



COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

# 2023 YEAR-END MARKET REPORT



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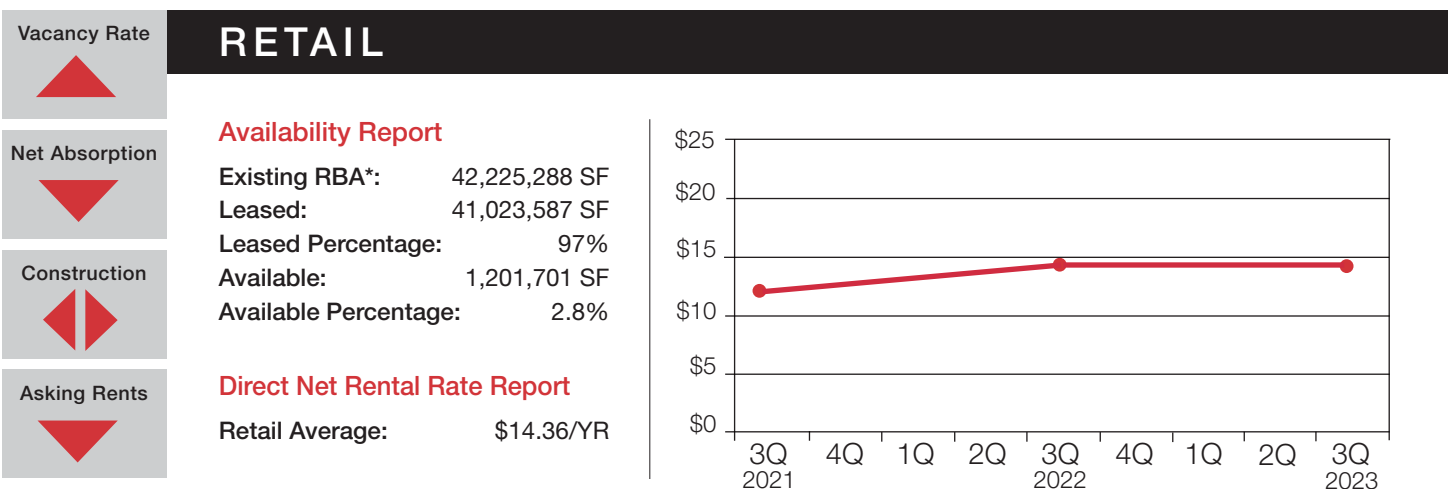
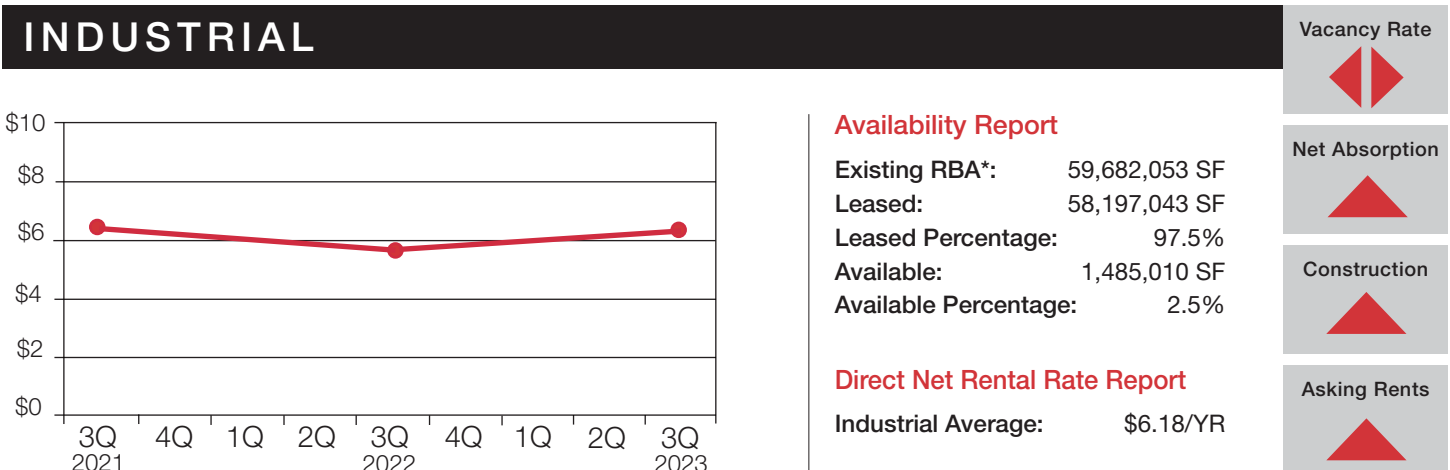
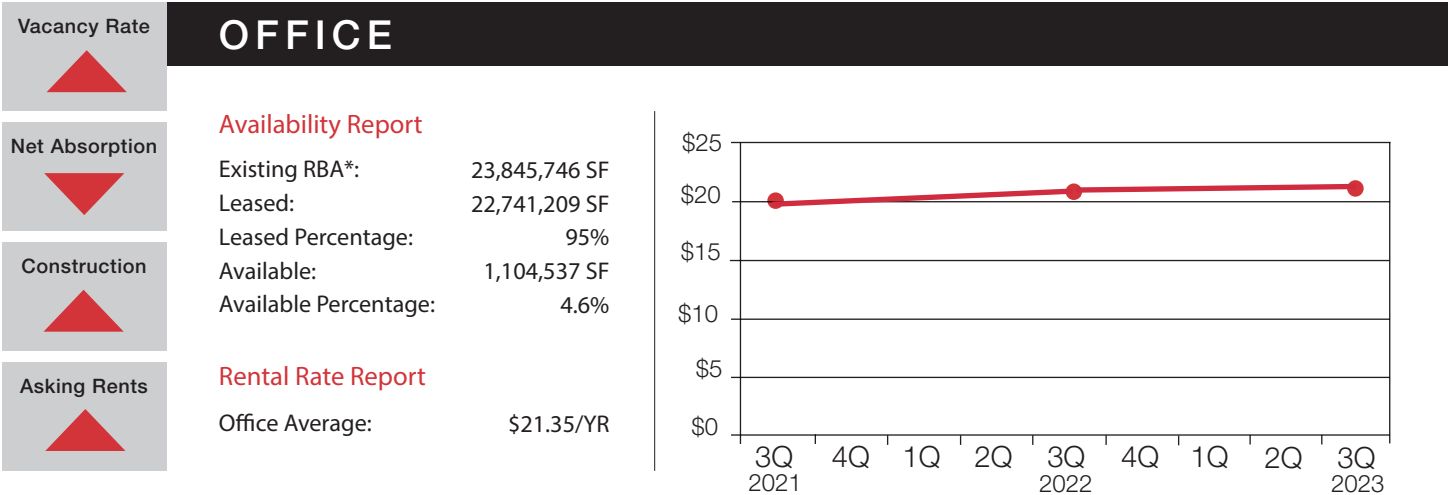
# CHATTANOOGA

