

2024 YEAR-END MARKET REPORT

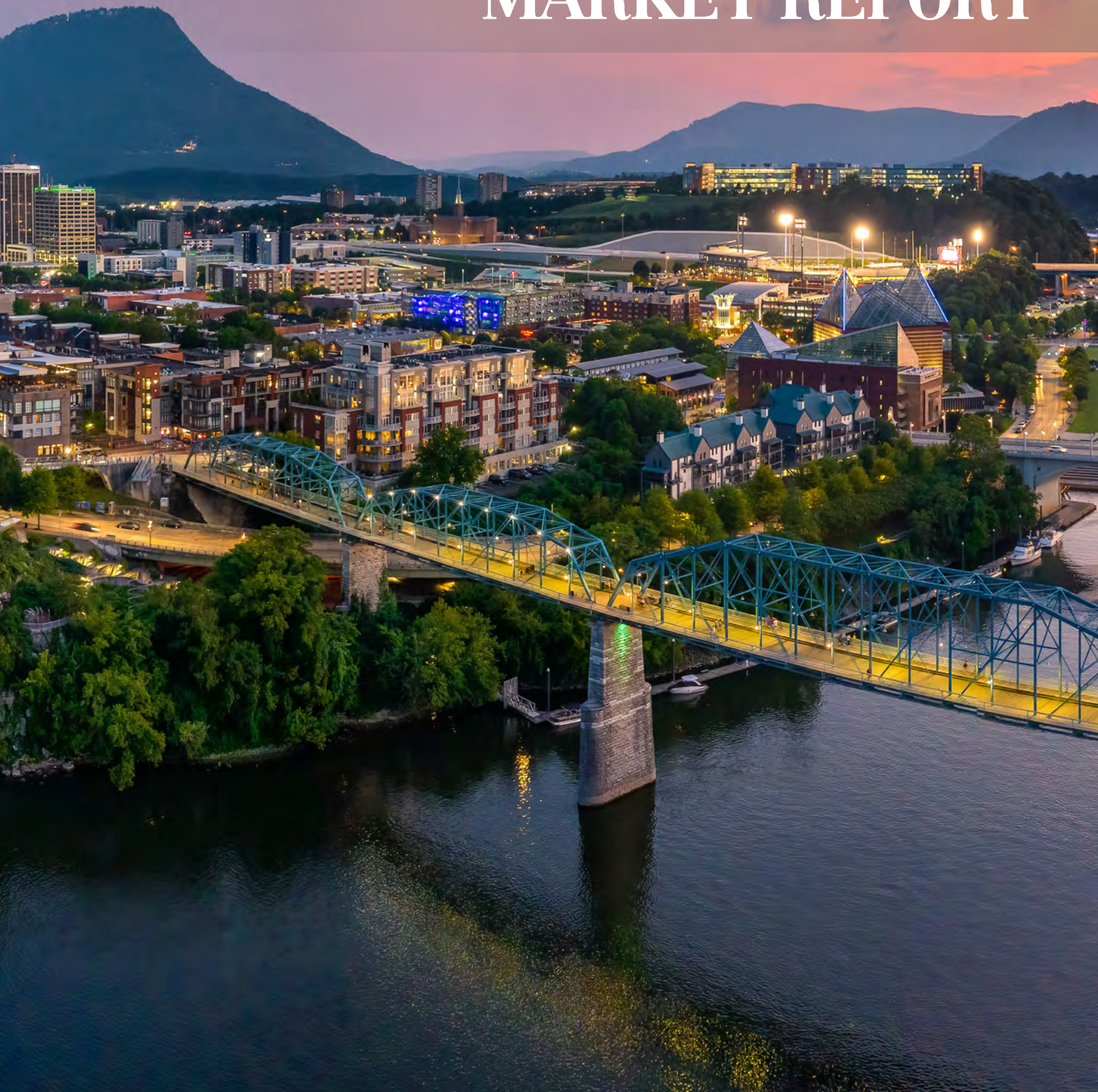









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