

---

RESTRICTED APPRAISAL REPORT  
OF REAL ESTATE

317 OAK STREET  
CHATTANOOGA, TN 37402

HG FILE # 25100601

FOR

MICHAEL KIRK  
HAMILTON COUNTY REAL PROPERTY  
4005 CROMWELL ROAD  
CHATTANOOGA, TN 37421

DATE OF REPORT: OCTOBER 31, 2025

DATE OF "AS IS" VALUATION: OCTOBER 17, 2025

DATE OF "AS STABILIZED" VALUATION: FEBRUARY 17, 2027

BY

WILLIAM C. HAISTEN, III

---

THE HAISTEN GROUP, LLC

---

3154 ST. ELMO AVENUE  
CHATTANOOGA, TENNESSEE 37408

# THE HAISTEN GROUP, LLC

---

3154 St. Elmo Avenue  
Chattanooga, TN 37408

Phone: 423-899-1928  
Fax: 423-899-1929

---

October 31, 2025

Michael Kirk  
Hamilton County Real Property  
4005 Cromwell Road  
Chattanooga, TN 37402

Reference to: 317 Oak Street  
Chattanooga, TN 37402  
Current Owner: Hamilton County and the Hamilton County Board of Education

Dear Mr. Kirk,

As requested, I have made an inspection and prepared an appraisal report of the above referenced property for the purpose of estimating the market value of the "Fee Simple" interest. The data relevant to the value of the property, the methods of valuation, as well as the contingent and limiting conditions that apply, are stated in the body of this report. Please note that:

- This appraisal was made in accordance with the client's appraisal requirements.
- To the best of my knowledge, this report conforms to the current requirements prescribed by the Uniform Standard of Professional Appraisal Practice of the Appraisal Standards Board of the Appraisal Foundation (as required by the Institutions Reform, Recovery and Enforcement Act - FIRREA).
- The person signing this report has the knowledge and experience to complete the assignment competently.
- The person signing the report is duly licensed by the appropriate state under certificate number CG-2458.
- This restricted report is to only be utilized by the client; the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile.

The subject of this report is a four story office building built in 1928 on the National Register of Historic Places. The subject office building has a gross building area of 30,280 square feet and net rentable area of 29,422 square feet. It is located in the city of Chattanooga, one block east of the Hamilton County Courthouse and across Oak Street from the Soldier and Sailors Memorial Auditorium. Its owner,

Hamilton County, housed administrative staff until the summer of 2024. Since then, with exception of one county office that relocated in September 2025, it has been vacant.

This appraisal is made "As Is" and "As Stabilized". If after reading this report, you have any questions or comments, please call. In my opinion, the market value of the "Fee Simple" ownership rights existing in the above referenced property, as of the date of the appraisal, is as follows:

<b>Date of "As Is" Value Estimate:</b>	<b>October 17, 2025</b>
<b>Estimated Value "As Is":</b>	<b>\$4,100,000</b>
<b>Date of "As Stabilized" Value Estimate:</b>	<b>February 17, 2027</b>
<b>Estimated Value "As Stabilized":</b>	<b>\$4,780,000</b>

Respectfully submitted,



William C. Haisten, III  
Appraiser  
TN-2458  
Expiration: June 30, 2026

---

---

---

## TABLE OF CONTENTS

---

<b>APPRAISAL CERTIFICATION .....</b>	<b>3</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>SUBJECT PROPERTY PHOTOGRAPHS .....</b>	<b>6</b>
<b>INTRODUCTION .....</b>	<b>17</b>
<b>SCOPE OF WORK.....</b>	<b>22</b>
<b>MARKET ANALYSIS.....</b>	<b>24</b>
<b>COSTAR OFFICE MARKET REPORT.....</b>	<b>38</b>
<b>NEIGHBORHOOD DESCRIPTION .....</b>	<b>60</b>
<b>PROPERTY DESCRIPTION .....</b>	<b>61</b>
<b>HIGHEST AND BEST USE ANALYSIS.....</b>	<b>69</b>
<b>VALUATION PROCESS .....</b>	<b>74</b>
<b>COST APPROACH .....</b>	<b>77</b>
<b>SALES COMPARISON APPROACH.....</b>	<b>78</b>
<b>INCOME APPROACH .....</b>	<b>88</b>
<b>RECONCILIATION AND FINAL ESTIMATE OF VALUE.....</b>	<b>110</b>
<b>ADDENDA.....</b>	<b>112</b>
<b>CONTINGENT AND LIMITING CONDITIONS.....</b>	<b>113</b>

## APPRAISAL CERTIFICATION

I CERTIFY THAT, to the best of my knowledge and belief:

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ◆ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ◆ I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ◆ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ◆ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- ◆ I have made a personal inspection of the property that is the subject of this report.
- ◆ David Barrueta provided significant real property appraisal assistance to the person signing this certification. Mr. Barrueta researched, organized and reported data in developing the subject report.
- ◆ The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- ◆ The appraisal report is compliant with FIRREA and the Interagency Appraisal and Evaluation Guidelines.
- ◆ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ◆ As of the date of this report, I, William C. Haisten III, have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

Respectfully submitted,



William C. Haisten, III  
Appraiser  
TN CG-2458  
Expiration: April 30, 2027

## EXECUTIVE SUMMARY

**Property Type:** Office

**Location:** 317 Oak Street  
Chattanooga, TN 37402

**Tax Map and Parcel Number:** 145D B 013

**Owner of Record:** Hamilton County and Hamilton County Board of Education

**Client and Intended Users of Appraisal:** Hamilton County Real Property

**Purpose of the Appraisal:** To estimate the subject property's "As Is" and "As Stabilized" market value for purpose of sale.

**Property Rights Appraised:** Fee Simple

**Date of Appraisal Report:** October 31, 2025

**Date of Value:** "As Is" - October 17, 2025  
"As Stabilized" – February 17, 2027

**Zoning:** U-CX-6 (Urban Commercial Mixed Use)

**Census Tract:** 31/2

**Site Data:** **Size:** 26,916 square feet or 0.62 acre  
**Shape:** Generally Rectangular  
**Topography:** Generally Level  
**Functional Utility:** The subject site features good functional utility.

**F.E.M.A Flood Map Date:** 2/3/2016  
**F.E.M.A Flood Panel#:** 47065C0341G  
**F.E.M.A Flood Zone Designation:** X

**Building Data:** **Number of Buildings:** 1  
**Number of Stories:** 4  
**Construction Class:** Class C  
**Construction Quality:** Average  
**Year Built:** 1928  
**Condition:** Average  
**Gross Building Area:** 30,280 square feet  
**Net Rentable Area:** 29,422 square feet  
**Site Coverage Ratio:** 30% (8,009 SF footprint)

**Highest and Best Use: Of Land as though Vacant: Office**  
**Of Property as Improved: Office**

**Marketing Time: 6 and 12 months**

**Exposure Time: 6 and 12 months**

**Estimated Land Value: Not Applied**

**"As Is" Value**

**Indicated Value by Cost Approach: Not Applied**

**Indicated Value by Sales Comparison Approach: \$4,165,000**

**Indicated Value by Income Approach: \$4,020,000**

**Final Estimate of Value: \$4,100,000**

**"As Stabilized" Value**

**Indicated Value by Cost Approach: Not Applied**

**Indicated Value by Sales Comparison Approach: \$4,845,000**

**Indicated Value by Income Approach: \$4,700,000**

**Final Estimate of Value: \$4,780,000**

## SUBJECT PROPERTY PHOTOGRAPHS



Subject Front



Subject Front



Subject View From Lindsay St



Subject Rear



Subject Surface Parking Lot



Oak St Facing East



Oak St Facing West



Lindsay St Facing North



Lindsay St Facing South



Typical Office Space – 1<sup>st</sup> Floor



Typical Office Space – 1<sup>st</sup> Floor



Typical Office Space – 1<sup>st</sup> Floor



Typical Office Space – 1<sup>st</sup> Floor



Typical Office Space – 1<sup>st</sup> Floor



Typical Office Space – 2<sup>nd</sup> Floor



Typical Office Space – 2<sup>nd</sup> Floor



Typical Office Space – 3<sup>rd</sup> Floor



Typical Office Space – 3<sup>rd</sup> Floor



Typical Office Space – 4<sup>th</sup> Floor



Typical Office Space – 4<sup>th</sup> Floor



Deferred Maintenance – 4<sup>th</sup> Floor



Building Stairwell (4 Levels)

---

---

## INTRODUCTION

### CLIENT AND INTENDED USER OF APPRAISAL

Hamilton County Real Property

### INTENDED USE OF APPRAISAL

The client, Hamilton County Real Property, is to utilize this appraisal report in order to determine the “As Is” and “As Stabilized” market value of the Fee Simple interest for potential listing purposes.

### TYPE AND DEFINITION OF VALUE

The client has requested the appraiser provide a market value for the subject property. “*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”<sup>1</sup>

---

<sup>1</sup> <https://www.fdic.gov/regulations/laws/rules/2000-4300.html>

## **PROPERTY RIGHTS TO BE VALUED**

The property rights appraised in the appraisal are those rights known as “Fee Simple”.

“Fee Simple” interest is defined as: “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>2</sup>

## **APPRAISAL REPORT TYPE**

This is a “Restricted Appraisal Report” which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.

## **EFFECTIVE DATE OF VALUE**

The “As Is” market value estimated in this appraisal report is applicable as of October 17, 2025. The “As Stabilized” market value is estimated as of February 17, 2027.

## **IDENTIFICATION OF REAL ESTATE**

Reference:	Office
Street Address:	317 Oak Street Chattanooga, TN 37402
County:	Hamilton
Legal:	M L KING BUILDING PT LOTS 1 & 3 BLK C LONGS ADDN N/R
Current Owner:	Hamilton County and Hamilton County Department of Education
County Map and Parcel Number:	145D B 013

---

<sup>2</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), page 90

## **HISTORY OF SUBJECT PROPERTY**

The most recent transfer of the subject property occurred via Warranty Deed (Book 1733 Page 259) on August 10, 1967. The First Baptist Church of Chattanooga, Tennessee (Grantor) conveyed all right, title and interest in the subject property to Hamilton County and Hamilton County Department of Education (Grantee) for \$223,000. To the best knowledge of the appraiser, the subject property has not been listed or offered for sale within the last three years.

Built in 1928, the subject's building was designed by prominent local architect R.H. Hunt and was originally built to serve the education needs of the congregation of The First Baptist Church of Chattanooga, Tennessee. On August 10, 1967, Hamilton County and the Hamilton County Board of Education purchased the property. For years, the city of Chattanooga's education department occupied the building until Hamilton County took over the city's education's services in 1997. The building has been vacant since the summer of 2024, with exception of one county office that vacated in September 2025.

## **EXTRAORDINARY ASSUMPTIONS**

Extraordinary assumptions were utilized in valuing the subject property.

The client provided the appraiser four documents relevant to the physical characteristics and condition of the subject's office building. These documents are in the appraiser's workfile. These documents include a MEP Assessment from P+S Engineering Solutions dated February 20, 2025 (total cost for recommended repairs: \$2,127,650), Pre-Renovation Asbestos and Lead-Based Paint Survey from Tinker Ma LLC/LaBella Associates, P.C. dated February 19, 2025 (total cost for recommended repairs: not provided), Masonry Repairs from Masonry Specialist Corporation dated February 19, 2025 (total cost for recommended repairs: \$79,969 plus \$39.30 per square foot for mortar joint grinding/repairing, and Destructive Investigation Work from Pillar Construction dated February 17, 2025 (total cost for recommended repairs: \$4,950). The overall cost of recommended repair work is approximately \$2,212,569, however, the subject property had been occupied by one county office on portions of both the first and second floors up until September 2025 and the balance of the building was occupied by county administrative staff up until the summer of 2024. Therefore, the subject property's office facility was recently a functioning, operable office building for Hamilton County despite any recommended repair work by vendors of Hamilton County. It is extraordinarily assumed that the subject property's office facility is not in need of immediate repairs and is a fully functioning office space for tenants or an owner-occupant in downtown Chattanooga.

The appraiser cannot predict what pressures the subject market may experience over the next 16 months. Currently, the subject market is a desirable location for office users due to its proximity to the Hamilton County Courthouse and its location in the City Center District of Chattanooga. Upon review of the CoStar Office Market Report for the subject's competitive market area (zip code 37402 and 37403), the report indicates two key metrics suggesting the subject market's Median Months to Lease at 15.9 months and a 95% Probability of Leasing in Months at 15 months. Therefore, it is extraordinarily assumed that the subject will reach stabilized occupancy in 16 months or by February 17, 2027.

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions."<sup>3</sup>

---

<sup>3</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), page 84

## **HYPOTHETICAL CONDITIONS**

No hypothetical conditions were utilized in valuing the subject property.

A hypothetical condition is defined as: "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."<sup>4</sup> The use of a hypothetical condition could affect the final opinion of value.

---

<sup>4</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), page 113

---

---

## SCOPE OF WORK

---

### IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property was identified by the client with an address and a tax and parcel reference number. We further considered county ownership, tax and zoning records in identification of the subject property. A deed of transfer of the subject property was available and is included in the addenda of this report.

### PHYSICAL CHARACTERISTICS

The primary improvements and underlying land were physically inspected and detailed in the improvements and land sections of this report. The appraiser also considered the Hamilton County Property Assessor's records for construction date.

### TYPE AND EXTENT OF DATA RESEARCHED

We researched and analyzed: 1) market area data, 2) property specific market data, 3) zoning and land use data and 4) current comparable land and improved office sales in the competitive market.

### TYPE AND EXTENT OF ANALYSIS APPLIED

Based on the agreed-upon scope of work with the client, the subject's specific characteristics and the interest appraised, this appraisal develops the "As Is" and "As Stabilized" fee simple market values. In valuing the subject property, the appraiser considered utilization of the Cost, Sales Comparison and Income (Direct Capitalization) Approaches.

### "AS STABILIZED" VALUE ANALYSIS

Stabilized occupancy is defined as "the occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand."<sup>5</sup>

In providing the "As Stabilized" value, the appraiser utilized the Sales Comparison Approach and the Income Capitalization Approach. The "As Stabilized" date of value is a particular point in time after the subject's office building has had reasonable exposure in order to be leased at a market rent. The

---

<sup>5</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), p. 219.

appraiser has determined the “As Stabilized” date of value to be sixteen months following the October 17, 2025 “As Is” date of value, or February 17, 2027.

The Cost Approach is typically most accurate when valuing newly constructed or proposed improvements. The subject was constructed in 1928. The Cost Approach did not provide a credible value opinion due to the difficulty in accurately calculating the depreciation of the subject facility.

The Sales Comparison Approach is applicable to all property types and is considered very reliable when there are a sufficient number of recent sales to create a value pattern in the market. We were fortunate in finding comparables of similar properties which provided us with good reliable sales data.

Income-producing properties are bought and sold on the basis of their anticipated net incomes. Therefore, the Income Approach is reliable when the rental income, operating expenses, capitalization rate, and method of capitalization are estimated from adequate indices of existing market conditions. We believe that in this report all these factors are well founded and supported.

#### **“As Is” VALUATION ANALYSIS**

The appraiser determined the “As Is” value by deducting the overall leasing costs to achieve stabilized occupancy relating to the subject property’s office space from the “As Stabilized” value. These stabilization costs include rent loss, lost lessor’s profit, brokerage commissions and tenant improvement allowance. The appraiser determined that the owner will experience rent loss of sixteen months to lease the space at market rate from the “As Is” date of value (October 17, 2025) and incur leasing costs such as lost lessor’s profit, brokerage commissions and tenant improvement allowance. These costs must be deducted from the “As Stabilized” value in order to arrive at an “As Is” value.

---

---

## MARKET ANALYSIS

---

Chattanooga is situated on the Tennessee River in the southeast corner of Tennessee. The Chattanooga area is centrally located between several major urban-industrial areas of the Southeastern United States. Birmingham, AL is approximately 147 miles to the southwest; Nashville, TN is 135 miles to the northwest and Knoxville, TN is approximately 112 miles to the northeast. The growing industrial concentration in the lower Tennessee Valley -- Decatur, AL, Huntsville, AL and the Muscle Shoals, AL area -- is about 110 miles to the west. Atlanta, GA, the principal distribution and service center of the southeast, is only 118 miles south of Chattanooga.

The Chattanooga area's central location and its transportation facilities combine to give the area's businesses and individuals short haul rail and highway delivery to nearly one-half of the nation's population. Chattanooga is the hub of a thriving economic region and its geographic location has profited over the past 25 years by improvement of waterways, highways and air transportation capability.

