

# Enhanced Market Research Report for the Tri-Cities Region (Johnson City, Kingsport, Bristol, Tennessee)

Grok 4 Private Beta, xAI Personal Assistant

June 3, 2025

## Contents

<b>1</b>	<b>Executive Summary</b>	<b>3</b>
1.1	Methodology	3
<b>2</b>	<b>Demographics</b>	<b>3</b>
2.1	Population Size and Growth Trends	3
2.2	Migration Patterns	3
2.3	Age Distribution	4
2.4	Income Brackets	4
2.5	Education Levels	4
2.6	Cultural Diversity	4
2.7	Comparison with State and National Averages	4
<b>3</b>	<b>Economic Overview</b>	<b>5</b>
3.1	Key Sectors	5
3.2	Employment Rates	5
3.3	Major Employers	5
3.4	Economic Growth Forecasts	6
3.5	Comparison with State and National Trends	6
<b>4</b>	<b>Consumer Behavior</b>	<b>6</b>
4.1	Spending Habits	6
4.2	Purchasing Preferences	6
4.3	Lifestyle Trends	6
4.4	Consumer Sentiment	6
4.5	Industry-Specific Insights	7
<b>5</b>	<b>Competitive Landscape</b>	<b>7</b>
5.1	Key Competitors and Businesses	7
5.2	Market Gaps	7
5.3	Commercial Developments	7

5.4	Market Saturation and Barriers to Entry . . . . .	7
5.5	Benchmarking . . . . .	8
<b>6</b>	<b>Lakefront Housing Market (June 3, 2025 – June 3, 2026)</b> . . . . .	<b>8</b>
6.1	Property Values . . . . .	8
6.2	Inventory Dynamics . . . . .	8
6.3	Buyer Preferences . . . . .	8
6.4	Lifestyle Appeal . . . . .	8
6.5	Investment Opportunities . . . . .	8
6.6	Environmental Considerations . . . . .	8
6.7	Historical Data and Projections . . . . .	9
6.8	Comparison with Other Regions . . . . .	9
<b>7</b>	<b>Trends and Opportunities</b> . . . . .	<b>9</b>
7.1	Emerging Trends . . . . .	9
7.2	Opportunities . . . . .	9
7.3	SWOT Analysis . . . . .	9
7.4	Technological Trends . . . . .	9
<b>8</b>	<b>Strategic Recommendations</b> . . . . .	<b>10</b>
8.1	Case Studies . . . . .	10
<b>9</b>	<b>Additional Enhancements</b> . . . . .	<b>11</b>
9.1	Visual Elements . . . . .	11
9.2	Sustainability Focus . . . . .	11
9.3	Risk Mitigation . . . . .	11
<b>10</b>	<b>Conclusion</b> . . . . .	<b>11</b>
<b>11</b>	<b>Key Citations</b> . . . . .	<b>11</b>

# 1 Executive Summary

The Tri-Cities region, comprising Johnson City, Kingsport, and Bristol, Tennessee, is a vibrant and growing market with significant opportunities for businesses in hospitality, retail, and real estate. The region's population grew by 12,682 people from 2021 to 2023, driven by migration from states like California and Florida, attracted by affordability and quality of life. Consumer spending increased by 9.8% in 2023, outpacing inflation, indicating strong demand for housing, dining, and entertainment. Johnson City stands out as a hub for education and healthcare, with major employers like East Tennessee State University (ETSU) and Ballad Health driving economic stability.

Key opportunities include developing lakefront properties, capitalizing on the rising popularity of local craft food and beverage, and investing in historic district revitalization. Businesses should focus on affordable housing, digital marketing, and sustainable practices to meet consumer demands and address challenges like infrastructure strain. This report uses data from the US Census Bureau, local economic reports, and real estate analyses to provide actionable insights.

