groups competing for limited inventory
Less flexible on location

Inflation and Mortgage Rates

Average 30-YR FRM vs. Inflation Rate

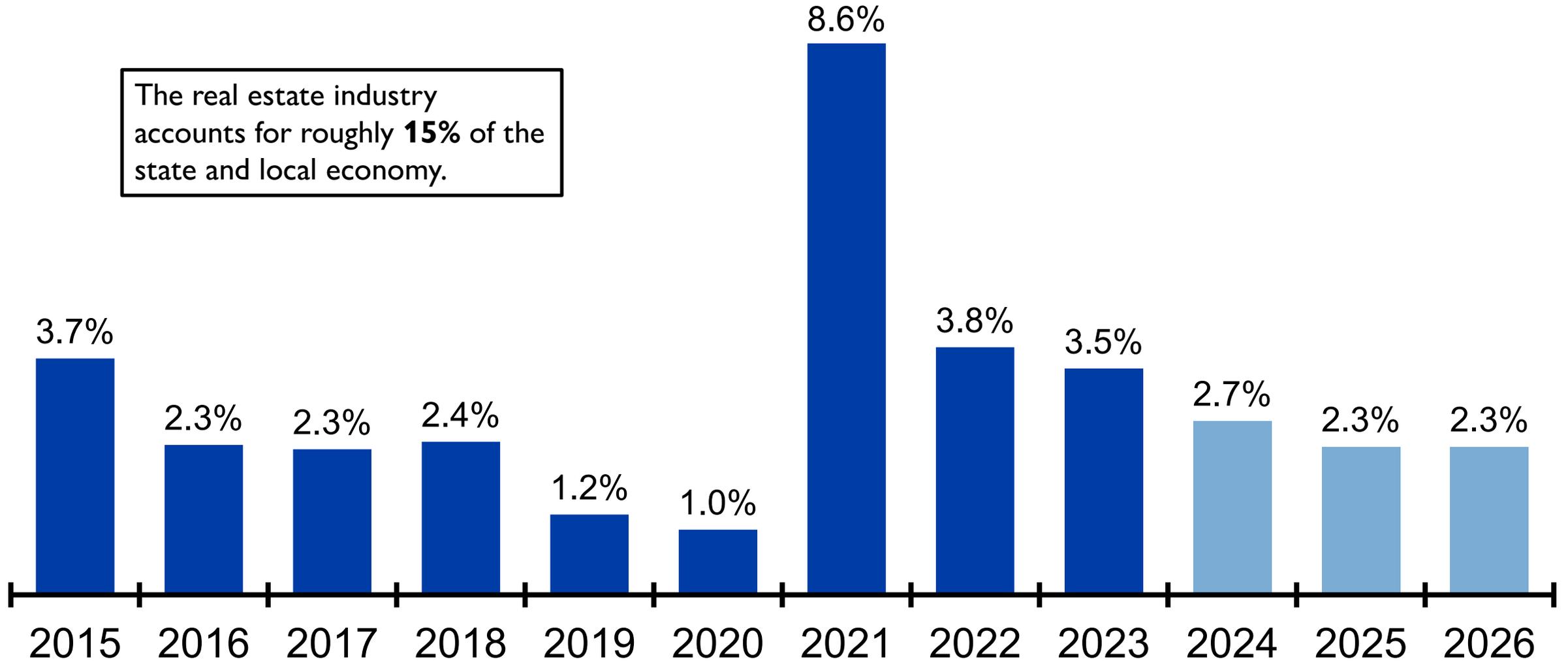


Source: U.S. Bureau of Economic Analysis; Freddie Mac

Local Economic Outlook

Real GDP Growth: Knoxville, TN MSA

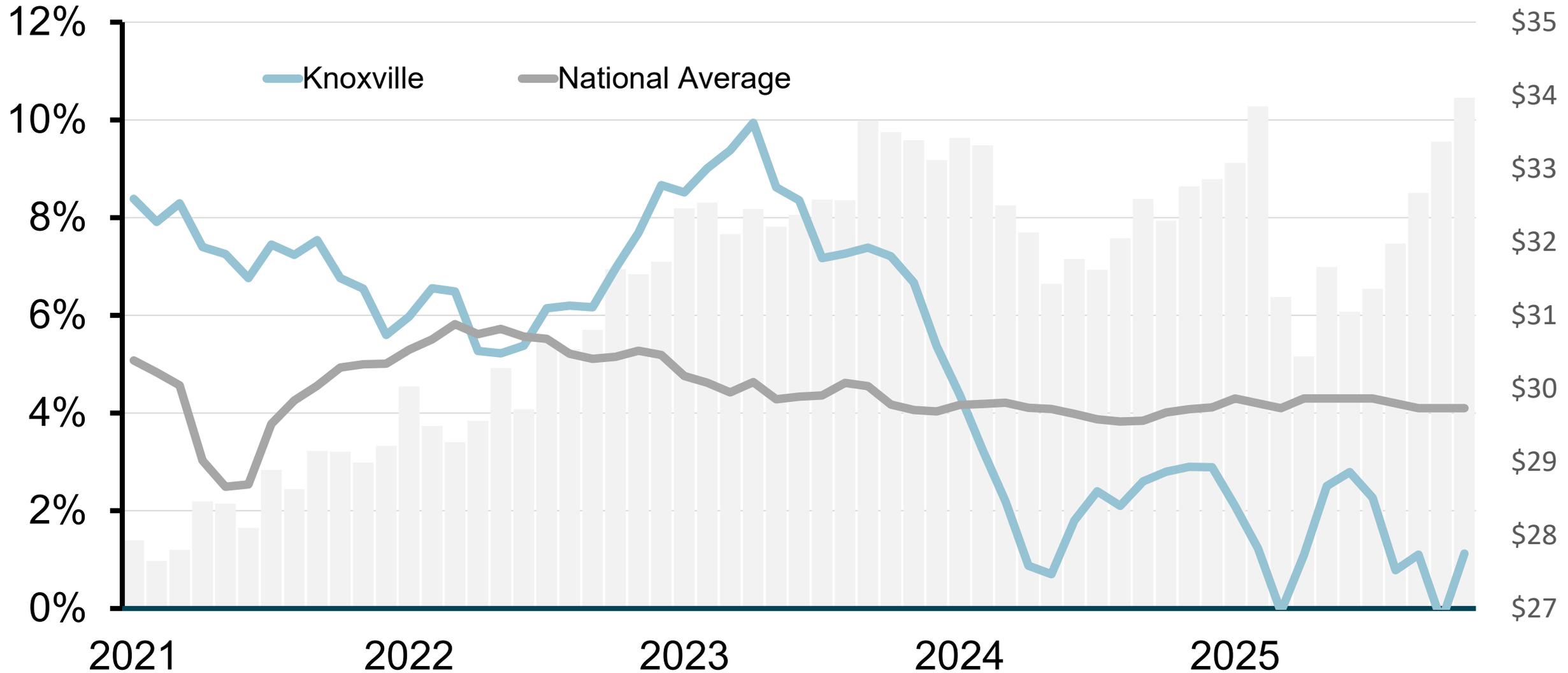
The real estate industry accounts for roughly **15%** of the state and local economy.