Since the early 1990's Chattanooga has seen significant developments that have transformed the city and created a bright future. Among the most significant developments that have occurred since the early 1990's in Chattanooga is the completion of the Tennessee Aquarium in May of 1992. The Tennessee Aquarium provides Chattanooga with a significant tourist attraction that draws several thousand people every year to the river city. In 2005, Chattanooga completed a whole new phase of major development that has had monumental effects upon Chattanooga and its immediate and long-term future. The 21<sup>st</sup> Century Waterfront Plan combined \$69 million in public financing with \$51 million dollars in private donations to create a \$120 million-dollar redevelopment of the Chattanooga waterfront on both the north and south banks of the Tennessee River. Private development has piggybacked on the 21<sup>st</sup> Century Waterfront plan in recent years to aid in Chattanooga's continued growth.

Chattanooga recently became the first midsize city to designate an Innovation District, serving as a connecting point, support base, and catalyst for the local entrepreneurial ecosystem.<sup>6</sup> Announced in January of 2015, the Innovation District features a mix of business incubators, accelerators and start-ups in a designated space for participants in the innovation economy. The Innovation District is currently

---

<sup>6</sup> <http://www.chainnovate.com/>

experiencing strong growth with several new developments in the planning and construction phase.

Anchoring the development district is the Edney Innovation Center, a 90,000 square foot, 10-story building featuring three long-term tenants dedicated to stimulating entrepreneurial growth in the region. Located at the corner of Market Street and 11<sup>th</sup> Street, the Edney Innovation Center serves as a junction point for participant and partners in the local start-up economy.

Due to Chattanooga and its surrounding area's central location, stable government and sound economic base there is great expectations that this healthy city will grow and prosper for years into the future.

### **CHATTANOOGA METROPOLITAN STATISTICAL AREA (MSA)**

Chattanooga, located in Hamilton County, Tennessee is the center of a six-county Metropolitan Statistical Area (MSA) composed of Hamilton, Marion and Sequatchie counties in Tennessee, and Catoosa, Dade, and Walker counties in Georgia. The total population of the Chattanooga MSA increased over 19.5% between 2000 and 2020, from 476,531 to 569,931. The Hamilton County area extends to and along the borders of Sequatchie, Catoosa, Walker, Rhea, and Bradley Counties. Chattanooga, East Ridge, Red Bank, Collegedale, Lookout Mountain, Signal Mountain, Soddy-Daisy, and Walden are the cities and towns in Hamilton County.

Counties in the Chattanooga MSA:

<b>Area in Square Miles</b>	
Hamilton County*	543
Marion County	500
Sequatchie County	266
Catoosa County	162
Dade County	174
Walker County	446
<b>Total</b>	<b>2,091</b>

## HAMILTON COUNTY ANALYSIS

### POPULATION BASE

According to the Federal Census Bureau, the population of Hamilton County increased 20.7%, from 307,896 to 371,662 between 2000 and 2020. In a 2010 U.S. Census Bureau estimate, 82.3% of the population was 20 years of age or older. Of the municipalities in Hamilton County, Chattanooga ranks number one in population. An estimate of the total number of households in Hamilton County in 2020 is 150,596.

Population Estimates					
Year	Chattanooga	Hamilton Co.	Chattanooga MSA*	50 Mile Radius	100 Mile Radius
2005	165,927	323,740	502,842	1,034,187	5,713,540
2006	168,293	328,551	510,542	1,034,025	5,816,469
2007	169,847	331,117	515,810	1,047,177	5,949,769
2008	170,819	334,123	520,089	1,060,581	6,126,730
2009	171,349	337,175	524,303	1,107,374	6,263,531
2010	167,674	336,463	528,143	1,098,996	6,163,039
2011	170,136	340,855	533,372	1,112,046	6,216,926
2012	171,279	345,545	537,889	Not Recorded	Not Recorded
2013	173,366	348,673	541,744	1,115,478	6,331,543
2014	173,778	351,220	544,559	1,119,500	6,411,699
2015	176,220	353,748	547,232	Not Available	Not Available
2016	177,571	358,061	551,957	1,098,996	6,540,718
2017	179,139	361,613	556,548	1,135,906	6,633,715
2018	180,557	364,286	561,285	1,141,126	6,696,782
2019	182,799	367,804	563,104	1,153,761	6,757,799
2020	184,742	371,662	569,931	1,160,094	6,840,387
2021	182,113	369,135	567,454	N/A	N/A
2022	183,687	374,682	574,507	1,120,000	7,136,663

**EMPLOYMENT**

The Hamilton County area is susceptible to the effects of unemployment and economic volatility stemming from the influence of the city core. While the presence of Chattanooga MSA employers typically provides a stability factor, the region has established a diverse economic base and is now subject to economic pressures in many sectors. As of August 2025, Chattanooga featured an unemployment rate of 3.4%.

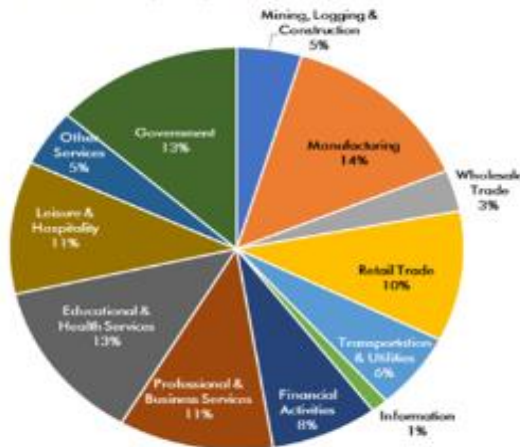
Chattanooga is one of the nation’s oldest manufacturing cities with a total of 14.0% of its whole employment in that sector. However, there is no single dominating industry. The employment breakdown by industry is below.

CHATTANOOGA TENNESSEE  
 Jobs in Chattanooga MSA\* by place of employment  
 CHAMBER

Annual Average Employment by Sector (in thousands)

	2018	2019	2020	2021	2022	% of Total
Mining, Logging & Construction	11.1	11.4	11.2	11.7	12.6	5%
Manufacturing	34.1	34.2	33.0	35.6	38.2	14%
Wholesale Trade	8.4	8.5	8.2	8.5	9.0	3%
Retail Trade	27.7	27.5	27.0	27.5	28.4	10%
Transportation & Utilities	15.2	15.7	15.8	15.7	16.7	6%
Information	2.6	2.5	2.7	2.9	3.3	1%
Financial Activities	21.1	21.8	21.4	20.4	20.8	8%
Professional & Business Services	27.4	28.0	27.4	28.5	30.0	11%
Educational & Health Services	34.5	35.1	33.5	34.4	35.2	13%
Leisure & Hospitality	29.5	30.3	25.3	27.4	28.9	11%
Other Services	12.0	12.4	11.8	12.2	12.4	5%
Government	37.7	38.1	37.3	36.7	36.5	13%
<b>TOTAL</b>	<b>261.3</b>	<b>265.6</b>	<b>254.7</b>	<b>261.4</b>	<b>272.0</b>	<b>100%</b>
<b>% Change</b>	<b>2.2%</b>	<b>1.6%</b>	<b>-4.1%</b>	<b>2.6%</b>	<b>4.1%</b>	

Source: U.S. Department of Labor, Bureau of Labor Statistics  
 Notes: 1) Due to rounding categories may not add to total  
 2) Government figures include Tennessee Valley Authority and Hamilton County Schools.



\*Metropolitan Statistical Area (MSA) includes Hamilton, Marion and Sequatchie counties in Tennessee and Catoosa, Dade and Walker counties in Georgia.

Economic advantages such as ample utilities, an efficient transportation system, abundant natural resources, a trained labor force and centralized location make Hamilton County a diversified and profitable business location. The following table provides a list of the major employers in the region, with demarcation applied to locally owned or headquartered companies and corporations.

**CHATTANOOGA TENNESSEE**  
**Major Employers List – 2022** (employment as of 12/31/22)  
 Employers with **100+ full-time** employees listed in descending order.



Company	Product/Service	Full-Time Emps.	Part-Time Emps.
•Hamilton County Schools	Elementary & Secondary Schools	5,375	966
•BlueCross BlueShield of Tennessee	Health Care Financing	4,776	18
Volkswagen Group of America Chattanooga Operations, LLC	Mfr. Automobiles	4,668	
•Erlanger Health System	Health System	4,632	1,434
Tennessee Valley Authority	Utility - Electric Service	3,746	1
CHI Memorial	Health Care	3,525	1,099
•McKee Foods Corporation	Mfr. Cakes & Cookies	3,196	186
•Unum Group	Insurance	2,872	
Amazon.com Services LLC	Distribution Center	2,751	1,240
Roper Corporation	Mfr. Cooking Products	2,500	
•City of Chattanooga	Government	2,314	283
•Hamilton County Government	Government	1,873	129
•Astec Industries, Inc.	Mfr. Asphalt & Concrete Construction Equipment	1,872	
Cigna HealthCare	Health Services	1,633	14
The University of TN at Chattanooga	University	1,376	24
Parkridge Medical Center, Inc.	Health Care - Hospital	1,374	151
•U.S. Xpress Enterprises, Inc.	Transportation Services	1,151	7
•Humanist Hospitality LLC	Lodging	881	364
•Miller Industries Towing Equipment, Inc.	Mfr. Towing Equipment	772	10
Kenco Group	Supply Chain Solutions, 3rd Party Logistics (3PL)	720	
HomeServe USA	Emergency Repair Plan Services	716	
Sanofi Consumer Health Care	Mfr. Health & Beauty Products	701	
•EPB	Electric Power & Fiber Optics Internet, TV & Phone	691	
•North American Credit Services, Inc.	Collection of Healthcare Receivables	685	15
TN State Department of Transportation	Government, Transportation	654	
Gestamp Chattanooga - Plant I	Auto Metal Stamping & Welded Assemblies	647	
•Southern Champion Tray	Mfr. Folding Cartons	637	20
Mueller Co.	Mfr. Gate Valve & Iron Foundry	604	
•Galen Medical Group	Medical Physicians Network	595	82
•Chattanooga State Community College	Two Year State College	553	10
•Lodge Manufacturing Company	Mfr. Cast Iron Cookware & Other OEM Gray Iron	536	1
Chattanooga Coca-Cola Bottling Co. UNITED, Inc./ United Packers	Mfr. Soft Drinks (Bottles & Cans)	527	
•M & M Industries	Mfr. Plastic Pails	496	5
•Legacybox	Digitizer-Home Movies, Photos & Film	467	52
•Tennessee Valley Federal Credit Union	Federal Credit Union	440	49
Plastic Omnium Auto Exteriors, LLC	Mfr. Automotive Exterior Components	430	
Gestamp Chattanooga - Plant III	Automobile Manufacturing	405	40
Schnellecke Logistics USA, LLC	Logistics Services; Warehousing, Transportation, Contract Service, Kitting, JIS/JIT Services	404	
•Southern Adventist University	University	380	35

• Locally owned and/or headquartered

**Note:** The information above is self-reported by individual companies, does not represent a complete inventory, and should not be used for statistical purposes.

**CHATTANOOGA TENNESSEE**  
**Major Employers List – 2022** (employment as of 12/31/22)  
 Employers with **100+ full-time** employees listed in descending order.



Company	Product/Service	Full-Time Emps.	Part-Time Emps.
•Lawson Electric Company	Electrical Contractors & Engineers	375	
•The Health Center at Standifer Place	Long Term Skilled Care	368	147
Komatsu America Corp.	Mfr. Heavy Construction Equipment	356	96
•Center For Sports Medicine & Orthopaedics	Medical Group Practice	351	37
•Siskin Hospital for Physical Rehabilitation	Physical Rehabilitation Hospital	339	31
Mars Wrigley Confectionery	Mfr. Confections	316	
•Tranco Logistics LLC	Transportation, Logistics and Supply Chain Solutions, 3rd Party Logistics (3PL)	312	3
WNA American Plastic Industries	Mfr. Plastic Cups, Containers & Lids	298	
•Independent Healthcare Properties / Morning Pointe	Assisted Living Facilities	295	85
Variform, Inc.	Vinyl Siding	285	
Jake Marshall, LLC - A Limbach Company	Mechanical Contractor	280	
•Blood Assurance	Non-Profit, Full-Service Blood Center	275	38
KORDSA	Mfr. Industrial Nylon	248	
•CBL and Associates Properties, Inc.	Shopping Center Developer, Owner & Manager	242	6
Truist	Commercial Bank	221	24
•Covenant College	College	209	13
•Capital Toyota/Lexus of Chattanooga	Automobile Dealership	198	18
LJT Tennessee/Steel Warehouse	Mfr. Steel Tubing	196	
•McCallie School	Middle & High School (Grades 6-12)	196	75
•Elder's Ace Hardware of Chattanooga, Inc.	Hardware Store	193	199
•Chattanooga Area Regional Transportation Authority	Local & Suburban Transit	184	39
Gestamp Chattanooga II, LLC	Auto Metal Stamping & Welded Assemblies	180	
•Card-Monroe Corp.	Mfr. Tufting Machinery	179	3
•The Tennessee Aquarium	Fresh & Salt Water Aquarium	167	95
TN State Department of Human Services	Temporary Assistance for Needy Families (TANF), Medicaid, Food Stamps	165	
Regions Bank	Regional Bank	160	2
First Horizon	National Bank	159	17
•Siskin Children's Institute	Medical & Therapy Services for Children & Early Learning Centers	155	22
Chattanooga Publishing Company	Newspaper Publishing	131	29
•Girls Preparatory School	Independent School (Grades 6-12)	130	45
Arcade Beauty	Printing & Sampling	128	
•Miller & Martin PLLC	Attorneys	123	12
•Hamilton Plastics Inc.	Mfr. Plastic Film	120	
The Heil Co d/b/a Environmental Solutions Group	Garbage Trucks, Compactors, Bailers	105	9
•Avail Enclosure Systems	Mfr. Prefabricated Metal Buildings	103	
Fillauer Companies, Inc.	Mfr. Prosthetic Devices	102	

• Locally owned and/or headquartered

**Note:** The information above is self-reported by individual companies, does not represent a complete inventory, and should not be used for statistical purposes.

## RETAIL SALES

Retail sales are an indicator of the viability of an area’s economic base. In addition, retail sales reflect both changes in population and the propensity of area inhabitants to buy retail goods. The foregoing schedules data shows retail sales in Hamilton County.



Year	Retail Sales	% Change
2018	\$7,198,201,884	1%
2019	\$7,633,494,252	6%
2020	\$7,446,394,370	-2%
2021	\$8,930,823,065	20%
2022	\$9,343,421,896	5%

	Monthly Retail Sales		
	2022	2023	% Change
January	\$669,703,028	\$701,457,443	5%
February	\$710,906,680	\$696,695,471	-2%
March	\$833,573,691	\$796,427,690	-4%
April	\$814,081,167		
May	\$811,393,395		
June	\$801,387,322		
July	\$791,279,585		
August	\$780,704,668		
September	\$781,003,864		
October	\$766,571,490		
November	\$747,428,088		
December	\$835,388,918		

	2018	2019	2020	2021	2022
<b>Total</b>	<b>\$7,198,201,884</b>	<b>\$7,633,494,252</b>	<b>\$7,446,394,370</b>	<b>\$8,930,823,065</b>	<b>\$9,343,421,896</b>
Building Materials	\$460,647,084	\$477,497,327	\$566,678,268	\$655,026,654	\$745,864,062
General Merchandise	\$1,047,000,684	\$1,078,302,850	\$1,057,783,359	\$1,187,007,051	\$1,250,036,856
Food Stores	\$737,005,060	\$807,267,497	\$898,901,199	\$1,019,017,135	\$1,152,677,392
Autos, Boats, Aircraft	\$1,728,035,866	\$1,782,600,818	\$1,795,717,857	\$2,112,770,230	\$2,032,789,006
Service Stations	\$502,549,386	\$525,760,854	\$441,961,885	\$608,946,548	\$667,545,371
Apparel & Accessory	\$216,167,744	\$234,792,392	\$184,221,648	\$262,932,367	\$265,274,297
Furniture / Home Décor	\$209,034,020	\$227,712,810	\$222,062,222	\$318,477,286	\$313,660,923
Eating & Drinking	\$844,930,131	\$993,924,377	\$838,975,215	\$1,102,132,808	\$1,209,092,086
Other Retail	\$1,452,831,918	\$1,505,635,327	\$1,440,092,725	\$1,664,512,989	\$1,706,481,909

Source: Tennessee Department of Revenue

Note: 2022 annual data released July 2023



## **TRANSPORTATION**

Chattanooga is within just one day's drive of almost one-third of the major US cities and nearly 70 million people due to its proximity to U.S. Interstates 24, 75 and 59. Water transportation systems make Chattanooga an even more important land port. The TVA system of locks and dams, and the Tennessee Tombigbee Waterway, saves days, miles and dollars on shipments to and from ports along the Tennessee, Ohio, Missouri, and Mississippi Rivers, as well as the Gulf of Mexico. There are three public port terminals on the Tennessee River in this area.