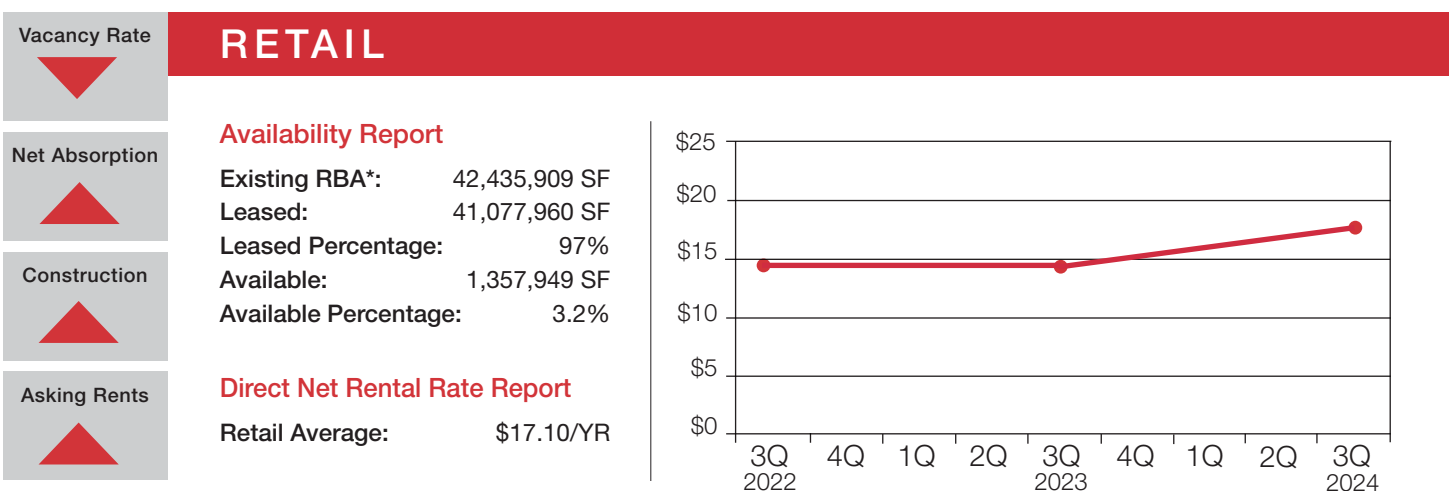
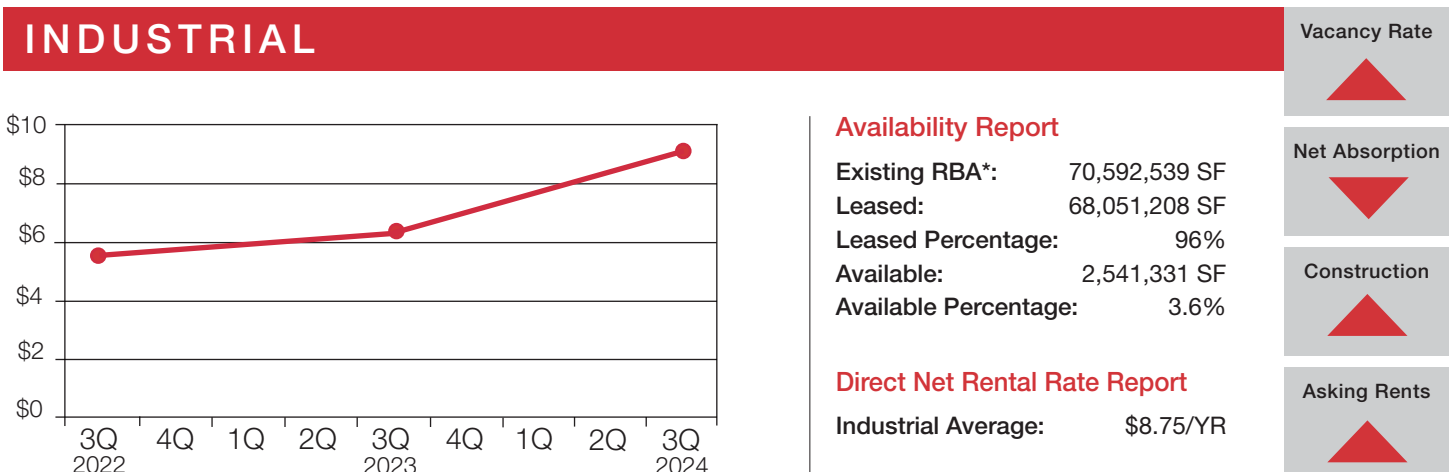
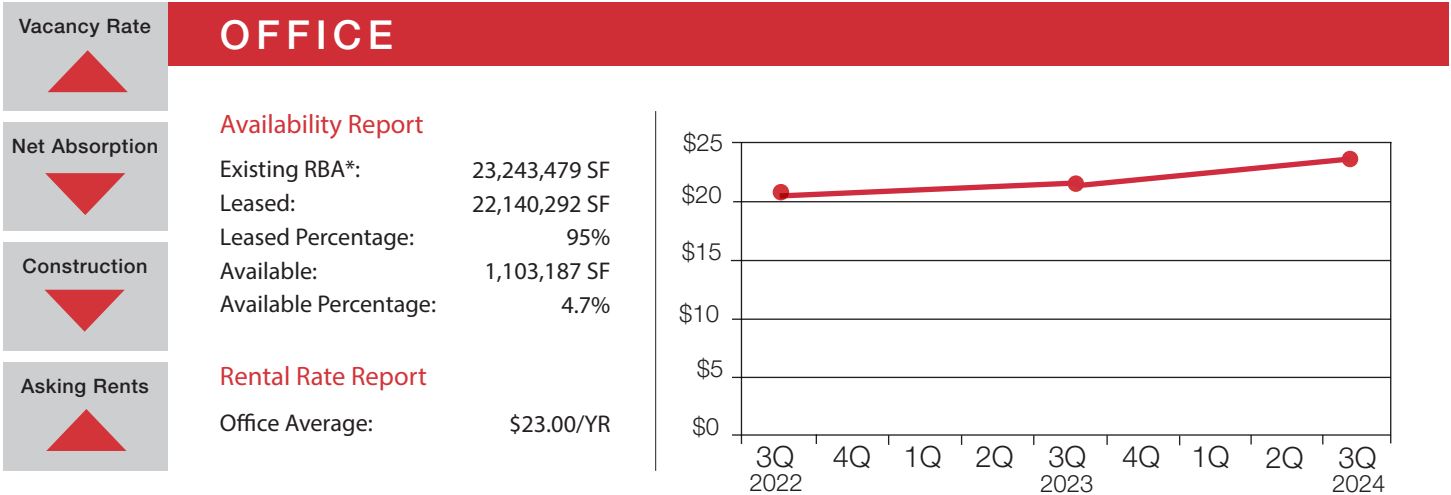


