MLS reports:
Yearly Market Comparison
Year Over Year Comparison
Quick Search – add new construction, listing date, year built fields
This housing snapshot is from the Tennessee REALTORS, the state association for Realtors across TN. While we are well into 2018, this snapshot is important because it shows the double-digit increase in median prices and huge drop in inventory/available homes for sale.

**2017 v. 2016 TN Housing Market**

- Single-family home sales **TICK UP**
  - +2.7% (78,549 to 80,745)
- Median Price **RISES**
  - +10% ($191,700 to $211,225)
- Inventory **TIGHTENS**
  - -19.4% (22,892 to 18,427)
- *Similar trends with condominiums*
MLS = KAAR’s 12-county region Multiple Listing Service. This includes Anderson, Blount, Campbell, Cumberland, Fentress, Knox, Loudon, Monroe, Morgan, Roane, Scott, and Union Counties (and a smattering of listings from outside those areas; plus quite a few listings from Sevier County).

Residential = all attached and detached single-family homes, condos, townhomes, modular, and mobile homes for sale. Does not include duplexes, multi-family, or rentals (call Ann at the www.aagk.org, Apartment Assoc of Greater Knoxville, for that data).

Listings = single-family residences for sale in KAAR’s MLS. That means it’s listed by a REALTOR.

Active Listings = was available for sale during the year searched (includes New Listings) but may have been initially listed for sale at any date prior to, or during, the year from which data was searched

New Listings = initially listed for sale within the single year from which data was searched (does not include all Active Listings)

Sold Listings = any Residential Listing that closed during the year from which data was
searched (could have been an Active or New Listing before it closed)

SUPPLY VS DEMAND slide: when the top and bottom lines are closer together that means demand is closing in on supply, we are in a seller’s market, and prices are rising.
2018 MLS Active @ 95% YOY 2017
2018 MLS New @ 102% YOY 2017
2018 MLS Sold @ 103% YOY 2017
2018 Knox Active @ 100% YOY 2017  
2018 Knox New @ 103% YOY 2017  
2018 Knox Sold @ 99% YOY 2017

Knox County mirrors the MLS as a whole, but shows demand creeping up on supply even more
Days to Closing (DTC) = from the first day the Residential Listing was listed for sale on the KAAR MLS, through the day it closed. This slide is NOT Days on Market (DOM). DOM would be less than DTC. DOM are from the first day the Residential Listing was listed for sale on the KAAR MLS through the day it went under contract.
2018 MLS new construction sales @ 100% YOY 2017
2018 Knox County new construction sales @ 96% YOY 2017

This slide is NOT the number of new construction permits pulled with Knox County (get that from www.knoxmpc.org). This slide encompasses Residential Sales of new construction homes that have never been occupied, are under construction and will be ready to occupy soon, or are to be built to the buyer’s specs with an agreed-upon contract.

Interesting that whole MLS has the same number of new construction residential sales in 2018 as Knox County had back in 2005!
MLS & Knox New Construction Sales as a Percentage % of Total MLS Residential Sales
Median Listing Price = median listing price of only Residential Listings that sold. If the listing expired, or went off the market for any reason and didn’t sell, it is not included in this data.
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2018 data has been extrapolated through the end of the year using YOY % with 2017.

This slide includes all Residential Listings that went on the market during the year in which data was searched (i.e. New Listings within that year).
Commuting Costs – I can’t afford to live in Knox but that’s where the jobs are – commuting increases the base cost of housing.
Recode Knoxville and Density

www.knoxtrans.org

KNOXVILLE URBANIZED GROWTH

PEOPLE AND AREA


People

140K 173K 181K 285K 304K 450K 550K

Area

(Acres)

