



MARKET AT A GLANCE



OCCUPANCY RATE **95.3%**
Down **60 bps** since 2Q19



EFFECTIVE RENT **\$982**
Up **1.8%** since 2Q19

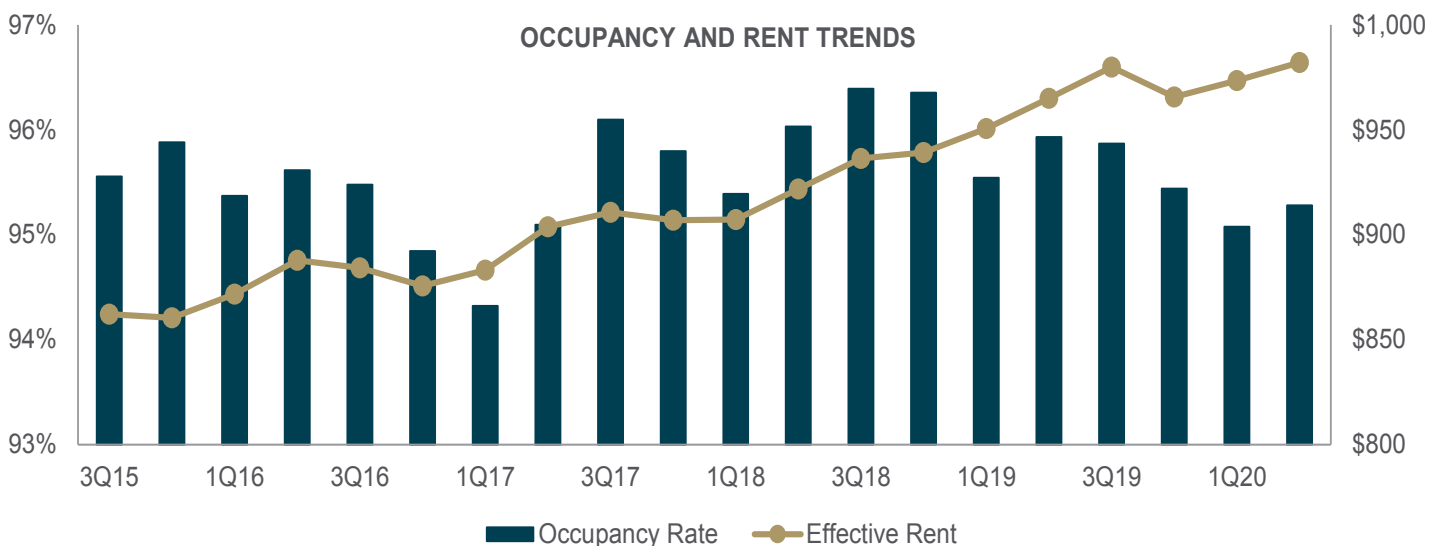


TOTAL INVENTORY **31,146**

OCCUPANCY AND RENT TRENDS

EARLY REBOOT OF ECONOMY, BOUNCE BACK IN SOUTH APARTMENT MARKET

Greater Chattanooga benefited from the early reboot of the state's economy that began on May 1, known as the Tennessee Pledge. Volkswagen put 3,800 employees back to work May 3 following a six-week suspension of operations. Auto supply vendor Gestamp brought back 1,000 furloughed workers to three local factories. Retailers and hospitality businesses reopened with restaurants continuing dine-in service and retail stores allowing in-person shopping. Local businesses rehired 10,300 workers May through June. As the local economy bounced back, so did the apartment market. Following two quarters of net negative absorption, leasing activity outpaced inventory growth in the second quarter. Apartment development and demand was concentrated in the South Chattanooga submarket where renters were attracted to employment nodes like the Erlanger medical campus and Unum's headquarters. Pent-up demand in this submarket advanced occupancy 60 basis points quarter over quarter to an average of 95.9% in June. Monthly effective rent appreciated 1.4% since March to \$973 by mid-year. On the owner side, no surveyed CMBS and Fannie Mae loans metrowide were 30+ days delinquent at the end of the second quarter.



CHATTANOOGA

MULTIFAMILY REPORT

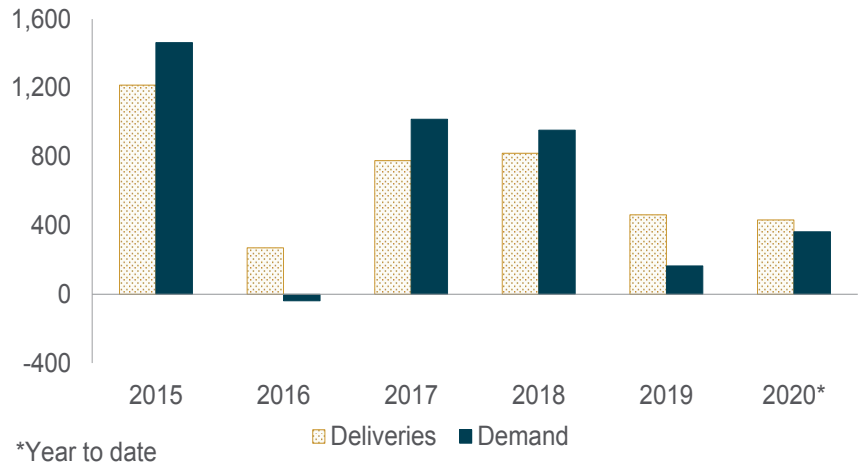
DELIVERIES AND DEMAND



DELIVERIES 432
Units YTD



NET ABSORPTION 363
Units YTD



ECONOMIC TRENDS

2019 3.4% **UNEMPLOYMENT*** 2020 7.7%
430 BPS CHANGE

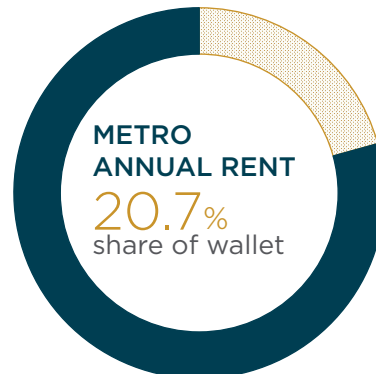
2019 267.3k **EMPLOYMENT*** 2020 260.6k
-2.5% CHANGE

2019 9.6k **EXISTING SFH SALES*** 2020 8.8k
-8.3% CHANGE

2019 565.6k **POPULATION*** 2020 570.3k
0.8% CHANGE

2019 2.07% **10-YEAR TREASURY*** 2020 0.73%
-130 BPS CHANGE

*June



CHATTANOOGA

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
North Chattanooga	93.8%	-60	-160	\$1,003	-0.2%	1.2%	45	90	107	252
South Chattanooga	95.9%	60	-20	\$973	1.4%	2.0%	346	177	238	238
TOTALS	95.3%	20	-60	\$982	0.9%	1.8%	392	267	345	490



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