Economic Development

-  The Foundry District, located off South Broad Street, has officially broken ground. This 140-acre mixed-use development will be anchored by a new stadium for the Chattanooga Lookouts.
-  Another highly anticipated development, The Bend, is also moving forward with its first phase. This expansive 120-acre mixed-use project will include a variety of offerings such as restaurants, retail spaces, office buildings, light industrial facilities, and diverse residential options, including townhomes, condos, and apartments.
-  Novonix, a battery materials manufacturer, has received a conditional commitment from the U.S. Department of Energy for a substantial loan to fund a proposed new \$1 billion plant in Chattanooga. The project is expected to create 500 new jobs.
-  In early 2025, the General Services Administration plans to select a site for a new \$218 million federal courthouse. Major developments in the Westside are on the horizon, with The Bend taking shape, a new high school planned, and an upgrade underway for Chattanooga's oldest public housing project.
-  After the addition of 10 hotels in the Chattanooga area in recent years, six more are planned or under construction in downtown. Notable projects include a new \$54 million Embassy Suites at Broad and 4th Streets, a 148-room Hilton Hotel in the former Chattanooga Bank Building, and the AC Hotel at Broad and Main.
-  Avail Enclosure Systems is expanding its Chattanooga facility and more than doubling its workforce with a \$10 million investment at its Polymer Road site. The expansion will add 82 jobs.
-  The company iFixit, which specializes in precision tools for repairing electronics, is set to hire approximately 200 people for its new distribution center at 812 E. 12th St.