Source: U.S. Bureau of Economic Analysis (BEA); Moody's Analytics Estimates

Nominal Wage Growth

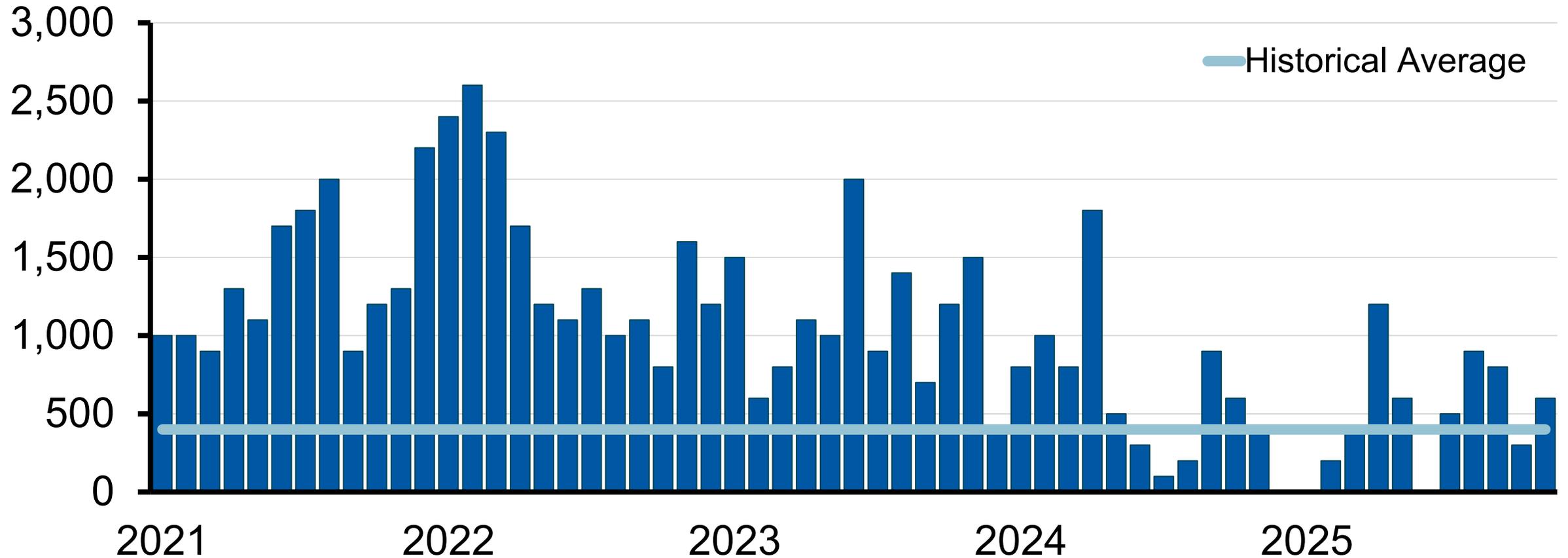
3-month average of annual change in average hourly earnings: Knoxville, TN MSA



Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Pace of Monthly Job Gains

3-month average of monthly change in nonfarm employment: Knoxville, TN MSA



Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis



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Economic Environment



Housing Market Conditions

Trends To Watch

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2025 Housing Market Recap



Home Sales

ETNR Forecast: +8.7%

Actual: +4.7%



Median Sale Price

ETNR Forecast: +2.9%

Actual: +2.6%



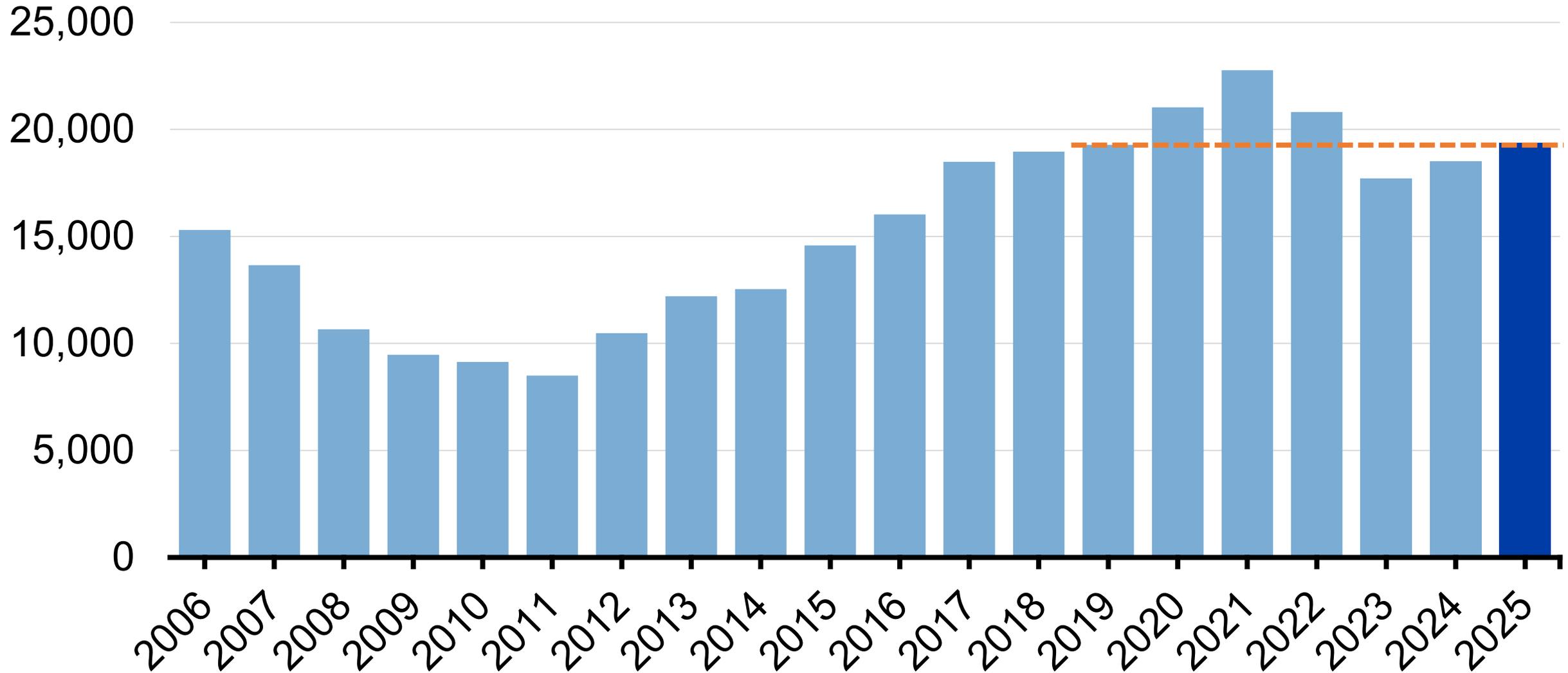
AVG 30-YR Fixed Mortgage Rate

Forecast: 6-6.6%

Actual: 6.56%

Home Sales Increased 4.7% in 2025

Annual Single-Family Home Sales: East Tennessee

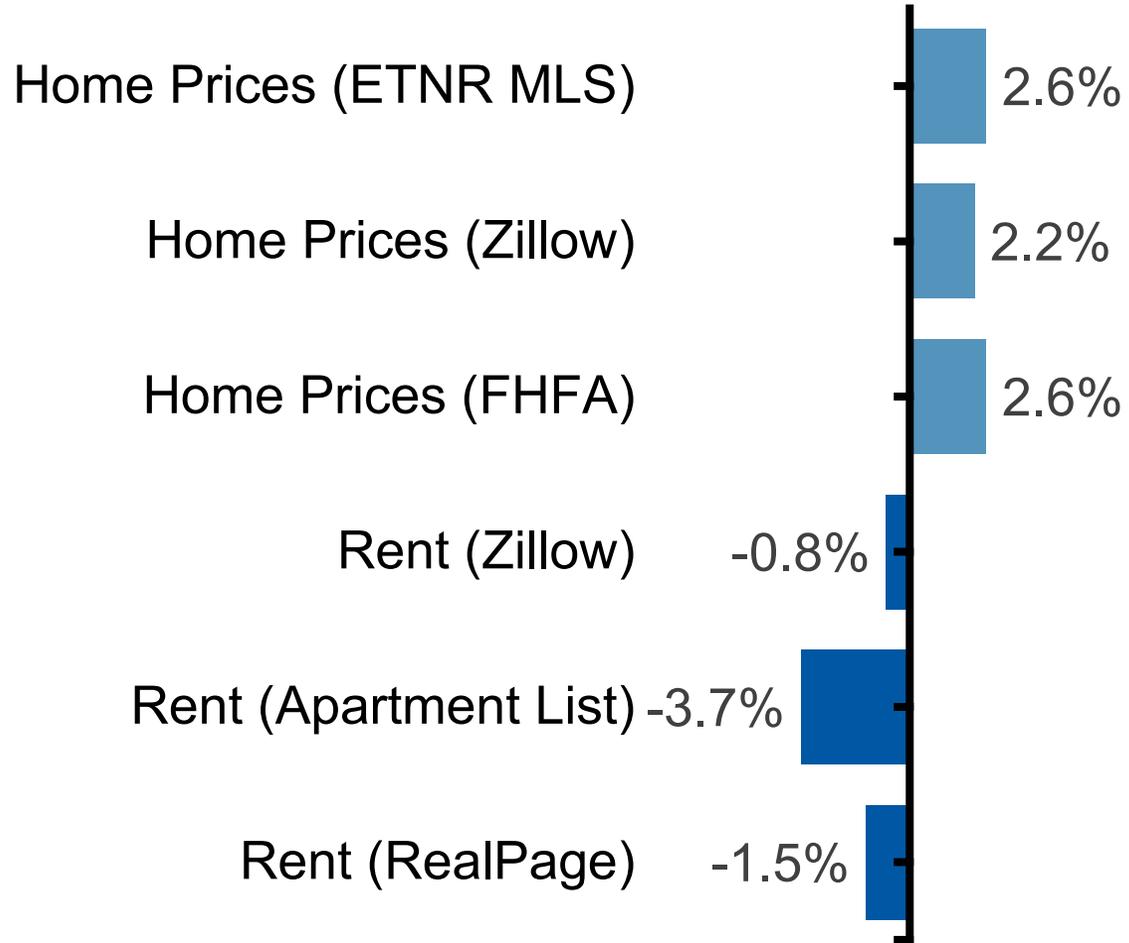


Source: East Tennessee REALTORS®

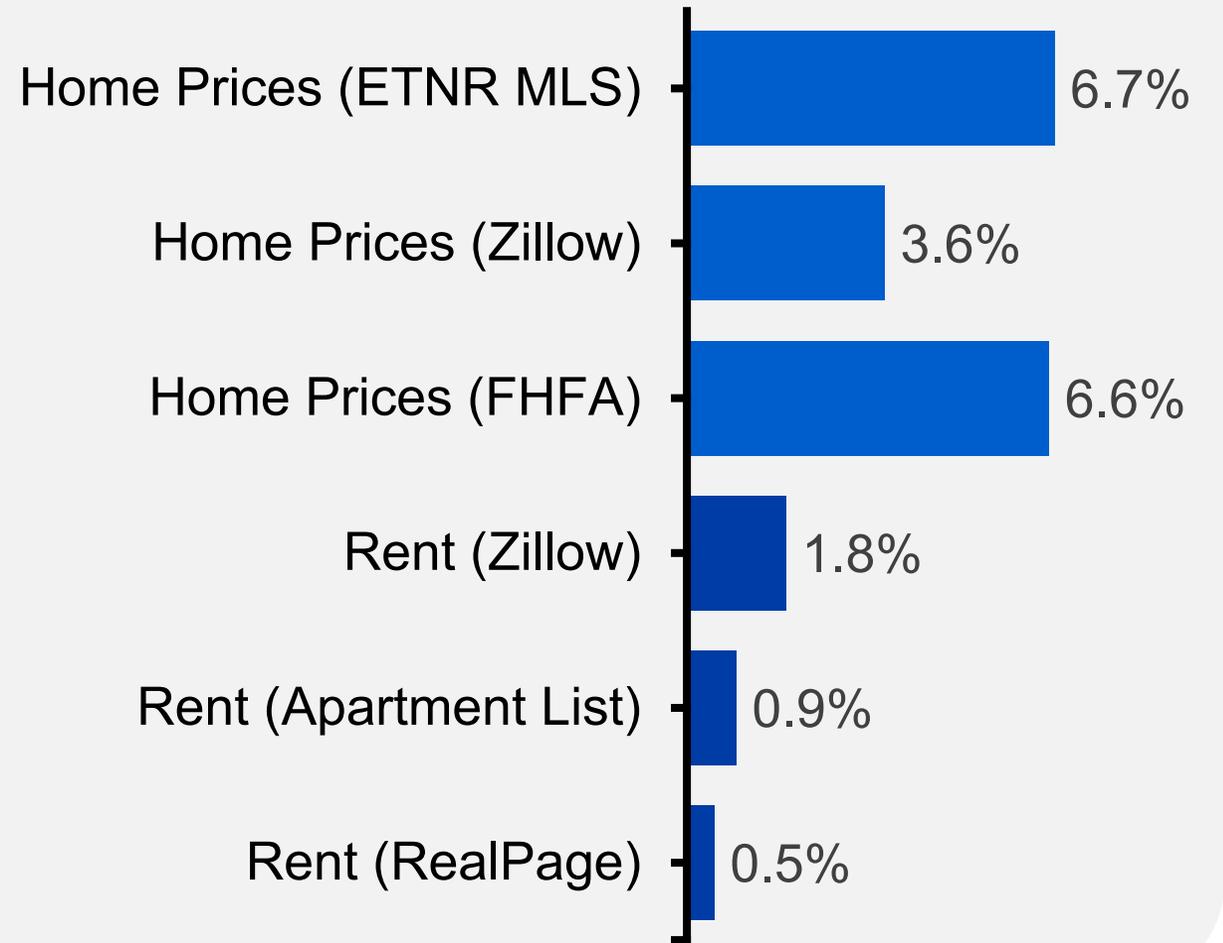
Housing Costs Still High But Growth is Slowing

Year-over-year Percent Increase, Knoxville, TN Metro Area

2025



2024



Housing Affordability: 2024 vs. 2025

	2024	2025	Change	Change (%)
Interest Rate (%)	6.87	6.56	0.14	+2.0%
Median Sale Price	\$365,000	\$374,500	\$9,500	+2.6%
Down Payment & Closing Costs	\$47,450	\$48,685	\$1,235	+2.6%
Monthly Principal & Interest Payment	\$2,156	\$2,144	-\$12	-0.5%
Total Monthly Owner Costs	\$2,599	\$2,600	\$1	0%
Annual Income Needed	\$93,580	\$93,600	\$20	0%

Source: East Tennessee REALTORS® analysis of Freddie Mac, FHFA, and MLS data; Atlanta Fed. Data for 2024 are preliminary and subject to revisions. Estimates assume a 10% down payment on a 30-year fixed-rate loan with zero points, 3% closing costs, 0.5% property taxes, 0.40% property insurance, 0.558% private mortgage insurance, and a maximum 30% debt-to-income ratio.