Air service at Chattanooga's Metropolitan Airport (CHA) is provided by a number of national and regional commuter air carriers offering passenger and cargo service to all major cities in the country. Commercial airline service includes Atlantic Southeast Airlines, Atlantic Coast, American Eagle, Comair, Continental Airlines, Delta Connection, U.S. Airways Express, Allegiant Air and Vision Air. Through 2017, Chattanooga's Metropolitan Airport had a total of 484,517 enplanements, an increase of 15.62% over 2016. In the same period, CHA had a total of 472,547 deplanements, an increase of 13.07% over 2016.

Rail transportation in Chattanooga is served by divisions of the Norfolk Southern Railway System and two divisions of the CSX Transportation System. Switching and piggyback facilities are available throughout the area.

The Chattanooga Area Regional Transportation Authority (CARTA) provides regularly schedules public bus transportation for the Chattanooga area. CARTA also operates a vanpool service for individuals to lease for trips to and from the workplace. CARTA's concern for air quality led to the implementation of an electric transit system. This places CARTA and Chattanooga in the forefront of electric vehicle research and use worldwide. CARTA's commitment to electric, battery-powered mass transit corresponds with Chattanooga's goal to become a center for environmental technology and commerce.

**UTILITIES**

Electricity	
Supplier	Electric Power Board of Chattanooga
Source	Tennessee Valley Authority
Electric Customers	165,136
Peak Demand	12,000 Megawatts
Natural Gas	
Supplier	Chattanooga Gas Company
Source	East TN Natural Gas & Southern Natural Gas Company
Peak Demand	125,000mcf per day
Treated Water	
Supplier	Tennessee American Water Company
Source	Tennessee River
Water Customers	70,000
System Capacity	65 million gallons per day
Peak Demand	452 million gallons per day
Sewer	
Supplier	Moccasin Bend Treatment Plant
Total Treatment Capacity	140 million gallons per day
Daily Usage	61 million gallons per day
Solid Waste Disposal Available	N/A

## **EDUCATION**

The Hamilton County Department of Education (HCDE) is responsible for all public elementary, middle and high schools in the county. Over 40,000 students in the Hamilton County/Chattanooga area are serviced by the HCDE that boasts 78 public schools.

In addition to Chattanooga's public school system, a large percentage of students receive their education in the 41 private and parochial schools available in the area. A handful of these private institutions have been providing an education that has been recognized on a national level for over a century, most notably The McCallie School, Baylor School and Girls Preparatory School.

Several colleges and universities represent an excellent higher education system in the Chattanooga area. These schools include University of Tennessee at Chattanooga (UTC), Chattanooga State Technical Community College, Dalton State College, Bryan College, Covenant College, Lee University, and Southern Adventist University. The University of Tennessee at Chattanooga, the largest in the area, is a major campus within the University of Tennessee system.

## **VOLKSWAGEN MANUFACTURING PLANT/ENTERPRISE SOUTH INDUSTRIAL PARK**

Enterprise South Industrial Park is considered to be Chattanooga, Tennessee's premier major industrial park that has been built on the 6,000 + acres of the former Volunteer Army Ammunition Plant (VAAP). In 2000, after the VAAP was inactive from 1977 to 1999, development of the Enterprise South began. Enterprise South features 2,800 developable acres and supports the employment of over 7,500 individuals. The Tennessee Department of Transportation recently completed a \$9.7 million direct link between Interstate 75 and Highway 58 to accommodate continued expansion of the Industrial Park.

Enterprise South contains the first certified Automotive Megasite in Tennessee and the fourth to be certified in the Tennessee Valley. The property was certified by McCallum Sweeney Consulting of Greenville, South Carolina, an independent firm commissioned by TVA. The megasite, a large industrial property suitable for major automotive manufacturing, has 1,600 developable acres surrounded by a 2,800-acre buffer to the east and a 128-acre buffer to the west. Major tenants in the Industrial Park include Volkswagen, Amazon, Gestamp, ADM, Plastic Omnium and Tug Manufacturing.

Volkswagen Chattanooga Assembly Plant began production of Passat models in April 2011. The original facility included approximately 1,900,000 square feet, featuring a body shop, paint shop, assembly facility a Market Delivery Options building, technical testing center, employee training facility with classrooms, an apprentice-training school and a full-size practice paint booth, a supplier park for various companies and a 32,000 square foot healthcare center with a gym, childcare facilities and medical services. As of December 2011, the plant became the first auto plant in the world to receive a LEED platinum certification. A \$900 million expansion completed in 2017 to begin production of the new Atlas models. VW is reportedly planning an additional \$340 million increase production capacity for the newly announced five-passenger Atlas. The VW campus now includes 3,442,350 square feet under roof and supports over 3,500 employees.

Industry officials report that in addition to the 3,500 jobs created by the manufacturing plant, between 2,500 to 7,500 additional jobs have been created as suppliers have located in and around the VW manufacturing plant's location in Enterprise South in order to support of the main manufacturing plant. All told, the economic impact of the Volkswagen Chattanooga Assembly Plant is estimated at \$307 million annually in Tennessee supply contracts, \$643.1 million in annual income generated and \$53.5 million annual increase in state and local tax revenue. With over 7,500 current jobs supported by the

Industrial Park and additional expansions announced at many of the aforementioned facilities, the Enterprise South Industrial Park will continue to drive growth in the Chattanooga MSA.

### **AMAZON.COM**

Amazon has built two huge distribution centers in Southeast Tennessee, one in Chattanooga at Enterprise South industrial park and one in Cleveland, TN. Amazon is creating upwards of 5,000 full-time jobs as well as seasonal jobs. At least \$64 million in annual payroll is being injected into the area.

Both distribution centers are 1 million-square-foot distribution centers, about the size of Hamilton Place Mall, at a \$139 million investment. Already the size of 17 football fields, work is starting on an expansion that will add onto an existing second-level mezzanine and boost floor space to about 28 football fields.

Computer stations are set up along the conveyor lines to permit personnel to scan and process the wide array of items that go through the facility and are for sale on the website of what has become the world's No. 1 Internet retailer. Goods are shipped all over the country.

### **WHIRLPOOL CORPORATION**

Whirlpool Corporation built a 1,000,000 square foot, \$200 million LEED-certified manufacturing facility in Cleveland, TN that produces built-in, premium cooking products as well as a 400,000 square foot distribution center with an exterior overhead conveyor to the manufacturing facility in 2012. The facilities are located at Benton Pike and Michigan Avenue.

The energy efficient facility replaces the existing 100-year old manufacturing place located at 740 King Edward Avenue, SE. Whirlpool has invested \$120 million in the new facility and employs 1,500 people in Bradley County and plans to bring on about 130 more due to the new plant.

## **COSTAR OFFICE MARKET REPORT**

## Search Analytics

INVENTORY SF <b>8.9M</b> <span>+0%</span> Prior Period 8.9M	UNDER CONSTRUCTION SF <b>0</b> <span>-</span> Prior Period 0	12 MO NET ABSORPTION SF <b>30.7K</b> <span>+123.5%</span> Prior Period (131K)	VACANCY RATE <b>4.5%</b> <span>-0.4%</span> Prior Period 4.9%	MARKET ASKING RENT/SF <b>\$25.07</b> <span>+1.8%</span> Prior Period \$24.62	MARKET SALE PRICE/SF <b>\$135</b> <span>+5.3%</span> Prior Period \$128	MARKET CAP RATE <b>9.6%</b> <span>-0.2%</span> Prior Period 9.8%
---	--	---	---	--	---	--

## Key Metrics

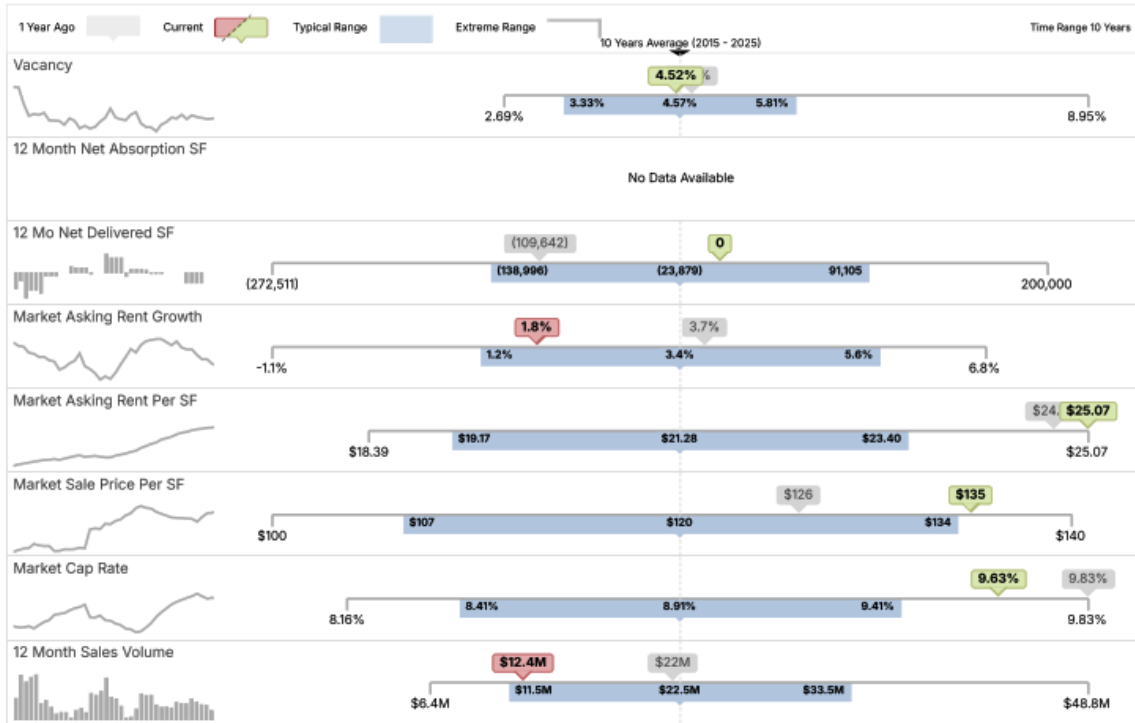
Availability		Inventory	
Vacant SF	401K ↓	Existing Buildings	189 ↓
Sublet SF	22.2K ↑	Under Construction Avg SF	-
Availability Rate	5.0% ↓	12 Mo Demolished SF	0 ↓
Available SF Total	443K ↓	12 Mo Occupancy % at Delivery	-
Available Asking Rent/SF	\$23.64 ↑	12 Mo Construction Starts SF	0 ↓
Occupancy Rate	95.5% ↑	12 Mo Delivered SF	0 ↓
Percent Leased Rate	95.9% ↑	12 Mo Avg Delivered SF	-

Sales Past Year		Demand	
Asking Price Per SF	\$209 ↓	12 Mo Net Absorp % of Inventory	0.3% ↑
Sale to Asking Price Differential	-8.0% ↑	12 Mo Leased SF	195K ↑
Sales Volume	\$13.9M ↓	Months on Market	11.5 ↑
Properties Sold	8 ↓	Months to Lease	15.9 ↑
Months to Sale	4.2 ↓	Months Vacant	17.2 ↑
For Sale Listings	5 ↓	24 Mo Lease Renewal Rate	84.0%
Total For Sale SF	177K ↑	Population Growth 5 Yrs	9.4%

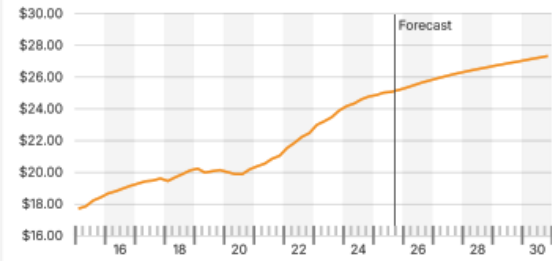
## Search Analytics

### Key Performance Indicators

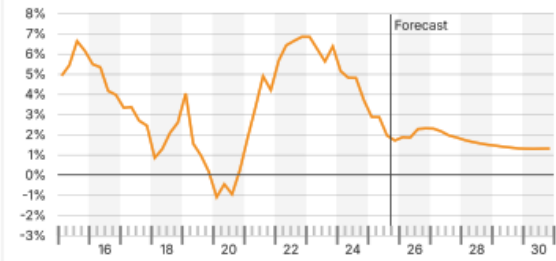


### Search Analytics

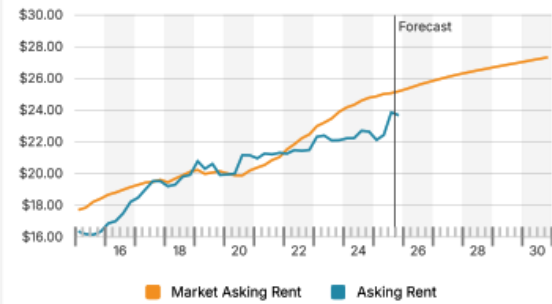
Market Asking Rent Per SF



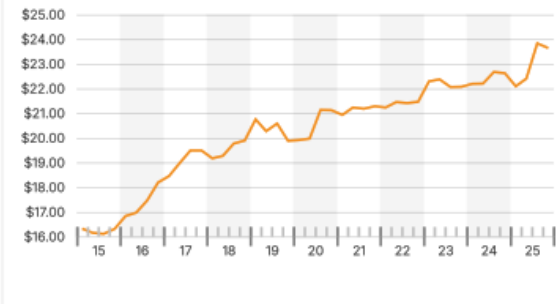
Market Asking Rent Growth (YOY)