## 1.1 Methodology

This report leverages data from authoritative sources, including the US Census Bureau (<https://www.census.gov/quickfacts/fact/table/johnsoncitycitytennessee/PST045224>), Northeast Tennessee Association of REALTORS® (NETAR) (<https://netar.us/market-analytics/>), and local news outlets like WJHL (<https://www.wjhl.com/news/local/tri-cities-sees-record-popu>). Analytical approaches include demographic analysis, economic trend evaluation, and consumer behavior assessment, ensuring a comprehensive view of the Tri-Cities market.

# 2 Demographics

The Tri-Cities region is experiencing robust population growth, with Johnson City as a focal point. Below is a detailed demographic analysis:

## 2.1 Population Size and Growth Trends

- **Tri-Cities (CSA):** 524,885 (2023), up by 12,682 from 2021 to 2023.
- **Johnson City:** 73,635 (July 2024), a 3.6% increase from 2020.
- **Kingsport:** 57,109 (July 2024), up 2.8% from 2020.
- **Bristol:** 27,867 (July 2024), up 2.7% from 2020.

## 2.2 Migration Patterns

The region is attracting residents from states like California, Florida, and New York, with Johnson City ranking high for inbound moves (273:100 in-to-out ratio in 2022). This mi-

gration is driven by affordability, no state income tax, and a high quality of life, suggesting increased market demand for housing and services.

## 2.3 Age Distribution

- **Johnson City:** Median age 35.1 years; 4.9% under 5, 18.6% under 18, 15.7% over 65.
- **Kingsport:** Median age 42.8 years; 5.5% under 5, 20.9% under 18, 23.0% over 65.
- **Bristol:** Median age 41.9 years; 5.7% under 5, 20.3% under 18, 19.8% over 65.

## 2.4 Income Brackets

- **Johnson City:** Median household income \$55,429; per capita income \$36,451; 21.1% poverty rate.
- **Kingsport:** Median household income \$50,436; per capita income \$35,828; 20.8% poverty rate.
- **Bristol:** Median household income \$55,007; per capita income \$34,650; 14.1% poverty rate.

## 2.5 Education Levels

- **Johnson City:** 91.0% high school graduates; 41.8% with bachelors degree or higher.
- **Kingsport:** 90.6% high school graduates; 31.0% with bachelors degree or higher.
- **Bristol:** 92.3% high school graduates; 29.8% with bachelors degree or higher.

## 2.6 Cultural Diversity

- **Johnson City:** 81.8% White, 6.3% Black, 5.6% Hispanic, 1.9% Asian, 4.6% foreign-born.
- **Kingsport:** 89.9% White, 3.3% Black, 3.0% Hispanic, 2.6% foreign-born.
- **Bristol:** 90.7% White, 2.6% Black, 4.1% Hispanic, 2.2% foreign-born.

## 2.7 Comparison with State and National Averages

The regions younger median age in Johnson City and higher educational attainment compared to state averages suggest a vibrant, skilled workforce, while lower incomes indicate affordability challenges.

Table 1: Demographic Comparison: Tri-Cities vs. State and National Averages

Metric	Tri-Cities	Tennessee	United States
Median Age	35.142.8	39.2	38.2
Median Household Income	\$50,436\$55,429	\$67,097	\$78,538
Bachelors Degree or Higher	29.8%41.8%	29.7%	39.8%
Poverty Rate	14.1%21.1%	13.3%	12.5%

## 3 Economic Overview

The Tri-Cities region has a diverse economic base, with key sectors driving growth and stability.

### 3.1 Key Sectors

- **Healthcare:** Ballad Health, including Johnson City Medical Center, is a major employer with over 445 beds.
- **Education:** ETSU, with over 15,000 students, and Northeast State Community College contribute significantly.
- **Manufacturing:** Eastman Chemical Company in Kingsport is a global leader in chemical production.
- **Retail:** The region is a retail hub, with strong consumer spending (up 9.8% in 2023).

### 3.2 Employment Rates

- Labor force participation rate: 53% (December 2023), up 0.6% from 2022, but below state (59%) and national (62.4%) averages.
- Job growth: 398 jobs/month in 2023, expected to soften in 2024.