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

2024 Chattanooga Report



* RBA: Rentable Building Area
Source: CoStar Group



Chattanooga's Growth and Development 2024

Chattanooga has witnessed significant growth throughout 2024, with notable strides in commercial real estate, a thriving hospitality sector, and an expanding housing market. Downtown Chattanooga has emerged as a central hub of innovation, with a diverse range of large-scale projects currently underway. From comprehensive redevelopment efforts encompassing hundreds of acres to a notable increase in hotel development, the city is rapidly evolving to meet the demands of a growing population and economy.

In response to this growth, Chattanooga is enhancing its infrastructure to accommodate the development of modern apartments and townhomes. Developers and investors are drawn to the city's revitalized downtown district, which has seen a surge in renovations driven by the increasing demand for both residential and commercial space. The city's evolving "live, work, play" concept continues to shape the urban landscape.

Additionally, the General Services Administration (GSA) has initiated a search for a new federal courthouse, evaluating potential sites, including the TVA campus, the current Lookouts Stadium on Hawk Hill, and other properties in the area.

One of the most highly anticipated developments, the Foundry District located off South Broad Street, has officially broken ground. This 140-acre mixed-use development, strategically located along I-24, will be anchored by a new stadium for the Chattanooga Lookouts. The project will also feature a diverse range of amenities, including restaurants, entertainment venues, office spaces, retail outlets, and residential housing.

Another anticipated development, The Bend—a 120-acre mixed-use development—has entered its first phase. This expansive project will offer a blend of restaurants, retail spaces, office buildings, light industrial facilities, and various residential options, including townhomes, condos, and apartments.

Chattanooga's hospitality sector is experiencing robust growth, with several significant hotel projects underway. Hyatt Hotels has broken ground on a new property on W Main Street in the Southside District, while an AC Hotel by Marriott is set to rise at the corner of Broad and Main. Embassy Suites is also under development on Broad Street at 4th Street, with plans for a 2025 opening. Additionally, Hilton is transforming the historic Chattanooga Bank Building into a Tapestry Collection hotel, preserving its 98-year legacy.

The industrial sector is also seeing impressive developments. Novonix, a leading battery materials manufacturer, has announced plans for a \$1 billion expansion, which will create 500 new jobs. Microtex Industries is also establishing its first U.S. plant in the region, adding 26 new jobs. Moreover, a new \$28 million Class-A industrial building on Riverport Road will provide between 185,000 and 225,000 square feet of industrial and flex space, while the North River Commerce Center is set to offer over 800,000 square feet of modern industrial space across four buildings.

Despite the growing trend of remote work, Chattanooga's office real estate market has remained stable. Coworking spaces continue to flourish, offering flexibility and appealing amenities, which has helped Chattanooga rank second nationwide

as one of the best places to work remotely in 2024. However, rising leasing rates and a shift towards a "flight to quality" trend—where tenants lease smaller spaces but demand more amenities and are willing to pay higher rents—suggest that the demand for in-person office spaces may evolve further in 2025.

The retail real estate market has also seen notable transactions, including the \$14.7 million sale of Oak Park Town Center on Hwy 153 and the \$21 million sale of Northtowne Center in Hixson. CBL Properties has plans to revitalize Northgate Mall, beginning with the conversion of the former Sears location into a BJ's Warehouse Club. Over the past seven years, similar redevelopment efforts have transformed Hamilton Place Mall, introducing new tenants such as Dick's Sporting Goods, Dave & Buster's, chain restaurants, and a boutique hotel, enhancing the mall's modern appeal.

