

The logo for NAI Charter, featuring the letters 'NAI' in a bold, white, sans-serif font, followed by the word 'Charter' in a larger, white, serif font. The background is a photograph of a brick building with arched windows and a white door.

NAI Charter

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

2022 YEAR-END MARKET REPORT

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CHATTANOOGA

Economic Development

- River's Edge at South Chick, a proposed \$400 million mixed-use development, is to be built on a 70-acre former industrial tract at Amnicola Highway and Judd Road.
- EPB boosts its speed to 25G across its footprint. Chattanooga boasts fastest community wide internet service in the world.
- Volkswagen Chattanooga expects to gear up assembly of its ID.4 electric SUV to 7,000 monthly by year end and build more than 90,000 in 2023.
- The former Wheland Foundry site in south Chattanooga will soon be the new home of the Chattanooga Lookouts, a double A baseball team.
- RFM Development Co. has proposed building a seven-story apartment complex near the former U.S. Pipe/Wheland Foundry site.
- Chattanooga's Riverfront is preparing for huge renovations as zoning boards begin approving the \$3.5 billion development project by Urban Story Ventures. The former Alstom/GE property, a 110 acre mixed-use urban community, will soon be the site of a new neighborhood called The Bend.
- Insurer Unum is adding about 100 jobs in the city, and more than 200 companywide, as the business offers new products.
- Chattanooga Neighborhood Enterprise is currently working on a 24-unit apartment complex downtown. Their target market will be renters earning between \$30,000 and \$40,000 annually. The project is slated to be completed March 2024.
- The Chattanooga Red Wolves owner is planning to begin Phase-2 of his development in the East Ridge community by adding town homes and commercial buildings surrounding the new stadium.
- Three years ahead of schedule, the Chattanooga Area Chamber of Commerce announced more than \$1 billion in capital investments in the region.

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

2022 Chattanooga Report

OFFICE

Vacancy Rate
▼

Net Absorption
▼

Construction
▲

Asking Rents
◀▶

Availability Report

Existing RBA*:	23,461,151 SF
Leased:	22,573,433 SF
Leased Percentage:	96%
Available:	887,718 SF
Available Percentage:	3.8%

Rental Rate Report

Office Average: \$20.64/YR

Quarter	Rental Rate (\$/YR)
3Q 2020	19.50
3Q 2021	19.50
3Q 2022	20.50

INDUSTRIAL

Quarter	Rental Rate (\$/YR)
3Q 2020	4.20
3Q 2021	6.20
3Q 2022	4.80

Availability Report

Existing RBA*:	58,035,455 SF
Leased:	56,582,053 SF
Leased Percentage:	97.4%
Available:	1,453,402 SF
Available Percentage:	2.5%

Direct Net Rental Rate Report

Industrial Average: \$5.84/YR

Vacancy Rate
◀▶

Net Absorption
▲

Construction
▲

Asking Rents
▼

RETAIL

Vacancy Rate
▼

Net Absorption
▲

Construction
◀▶

Asking Rents
▲

Availability Report

Existing RBA*:	41,905,409 SF
Leased:	40,726,456 SF
Leased Percentage:	97%
Available:	1,178,953 SF
Available Percentage:	2.8%

Direct Net Rental Rate Report

Retail Average: \$14.78/YR

Quarter	Rental Rate (\$/YR)
3Q 2020	11.20
3Q 2021	11.20
3Q 2022	13.50

* RBA: Rentable Building Area
Source: CoStar Group



Chattanooga Overview

* Written by J. Bryan Rudisill

Market conditions remain essentially the same in 2022 as they were in 2021. Continued impressive demand and diminishing supply persist across all segments of the market.

Realtor.com ranks Chattanooga in the top ten for growth among all markets in the U.S. Records continue to be broken in Multifamily investment. Cap Rates remain in the 4%-5% range. Beacon Properties, Nashville and Middle Street Partners, Charleston SC both have projects underway on the Northshore. The former is planning a \$90 million 350 unity apartment complex. The latter is a \$50 million project adjacent to North Shore One. Rental rates have risen 19% year over year.