23K 37K 55K 126K 140K 217K 280K

People

Per Acre

6.5 4.7 3.5 2.3 2.2 1.9 2.0

### Knox MSA Affordability

<table>
<thead>
<tr>
<th>County</th>
<th>County Median Household Annual Income*</th>
<th>Median Income Householder Monthly Housing Payment (at recommended 30% of monthly income)</th>
<th>Est. Monthly Housing Payment for County’s Median Listing Price House in KAAR MLS+</th>
<th>County Median Listing Price House in KAAR MLS</th>
<th>Maximum Listing Price a Median Income Household can Afford (at recommended 30% of monthly income)+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anderson</td>
<td>$44,241</td>
<td>$1,106</td>
<td>$1,509</td>
<td>$244,364</td>
<td>$172,500</td>
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<tr>
<td>Blount</td>
<td>$49,532</td>
<td>$1,238</td>
<td>$1,585</td>
<td>$255,000</td>
<td>$192,000</td>
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<tr>
<td>Knox</td>
<td>$50,366</td>
<td>$1,259</td>
<td>$1,585</td>
<td>$255,000</td>
<td>$195,000</td>
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<tr>
<td>Loudon</td>
<td>$52,995</td>
<td>$1,325</td>
<td>$2,054</td>
<td>$335,900</td>
<td>$205,000</td>
</tr>
<tr>
<td>Roane</td>
<td>$42,299</td>
<td>$1,055</td>
<td>$1,428</td>
<td>$229,450</td>
<td>$166,500</td>
</tr>
<tr>
<td>Sevier</td>
<td>$42,586</td>
<td>$1,064</td>
<td>$1,580</td>
<td>$254,949</td>
<td>$167,500</td>
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<tr>
<td>Union</td>
<td>$38,540</td>
<td>$963</td>
<td>$1,177</td>
<td>$183,750</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

*2016 statistics from [www.census.gov](http://www.census.gov)
+estimated for a 30-year fixed, 5% down, 5% rate mortgage with approx. city and county taxes and home owners insurance included

“30% of monthly income for housing” costs is the percentage widely used to define housing as affordable; this is the amount of income that a household could spend and still have enough left over for other nondiscretionary spending. Fannie Mae lending guidelines and many others often use percentages around 28%-30% of monthly income as a guideline for which borrowers can qualify for a mortgage loan; looking at the borrower’s income vs expenses, lenders will calculate whether the borrower has at least 28%-30% of their income left over to cover housing costs.

Median Housing Costs = median of active and pending listings 10-8-18

+Estimated Monthly Payment for Median Listing Price House (30 year fixed conventional mortgage, 5% down, 5% rate, with approx. city and county taxes and home owners insurance)

Conclusion: more than half of all listings in KAAR MLS are too expensive for the median income buyer
Same overall trends from prior years but we see FHA less and less because of PMI costs and because banks have opened up tons more private capital lending lines for conventional loans with <10% down.
How Many Housing Units Do/Will We Need?

- Population Growth Projections:
  - 170,000 new residents in the Knox MSA from 2000-2040
    - 4,250 per year
    - 11.6 per day
  - 4.8 households per day (2.4 persons per household, census.gov)
    = we needed/still need 1,700+ new housing units per year to keep up with population growth projections
  - 2018 new housing starts Knox County = 950
  - 2018 new housing starts 12-county MLS = 1,650
  - 2005-2007 was the last time the MLS was at/above today’s housing starts needs
    = we have 10 years of housing starts lagging behind demand

Growth projection numbers vary depending on the source, but all sources say Knox and the surrounding areas are going to experience moderate-high growth over the next decades.

Math:
170,000 people/40 years = 4,250 people per year
4,250 people/365 days in a year = 11.6 people per day
11.6 people per day/2.4 household average size from census.gov = 4.8 households per day
KAAR’s Recode Priorities on Housing Affordability

• Increasing opportunities for density near infrastructure and services
  • ADUs, middle-density multi-family housing, infill opportunities

• Decreasing cost of new construction and redevelopment
  • Increased design standard issues

• Continuing to allow uses in C-N areas
  • Small-scale grocery, restaurants, clinics, pharmacies/stores, etc
Add missing middle housing by commercial corridors where utilities and road and transit infrastructure are already in place. Missing middle housing are great transitions from single-family neighborhoods to commercial corridors.
FOR MORE INFORMATION:

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