Lowered Mortgage Rates Add Thousands of Potential Buyers

Increase in Affordability, Knoxville TN MSA

7%

30-YR
FRM

139,019

households can afford the
median priced home

18,045

renter households can afford
the median priced home

6%

30-YR
FRM

153,253

households can afford the
median priced home

21,216

renter households can afford
the median priced home

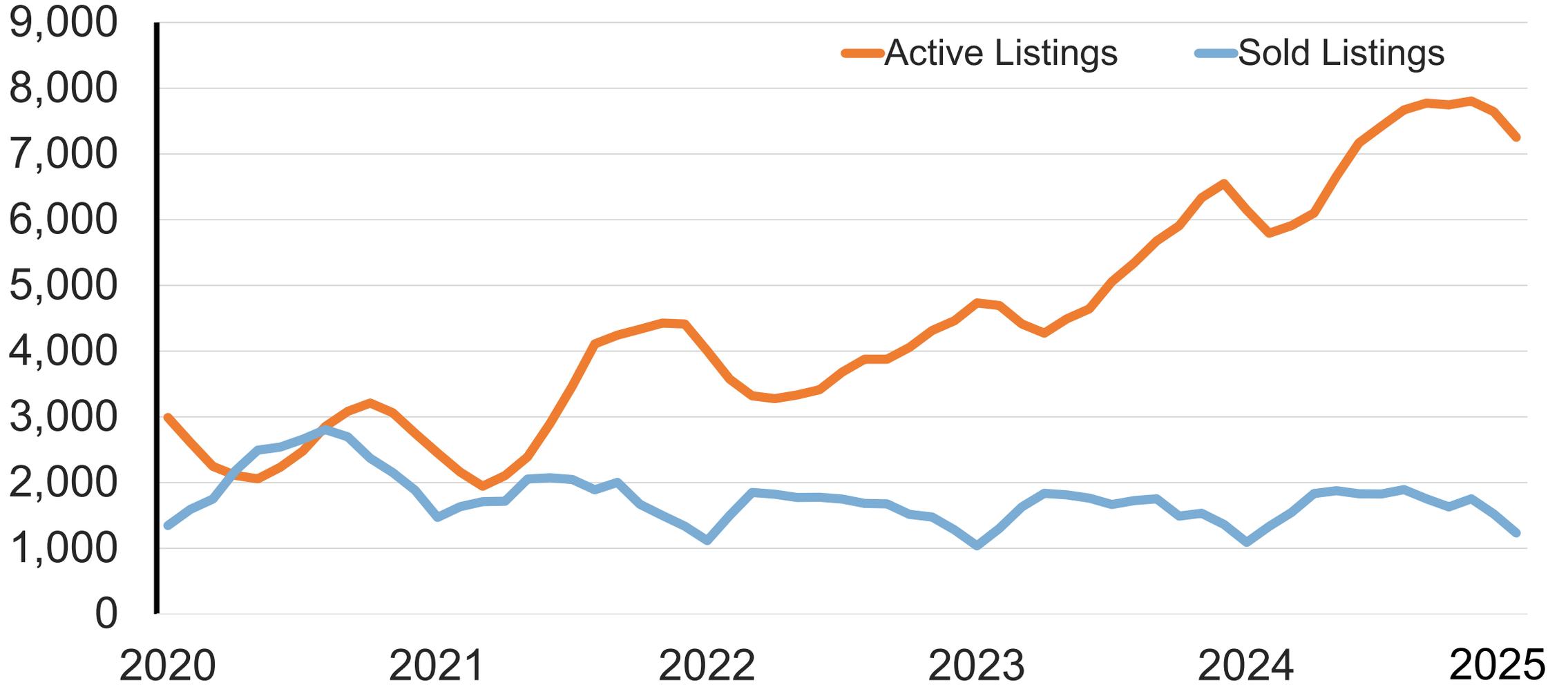


