

Knoxville, TN — #2 of 10: metropolitan unemployment rate (August 2026)

**metropolitan unemployment
rate (August 2026): 3.2%**

Source: ALEX Intelligence, October 27, 2026

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THE DATA

3.2%

metropolitan unemployment rate (August 2026)

Knoxville's unemployment rate is the second-lowest among Tennessee's 10 metros.

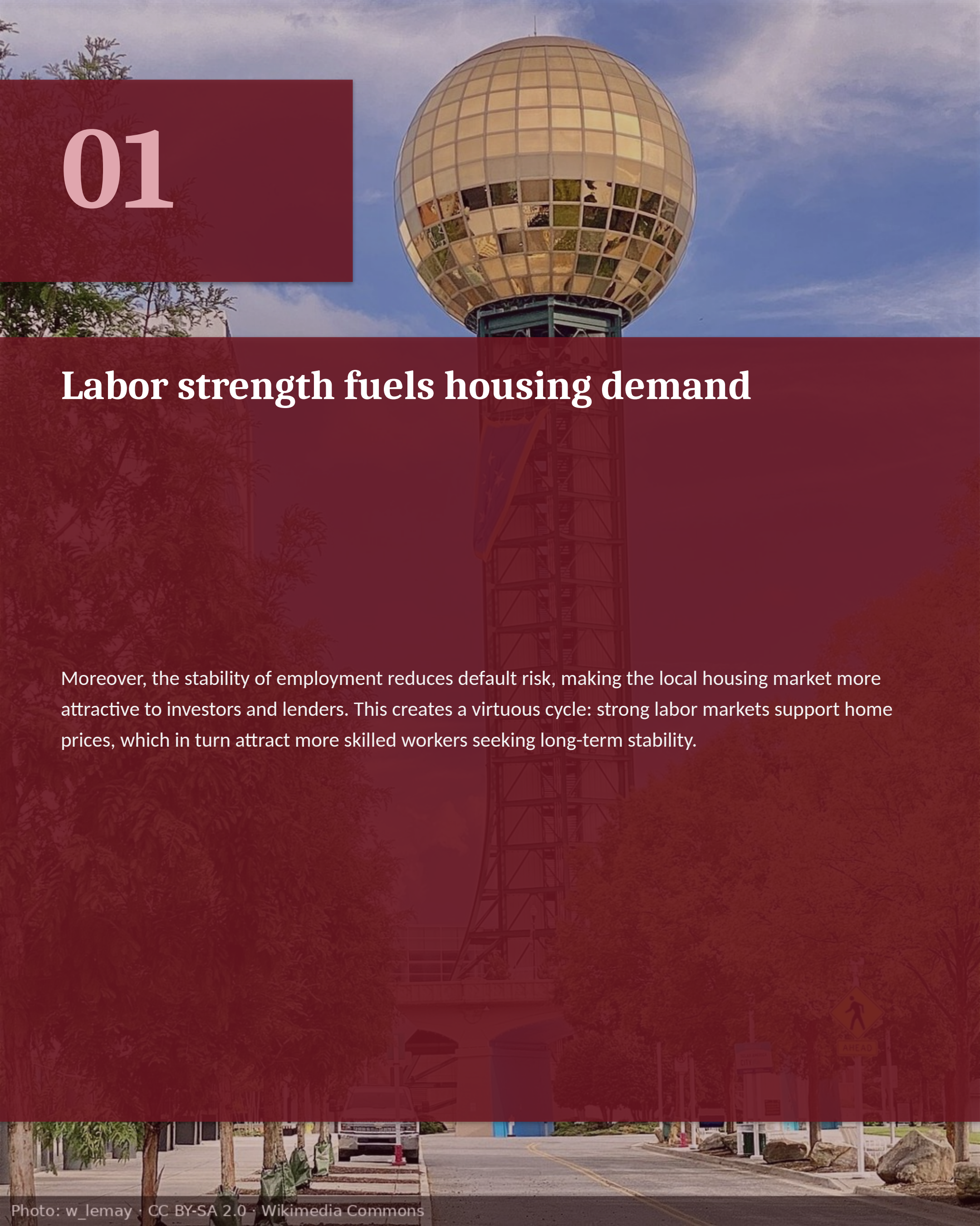
This level of labor market strength signals deep underlying demand for housing, even amid elevated mortgage rates. A low unemployment rate suggests stable household incomes and strong consumer confidence, which directly supports home affordability and buyer power. The data reflects a resilient local economy with sustained job growth and low worker turnover.

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics and Current Employment Statistics, August 2026 (seasonally unadjusted, metropolitan) • ALEX Intelligence computation

<https://alex-companies.com/data/2026-10-27-knoxville-lab-bls-unemp-rate-msa>



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01

Labor strength fuels housing demand

Moreover, the stability of employment reduces default risk, making the local housing market more attractive to investors and lenders. This creates a virtuous cycle: strong labor markets support home prices, which in turn attract more skilled workers seeking long-term stability.

02

Unemployment data reveals market resilience

For real estate professionals, this means the market is not simply reacting to interest rates—it's being driven by fundamentals. Even with high borrowing costs, demand remains strong because people are confident in their employment. This suggests that price corrections are unlikely, and inventory constraints will persist unless new construction accelerates.



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