Market Asking Rent & Asking Rent Per SF

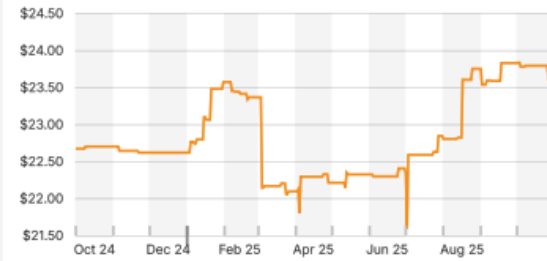


Asking Rent Per SF

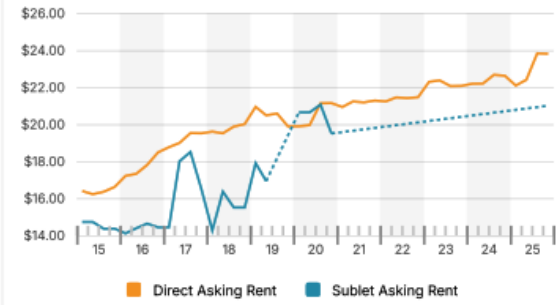


### Search Analytics

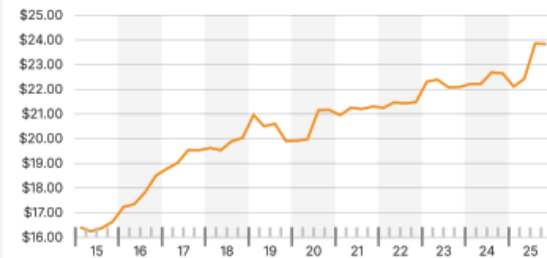
Daily Asking Rent Per SF



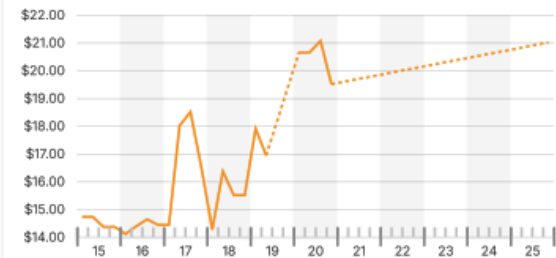
Direct & Sublet Rent Per SF



Direct Rent Per SF



Sublet Rent Per SF

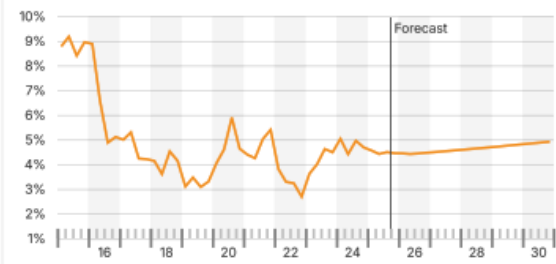


### Search Analytics

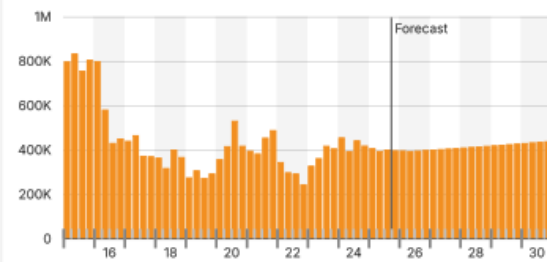
Daily Vacancy Rate



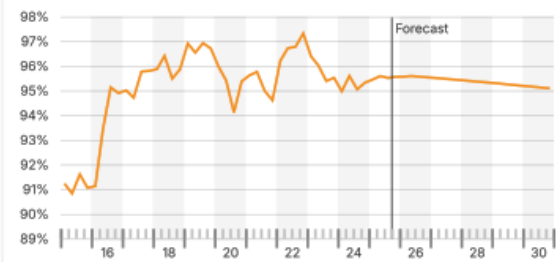
Vacancy Rate



Vacant SF

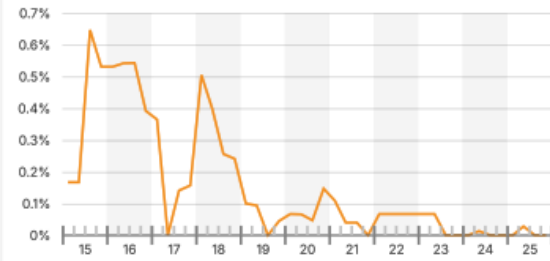


Occupancy Rate



### Search Analytics

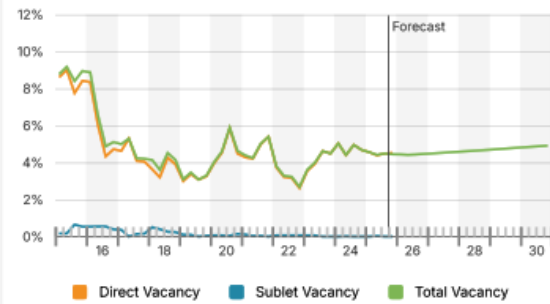
Sublet Vacancy Rate



Direct Vacancy Rate



Direct, Sublet & Total Vacancy Rate

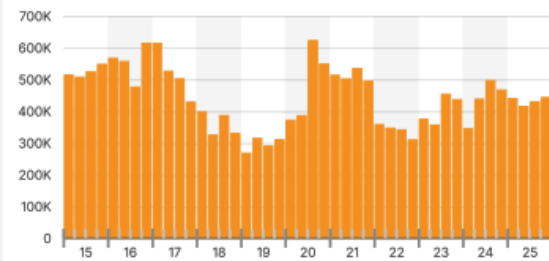


Availability Rate

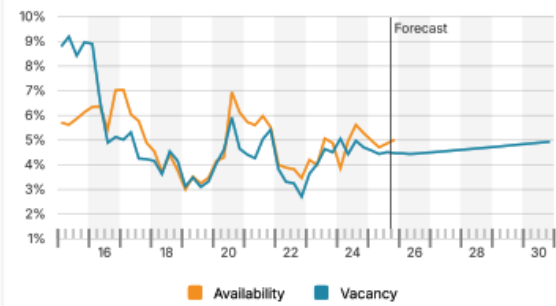


### Search Analytics

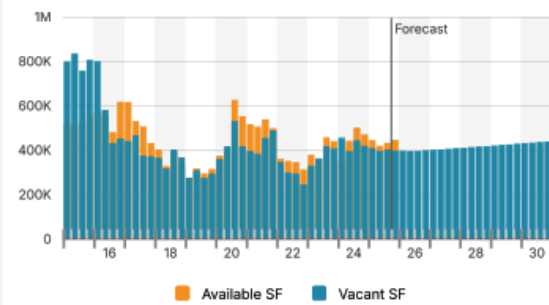
Available SF



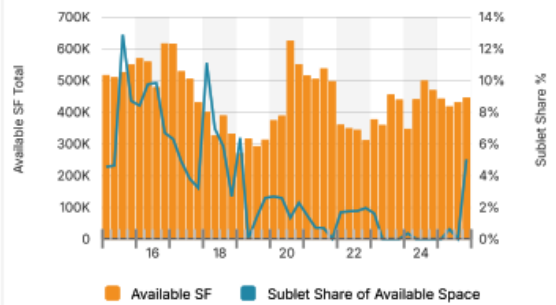
Availability & Vacancy Rate



Available & Vacant SF

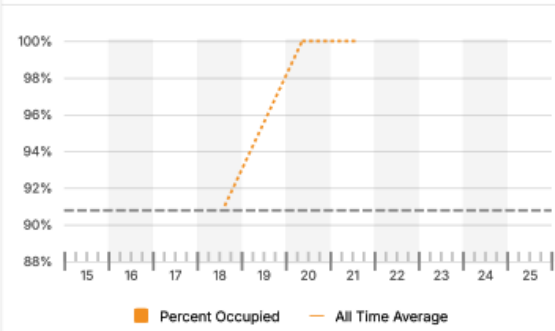


Available SF Total & Sublet Share %

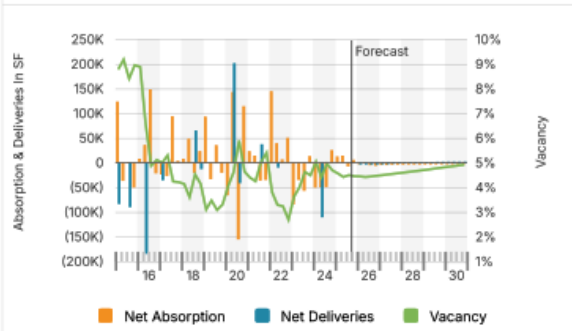


### Search Analytics

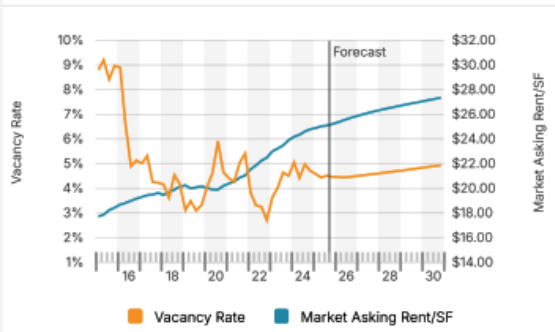
Occupancy At Delivery



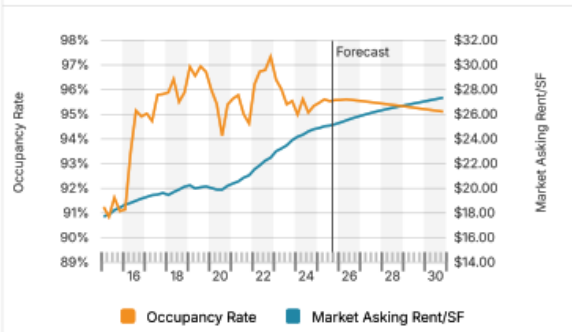
Net Absorption, Net Deliveries & Vacancy