+14,233 households

Source: National Association REALTORS® analysis of Mortgage Disclosure Act data

5-Year Trend in Inventory

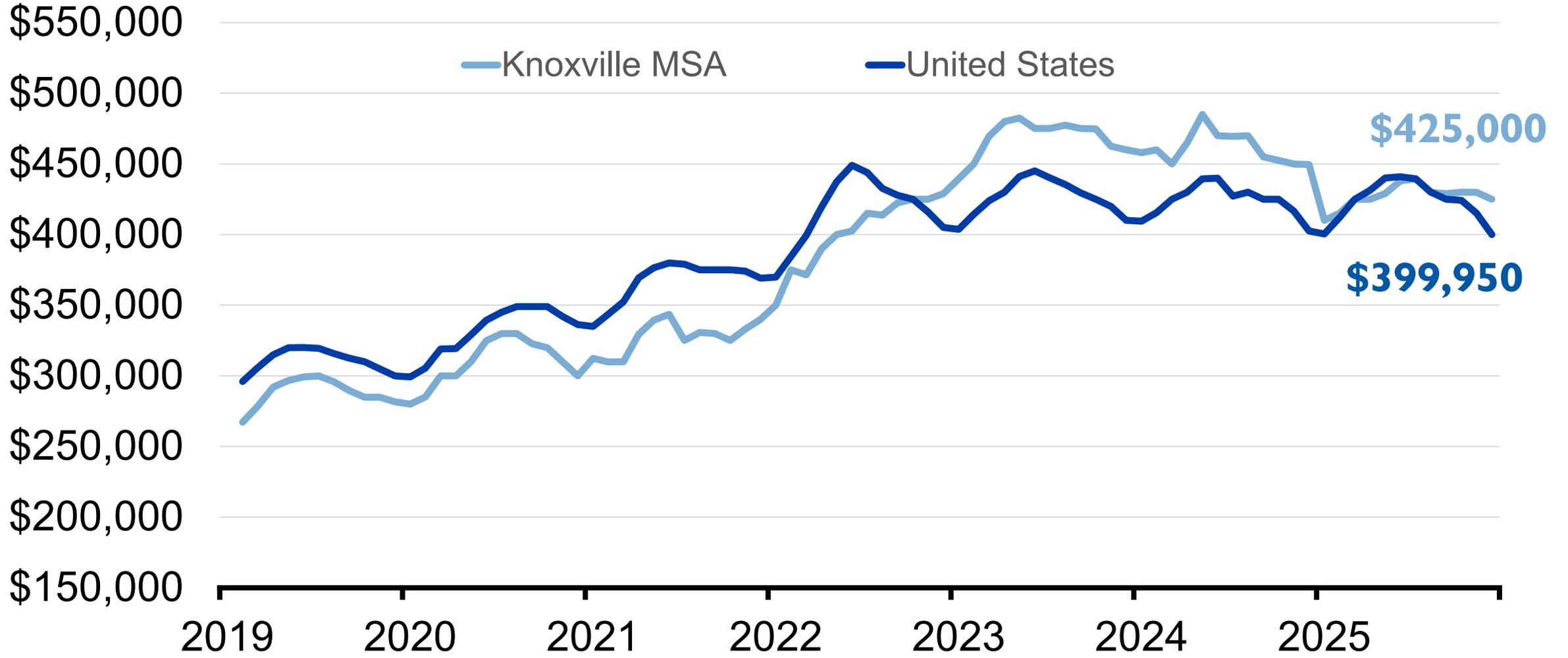
East Tennessee REALTORS footprint



Source: East Tennessee REALTORS® Multiple Listing Service

Regional Asking Prices 6% Above National Average

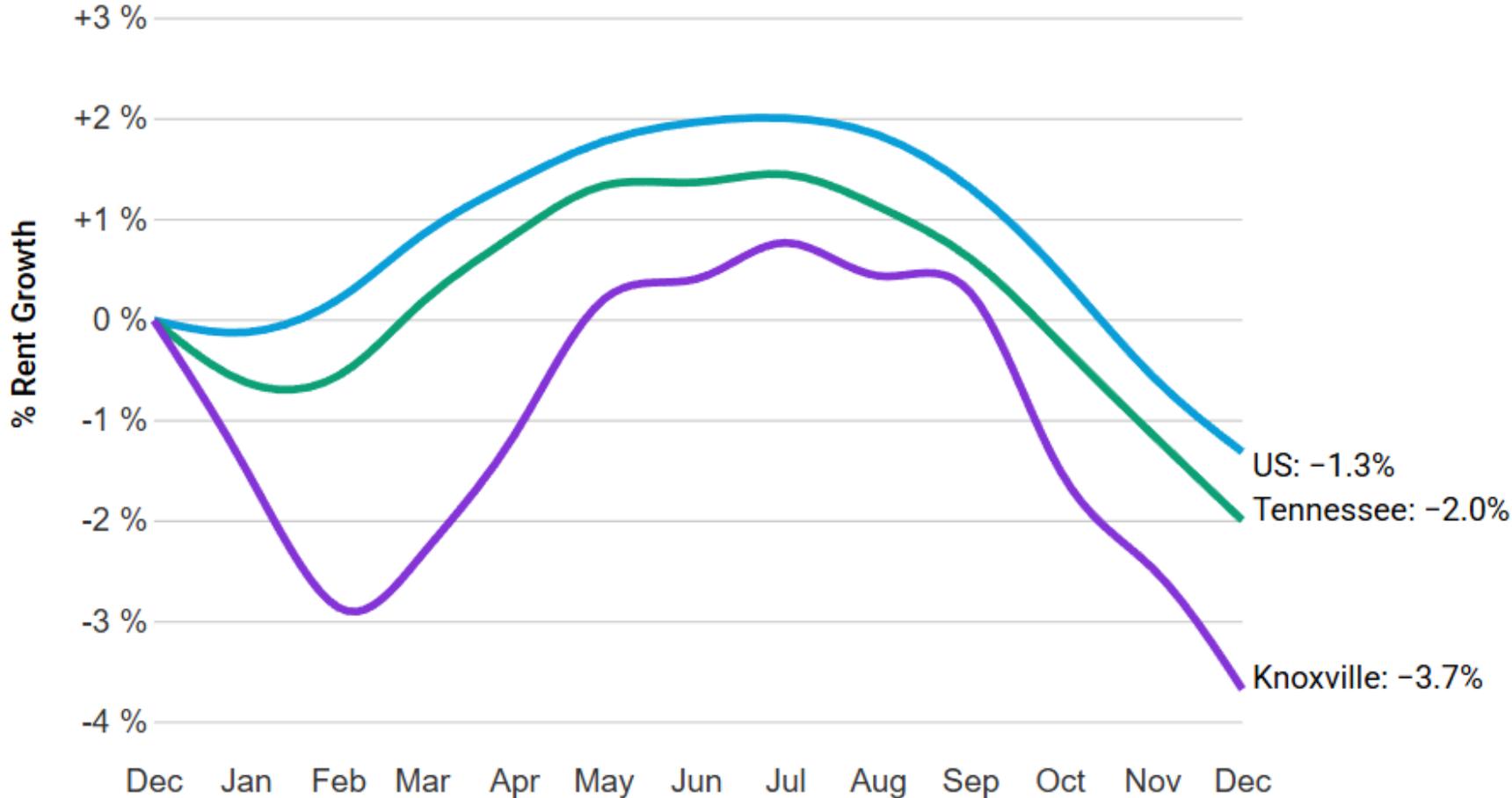
Median Asking Price: Knoxville, TN Metro Area