## Economic Development

- Officials have not yet settled on a guaranteed maximum price for the multiuse Lookouts stadium in the South Broad District, but they have determined any costs that exceed \$112 million will be absorbed by Hardball Capital, the owner of the team, and Perimeter Properties, the owner of the 120-acre property where the stadium will occupy several acres.
- The TVA headquarters on either side of South Broad Street, hailed as one of the city's biggest projects when constructed in 1985, may be demolished. At one time the complex housed over 3,000 TVA employees, but that number has dwindled drastically. The site is one of three being considered for a new \$218 million federal courthouse for Chattanooga.
- Riverton, 210 acres along the Tennessee River that was acquired in 2019, has been given TVA's approval. The project is forecasted to include 236 single-family home sites, 38 townhomes, 30 live-and-work units, 16 residential floating docks, and a 21,617 SF commercial center. The project is estimated to generate \$3.7 million per year in additional property tax revenue for the City of Chattanooga and Hamilton County.
- As the City and private developers prepare to redevelop Chattanooga's Westside with up to \$2.3 billion of new housing and commercial projects, one of Chattanooga's biggest credit unions plans to soon break ground on a new corporate headquarters building in the midst of the redeveloping area. Comtrust Federal Credit Union is planning to build a new three-story office next to its existing headquarters at 1020 Riverfront Parkway. The new headquarters is scheduled to be completed by late 2024 or early 2025 and will anchor the six offices operated across three states by the Chattanooga-based credit union.
- The Chattanooga Airport is targeting United Airlines as officials woo nonstops to Denver, and they plan to offer \$1.12 million in federal and local incentive money for marketing and revenue guarantees to land the flights.