Vacancy & Market Asking Rent Per SF

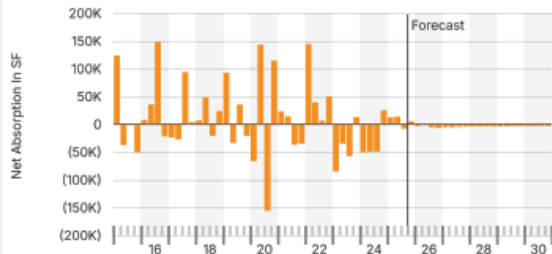


Occupancy & Market Asking Rent Per SF

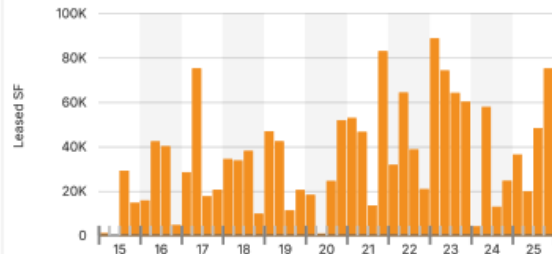


### Search Analytics

Net Absorption



Leasing Activity



Months On Market

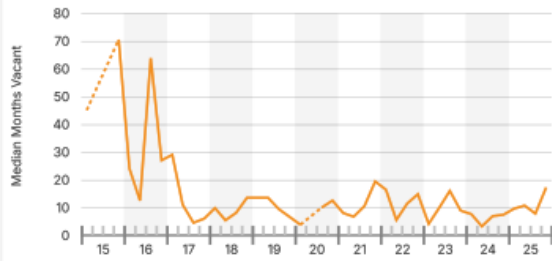


Months To Lease

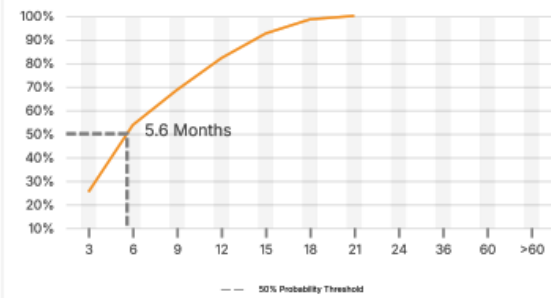


### Search Analytics

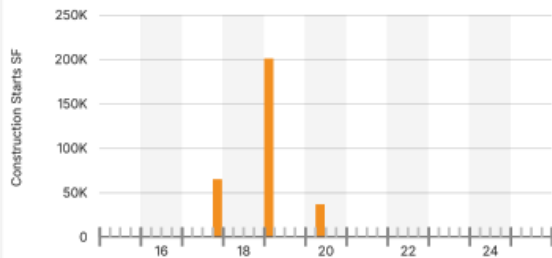
Months Vacant



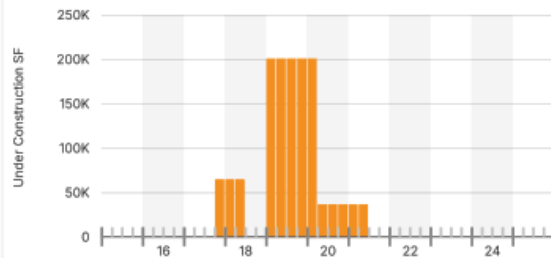
Probability Of Leasing In Months



Construction Starts

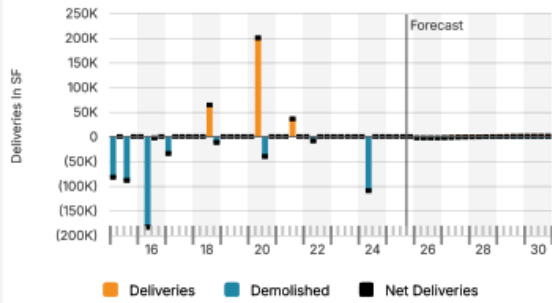


Under Construction

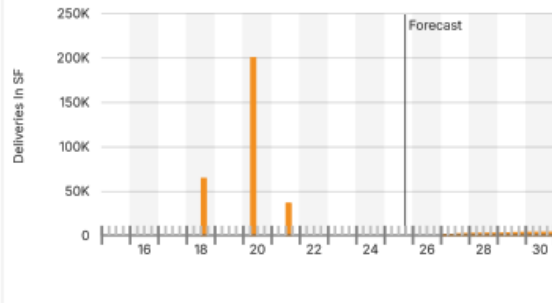


### Search Analytics

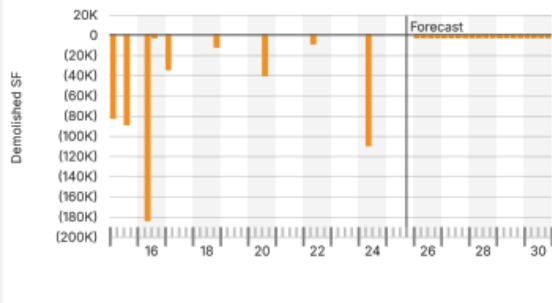
#### Deliveries & Demolitions



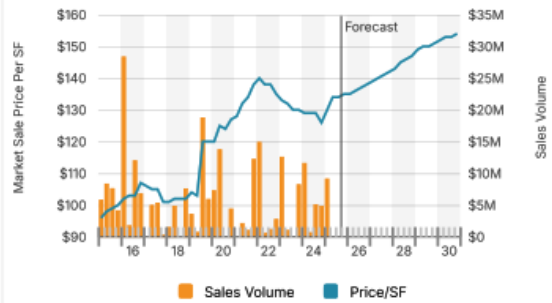
#### Deliveries



#### Demolitions

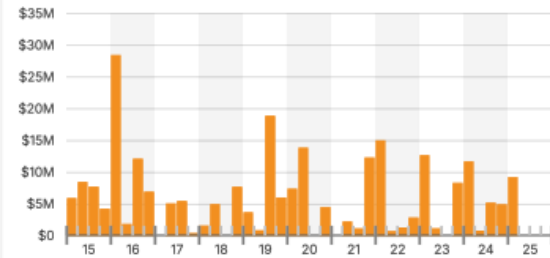


#### Sales Volume & Market Sale Price Per SF

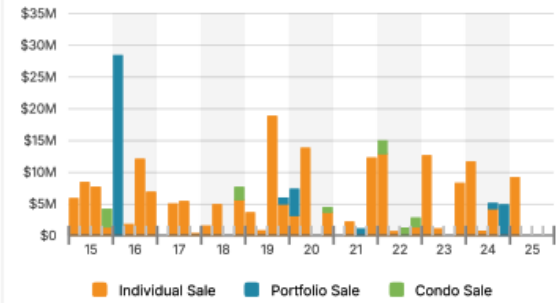


### Search Analytics

Sales Volume



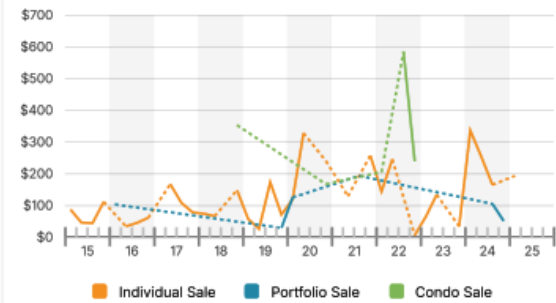
Sales Volume By Transaction Type



Sale Price Per SF

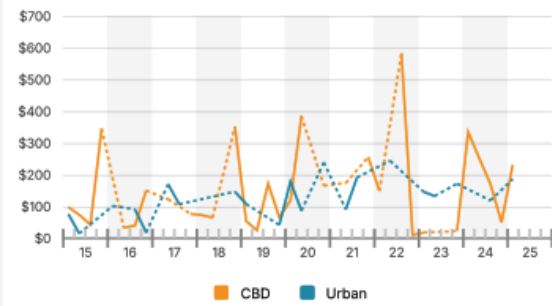


Sale Price Per SF By Transaction Type

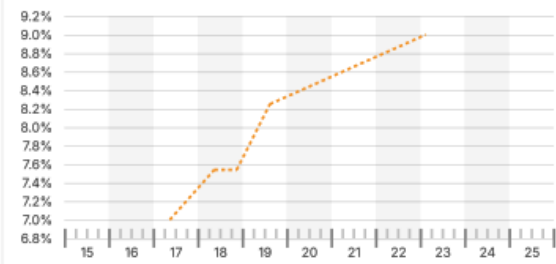


### Search Analytics

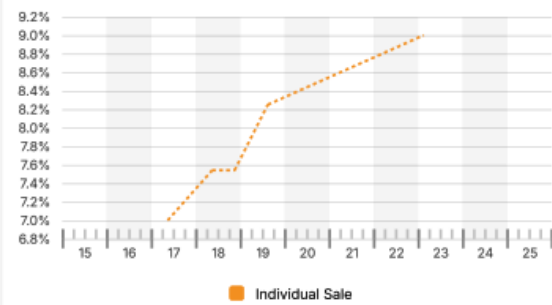
Sale Price Per SF By Location Type



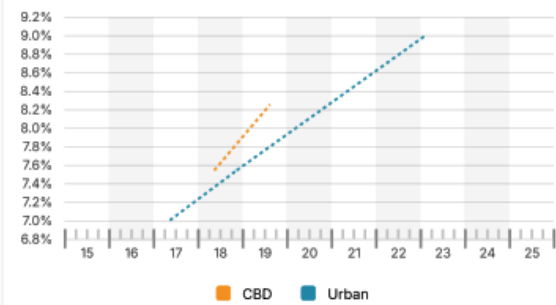
Cap Rate



Cap Rate By Transaction Type

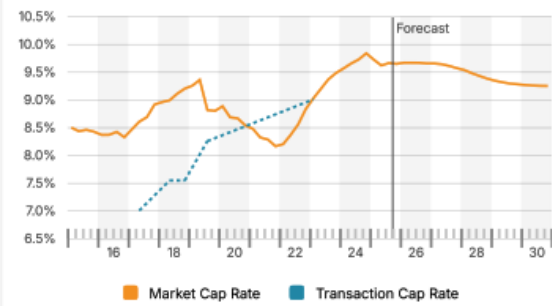


Cap Rate By Location Type

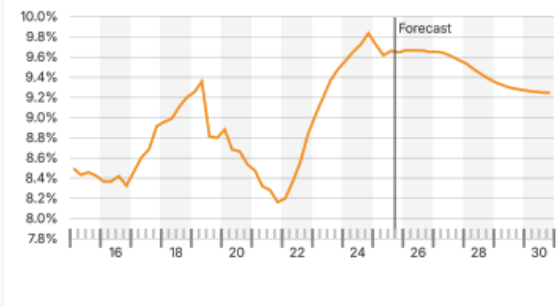


### Search Analytics

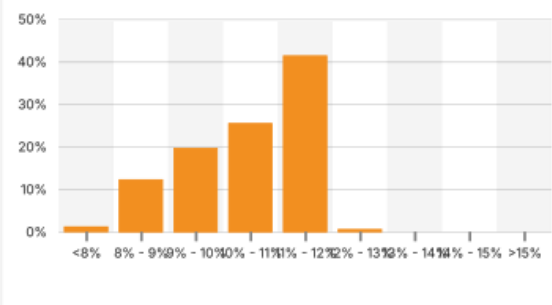
Market Cap Rate & Transaction Cap Rate



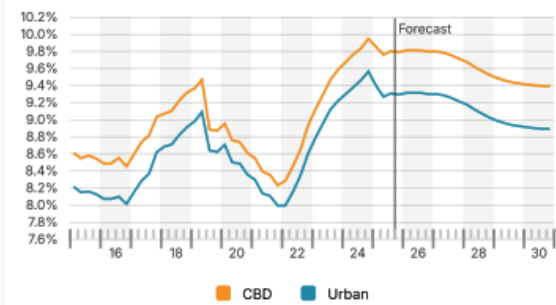
Market Cap Rate



Market Cap Rate Distribution

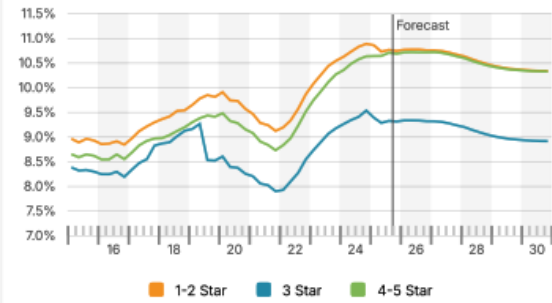


Market Cap Rate By Location Type

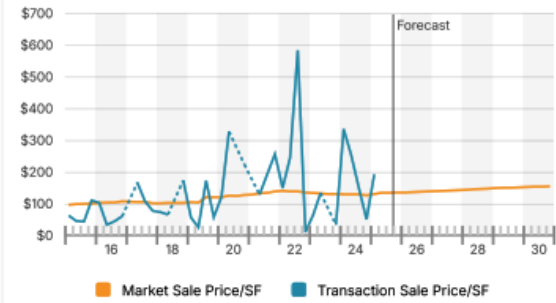


## Search Analytics

Market Cap Rate By Star Rating



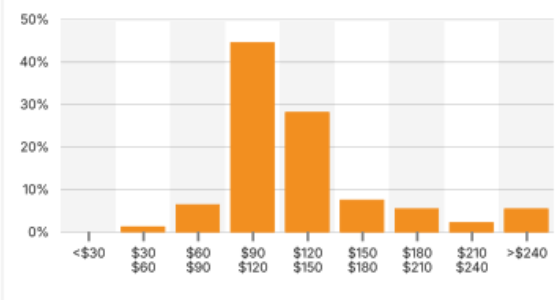
Market Sale Price & Transaction Sale Price Per SF



Market Sale Price Per SF

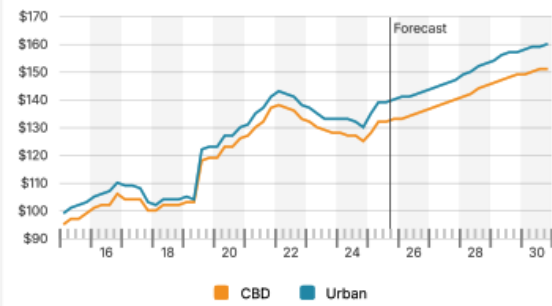


Market Sale Price Per SF Distribution

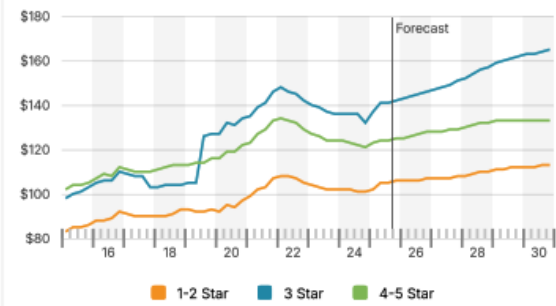


### Search Analytics

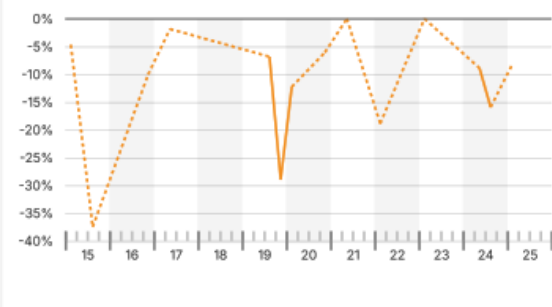
Market Sale Price Per SF By Location Type



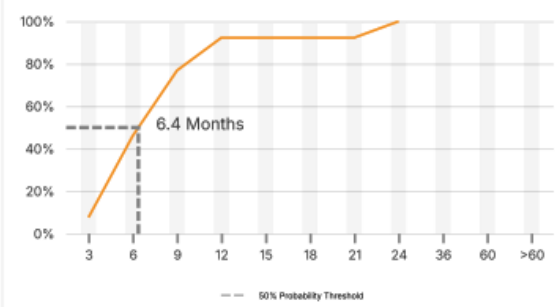
Market Sale Price Per SF By Star Rating



Sale To Asking Price Differential

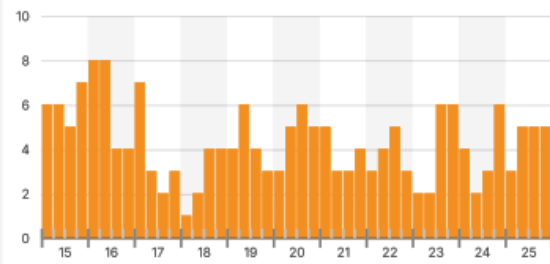


Probability Of Selling In Months

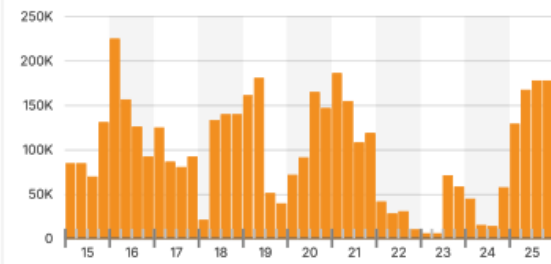


### Search Analytics

For Sale Total Listings



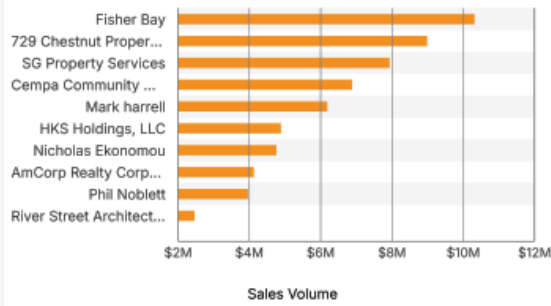
For Sale Total SF



For Sale Asking Price Per SF

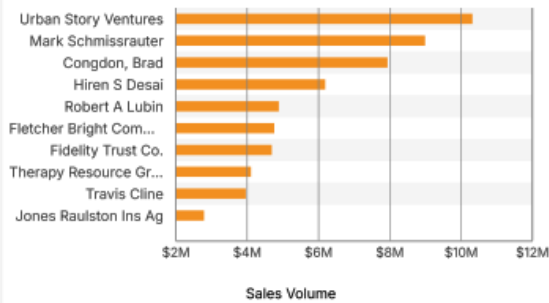


Top Buyers

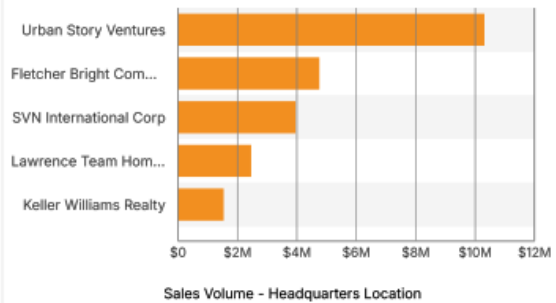


## Search Analytics

### Top Sellers



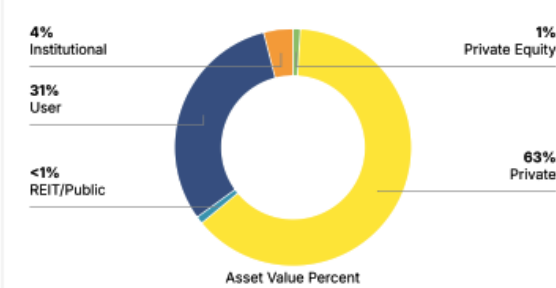
### Top Buyer Brokers



### Top Seller Brokers

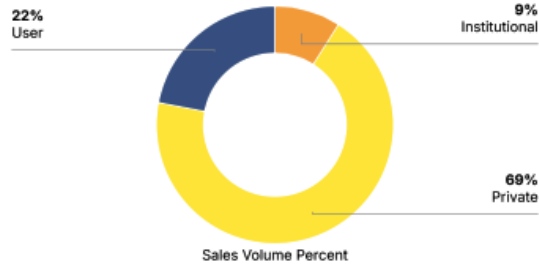


### Asset Value By Owner Type

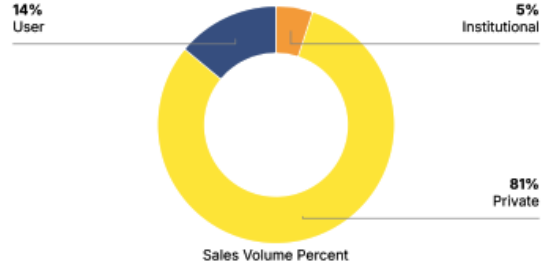


### Search Analytics

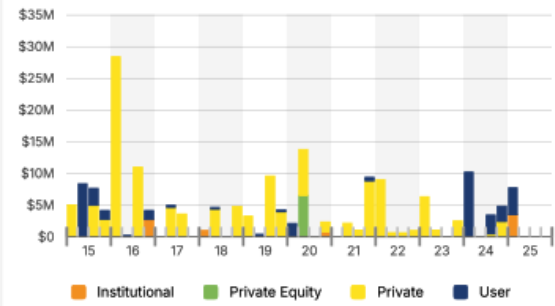
Sales By Buyer Type



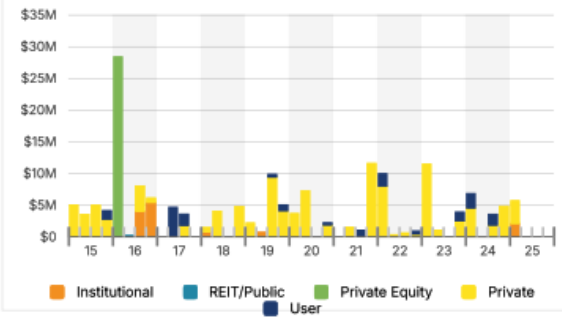
Sales By Seller Type



Sales Volume By Buyer Type

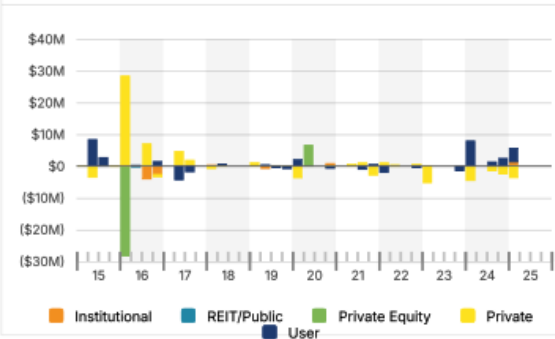


Sales Volume By Seller Type

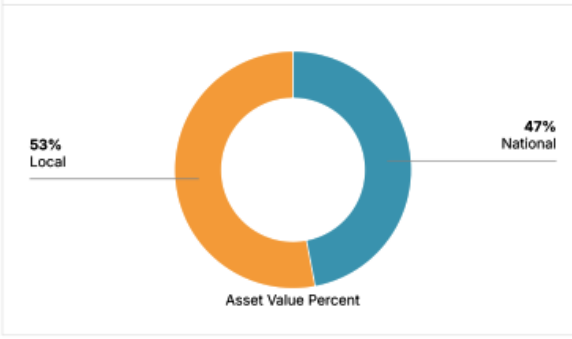


### Search Analytics

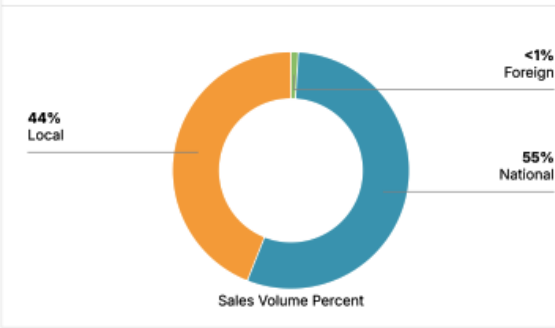
Net Buying & Selling By Owner Type



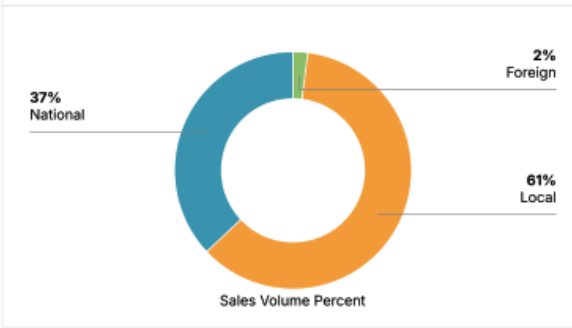
Asset Value By Owner Origin



Sales Volume By Buyer Origin

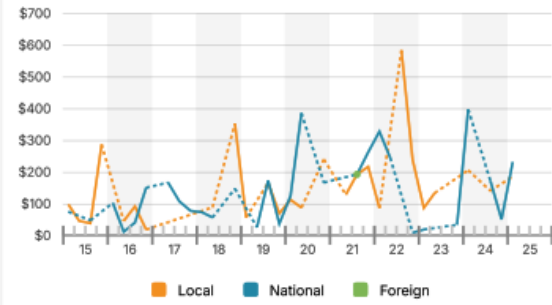


Sales Volume By Seller Origin

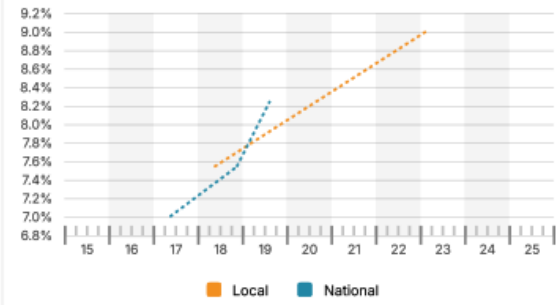


### Search Analytics

Average Price Per SF By Buyer Origin



Average Cap Rate By Buyer Origin



---

---

## NEIGHBORHOOD DESCRIPTION

---

The boundaries of the immediate neighborhood are:

- North:** Tennessee River
- South:** Interstate 24/Interstate 27
- West:** Tennessee River
- East:** Central Avenue

**General Development:** The subject office building at 317 Oak Street, designed by R.H. Hunt and built in 1928, is uniquely positioned amongst four different neighborhood districts: the City Center District (where the Hamilton County Courthouse and subject property lie), the University of Tennessee at Chattanooga (UTC) District, the MLK Jr. Blvd District and the Innovation District. Specifically, the subject property is located in an area between the Hamilton County Courthouse and Soldiers and Sailors Memorial Auditorium, stretching in an easterly direction to the UTC campus. The subject's immediate neighborhood has long been defined by these local R.H. Hunt-designed landmarks as the Courthouse was built in 1912 (following the original courthouse's 1910 destruction by fire) and Soldier and Sailors Memorial Auditorium was built in 1924. The University of Tennessee at Chattanooga campus was first built in 1886 and expanded its campus facilities between the years 1916-1919.