Source: East Tennessee REALTORS® analysis of Realtor.com data

Rent Growth Expected to Stay Flat

Median Effective Rent: Knoxville, TN



+63% or \$587

Rent increase Q1
2020 – Q1 2025

60%

Rent-burdened
households

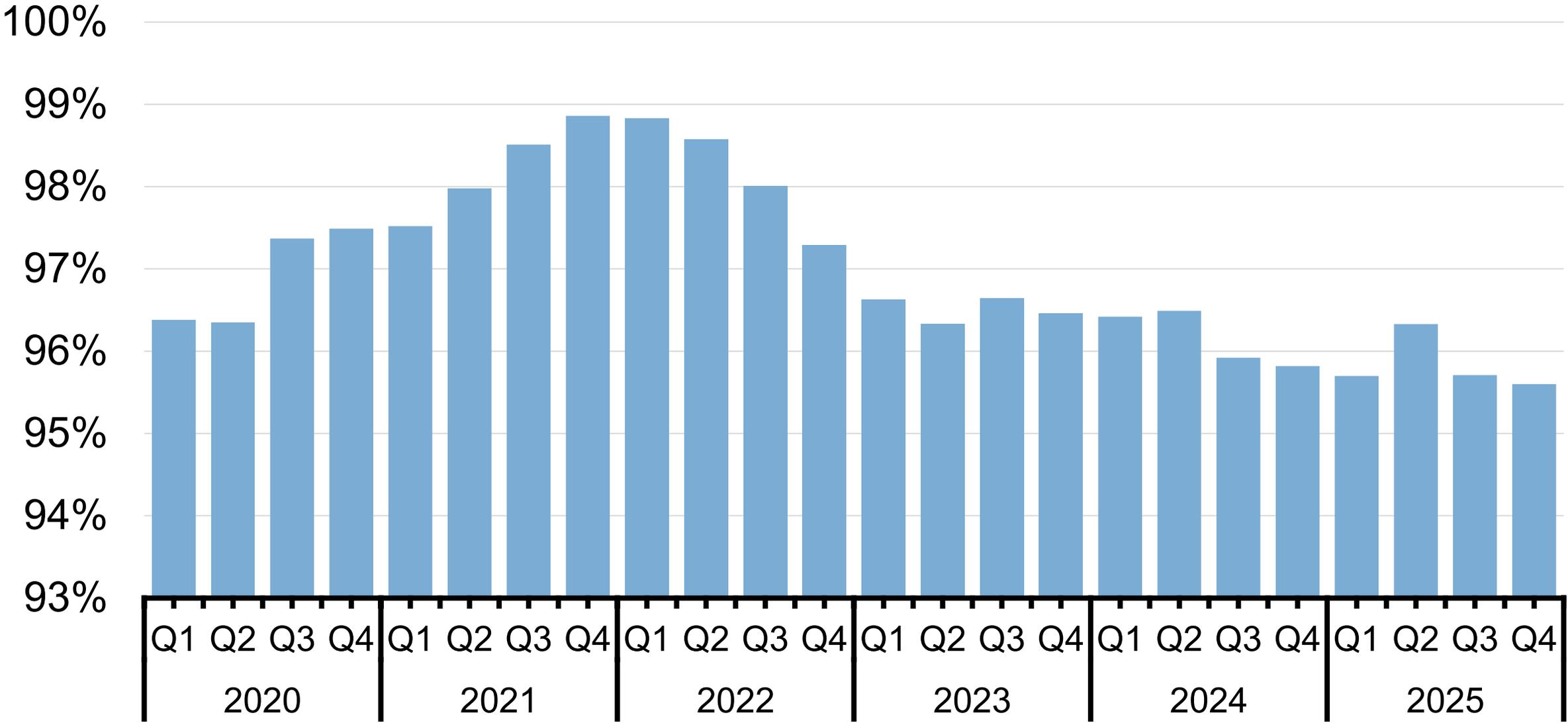
\$60,000

Minimum salary
needed to afford a
\$1,500 per month rent

Source: Apartment List

Occupancy Rates Slowly Improving, But Still Tight

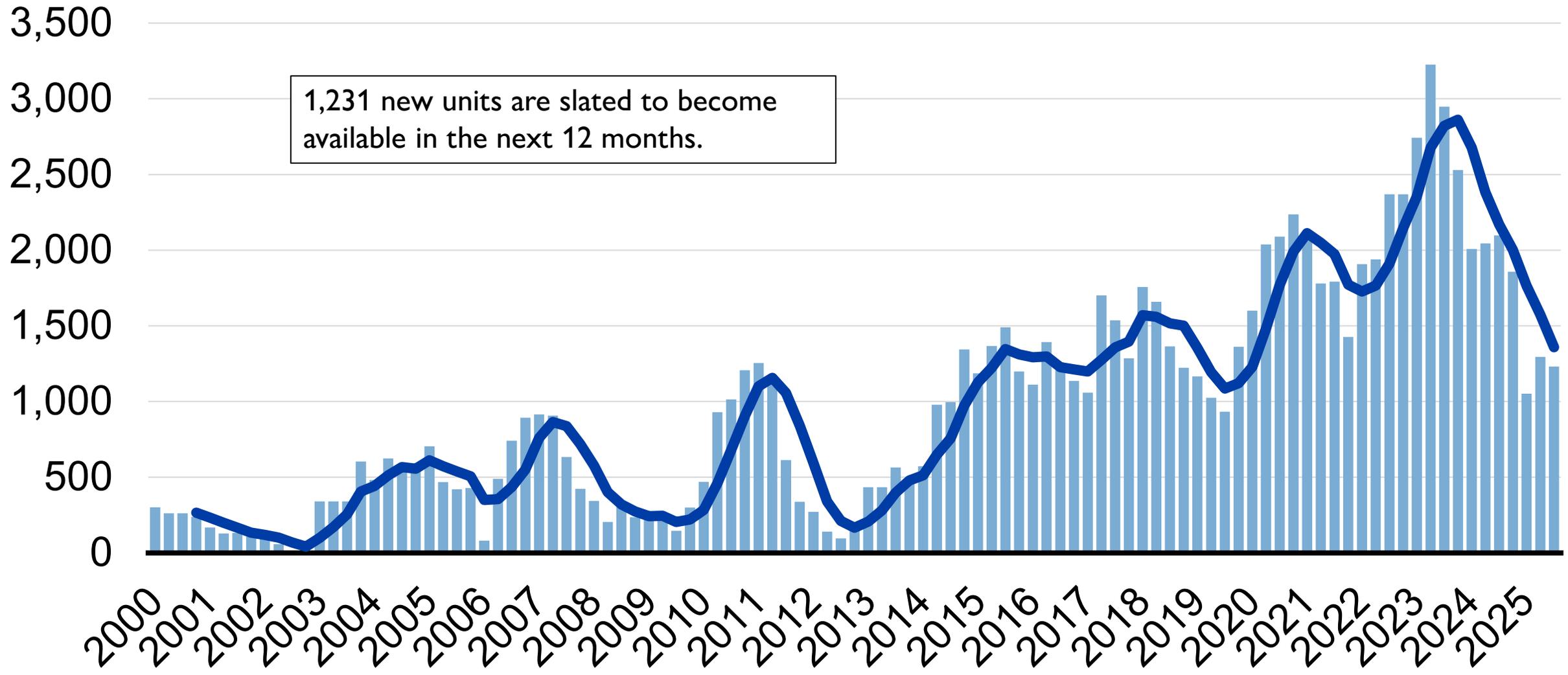
Rental Occupancy Rate: Knoxville, TN Metro Area



