CHATTANOOGA, TN

2024 MARKET AT A GLANCE

OCCUPANCY RATE
(Q4 2024)
95.5%
UP 60 BPS YOY

EFFECTIVE RENT
(Q4 2024)
$1,404
UP 2.9% YOY

RENT SHARE OF WALLET
(Q4 2024)
22.2%
UP 20 BPS YOY

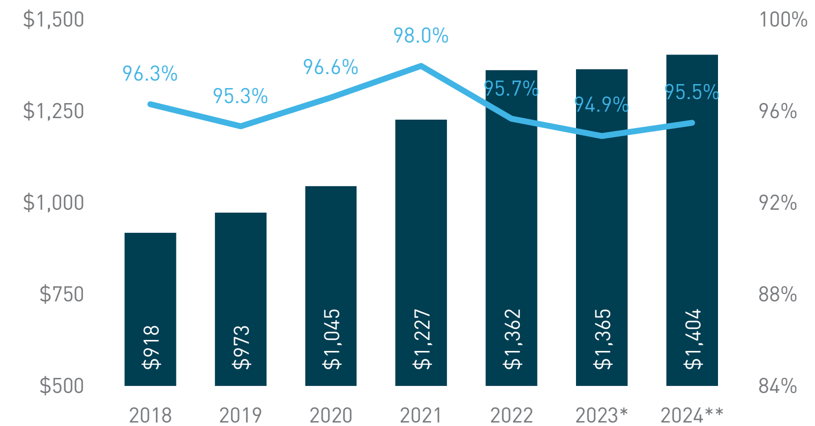
Strong Economy Attracts Investors, Businesses, and Residents to Chattanooga

Chattanooga is a thriving market with a promising future. The city has made investments in infrastructure and sustainability initiatives, including high-speed internet connectivity and renewable energy. Chattanooga has successfully attracted major companies in various industries, including manufacturing, technology, and healthcare. Employment is forecast to reach 282,100 workers by the end of 2024, a 0.2% annual gain. At the same time, local unemployment will remain under the national average as Chattanooga is projected to average 3.9% in December 2024. The positive employment situation will contribute to an estimated 2.2% annual growth in median household income. These trends fuel the demand for real estate. The multifamily market in Chattanooga is experiencing steady growth, with occupancy and effective rent projected to continue to rise. Occupancy is forecast to increase 60 basis points year over year to 95.5% in the fourth quarter of 2024, indicating a strong demand for rental properties. Monthly effective rent is estimated to also increase 2.9% to an average of $1,404 in the fourth quarter of 2024, reflecting the competitive market and improved quality of multifamily units. Investors and developers have taken notice of the strong multifamily market in Chattanooga, leading to an increase in new construction and property renovations. Builders plan to add 1,320 new units to the market in 2024, with a forecast net absorption of 1,458 units. This indicates a potential balance between supply and demand in the rental market.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

