

MARKET AT A GLANCE



OCCUPANCY RATE

95.0%

Down 50 bps since 1Q19



EFFECTIVE RENT

\$979

Up 2.4% since 1Q19



DELIVERIES

66

Units YTD

MARKET IMPACT ANALYSIS

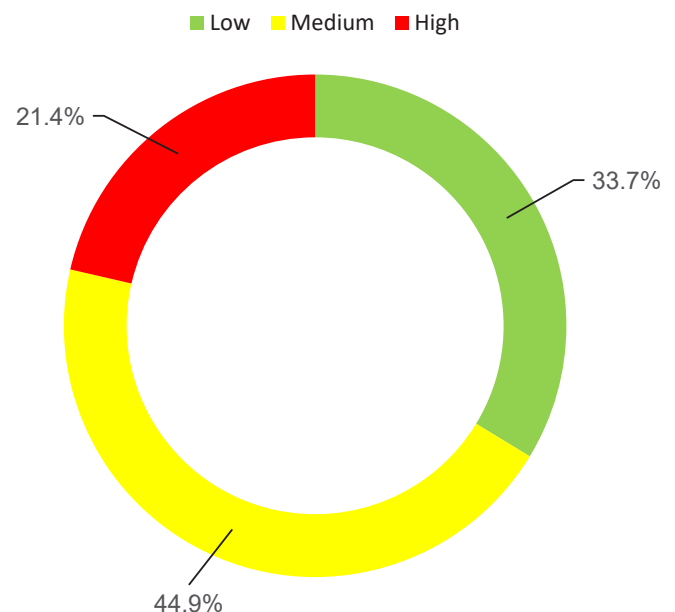
VW FACTORY TO RESTART IN UNISON WITH TENNESSEE PLEDGE PLAN

Governor Bill Lee's newly lifted shelter-in-place guidelines, known as the Tennessee Pledge, have set the stage for people to return to work and businesses to reopen starting May 1. The phased-in plan comes as state officials project a \$5 billion economic loss from coronavirus shutdowns. Hamilton County—which encompasses Chattanooga—will follow Gov. Lee's order to ease restrictions on businesses, with restaurants continuing dine-in service and retail stores allowed in-person shopping. In alignment with the lifted restrictions, Volkswagen, Chattanooga's biggest manufacturing employer with 3,800 workers, plans for production employees to return to work May 3, following a six-week suspension of operations. This is good news for auto supply chain vendors like Gestamp, VW's biggest local supplier, which furloughed 1,000 workers and idled three factories in the wake of the VW plant closure. The construction industry is key to the vitality of the local economy, and most of Chattanooga's biggest building projects continued during the lockdown: the \$800 million VW expansion to make electric vehicles, the \$125 million soccer and mixed-use complex in East Ridge, and the 3.5-acre River Rock downtown development. Also underway are six apartment projects. Some multifamily builders anticipate a slowdown when contractors begin interior work and follow coronavirus social distancing rules, suggesting a portion of the 1,020 units scheduled for completion this year may be delayed.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.1%	1.1%
Finance & insurance	7.0%	4.7%
Health care & social assistance	13.7%	16.0%
Information	1.0%	2.2%
Transportation & warehousing	8.0%	4.4%
Utilities	0.2%	0.4%
Wholesale trade	3.7%	4.7%
Total	33.7%	33.4%
MEDIUM		
Administrative & waste services	7.9%	7.4%
Educational services	1.6%	2.3%
Manufacturing	15.0%	10.1%
Mining, quarrying, & oil & gas extraction	0.0%	0.5%
Other services, except public administration	3.7%	3.6%
Professional & technical services	4.4%	7.5%
Retail trade	12.3%	12.2%
Total	44.9%	43.6%
HIGH		
Accommodation & food services	12.3%	11.1%
Arts, entertainment, & recreation	1.7%	1.9%
Construction	5.1%	6.1%
Management of companies & enterprises	0.8%	1.9%
Real estate & rental & leasing	1.5%	1.8%
Unclassified	0.0%	0.1%
Total	21.4%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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