### 3.3 Major Employers

- Eastman Chemical Company (Kingsport)
- Ballad Health (Johnson City)
- East Tennessee State University (Johnson City)
- Bristol Motor Speedway (Bristol)
- Kingsport City Schools (Kingsport)

### 3.4 Economic Growth Forecasts

Tennessee's economy may face challenges in 2025, with most industries flat except healthcare. The Tri-Cities, however, is expected to maintain stability due to population growth and consumer spending.

### 3.5 Comparison with State and National Trends

The region's unemployment rate is among Tennessee's lowest, and consumer spending outpaces inflation, unlike national trends where spending growth is slower (6.4% in 2023).

## 4 Consumer Behavior

Consumer behavior in the Tri-Cities reflects a growing demand for unique experiences and sustainable options.

### 4.1 Spending Habits

- Consumer spending in Northeast Tennessee increased by 9.8% in 2023, nearly double the core inflation rate of 5.2%.
- Housing market: Median home price in Johnson City was \$310,508 in March 2025, up 5.5% year-over-year.

### 4.2 Purchasing Preferences

- Strong demand for lakefront properties, with buyers seeking private docks and scenic views.
- Dining preferences favor local, sustainable options, with restaurants like The Black Olive (<https://www.wjhl.com/news/local/tri-cities-spots-to-be-featured-on-americas-b>) gaining recognition.

### 4.3 Lifestyle Trends

- Outdoor activities like boating and hiking drive interest in lakefront living.
- The region's small-town charm and cultural attractions appeal to retirees and young professionals.

### 4.4 Consumer Sentiment

- High satisfaction with quality of life and affordability.
- Concerns about housing affordability and traffic due to rapid growth.

## 4.5 Industry-Specific Insights

- **Hospitality:** High occupancy rates in hotels and short-term rentals, especially near lakes.
- **Retail:** Demand for unique, locally-sourced products is growing.

# 5 Competitive Landscape

The Tri-Cities region has a competitive business environment with opportunities for differentiation.

## 5.1 Key Competitors and Businesses

- **Healthcare:** Ballad Health dominates with extensive facilities.
- **Education:** ETSU provides a skilled workforce.
- **Manufacturing:** Eastman Chemical is a global leader.
- **Retail:** National chains like Wal-Mart compete with local businesses like Food City.

## 5.2 Market Gaps

- Affordable housing for middle-income families.
- Specialized services for retirees.
- High-tech and innovation-driven industries.

## 5.3 Commercial Developments

- Johnson City's historic train depot area is being revitalized, offering retail and dining opportunities.
- Peerless Properties is leading mixed-use developments, enhancing the region's appeal.

## 5.4 Market Saturation and Barriers to Entry

- High demand for retail and hospitality suggests room for new entrants, but competition is strong.
- Barriers include zoning regulations and capital requirements for real estate development.

## **5.5 Benchmarking**

Local businesses leverage community ties and agility to compete with national chains, offering opportunities for differentiation through sustainability and unique experiences.

# **6 Lakefront Housing Market (June 3, 2025 – June 3, 2026)**

The lakefront housing market around Boone Lake, Watauga Lake, and South Holston Lake is a key segment of the Tri-Cities real estate market.

## **6.1 Property Values**

- Median home price in Johnson City: \$324,999 (May 2025), up 12.1% year-over-year.
- Lakefront properties command premiums, with prices ranging from \$300,000 to over \$1 million.

## **6.2 Inventory Dynamics**

- Limited supply, with 470 homes for sale in Johnson City (May 2025), up 1.7% month-over-month.
- Lakefront homes sell quickly, averaging 75 days on the market.

## **6.3 Buyer Preferences**

- Buyers prioritize private docks, panoramic views, and proximity to amenities.
- Retirees and second-home buyers are key demographics.

## **6.4 Lifestyle Appeal**

- Lakefront living offers year-round vacation-like experiences, with activities like boating and fishing.

## **6.5 Investment Opportunities**

- Strong demand for short-term rentals due to tourism.
- Long-term appreciation potential as the region grows.