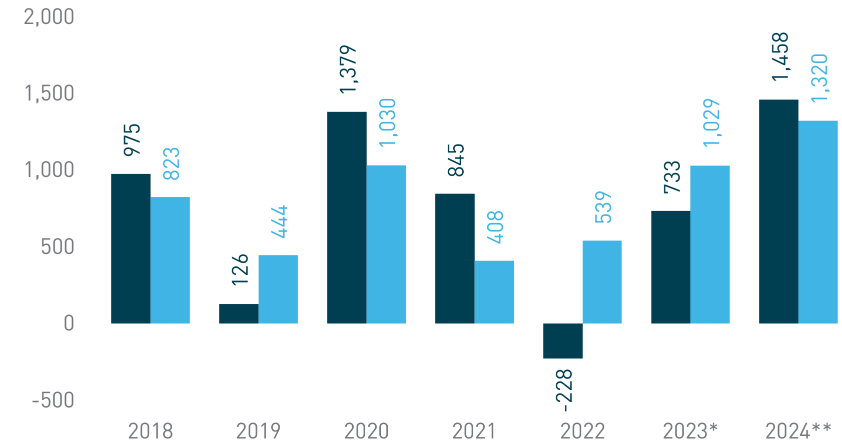


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

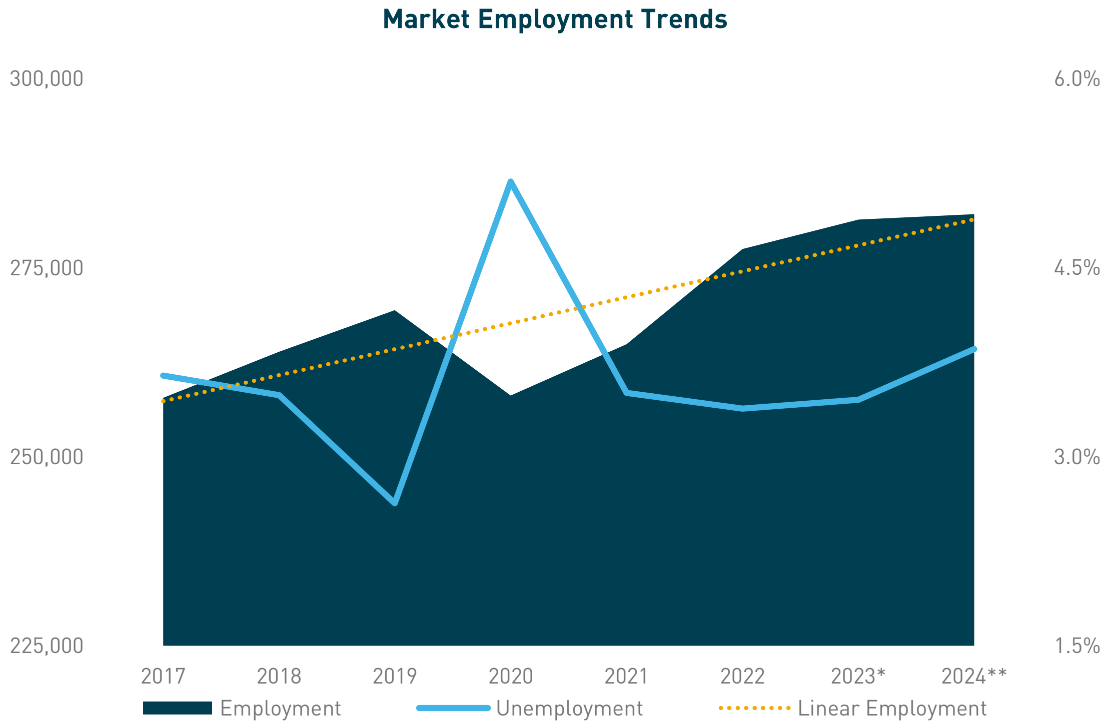
Net Absorption Deliveries

*Projected **Forecast

CHATTANOOGA, TN

BERKADIA

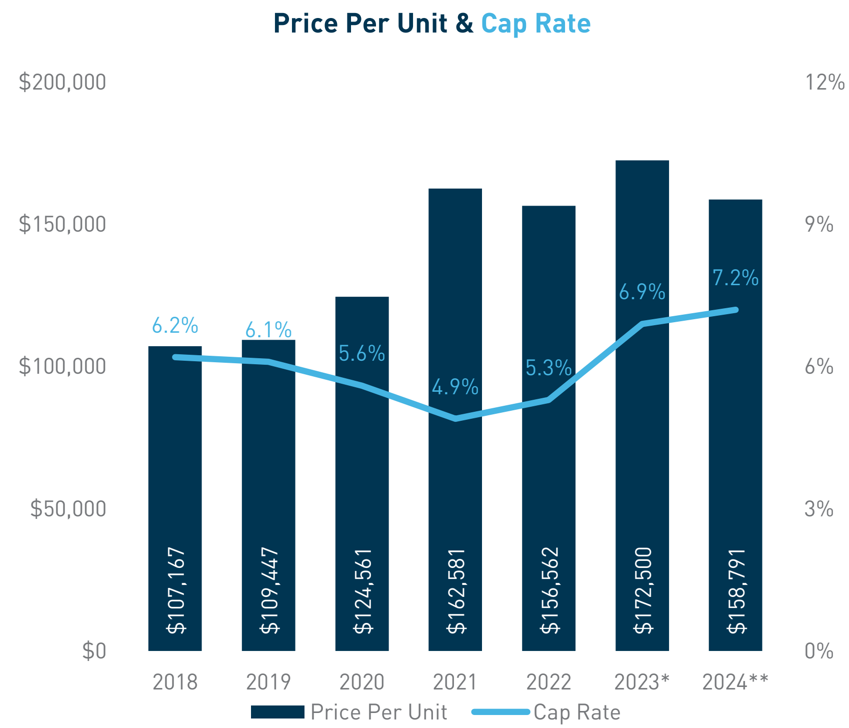
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
282,100	3.9%	$76,070	$158,791	7.2%
UP 700 JOBS YOY	UP 40 BPS YOY	UP 2.2% YOY	DOWN 7.9% YOY	UP 30 BPS YOY