Multi-family housing continues to be a dominant trend in Chattanooga's real estate market. As the city adapts to the growing demand, office buildings are being repurposed into condominiums, and projects like The Bend and the Foundries District will help address the housing shortage. Several new apartment complexes are also in development to meet the increasing demand for residential space.

As Chattanooga enters 2025, the city's growth trajectory shows no signs of slowing down. With major redevelopment projects, expanded hotel offerings, housing growth, and a vibrant tourism sector, Chattanooga is poised for an exciting and transformative future in the years ahead.

About Us

Operating as Chattanooga, Tennessee's most experienced and 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

\$92 million+ in sales & leases

830,000+ 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

NAICharter



2024 BY THE NUMBERS

99 Transactions
totaling 1,319,027 SF
& 134.35 Acres
valued at \$92,404,242



77 Leases
totaling 891,756 SF
valued at \$58,213,495



22 Sales
totaling 427,271 SF
valued at \$34,190,747

Over **\$537 million** in total transaction volume since 2018

Approximately **10 million** square feet sold or leased since 2018

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

Our News

- NAI Charter celebrated its second year in our new location at 520 Lookout Street and 52 years in business.
- Jason Hines joined as Senior Property Manager.
- Amie Thomas was featured in CityScope Magazine's prestigious Gold Club.
- David DeVaney is a Board Member of UC Foundation, Lookout Mountain Conservatory, and Lookout Mountain Georgia Planning Agency.
- David DeVaney celebrated 30 years as a SIOR member.
- Frazier DeVaney served as Commercial Services Chairman at Greater Chattanooga Realtors.
- Frazier DeVaney joined the NAI Global Healthcare Advisory Group and NAI Elite Corporate Services Council.
- Bryan Rudisill celebrated 35 years with NAI Charter.
- Chad Wamack celebrated 15 years with NAI Charter.
- Chad Wamack earned his SIOR designation
- Will Carroll joined as Maintenance Coordinator and earned his Affiliate Broker License