Historical office and residential apartment/condominium use has remained constant within the subject neighborhood together with church and public building use, anchored by First Centenary United Methodist Church and Soldiers and Sailors Memorial Auditorium, which are adjacent to the south of the subject across Oak Street. Recent renovations within the subject neighborhood include the Flatiron Building's conversion from office to mixed use residential condominiums which began in January 2023. All 15 residential units in the Flatiron (located at 707 Georgia Avenue) were sold as of March, 2025 and 3 of the 7 small commercial units remain unsold. In January 2023, the historic Dome Building at 736 Georgia Avenue sold to a new investor group for \$10,330,000. Despite loss of one of its larger tenants, the Dome Building remains a desirable office destination for small to mid-sized tenants at a rate of \$21 per square foot, triple net (NNN). Adjacent to the subject and across Lindsay Street, First Centenary United Methodist Church has its 20,000 square foot office building under contract for \$4,375,000, a sale which should close in January 2026.

The recent development and investment trends in the subject neighborhood indicate a stable, growing market.

## PROPERTY DESCRIPTION

### SITE DESCRIPTION



Subject Outlined in **BLUE**

### LOCATION

The subject site is located on Oak Street at the intersection of Oak St and Lindsay St, one block east of the Hamilton County Courthouse. The street address is 317 Oak Street, Chattanooga, TN 37402.

### SIZE/CONFIGURATION

The subject property is irregular in shape and contains a total of 26,916 square feet or 0.62 acre. The site features approximately 197 front feet along Oak St and 120 front feet along Lindsay St. Depth varies from 120 feet to 198 feet.

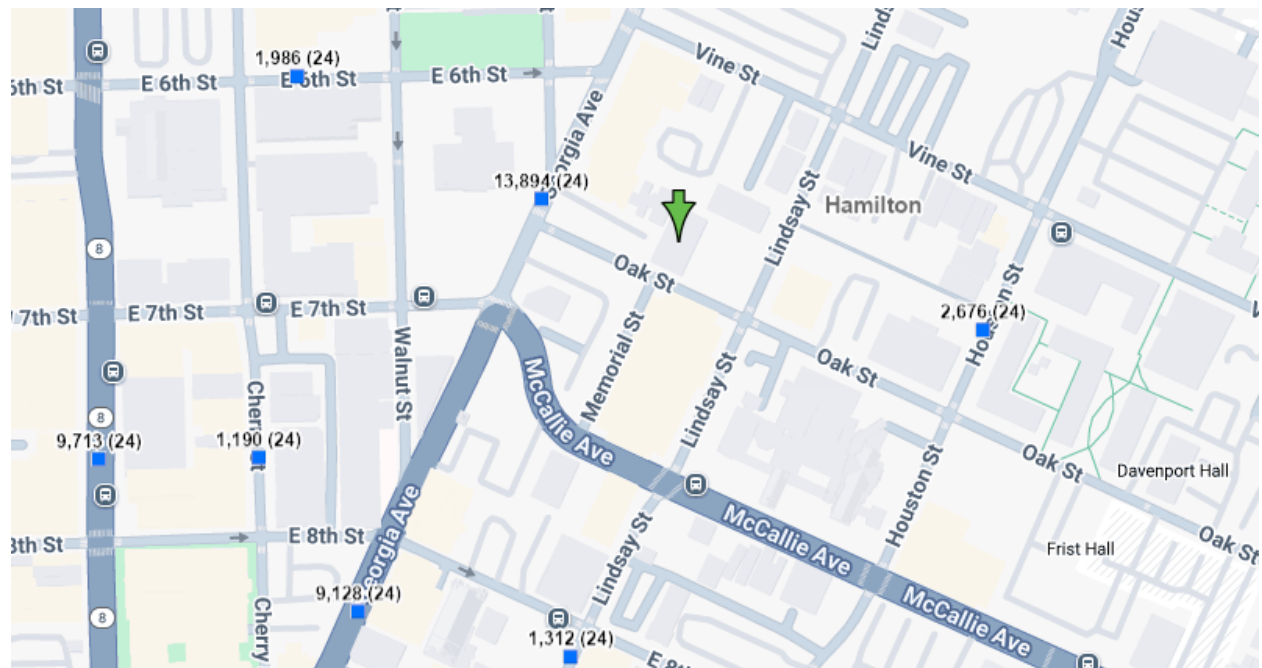
---

## EASEMENTS & ENCUMBRANCES

Following review of Deed Book 1733, Page 259, no easements or encumbrances were noted which would influence value. The appraiser was not provided with a survey of the subject site.

## ACCESS AND EXPOSURE

The site is located on Oak Street, one block east of the Hamilton County Courthouse and adjacent to the north of Soldiers and Sailors Memorial Auditorium. The subject's nearest Annual Average Daily Traffic (AADT) count is on Georgia Avenue at 13,894. A copy of this AADT count map is below with the subject noted with a green arrow.



## UTILITIES

Sewer:	City of Chattanooga
Water:	Tennessee American Water
Electric:	EPB
Natural Gas:	Chattanooga GAs
Phone:	Multiple Carriers
Police and Fire:	City of Chattanooga

## FLOOD HAZARD, TOPOGRAPHY AND DRAINAGE

According to the DFIRM FEMA map number 47065C0341G dated 2/3/2016, the site is located in an area of minimal (zone X) flood risk. The site's topography is generally level. The building is approximately 97 years old and therefore conform to current site drainage requirements. It is assumed that there are no hidden or unapparent conditions to the property, soil, or subsoil, which would render them more or less valuable. Subsurface oil, gas or mineral rights were not considered in this report unless otherwise stated.

### National Flood Hazard Layer FIRMette



**Legend**

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

**SPECIAL FLOOD HAZARD AREAS**

- Without Base Flood Elevation (BFE) Zone X, VE, ADF
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

**OTHER AREAS OF FLOOD HAZARD**

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

**OTHER AREAS**

- Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

**GENERAL STRUCTURES**

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

**OTHER FEATURES**

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

**MAP PANELS**

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 10/23/2025 at 4:55 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

**REAL ESTATE TAXES**

Real estate being used for commercial purposes in the State of Tennessee is taxed at 40% of tax appraised value. The county tax assessor makes the property tax appraisal. The governing body of the county sets the respective tax rates each year by October 1<sup>st</sup>. The property is then taxed in arrears for the previous year. Each piece of property located outside the corporate city limits is taxed at a base rate. Any properties situated within the corporate city limits are taxed at an additional rate by the city government. Tennessee Code Annotated § 67-5-203 explicitly states that all property belonging to the state of Tennessee, any county, or any incorporated town or city is exempt from taxation. The only stipulation is that the property must be used exclusively for public purposes. The breakdowns for the different rates that apply in are listed in the table below.

The subject property’s tax scenario is estimated herein by analyzing similar office properties in the competitive market area, on a basis of *price per square foot of taxable value*. The breakdowns for the different tax rates that apply to these office properties are listed in the table below. An average Price per Square Foot of Taxable Value is calculated and, once applied to the 30,280 square foot subject office building, a Total Taxable Value is determined.

***Office Tax Comparables***

Comparable	Address	Total Taxable Value / Unit	Square Feet	Price per Square Foot of Taxable Value
1	518 Georgia Ave	\$2,079,100	18,962	\$109.65
2	660 Georgia Ave	\$983,600	8,246	\$119.28
3	620 Lindsay St	\$2,096,100	19,824	\$105.74
Subject	317 Oak St	\$2,211,454	30,280	\$111.55

**Subject Property Tax Scenario**

Property Tax Appraisal	\$2,211,454
Property Tax Assessment Rate	4.4873%
Tax Assessment	\$884,582
Total Property Tax Burden	\$39,693.83
Water Quality Burden	\$1,468.32
<b>Total Municipal Cost Burden</b>	<b>\$41,162.15</b>

**CONCLUSIONS ON PROPERTY TAXES AND ASSESSMENT ANALYSIS**

The projected tax burden is reasonably consistent with other similar type properties within the same taxing district. Comparable properties and their respective tax assessments are provided in the chart above.

**ZONING**

**Zoning**

Designation	U-CX-6 (Commercial Mixed Use Zone)
Zoning Authority	City of Chattanooga
Permitted Uses	Single unit living attached, multi-unit living up to 4 units and 5+ units, live/work unit, dormitory, fraternity/sorority, church or other place of worship, fire/police station, publicly owned building, school, public park, minor utilities, indoor animal care, day care, indoor recreation, medical, office, bed and breakfast, hotel, motel, commercial parking, passenger terminal, personal service, restaurant, retail, gas station, minor vehicle sales and rental, community garden, day care home and light industrial uses such as artisanal, micro-brewery, research/development
Current Use	Office
Current Use Allowed	Yes
Zoning Change	Unlikely

**U-CX-6 Zoning Requirements**

Minimum Site Size Requirement	none
Front Setback Requirement	0' to 15'
Rear Setback Requirement	5'
Side Setback Requirement	0' to 5'
Maximum Building Height	6 stories / 85'
Parking Requirement	Varies upon use
Legally Conforming	Yes

Source: City of Chattanooga Zoning Department

**Zoning**

The current use for the subject property is office, which is a permitted use based on the current zoning guidelines. A zoning change for the subject does not appear likely. The subject is legally conforming.



---

**IMPROVEMENTS DESCRIPTION**

We are not experts in construction techniques or structural engineering. We assume that the improvements are in conformance with all applicable building codes and are structurally sound. We assume no responsibility for hidden or unapparent conditions that are beyond our expertise. The following is a description of the subject improvements. The information on the building is based upon a visit to the subject property on October 17, 2025.

**GENERAL DESCRIPTION**

General Property Type:	Commercial
Specific Property Type:	Office
Number of Buildings:	1
Year Built:	1928
Number of Stories:	1
Gross Building Area:	30,280 square feet
Common Area:	858 square feet
Load Factor:	1.03
Net Rentable Area:	29,422 square feet
Design and Functionality:	Subject was designed as an office facility and is functional as such.
Construction Class:	Class C
Construction Quality:	Average workmanship and materials

**EXTERIOR DESCRIPTION**

Footings:	Concrete
Foundation Walls:	Brick / Stone / Concrete Block
Sub-Floor Construction:	Concrete Slab
Framing:	Masonry
Exterior Wall Material:	Brick
Roof Covering:	Metal / TPO
Roof Decking:	Wood Decking
Roof Truss System:	Metal Frame
Windows:	Wood
Exterior Doors:	Aluminum and Glass Storefront / Metal Door

**MECHANICAL DESCRIPTION**

Heating System:	HVAC
Cooling System:	HVAC
Plumbing:	Copper / PVC
Electrical Service:	Adequate
Fire Protection:	None noted

**INTERIOR DESCRIPTION**

Building Layout:	The current floorplan is functional as a general office facility.
Ceilings:	Acoustic Tile
Lighting:	Fluorescent Panel
Partitions and Interior Walls:	Sheetrock
Trim:	Wood
Floor Cover:	Carpet / Vinyl Tile / Ceramic
Interior Doors:	Hollow Core
Restrooms:	Adequate

**SITE IMPROVEMENTS**

Parking:	Adequate (54 spaces)
Parking Ratio:	Adequate (1.8 spaces per 1,000 square feet)
Outside Lighting:	Street Lighting
Onsite Landscaping:	Adequate
Signage:	Attached to Building

**PHYSICAL DESCRIPTION**

Year Built:	1928
Effective Age:	20 years
Expected Total Useful Life:	40 years
Remaining Useful Life:	20 years
Condition:	Average
Past Maintenance:	Average
Deferred Maintenance:	Extraordinarily assumed to be no deferred maintenance.
Overall Rating of Improvements:	Average
Functional Utility	The subject does not suffer from any functional obsolescence.
External Influences	No external influences negatively affects the subject property.

---

---

## HIGHEST AND BEST USE ANALYSIS

---

The principal of highest and best use is defined as:

“The reasonably probable use of a property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”<sup>7</sup>

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

1. Permissible Use (Legal) - what uses are permitted by zoning and deed restrictions on the site in question?
2. Possible Use - to what uses is it physically possible to put the site in question?
3. Feasible Use - which possible and permissible uses will produce any net return to the owner of the site?
4. Highest and Best Use - among the feasible uses, which use will produce the highest net return or the highest present worth?

The highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact, to be found.

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value an alternative term would be most profitable use.

---

<sup>7</sup> The Dictionary of Real Estate Appraisal, Sixth edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), page 109

The highest and best use for the unimproved property may be different from the highest and best use of the improved property. This will be true when the improvement is not an appropriate use and yet makes a contribution to total property value in excess of the value of the site. In providing the following highest and best use, the appraiser employed a Level A market analysis.

## **HIGHEST AND BEST USE:**

### **LEGAL**

If the subject site were vacant and available for use, the current zoning would be the legal restraint on what improvements could be placed on the site. The property is zoned U-CX-6 (Commercial Mixed Use Zone). Permitted uses allowed under the U-CX-6 zoning ordinance include: Single unit living attached, multi-unit living up to 4 units and 5+ units, live/work unit, dormitory, fraternity/sorority, church or other place of worship, fire/police station, publicly owned building, school, public park, minor utilities, indoor animal care, day care, indoor recreation, medical, office, bed and breakfast, hotel, motel, commercial parking, passenger terminal, personal service, restaurant, retail, gas station, minor vehicle sales and rental, community garden, day care home and light industrial uses such as artisal, micro-brewery, research/development.

### **As Vacant**

All of the above permitted uses under the U-CX-6 zoning requirement would be legally permitted on the subject site as vacant.

### **As Improved**

Single unit living attached, multi-unit living up to 4 units and 5+ units, live/work unit, dormitory, fraternity/sorority, church or other place of worship, fire/police station, publicly owned building, school, public park, minor utilities, indoor animal care, day care, indoor recreation, medical, office, bed and breakfast, hotel, motel, commercial parking, passenger terminal, personal service, restaurant, retail, gas station, minor vehicle sales and rental, community garden, day care home and light industrial uses such as artisal, micro-brewery, research/development are allowed under the U-CX-6 zoning ordinance. Any of the above uses would be permitted on the subject site. The subject site is currently improved with a general office facility. The current use is legally conforming.

### **PHYSICALLY POSSIBLE**

The size, shape, and terrain of an appraised site determine how a site can be utilized and what the costs may be in order to use the site. The subject site meets the U-CX-6 physical requirements.

#### **As Vacant**

The utilities serving the subject site are adequate and the property is clearly visible from Oak St and Lindsay St. Accessibility to the rest of the Chattanooga City Center commercial is good. The subject's topography is basically level and access is available from Lindsay St. The site contains a total of 29,916 square feet, with adequate width and depth. Development of the subject site is therefore not limited by the physical characteristics. Site uses such as church or other place of worship, hotel, motel, passenger terminal, gas station and minor vehicle sales and rental requires larger, accessible sites which easily connect to collector and arterial roads. Retail and restaurant uses also require, similarly, more accessible sites as well. However, single unit living attached, multi-unit living up to 4 units and 5+ units, live/work unit, dormitory, fraternity/sorority, publicly owned building, school, public park, minor utilities, indoor animal care, day care, indoor recreation, medical, office, bed and breakfast, community garden, day care home and light industrial uses such as artisal, micro-brewery, research/development all conform to the physical and legal requirements of the subject site and are therefore considered to be the highest and best use as vacant under the physically possible criteria.