\* Sourced from Greater Chattanooga Economic Partnership, Chattanooga Chamber of Commerce, Chattanooga Times Free Press.

# 2023 Chattanooga Report



\* RBA: Rentable Building Area  
 Source: CoStar Group



# Chattanooga Overview

Chattanooga continues to exhibit growth across all sectors of real estate. The lead stories for 2023 have been dominated by the progress and activity at the former Wheland Foundry site and The Bend. Combined, these two developments comprise over 200 total acres located on the Tennessee River and are located on the fringe of the central core of downtown. Both are vestiges of Chattanooga's industrial heritage. They are connected by the Tennessee River Walk. Both are under new ownership. And, both are being repurposed to new, vibrant mixed-use development, representing a massive investment in this community.

Ownership of the Wheland site announced plans to develop the new Chattanooga Lookouts stadium as the centerpiece of the project. Initial estimates put the cost of the stadium at just over \$80 million. It will serve as the catalyst for development of the balance of the site to dense residential, hospitality, restaurants, retail, and entertainment.

The Bend received a special tax incentive district status. This will further encourage expansion of that site to a marina and canal district, an entertainment venue, high office tower, residential, restaurant, and hospitality development, to go along with the industrial complex already in place on the south end of the subject.

The downtown core remains vibrant. Outside investors continue to seek opportunities here.

One of Chattanooga's most significant and historic buildings, The Chattanooga Bank Building, has changed hands yet again, this time to a development group whose intent is to convert the 1900-era building to a Tapestry Hotel concept by Hilton.

The historic Patten Parkway has seen significant change with the redevelopment of The Plaza. The shops on the north side of The Plaza were purchased by a Nashville investment firm with the intent to revitalize and develop restaurants and retail.

Industrial real estate continues to exhibit strong demand. One of the largest transactions of the year was the \$18,465,000 purchase of 860,000 SF in two buildings formerly owned by the JDK Real Estate of Chattanooga. The purchaser was a Atlanta investor. Also of note, Rise Partners of Chattanooga is developing what is known as North River Commerce Park. They have plans to develop over 800,000 SF of bulk warehouse space with just under half of that nearing completion or currently under construction. The first building has been leased to Home Depot and DB Schenker.

Additionally, an Ohio developer with a local partner recently built over a half million square of bulk storage space at Enterprise South Industrial Park. They have an additional 1.1 million square feet of bulk storage space on the drawing board in what is known as Cloud Springs I-75 Park in Ringgold, GA.

Office activity continues to exhibit steady activity post-pandemic despite what one might read about in larger metropolitan markets. Just a few examples of the leasing activity in suburban, as well as Central Business District office buildings, includes the following: Cortina, 7,800 SF; Brad Cole Construction, 10,000 SF; Maxim Healthcare, 11,300 SF; and Chattanooga Air Pollution Control Board, 8,250 SF.

Multifamily remains hot and projections are that it will remain so for the foreseeable future, as demand continues to exceed supply. Investors continue to seek opportunities in this limited market and prove to be willing to pay record prices for the right assets. Developers continue to secure developable sites, which are becoming increasingly more difficult to find.

In conclusion, several huge developments will dominate the market going forward and will bring with them new housing, new dining and entertainment, new office opportunities, new hospitality, and new jobs. The future here is bright indeed, Quality indeed, Quality of life, southern charm, an affordable index, and a convenient location continue to serve as catalysts for growth.

\* Written by J. Bryan Rudisill

## About Us

Operating as Chattanooga, Tennessee's most experienced locally owned commercial real estate company, NAI Charter has been combining the industry's best real estate practices with our relationship-oriented philosophy to meet our clients' business goals. Our mission is to provide the highest quality of service by adding value to our clients' assets and real estate needs through expert analysis, in-depth market knowledge, and personalized service.