OFFICE NOTABLE TRANSACTIONS

SOLD



Southside

400 Holtzclaw, Chattanooga, TN

Sold

Size: 13,342 SF

Price: \$2,650,000

Seller Representative: Jeff Jennings, CCIM

LEASED



Southside

1810 E. Main Street, Chattanooga, TN

Leased

Size: 3,000 SF

Tenant: Trust for Public Land

Tenant Representative: Chad Wamack, SIOR

Landlord Representative: Christopher "Pher" Moore

LEASED



Shallowford Road Trade Area

5959 Shallowford Road, Chattanooga, TN

Leased - Suite #435

Size: 25,544 SF

Tenant: National Seating & Mobility

Tenant Representative: Frazier DeVaney

LEASED



Friars Branch Crossing

2226 Encompass Drive, Chattanooga, TN

Leased - Suite 116 & 122

Size: 20,500 SF

Tenant: Volkswagen Group of America

Landlord Representative: Frazier DeVaney

Tenant Representative: David DeVaney, SIOR, CCIM

LEASED



Shallowford Trade Area

6937 Lee Highway, Chattanooga, TN

Leased - Suite 100 & 200

Size: 38,336 SF

Tenant: Chattanooga Medical College

Tenant Representative: David F. DeVaney, SIOR, CCIM

Landlord Representative: Frazier DeVaney

LEASED



Central Business District

633 Chestnut Street, Chattanooga, TN

Leased - Suite 1100

Size: 10,839 SF

Tenant: Northwestern Mutual

Tenant Representative: Jeff Jennings, CCIM

INDUSTRIAL NOTABLE TRANSACTIONS

SOLD



Bonny Oaks

4273 Benton Drive, Chattanooga, TN

\$3,800,000

Size: 22,000 SF & 5.32 Acres

Buyer Representative: Frazier DeVaney

LEASED



Industrial

1919 Polymer Drive, Chattanooga, TN

Leased

Size: 171,884 SF & 3.26 Acres

Landlord Representative: David F. DeVaney, SIOR, CCIM

SOLD



South Chattanooga

3324 Alton Park, Chattanooga, TN

\$1,050,000

Size: 18,450 SF & 5.32 Acres

Seller Representative: Frazier DeVaney

LEASED



Ringgold, GA

124 Gateway Drive, Ringgold, GA

Leased

Size: 20,800 SF & 3.26 Acres

Tenant Representative: David F. DeVaney, SIOR, CCIM

SOLD



Southside

3010 Williams Street, Chattanooga, TN

\$6,500,000

Size: 104,800 SF & 5.89 Acres

Buyer Representative: Frazier DeVaney

SOLD



Southside

1721 Central Avenue, Chattanooga, TN

\$3,105,000

Size: 80,000 SF & 3 Acres

Seller Representative: J. Bryan Rudisill, SIOR

RETAIL NOTABLE TRANSACTIONS

SOLD



Cleveland

350 Stuart Road, Cleveland, TN

\$1,899,900

Size: 10,144 SF & 3.26 Acres

Seller Representative: Chad Wamack, SIOR

SOLD



Southside

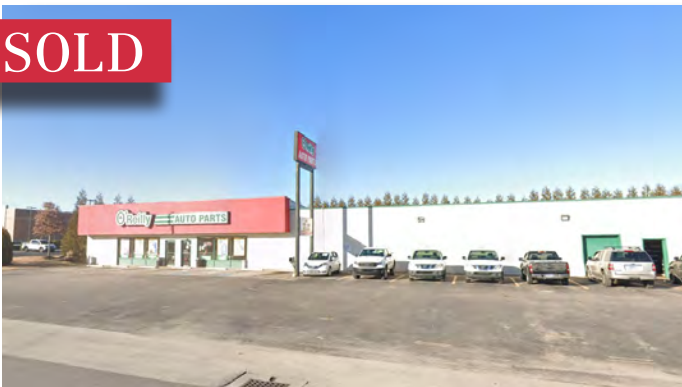
1301 Chestnut Street, Chattanooga, TN

\$1,150,000

Size: 3,700 SF

Seller Representative: Frazier DeVaney

SOLD



Chattanooga

9407 Lee Highway, Chattanooga, TN

\$1,250,000

Size: 8,496 SF & 0.37 Acres

Seller Representative: David F. DeVaney, SIOR, CCIM

LEASED



Central Business District

1110 Market Street, Chattanooga, TN

Leased

Size: 3,345 ± RSF

Leasing Representative(s): Frazier DeVaney,
Christopher "Pher" Moore

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



Medical Office

2707 Citico Avenue, Chattanooga, TN

\$2,950,000

Size: 10,530 SF

Broker: David F. DeVaney, SIOR, CCIM

FOR LEASE



Central Business District

605 Chestnut Street, Chattanooga, TN

\$19.50 PSF Full Service

Size: 12,307-24,614 ± RSF

Broker: Jeff Jennings, CCIM



OUR PROPERTY MANAGEMENT TEAM



DAVID F. DEVANEY
President



D. FRAZIER DEVANEY, JR.
Vice President



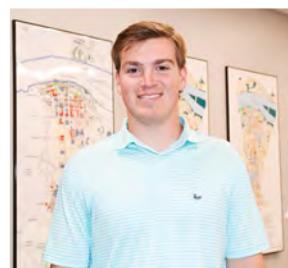
AMIE THOMAS
Chief Financial Officer



JASON HINES
Property Manager



MARY BRANNON
Assistant Property Manager



WILL CARROLL
Maintenance Coordinator

26 Properties
Managed

Over 25
Years Serving
Chattanooga

Office • Retail
Industrial

Nearly \$70 Million
in Portfolio Value,
830,000+ SF
Under Management

65+ 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



Jason Hines
Property Manager | Broker



Mary Brannon
Asst. Property Manager



April J. Linnemann
Director of Marketing



Will Carroll
Maintenance Coordinator

NAI Charter

NAI Charter

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