#### **As Improved**

The site size, shape and topography allows for commercial development allowed under the U-CX-6 zoning ordinance. The site contains a total of 26,916 square feet and is improved with a four story, free-standing office building totaling 30,280 square feet. Current and historical use is office use. As described in the "as vacant" scenario, the highest and best use of the subject property under the physically possible criteria is for those aforementioned uses.

### **FINANCIALLY FEASIBLE**

Financially feasible refers to legal uses which are physically possible and have a sufficient demand to produce a positive return. Once the physically possible and legally permissible potential land uses have been determined, the next step in estimating the highest and best use is to determine which uses are economically feasible.

### **As Vacant**

The office and medical office market for the subject's neighborhood features vacancy rates below 3% with modified gross lease rates between \$14.00 and \$22.00 per square foot annually. Retail rates are similar in the subject market with modified gross lease rates ranging from \$10.00 to \$20.00 with vacancy rates below 5%. Light industrial uses allowed in U-CX-6 zoning have rates below the typical office or retail rate due to lower standard interior finishes. Apartment rates (i.e., multi-unit 5+ units) for 1 bedroom 800 to 1,000 square foot units rent between \$20.00 per square foot, modified gross (i.e., \$1,650 per month for a 1,000 sq ft unit) to \$22.00 per square foot, modified gross (i.e., \$1,450 per month for a 800 sq ft unit). Most of the land uses in the immediate subject vicinity are utilized for general office and residential, indicating a demand for both uses. The subject property is "walkable" for both office users and residential tenants. Dormitories, fraternities, sororities, schools, public parks, indoor recreation facilities, and community gardens are all institutional and community-oriented land uses that typically operate on a non-profit basis, prioritizing social, educational, and recreational benefits over commercial gain or income generation. Considering the size restrictions placed on future improvements on the subject site, an office or medical office facility would be the most competitive development of the subject site on an annual income basis.

### **As Improved**

The subject is currently improved with an office facility. If medical office were considered, the cost to convert or replace the subject improvements for such use might be cost prohibitive. Due to the subject's current general office improvements, the appraiser believes an office use is more financially feasible. Therefore, considering the subject's existing improvements and use, office use would be the most competitive development of the subject site on an annual income basis.

### **MAXIMALLY PRODUCTIVE**

Maximally productive is defined as: "the physically possible, legally permissible, and financially feasible use that results in the highest present value."<sup>8</sup>

"Of the financially feasible uses of the land as though vacant, the highest and best use is the use that produces the highest residual land value, all else being equal...To determine the highest and best use of

---

<sup>8</sup> The Dictionary of Real Estate Appraisal, 6<sup>th</sup> edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), page 144

land as though vacant, rates of return that reflect the associated risks are often used to capitalize income from different uses into their respective values. These are developed from previous research and reflect the rates of return that market participants apply to the range of uses being considered.”<sup>9</sup>

### **As Vacant**

In determining the maximally productive development of the financially feasible, physically possible and legally permissible uses outlined above, the appraiser considered the residual site values for office, medical office, retail and multi-unit residential use. Giving consideration to market standards for site preparation, construction cost, market lease rate, market occupancy, market expense ratios and market supported capitalization rates, the appraiser has concluded that the maximally productive use of the subject site is for office use. A summary of the residual site value analysis has been retained in the appraiser’s workfile.

### **As Improved**

The subject is currently improved with an office facility. As concluded in the preceding financial feasibility discussion, the cost to convert the subject improvements to another profitable use may be cost prohibitive. Therefore, considering the subject’s existing improvements and use, continued use for office would be the most competitive development of the subject site on an annual income basis.

## **HIGHEST AND BEST USE SUMMARY – “AS STABILIZED” AND “AS IS”**

Considering these factors, the highest and best use of the subject as though vacant is for office use in accordance with the zoning and site characteristics.

Considering these factors, the highest and best use of the subject as improved is for office use in accordance with the zoning and current improvements.

---

<sup>9</sup> The Appraisal of Real Estate, 14<sup>th</sup> Edition, The Appraisal Institute, Chicago, Illinois (U.S., 2013),page 343

---

---

## VALUATION PROCESS

“The valuation process is a systematic set of procedures an appraiser follows to provide answers to a client’s questions about real property value.”<sup>10</sup>

Valuation is a term used interchangeably with appraisal. Real estate markets are a function of the location in which they are located. The overall market environment can have a profound effect on the manner in which buyers and sellers perform the act of transferring property rights. Considerations made by the participants are generally based on certain fundamental principles. Those principles and their definitions are as follows:

### **ANTICIPATION**

The perception that value is created by the expectation of benefits to be derived in the future. Value is created by the anticipation of future benefits.

### **CHANGE**

The result of the cause and effect relationship among the forces that influence real property value.

### **SUPPLY AND DEMAND**

In economic theory, the principle of supply and demand states that the price of a commodity, good, or service varies directly, but not necessarily proportionately, with demand and inversely, but not necessarily proportionately with supply. Thus, an increase in the supply of an item or decrease in the demand for an item tends to reduce the equilibrium price; the opposite conditions produce an opposite effect. The relationship between supply and demand may not be directly proportional, but the interaction of these forces is fundamental to economic theory. The interaction of suppliers and demanders, or sellers and buyers, constitutes a market.

### **COMPETITION**

Between purchasers or tenants, the interactive efforts of two or more potential buyers or tenants to make a sale or secure a lease; between sellers or landlords, the interactive efforts of two or more potential sellers or landlords to complete a sale or lease; among competitive properties, the level of

---

<sup>10</sup> The Appraisal of Real Estate, 14<sup>th</sup> edition, The Appraisal Institute, Chicago, Illinois (U.S., 2013), page 35

productivity and amenities or benefits characteristic of each property considering the advantageous or disadvantageous position of the property relative to the competitors.

#### **SUBSTITUTION**

The appraisal principle that states that when several similar or commensurate commodities, goods, or services are available, the one with the lowest price attracts the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.

#### **BALANCE**

The principle that real property value is created and sustained when contrasting, opposing, or interacting elements are in a state of equilibrium.

#### **CONTRIBUTION**

The concept that the value of a particular component is measured in terms of its contribution to the value of the whole property or as the amount that its absence would detract from the value of the whole.

#### **SURPLUS PRODUCTIVITY**

The net income that remains after the cost of various agents of production have been paid.

#### **CONFORMITY**

The appraisal principal that real property value is created and sustained when the characteristics of a property conform to the demands of its market.

#### **EXTERNALITIES**

“The principle of externalities states that factors external to a property can have either positive or negative effect on its value.”<sup>11</sup>

The valuation of the subject property is made on the basis of the real estate, consisting of land and improvements. Both the market participants as well as the real estate appraiser take the effects of the

---

<sup>11</sup> The Appraisal of Real Estate, 14<sup>th</sup> edition, The Appraisal Institute, Chicago, Illinois (U.S., 2013), p. 33

fundamental principles listed above into consideration. In arriving at an estimate of value, the appraisal considers the three approaches normally employed in accepted real estate practice, namely:

**The Cost Approach** wherein the land is appraised as if vacant and available for development to its highest and best use. To this result is added the improvements estimated cost of reproduction new less depreciation accruing from all causes.

**The Income Approach** which requires a study of the earnings capacity of the real estate, and the conversion of such net income into value by means of a capitalization process.

**The Sales Comparison Approach**, involving an analysis of the sale of other property having similar improvements, and a comparison of such data with the property appraised, giving due consideration to the elements of dissimilarity.

---

---

## **COST APPROACH**

The Cost Approach is based upon the principle of substitution, which states that a prudent purchaser would not pay more for a property than the amount required to purchase a similar site and construct similar improvements without undue delay, producing a property of equal desirability and utility.

The Cost Approach typically only provides a credible value for newly constructed or proposed facilities. The Cost Approach was not utilized due to the difficulty of accurately estimating depreciation. Since the subject property was constructed in 1928, the Cost Approach was not considered applicable to arrive at a credible opinion of value.

---

---

## SALES COMPARISON APPROACH

The Sales Comparison Approach is an appraisal technique which measures the reaction of buyers and sellers in the marketplace through the analysis of recent transactions that are considered to be similar to the property appraised. The appraiser has researched the subject market area in an effort to locate office sales considered to be comparable to the subject.

On subsequent pages are detailed descriptions of these transactions.

## Property Sale Profile

Sale No. 1

### Location & Property Identification

Property Type: Commercial  
Sub-Property Type: Office  
Address: 715 Market Street  
City/State/Zip: Chattanooga, TN 37402  
County: Hamilton  
Market Orientation: City Center



### Sale Information

Sale Price: \$4,000,000  
Effective Sale Price: \$4,000,000  
Sale Date: February 17, 2022  
Recording Date: February 17, 2022  
Sale Status: Closed  
\$/SF GBA: \$87.92  
\$/SF NRA: \$87.92  
Grantor/Seller: Tennessee Valley Federal Credit Union  
Grantee/Buyer: Noon 715 Market Eat LLC  
Assets Sold: Real Estate Only  
Property Rights: Fee Simple  
Financing: Cash to Seller  
Conditions of Sale: Typical  
Deed Type: Warranty Deed  
Deed Book/Page: 12852/30  
Verified By: David Barrueta  
Verification Date: October 30, 2025  
Verification Type: Primary/Heath Dotson, Noon  
Secondary Verification Source: CRS / Hamilton County Assessor

### Occupancy

Occupancy Type Before Sale: Vacant  
Occupancy Type After Sale: Multi-tenant  
Percent Occupied at Sale: 0%

### Improvement and Site Data

MSA: Chattanooga, TN  
Tax Map and Parcel: 145DAA 002  
GBA (SF): 45,496  
NRA (SF): 45,496  
Year Built: 1977  
Property Class: B  
M&S Class: C  
Construction Quality: Similar  
Building Condition: Similar  
Acres: 0.57  
Land SF: 24,829  
Shape: Rectangular  
Site Coverage Ratio: 91%  
Topography: Level  
Zoning: Similar

**Comments:** Heath Dotson of Noon Development indicated that the building, upon sale, was fully operable as an office building but Noon decided to spend \$1.6 million to upgrade the exterior shell, in addition to the common areas on the first floor. This included a new three level staircase. New tenants signed to the building had \$2.0 million amortized into their rent to build out interior tenant spaces. The only current available space in the building measures 3,129 square feet and is marketed at \$18 per square foot, NNN, or \$26 per square foot, full service, but Heath indicated that ownership might accept \$14 per square foot, NNN, for a credit tenant.

## Property Sale Profile

Sale No. 2

### Location & Property Identification

Property Type: Commercial  
Sub-Property Type: Office  
Address: 736 Georgia Ave  
City/State/Zip: Chattanooga, TN 37402  
County: Hamilton  
Market Orientation: City Center



### Sale Information

Sale Price: \$10,330,000  
Effective Sale Price: \$10,330,000  
Sale Date: January 13, 2023  
Recording Date: January 13, 2023  
Sale Status: Closed  
\$/SF GBA: \$145.86  
\$/SF NRA: \$145.86  
Grantor/Seller: Urban Dome LLC  
Grantee/Buyer: Dome Holdings LLC  
Assets Sold: Real Estate Only  
Property Rights: Fee Simple  
Financing: Cash to Seller  
Conditions of Sale: Typical  
Deed Type: Warranty Deed  
Deed Book/Page: 13191/386  
Verified By: David Barrueta  
Verification Date: October 30, 2025  
Verification Type: Primary/Robert Fisher

Secondary Verification Source: CRS / Hamilton County Assessor/Times Free Press

**Comments:** The property was 100% leased at time of sale. The sale was between two local investors of commercial buildings. Major tenants in the building at time of sale were two law firms, Husch Blackwell and Warren & Griffin. The property is on the National Register of Historic Places, which is similar to the subject.

### Occupancy

Occupancy Type Before Sale: Multi-tenant  
Occupancy Type After Sale: Multi-tenant  
Percent Occupied at Sale: 100%

### Improvement and Site Data

MSA: Chattanooga, TN  
Tax Map and Parcel: 145D M 019,001  
GBA (SF): 70,821  
NRA (SF): 70,821  
Year Built: 1892  
Property Class: B  
M&S Class: C  
Construction Quality: Similar  
Building Condition: Superior  
Acres: 1.44  
Land SF: 62,726  
Shape: Irregular  
Site Coverage Ratio: 23%  
Topography: Level  
Zoning: Similar

## Property Sale Profile

Sale No. 3

### Location & Property Identification

Property Type: Commercial  
 Sub-Property Type: Office  
 Address: 1410 Cowart St  
 City/State/Zip: Chattanooga, TN 37408  
 County: Hamilton  
 Market Orientation: Southside



### Sale Information

Sale Price: \$2,990,000  
 Effective Sale Price: \$2,990,000  
 Sale Date: N/A  
 Recording Date: N/A  
 Sale Status: Active Listing  
 \$/SF GBA: \$183.85  
 \$/SF NRA: \$183.85  
 Grantor/Seller: 1814 Partners Limited Partnership  
 Grantee/Buyer: N/A  
 Assets Sold: Real Estate Only  
 Property Rights: Fee Simple  
 Financing: N/A  
 Conditions of Sale: N/A  
 Deed Type: N/A  
 Deed Book/Page: N/A  
 Verified By: David Barrueta  
 Verification Date: October 30, 2025  
 Verification Type: Secondary/Appraiser Workfile  
 Secondary Verification Source: CRS / Hamilton County Assessor/David DeVaney

### Occupancy

Occupancy Type Before Sale: Owner-occupied  
 Occupancy Type After Sale: N/A  
 Percent Occupied at Sale: 0%

### Improvement and Site Data

MSA: Chattanooga, TN  
 Tax Map and Parcel: 145L A 007  
 GBA (SF): 16,263  
 NRA (SF): 16,263  
 Year Built: 1920  
 Property Class: B  
 M&S Class: C  
 Construction Quality: Similar  
 Building Condition: Superior  
 Acres: 0.27  
 Land SF: 11,761  
 Shape: Rectangular  
 Site Coverage Ratio: 95%  
 Topography: Level  
 Zoning: Similar

**Comments:** The property is listed for sale by David DeVaney of NAI Charter. The original listing was on September 16, 2024 for \$3,200,000. It has been on the market for 396 days and on June 16, 2025, the sale price was reduced 6.6% to the current sale price of \$2,990,000. The vacant sale is the result of a merger in October 2024 between the owner, Artech Design, and Tinker Ma, both architectural firms.

## Property Sale Profile

Sale No. 4

### Location & Property Identification

Property Type: Commercial  
Sub-Property Type: Office  
Address: 714 Cherry St  
City/State/Zip: Chattanooga, TN 37402  
County: Hamilton  
Market Orientation: City Center



### Sale Information

Sale Price: \$2,480,000  
Effective Sale Price: \$2,480,000  
Sale Date: August 29, 2024  
Recording Date: August 29, 2024  
Sale Status: Closed  
\$/SF GBA: \$211.06  
\$/SF NRA: \$211.06  
Grantor/Seller: 720 Partners LLC  
Grantee/Buyer: 714 Cherry Street Partners LLC  
Assets Sold: Real Estate Only  
Property Rights: Fee Simple  
Financing: Cash to Seller  
Conditions of Sale: Typical  
Deed Type: Warranty Deed  
Deed Book/Page: 13691/359  
Verified By: David Barrueta  
Verification Date: December 6, 2024  
Verification Type: Secondary  
Secondary Verification Source: CRS / Hamilton County Assessor / CREXI / Chandler Hale, SVN

### Occupancy

Occupancy Type Before Sale: Tenant-occupied  
Occupancy Type After Sale: Owner-occupied  
Percent Occupied at Sale: 0%

### Improvement and Site Data

MSA: Chattanooga, TN  
Tax Map and Parcel: 145D L 019.01  
GBA (SF): 11,750  
NRA (SF): 11,750  
Year Built: 1920  
Property Class: B  
M&S Class: C  
Construction Quality: Similar  
Building Condition: Superior  
Acres: 0.11  
Land SF: 4,792  
Shape: Rectangular  
Site Coverage Ratio: 82%  
Topography: Level  
Zoning: Similar

**Comments:** The property was purchased by architectural firm Tinker Ma. It was previously owned by an investor and leased to ASA Engineering.