**Serving  
Chattanooga and  
surrounding areas  
since 1972. Local  
market experts...  
global reach.**

### NAI Charter

### By The Numbers

12 Professionals

186+ Years Experience

\$99 million+ in sales & leases

900,000+ SF of managed properties

1 team focused on your real estate needs

## NAI Global

More than 300 Offices Worldwide ■ 43 Countries ■ 5,100 Professionals ■ \$1.5 Billion Total Gross Revenue

**NAI**Charter



## 2023 BY THE NUMBERS

108 Transactions  
totaling 2,143,934 SF  
& 343.45 Acres  
valued at \$99,125,366.01



87 Leases  
totaling 1,048,519 SF  
valued at \$49,737,433



21 Sales  
totaling 1,095,415 SF  
valued at \$49,387,933

Over **\$634 million** in total transaction volume since 2013

Approximately **10 million** square feet sold or leased since 2013

Combined, NAI Charter's Team offers more than **186 years** of experience in commercial real estate

# Our News

- NAI Charter celebrated 1 year in our new location at 520 Lookout Street.
- NAI Charter celebrated 50 years of business in Chattanooga.
- Frazier DeVaney was featured in CityScope Magazine's prestigious Gold Club.
- Christopher "Pher" Moore celebrated 1 year with NAI Charter as an Affiliate Broker.
- David DeVaney is a Board Member of UC Foundation, Lookout Mountain Conservatory, Lookout Mountain Georgia Planning Agency, & Chattanooga Chamber of Commerce.
- Frazier DeVaney served as President of the Board for BOMA of Chattanooga.
- Bryan Rudisill served as Chairman of the SIOR Planning Committee for 2022 to 2023.
- Chad Wamack serves as Board Member on the Metro YMCA.
- Eli Schwartz earned his ACoM certification.
- Amie Thomas, CFO celebrated 20 years with NAI Charter.
- Mary Brannon, Assistant Property Manager celebrated 15 years with NAI Charter.



# OFFICE NOTABLE TRANSACTIONS

**SOLD**



## Southside

1403 Williams Street, Chattanooga, TN

Sold

Size: 5,300 SF

Price: \$1,030,000

Seller Representative(s): Frazier DeVaney &  
Christopher "Pher" Moore

**LEASED**



## Central Business District

537 Market Street, Chattanooga, TN

Leased

Size: 13,400 SF

Tenant: Raymond James & Associates

Tenant Representative: Frazier DeVaney

**LEASED**



## CBL Center

2030 Hamilton Place, Chattanooga, TN

Leased - Suite 200

Size: 10,252 SF

Tenant: Brad Cole Construction

Landlord Representative: David F. DeVaney, CCIM, SIOR

**LEASED**



## Unum Center

555 Walnut Avenue, Chattanooga, TN

Leased - 1 South St. A

Size: 11,288 SF

Tenant: Maxim Healthcare Services

Landlord Representative: David DeVaney, SIOR, CCIM

Tenant Representative: Frazier DeVaney

**LEASED**



## Central Business District

200 W MLK Blvd., Chattanooga, TN

Leased

Size: 10,070 SF

Tenant: Confidential

Tenant Representative: Jeff Jennings, CCIM

**LEASED**



## Southside

1110 Market Street, Chattanooga, TN

Leased - Suite 301B, 305, 306, & 501

Size: 7,822 SF

Tenant: Cortina

Landlord Representative(s): Frazier DeVaney &  
Christopher "Pher" Moore

**LEASED**



## CBL Center

2034 Hamilton Place, Chattanooga, TN

Leased

Size: 8,249 SF

Tenant: Chattanooga Air Pollution

Landlord Representative: David F. DeVaney, CCIM, SIOR

**SOLD**



## Gunbarrel Road Trade

7385 Applegate Lane, Chattanooga, TN

Sold

Size: 4,424 SF

Price: \$790,000

Buyer Agent: D. Frazier DeVaney, Jr.

# INDUSTRIAL NOTABLE TRANSACTIONS

**SOLD**



## North Shore

200 Powercorp Drive, Chattanooga, TN

\$1,260,000

Size: 29,225 SF & 1.17 Acres

Seller Representative: Chad Wamack

**LEASED**



## Shallowford Road Trade Area

4013 Industry Drive, Chattanooga, TN

Leased

Size: 41,440 SF

Tenant: Textile Printing Co.