Source: RealPage Analytics

Multifamily Construction

Market-Rate Apartment Units Under Construction: Knoxville, TN Metro



Source: RealPage Analytics

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Economic Environment

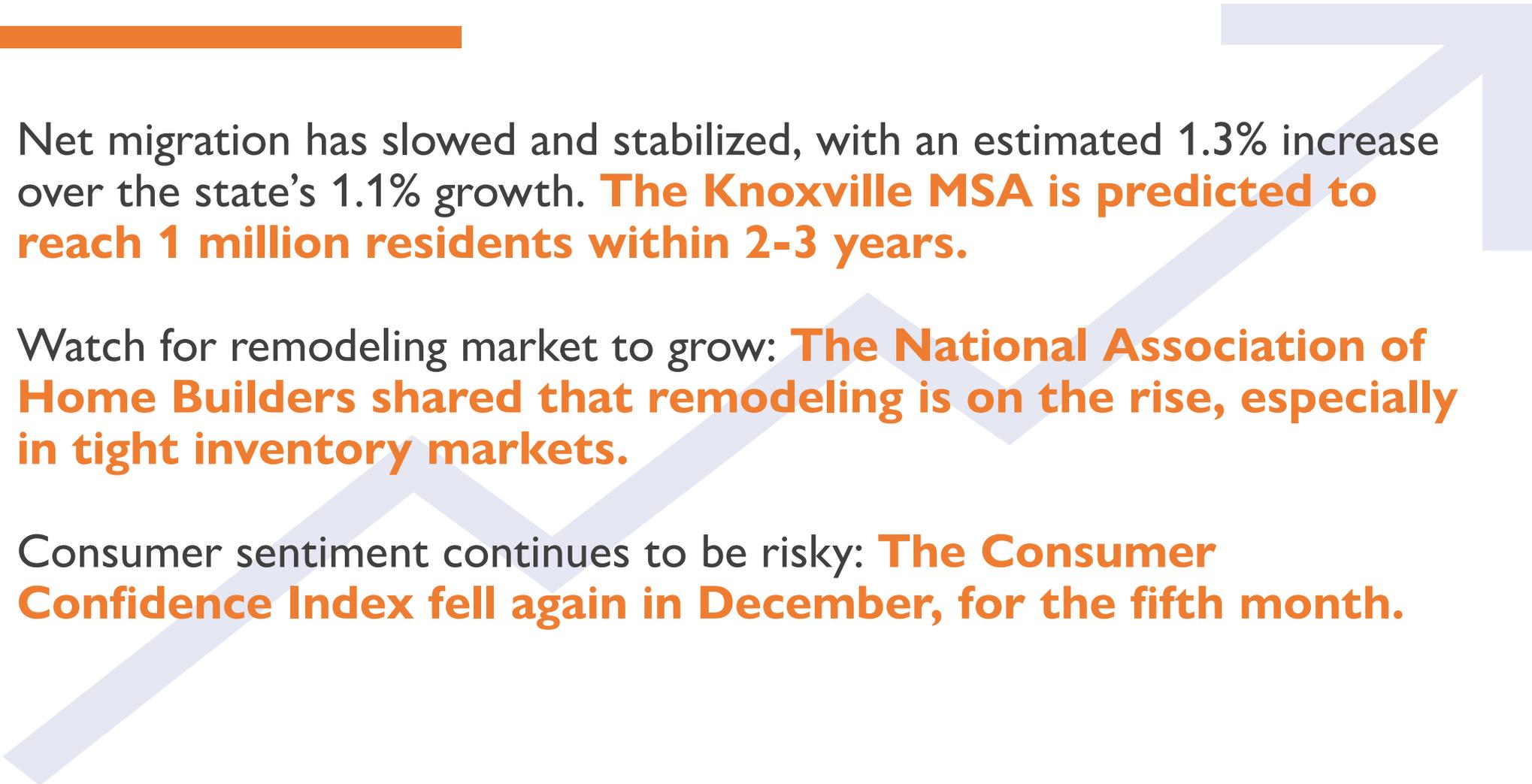
Housing Market Conditions



Trends To Watch

Forecast

Trends to Watch



Net migration has slowed and stabilized, with an estimated 1.3% increase over the state's 1.1% growth. **The Knoxville MSA is predicted to reach 1 million residents within 2-3 years.**

Watch for remodeling market to grow: **The National Association of Home Builders shared that remodeling is on the rise, especially in tight inventory markets.**

Consumer sentiment continues to be risky: **The Consumer Confidence Index fell again in December, for the fifth month.**

East Tennessee Migration Trends:

Where Are Movers Coming From and Going To?

Top Origins	Top Destinations
Nashville, TN	Nashville, TN
Atlanta, GA	Chattanooga, TN
Chattanooga, TN	Atlanta, GA
Memphis, TN	Washington, DC
New Orleans, LA	Oklahoma City, OK

Source: East Tennessee REALTORS®, U.S. Census Bureau, Apartment List



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Economic Environment
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 **Forecast**

Housing Market Forecast

East Tennessee

	2024	2025	2026
30-YR FRM	+6.87%	+6.56%	6-6.5%
Median Sale Price	+6.5%	+2.6%	+3.1%
Home Sales	+1.8%	+4.7%	+6.8%

Rental Market Forecast

East Tennessee

	2024	2025	2026
Occupancy Rate	95.6%	95.9%	95.6%
Effective Rent	\$1,485	\$1,465	\$1,445
Rent Growth	+0.5%	-1.5%	-1.6%

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FORECAST REPORT**



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Market Forecast**