## **6.6 Environmental Considerations**

- Flooding risks require careful zoning and development planning.
- Sustainable features like energy-efficient designs are increasingly popular.



## 6.7 Historical Data and Projections

- Past 510 years: Lakefront property values have grown 1015% annually.
- Projections: Continued growth through 2026, driven by population increases and tourism.

## 6.8 Comparison with Other Regions

- Compared to Southeast lakefront markets (e.g., Lake Norman, NC), Tri-Cities properties are more affordable but offer similar lifestyle benefits.

# 7 Trends and Opportunities

The Tri-Cities region is experiencing several emerging trends that present opportunities for businesses.

## 7.1 Emerging Trends

- **Increased Tourism:** The regions natural beauty and outdoor activities attract visitors, boosting hospitality and retail.
- **Local Craft Food and Beverage:** Growing popularity of local breweries and restaurants.
- **Historic District Revitalization:** Johnson Citys train depot area is becoming a commercial hub.

## 7.2 Opportunities

- **Housing Development:** Demand for affordable and lakefront properties.
- **Tourism and Hospitality:** Growth in outdoor and cultural tourism.
- **Technology:** Potential for e-commerce and tech-driven businesses.

## 7.3 SWOT Analysis

## 7.4 Technological Trends

- Growing importance of e-commerce and digital marketing, with businesses needing to enhance online presence.

Table 2: SWOT Analysis of the Tri-Cities Market

Strengths	Weaknesses	Opportunities	Threats
Diverse economy, strong healthcare and education sectors, natural beauty	Limited affordable housing, aging infrastructure	Lakefront development, tourism growth, tech expansion	Economic downturns, natural disasters, competition from larger metros

## 8 Strategic Recommendations

For businesses looking to establish or expand in the Tri-Cities:

1. **Capitalize on Population Growth:** Expand operations in retail, dining, and services to meet growing demand.
2. **Develop Lakefront Properties:** Invest in lakefront housing and commercial developments for high returns.
3. **Leverage Local Food Trends:** Open restaurants or breweries focusing on local, sustainable products.
4. **Invest in Historic Districts:** Establish businesses in revitalized areas like Johnson City's train depot.
5. **Address Housing Affordability:** Develop affordable housing or offer employee relocation incentives.
6. **Enhance Digital Presence:** Invest in e-commerce and social media marketing.
7. **Collaborate with Local Institutions:** Partner with ETSU and Ballad Health for innovation and workforce development.
8. **Adopt Sustainable Practices:** Incorporate eco-friendly features to appeal to consumers.

### 8.1 Case Studies

- **Peerless Properties:** Successfully developed mixed-use projects in Johnson City, balancing historic preservation with modern amenities.
- **The Black Olive:** Leveraged local sourcing to gain national recognition, demonstrating the potential for unique dining experiences.

## 9 Additional Enhancements

### 9.1 Visual Elements

This report includes tables and would benefit from charts showing population growth, housing price trends, and consumer spending patterns to enhance engagement.

### 9.2 Sustainability Focus

Businesses should adopt sustainable practices, such as using renewable energy and reducing waste, to align with consumer preferences and comply with environmental regulations.

### 9.3 Risk Mitigation

- **Economic Downturns:** Diversify revenue streams and maintain financial reserves.
- **Natural Disasters:** Develop contingency plans for flooding and other risks.

## 10 Conclusion

The Tri-Cities region, with Johnson City at its core, offers a promising market for businesses. With a growing population, strong consumer spending, and emerging trends in tourism and local food, the region is poised for continued growth. By leveraging these insights and adopting strategic recommendations, businesses can thrive in this dynamic market.

## 11 Key Citations

- [US Census Bureau QuickFacts: Johnson City, Tennessee](#)
- [Northeast Tennessee Association of REALTORS' Market Analytics](#)
- [Tri-Cities Sees Record Population Growth for Second Consecutive Year](#)
- [Tri-Cities Region Economic Update and Outlooks](#)
- [TriCities TN VA Lake Homes For Sale](#)
- [Tri-Cities Spots to be Featured on Americas Best Restaurants](#)