Landlord Representative: David F. DeVaney, SIOR, CCIM

**LEASED**



## Shallowford Road Trade Area

2220 Polymer Drive, Chattanooga, TN

Leased

Size: 161,000 SF

Tenant: BCBS of TN

Tenant Representative: David F. DeVaney, SIOR, CCIM

**SOLD**



## Cleveland

3800 Old Tasso Road, Cleveland, TN

\$7,100,000

Size: 175,000 SF | 20 Acres

Seller Representative: J. Bryan Rudisill, SIOR

**SOLD**



## Lookout Valley

600 & 650 Wauhatchie Pike, Chattanooga, TN

\$18,756,433

Size: 866,400 SF | 30.69 Acres

Seller Representative(s): David F. DeVaney, SIOR, CCIM  
Chad Wamack

**LEASED**



## Riverfront Parkway

958 Windtower Drive, Chattanooga, TN

Leased

Size: 88,674 SF | 10 Acres

Tenant: Lincoln Electric

Tenant Representative: J. Bryan Rudisill, SIOR

**SOLD**



## Riverfront Parkway

1620 Riverfront Parkway, Chattanooga, TN

\$2,000,000

Size: 5,620 SF | 1.96 Acres

Buyer Representative: Chad Wamack

# RETAIL NOTABLE TRANSACTIONS

**SOLD**



## North Shore

436 Frazier Avenue, Chattanooga, TN

\$1,175,000

Size: 2,871 SF | 0.25 Acres

Buyer Agent: Chad Wamack

**SOLD**



## Central Business District

19 Patten Parkway, Chattanooga, TN

\$4,700,000

Size: 34,991 SF | 0.5 Acres

Tenant Agent: David F. DeVaney, SIOR, CCIM  
Frazier DeVaney

**SOLD**



## Ooltewah

9409 & 9415 Apison Pike, Ooltewah, TN

\$2,600,000

Size: 31,971 SF

Listing Agent: Fraizer DeVaney

**LEASED**



## Orlando Florida

1978 Stanhome Way, Orlando, FL

Leased

Size: 49,000 SF

Listing Agent: Chad Wamack

# NOTABLE LISTINGS

**FOR SALE**



## Shallowford Road Trade Area

7324 Noah Reid Road, Chattanooga, TN

Undisclosed

Size: 94,914 SF | 32 Acres

Broker(s): David F. DeVaney, SIOR, CCIM  
Frazier DeVaney

**FOR SALE**



## Rossville Area

313 McFarland Avenue, Rossville, GA

\$1,000,000

Size: 4,568± SF | .79± Acres

Broker: Christopher "Pher" Moore

**FOR SALE**



## Shallowford Road Trade Area

7210 Noah Reid Road, Chattanooga, TN

\$995,000

Size: 2.6± Acres

Broker: Chad Wamack

**FOR LEASE**



## Southside

1800 S Watkins Street, Chattanooga, TN

\$18.00 PSF NNN

Size: 12,000-53,253± SF

Broker: Chad Wamack



# Property Management

NAI Charter Management Company has been managing commercial real estate for over 20 years. We have earned a reputation for working hard to develop and maintain effective relationships with our clients, tenants, leasing agents, and vendors.

We offer a full service property management program that encompasses a unique “hands-on” approach. We serve as a single point-of-contact for both the owner and the tenant, providing streamlined communication. We devise and implement a plan that maximizes cash flow and return on your investment, ultimately creating additional value. NAI Charter plans to continue their management portfolio growth in 2024.



DAVID F. DEVANEY  
President



D. FRAZIER DEVANEY, JR.  
Vice President



ELI SCHWARTZ  
Property Manager



MARY BRANNON  
Asst. Property Manager



AMIE THOMAS  
Chief Financial Officer

**NAI Charter Management Company completed a total of 193,200± SF of new leases & renewals valued over \$4,090,500.**

38 Properties Managed	Office • Retail Industrial	Nearly \$70 Million in Portfolio Value, 900k± SF
Over 20 Years Serving Chattanooga		Under Management
		140+ Tenants



David F. DeVaney, SIOR, CCIM  
President



D. Frazier DeVaney, Jr  
Vice President



J. Bryan Rudisill, SIOR  
Vice President



Amie Thomas  
Chief Financial Officer



Jeff Jennings, CCIM  
Broker



Chad Wamack  
Broker



Christopher "Pher" Moore  
Broker



Roger Niez  
Broker



Eli Schwartz  
Affiliate Broker | Property Manager



Mary Brannon  
Asst. Property Manager



April J. Linnemann  
Director of Marketing



Sam Anderson  
Front Office Coordinator



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