Industrial, still plagued by lack of available land and buildings is experiencing expansion from new developments. Hamilton county purchased McDonald Farm. Consisting of 2,170 acres with roughly 800 acres dedicated to industrial development, the county plans a mixed-use development along the same lines as Enterprise south.

Rise Partners of Chattanooga is redeveloping a portion of the former DuPont plant on Access Road. There they are under construction on roughly 800,000 SF. Also, Tenby Partners in partnership locally with White Oak Enterprises, has delivered 300,000 SF with another 260,000 SF under construction in Enterprise South.

Office activity remains positive in Chattanooga despite a variety of headwinds. The Unum office building has experienced positive absorption from the Logistics and Financial Services Industries. Notable tenants include Steam Logistics, Patten & Patten, and Elliott Davis. All Class A buildings report high occupancy levels.

The big news of the year – Wheland Foundry is finally moving forward with a mixed-use development. Core Development, Nashville, is under contract to purchase a portion of the south end of the site. Plans are to develop 400 to 500 homes along with 20,000 SF of neighborhood – scale commercial space. The balance of the 120 acres is going to be home to a new multi-purpose, \$80 million, stadium, along with additional retail, residential, and office use.

Once nick named “Gig City”, Chattanooga has refused to rest on its laurels. Now Chattanooga boasts 25 gigabit per second broad band service to all homes and businesses. No other city “anywhere” offers city-wide service at this speed.

The market is expected to remain tight going forward. Chattanooga and surrounding areas continue to see growth across all segments, thanks to affordable living, economical cost of energy, beautiful surroundings, and quality of life community.

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

11 Professionals

186+ Years Experience

\$90 million+ in sales & leases

933,000+ 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



2022 BY THE NUMBERS

125 Transactions
totaling 788,149 SF
& 118 Acres
valued at \$90,905,800.60



88 Leases
totaling 464,257 SF
valued at \$31,569,150.60



37 Sales
totaling 323,892 SF
valued at \$59,336,650

Over **\$535 million** in total transaction volume since 2013

Approximately **8 million** square feet sold or leased since 2013

Combined, NAI Charter's Team offers more than **180 years** of experience in commercial real estate

Our News

- NAI Charter moved into our new location at 520 Lookout Street.
- NAI Charter celebrated 50 years of business in Chattanooga.
- Frazier DeVaney was promoted to Vice President and Principal of NAI Charter.
- Christopher “Pher” Moore joined 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 was elected President of the Board for BOMA of Chattanooga.
- Bryan Rudisill was elected as Chairman of the SIOR Planning Committee for 2022 to 2023.
- Chad Wamack serves as Board Member on the Metro YMCA.



OFFICE NOTABLE TRANSACTIONS

LEASED



Unum Center

555 Walnut Avenue, Chattanooga, TN

Leased

Size: 20,122 SF

Tenant: Elliott Davis

Listing Agent: David DeVaney, SIOR, CCIM

LEASED



Southside

1500 Chestnut Street, Chattanooga, TN

Leased - Suite 106

Size: 7,070 SF

Tenant: BellHops

Listing Agent: D. Frazier DeVaney, Jr.

LEASED



CBL Center

2030 Hamilton Place, Chattanooga, TN

Leased

Size: 8,776 SF

Tenant: Network Transportation

Listing Agent: David F. DeVaney, CCIM, SIOR

LEASED



Unum Center

555 Walnut Avenue, Chattanooga, TN

Leased

Size: 16,461 SF

Tenant: Patten & Patten

Listing Agent: David DeVaney, SIOR, CCIM

LEASED



Unum Center

555 Walnut Avenue, Chattanooga, TN

Leased

Size: 30,921 SF

Tenant: Lincoln Memorial University

Listing Agent: David DeVaney, SIOR, CCIM

LEASED



Southside

1635 Chestnut Street, Chattanooga, TN

Leased - Suite A & B

Size: 7,634 SF

Tenant: Empire Epidemic LLC

Listing Agent: D. Frazier DeVaney, Jr.

LEASED



CBL Center

2030 Hamilton Place, Chattanooga, TN

Leased

Size: 4,304 SF

Tenant: LHC

Listing Agent: 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



Hixson

5206 Austin Road, Hixson, TN

\$1,200,000

Size: 7,000 SF

Listing Agent: Chad Wamack

SOLD



Riverside

1200 Wisdom Street, Chattanooga, TN

\$3,700,000

Size: 77,000 SF | 6 Acres

Listing Agent: J. Bryan Rudisill, SIOR

LEASED



Riverside

1321 Stuart Street, Chattanooga, TN

Leased

Size: 26,000 SF

Listing Agent: Chad Wamack

SOLD



Southside

210 Shipp Avenue, Chattanooga, TN

\$3,350,000

Size: 36,815 SF | 7 Acres

Listing Agent: Chad Wamack

LEASED



East Side

7422 Bonnyshire Drive, Chattanooga, TN

Leased
Size: 9,300 SF | 7 Acres
Listing Agent: Chad Wamack

LEASED



St. Elmo

3501 St. Elmo Avenue, Chattanooga, TN

Leased
Size: 30,000 SF
Tenant Agent: J. Bryan Rudisill, SIOR

INVESTMENT NOTABLE TRANSACTIONS

SOLD



Shallowford Road Trade Area

4126 Caine Lane, Chattanooga, TN

\$7,000,000
Size: 55,582 SF
Listing Agent: David F. DeVaney, SIOR, CCIM

SOLD



Brainerd Park

5845 Brainerd Road, Chattanooga, TN

\$4,600,000
Size: 76,316 SF
Listing Agent: Jeff Jennings, CCIM

RETAIL NOTABLE TRANSACTIONS

SOLD



Shallowford Road Trade Area

2125 Gunbarrel Road, Chattanooga, TN

\$1,800,000

Size: 3,120 SF

Buyer Agent: Chad Wamack

LEASED



Johnson City

3211 Peoples Street #400, Johnson City, TN

Leased

Size: 3,252 SF

Tenant Agent: Jeff Jennings, CCIM

SOLD



Ooltewah

8890 Old Lee HWY, Ooltewah, TN

\$1,886,250

Size: 7,545 SF

Listing Agent: Eli Schwartz

LEASED



Central Business District

388 Cherry Street, TN

Leased

Size: 1,925 SF

Listing Agent: David F. DeVaney, SIOR, CCIM

LAND NOTABLE TRANSACTIONS

SOLD



2701 Walker Road, Chattanooga, TN

\$1,375,000

Size: 4.3 Acres

Buyer Agent: Chad Wamack

SOLD



1712 Congress Parkway, Athens, TN

\$1,550,000

Size: 6.32 Acres

Listing Agent: Jeff Jennings, CCIM

SOLD



Chapel Hill Drive, Macon, GA

\$1,850,000

Size: 9.19 Acres

Listing Agent: David DeVaney, SIOR, CCIM

SOLD



Veteran Parkway, Auburn, AL

\$1,000,000

Size: 14 Acres

Listing Agent: David DeVaney, SIOR, CCIM



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.

In 2022, NAI Charter Management was awarded 17,419 SF of commercial and retail spaces located at Owl’s Nest in Ooltewah along with 17,837 SF of medical office located in downtown Chattanooga. NAI Charter plans to continue their management portfolio growth in 2023.



DAVID F. DEVANEY
President



D. FRAZIER DEVANEY, JR.
Vice President



ELI SCHWARTZ
Property Manager



MARY BRANNON
Asst. Property Manager



AMIE THOMAS
Chief Financial Officer

38 Properties
Managed

Over 20
Years Serving
Chattanooga

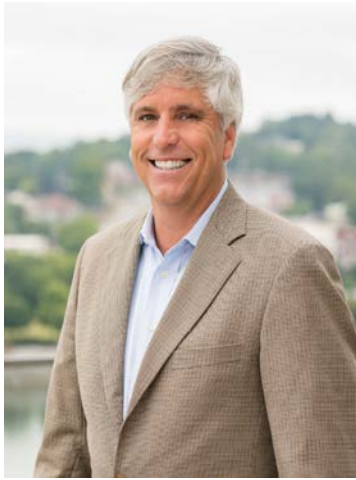
Office • Retail
Industrial

Nearly \$70 Million
in Portfolio Value,
900k± SF
Under Management

140+ Tenants

The Leader In
Commercial
Real Estate
Since 1972

NAICharter



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

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