## Property Sale Profile

Sale No. 5

### Location & Property Identification

Property Type: Commercial  
 Sub-Property Type: Office  
 Address: 620 Lindsay St  
 City/State/Zip: Chattanooga, TN 37403  
 County: Hamilton  
 Market Orientation: City Center



### Sale Information

Sale Price: \$4,375,000  
 Effective Sale Price: \$4,375,000  
 Sale Date: N/A  
 Recording Date: N/A  
 Sale Status: Under Contract  
 \$/SF GBA: \$218.75  
 \$/SF NRA: \$218.75  
 Grantor/Seller: First Centenary Real Estate LLC  
 Grantee/Buyer: Undisclosed  
 Assets Sold: Real Estate Only  
 Property Rights: Fee Simple  
 Financing: N/A  
 Conditions of Sale: N/A  
 Deed Type: N/A  
 Deed Book/Page: N/A  
 Verified By: David Barrueta  
 Verification Date: October 30, 2025  
 Verification Type: Secondary  
 Secondary Verification Source: CRS / Hamilton County Assessor / CREXI / Wilson McGinness

### Occupancy

Occupancy Type Before Sale: Tenant-occupied  
 Occupancy Type After Sale: N/A  
 Percent Occupied at Sale: 100%

### Improvement and Site Data

MSA: Chattanooga, TN  
 Tax Map and Parcel: 145D C 015  
 GBA (SF): 20,000  
 NRA (SF): 20,000  
 Year Built: 1973  
 Property Class: B  
 M&S Class: C  
 Construction Quality: Similar  
 Building Condition: Superior  
 Acres: 0.44  
 Land SF: 19,166  
 Shape: Rectangular  
 Site Coverage Ratio: 52%  
 Topography: Level  
 Zoning: Similar

**Comments:** The property is listed for sale by Wilson McGinness of Rise Partners. The original listing was on July 21, 2025 for \$4,950,000 or \$247.50. It has been on the market for 101 days but has been under contract for approximately 2 months at \$4,375,000, 11.62% below the list price. The purchaser is an owner-occupier, not a third party investor.

**COMPARABLE MAP**



**Improved Sales Adjustment Grid**

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	317 Oak St	715 Market St	736 Georgia St	1410 Cowart St	714 Cherry St	620 Lindsay St
City	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga
County	Hamilton	Hamilton	Hamilton	Hamilton	Hamilton	Hamilton
State Zip	TN 37402	TN 37402	TN 37402	TN 37408	TN 37402	TN 37403
Parcel Number	145D B 013	145DAA 002	145D M 019	145L A 007	145D L 019.01	145D C 015
Sale Date	N/A	2/17/2022	1/13/2023	N/A	8/29/2024	N/A
Sale Status	N/A	Closed	Closed	Active Listing	Closed	Under Contract
Sale Price	N/A	\$4,000,000	\$10,330,000	\$2,990,000	\$2,480,000	\$4,375,000
Deed Book / Page	N/A	12852/30	13191/386	N/A	13691/359	N/A
GBA	30,280	45,496	70,821	16,263	11,750	20,000
NRA	29,422	45,496	70,821	16,263	11,750	20,000
Parking Ratio	1.80	0.31	1.24	0.48	0.43	1.90
Year Built	1928	1977	1892	1920	1920	1973
Site Size	26,916	24,829	62,726	11,761	4,792	19,166
<b>Price per SF of Rentable Area</b>		<b>\$87.92</b>	<b>\$145.86</b>	<b>\$183.85</b>	<b>\$211.06</b>	<b>\$218.75</b>
<b>Transactional Adjustments</b>						
Property Rights		Fee Simple	Leased Fee	Fee Simple	Fee Simple	Leased Fee
% Adjustment		0%	0%	0%	0%	0%
Financing Terms		Conventional	Conventional	Conventional	Conventional	Conventional
% Adjustment		0%	0%	0%	0%	0%
Conditions of Sale		N/A	N/A	N/A	N/A	N/A
% Adjustment		0%	0%	0%	0%	0%
Exp. Made Immediately After Purchase		No	No	No	No	No
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions		Similar	Similar	Active Listing	Similar	Under Contract
% Adjustment (Annually)		0%	0%	-3%	0%	0%
<b>Cumulative Adjusted Price</b>		<b>\$87.92</b>	<b>\$145.86</b>	<b>\$178.34</b>	<b>\$211.06</b>	<b>\$218.75</b>
<b>Property Adjustments</b>						
Location		0%	0%	0%	0%	0%
Access/Exposure		0%	0%	0%	0%	0%
Building Size		10%	20%	-10%	-15%	-10%
Effective Age/Condition		-5%	-10%	-10%	-10%	-5%
Quality of Construction		0%	0%	0%	0%	0%
Site Coverage Ratio		0%	0%	0%	0%	0%
Parking Ratio		10%	5%	10%	10%	0%
Amenities		0%	0%	0%	0%	0%
<b>Net Property Adjustments (\$)</b>		<b>\$13.19</b>	<b>\$21.88</b>	<b>-\$17.83</b>	<b>-\$31.66</b>	<b>-\$32.81</b>
<b>Net Property Adjustments (%)</b>		<b>15%</b>	<b>15%</b>	<b>-10%</b>	<b>-15%</b>	<b>-15%</b>
<b>Final Adjusted Price/SF</b>		<b>\$101.11</b>	<b>\$167.74</b>	<b>\$160.50</b>	<b>\$179.40</b>	<b>\$185.94</b>
<b>Range of Adjusted Prices (\$/SF)</b>		<b>\$101.11</b>	<b>\$185.94</b>			
<b>Average (\$/SF)</b>		<b>\$158.94</b>				
<b>Indicated Value (\$/SF)</b>		<b>\$160.00</b>				
<b>"As Stabilized" Indicated Value</b>		<b>\$4,844,800</b>				
<b>"As Stabilized" Value Rounded</b>		<b>\$4,845,000</b>				
<b>Stabilization Cost Deductions</b>		<b>\$680,896</b>				
<b>"As Is" Indicated Value</b>		<b>\$4,163,904</b>				
<b>"As Is" Value Rounded</b>		<b>\$4,165,000</b>				

#### **ADJUSTMENT EXPLANATIONS**

**CONDITIONS OF SALE** – Comparable three is an active listing being marketed by NAI Charter since September 16, 2024. The original sale listing price was \$3,200,000. On June 16, 2025, the list price was lowered 6.6% to \$2,990,000. CoStar currently reports that the Sale to Asking Price Differential for 2025 in the 37402 zip code for office properties is - 8.8%. Since the original list price has been lowered 6.6%, the appraiser conservatively adjusted this comparable another -3% to reflect its active listing status relative to what has occurred on average in 2025. Comparable five is currently under contract. The sale listing price is \$4,950,000. The appraiser spoke with a representative of the seller and the representative indicated that the property was intentionally listed at a higher-than-market price. A qualified local buyer has placed the property under contract for \$4,375,000 for owner-occupancy use. Therefore, the appraiser has not adjusted comparable five as the seller indicates it will close following January 1, 2026 for tax purposes.

**BUILDING SIZE** – Sales one and two were larger in size as compared to the subject while comparables three, four and five were smaller in size as compared to the subject. If a comparable sale is larger than the subject a positive adjustment is made to increase the price per unit of the comparable sale to align it more with the subject. Conversely, a negative adjustment is made if the comparable sale is smaller than the subject. Of course, if the comparable sales are similar to the subject for all practical purposes, no adjustment is necessary.

**EFFECTIVE AGE/CONDITION** – The subject property was built in 1928, is on the National Register of Historic Places and is vacant following occupancy by Hamilton County administrative staff for several years. All of the comparables were superior in effective age/condition as compared to the subject. Despite comparable two being similar to the subject's National Register status and comparable three being built in a similar timeframe, both are in superior condition than the subject. All of the comparables were adjusted accordingly.

**PARKING RATIO** – The subject has a parking ratio of 1.80 spaces per 1,000 square feet. The parking area is a surface lot adjacent to the building. Comparables one, two, three and four were deemed inferior in parking ratio as compared to the subject since their parking ratios were lower than the subject. Adjustments were made accordingly.

**SALES COMPARISON APPROACH – “AS STABILIZED” VALUE CONCLUSION**

The subject property, as improved, was compared to several improved office properties having similar characteristics and located in comparable alternative locations. The sales were chosen based upon similarity of use, timeliness of sales activity and location issues.

Therefore, giving equal consideration and weight to all of the comparables, a unit value of \$160.00 per square foot was applied to indicate the “As Stabilized” market value to the subject property, as of February 17, 2027, as follows:

$$30,280 \text{ SF} \times \$160.00/\text{SF} = \$4,844,800$$

**Say: \$4,845,000<sup>®</sup>**

**SALES COMPARISON APPROACH – “AS IS” VALUE CONCLUSION**

After deducting the overall stabilization costs relating to leasing the subject property’s office space, which include rent loss, lost lessor’s profit, brokerage commissions and tenant improvement allowance (i.e., \$680,896\*) from the “As Stabilized” fee simple value, the estimated indication of “As Is” fee simple value by the Sales Comparison Approach is \$4,163,904 or **\$4,165,000<sup>®</sup>**.

\*This stabilization cost calculation may be found in the Income Approach and has been applied to values in both this Sales Comparison Approach and the Income Approach.

---

---

## INCOME APPROACH

---

The value developed by the Income Approach is based on the present worth of the expected future income flows. Its premise is that a prudent investor will pay no more for the property than he would for another investment of similar risk and cash flow characteristics. In the valuation of the subject, we have used the income capitalization method. This method uses an overall capitalization rate, which has been extracted from similar risk investments and financing.

### **Steps of the Income Approach**

The steps of the Income Approach using direct capitalization are summarized as follows:

- Estimate the Potential Gross Income (P.G.I.) of the property.
- Add any additional income from sources other than rent.
- Subtract the typical annual amount of income that will not be collected because of vacancies and collection problems.
- The result is the Effective Gross Income (E.G.I.).
- Subtract from the E.G.I., operating expenses, fixed expenses and reserves for the replacement of short-lived items.
- The result is the Net Operating Income (N.O.I.).
- Develop a direct capitalization rate by dividing the known N.O.I.'s of properties that have sold that are comparable to the subject property by the selling price of the comparable Sale. Reconcile them into one rate appropriate for the subject property.
- Divide the N.O.I. of the property being appraised by the appropriate capitalization rate which gives an indicated value of the property via the Income Approach.

### **Potential Gross Income**

In order to estimate the Potential Gross Income (PGI) of the subject, we have surveyed and analyzed a number of rents throughout Downtown Chattanooga. The comparable rentals were selected based on their similarity to the subject in location and physical characteristics, particularly with respect to their age/condition, quality of construction, size, and general location. The appraiser has determined that the 4<sup>th</sup> floor in the subject office building could be rented as a separate unit from floors 1, 2 and 3 which would be its own unit. Therefore, the subject was analyzed as two separate leasable units – 24,305 square feet on floors 1, 2 and 3 and 5,117 square feet on floor 4. Rental rates for the comparable rentals varied from \$21.50 per square foot to \$25.48 per square foot, ranging from mostly full service (i.e., gross) to triple net (NNN). All comparisons were based on annual rent per square foot. Adjustments were then made to the comparables to account for differences in location characteristics and physical characteristics.

## Lease Profile

## Comparable No. 1

### Location & Property Identification

---

Property Name: 401 Building  
Sub-Property Type: Office  
Address: 401 Chestnut St  
City/State/Zip: Chattanooga, TN 37402  
County: Hamilton  
Market Orientation: City Center



### Lease Information

---

Annual Price/SF: \$21.50  
Effective Annual Price/SF: \$21.50  
Effective Date: December 1, 2023  
Expiration Date: November 30, 2033  
Lease Status: Active lease  
Lessor: 6th & Broad LLC  
Lessee: Sargent & Lundy  
Lease Terms: Full Service  
Escalations: Yes  
Verified By: David Barrueta  
Verification Date: July 15, 2025  
Verification Type: Primary/Larry Armour  
Verification Source: CRS/David Barrueta

### Improvement and Site Data

---

MSA: Chattanooga, TN  
Tax Map and Parcel: 135N C 001  
Building Size (SF): 147,390  
Unit Size (SF): 43,135  
Year Built: 1973  
Property Class: B  
M&S Class: C  
Construction Quality: Similar to Subject  
Building Condition: Superior to Subject  
Parking: Similar to Subject  
Amenities: Similar to Subject

### Comments

---

Sargent & Lundy, an engineering firm, renewed its lease in the building for 10 years.

## Lease Profile

## Comparable No. 2

### Location & Property Identification

---

Property Name: Liberty Tower  
Sub-Property Type: Office  
Address: 605 Chestnut St  
City/State/Zip: Chattanooga, TN 37450  
County: Hamilton  
Market Orientation: City Center



### Lease Information

---

Annual Price/SF: \$23.58  
Effective Annual Price/SF: \$23.58  
Effective Date: December 1, 2020  
Expiration Date: November 30, 2025  
Lease Status: Active lease  
Lessor: Liberty Tower LLC  
Lessee: MFG Chemical  
Lease Terms: Full Service  
Escalations: Yes  
Verified By: David Barrueta  
Verification Date: October 30, 2025  
Verification Type: Secondary  
Verification Source: CRS/David Barrueta

### Improvement and Site Data

---

MSA: Chattanooga, TN  
Tax Map and Parcel: 145C D 001.01  
Building Size (SF): 226,644  
Unit Size (SF): 4,650  
Year Built: 1979  
Property Class: B  
M&S Class: C  
Construction Quality: Similar to Subject  
Building Condition: Superior to Subject  
Parking: Similar to Subject  
Amenities: Similar to Subject

### Comments

---

MFG Chemical, a chemical manufacturing firm, signed a five year lease and has renewed its lease in the building for 3 years following expiration.

## Lease Profile

## Comparable No. 3

### Location & Property Identification

---

Property Name: King Street Station

Sub-Property Type: Office

Address: 1208 King Street

City/State/Zip: Chattanooga, TN 37403

County: Hamilton

Market Orientation: Southside



### Lease Information

---

Annual Price/SF: \$25.00

Effective Annual Price/SF: \$25.00

Effective Date: June 1, 2022

Expiration Date: October 31, 2025

Lease Status: Active lease

Lessor: River Ford LLC

Lessee: KCH Logistics

Lease Terms: Full Service

Escalations: Not disclosed

Verified By: Sam Koebley

Verification Date: August 30, 2023

Verification Type: Secondary

Verification Source: CRS/CoStar/Urban Story Ventures

### Improvement and Site Data

---

MSA: Chattanooga, TN

Tax Map and Parcel: 145E P 001.01

Building Size (SF): 78,988

Unit Size (SF): 21,000

Year Built: 1912

Property Class: B

M&S Class: C

Construction Quality: Similar to Subject

Building Condition: Superior to Subject

Parking: Similar to Subject

Amentities: Similar to Subject

### Comments

---

KCH Transportation is a third party logistics provider with offices in Chattanooga, Atlanta (2), Nashville and Augusta.

## Lease Profile

Comparable No. 4

### Location & Property Identification

---

Property Name: The Dome Building  
Sub-Property Type: Office  
Address: 736 Georgia Avenue  
City/State/Zip: Chattanooga, TN 37402  
County: Hamilton  
Market Orientation: City Center



### Lease Information

---

Annual Price/SF: \$25.48  
Effective Annual Price/SF: \$25.48  
Effective Date: Undisclosed  
Expiration Date: October 31, 2026  
Lease Status: Active lease  
Lessor: Dome Holdings LLC  
Lessee: Husch Blackwell  
Lease Terms: NNN  
Escalations: Yes  
Verified By: David Barrueta  
Verification Date: October 30, 2025  
Verification Type: Secondary  
Verification Source: CRS/CoStar/David Barrueta

### Improvement and Site Data

---

MSA: Chattanooga, TN  
Tax Map and Parcel: 145D M 019,001  
Building Size (SF): 70,821  
Unit Size (SF): 70,821  
Year Built: 1892  
Property Class: B  
M&S Class: C  
Construction Quality: Similar to Subject  
Building Condition: Superior to Subject  
Parking: Similar to Subject  
Amenities: Similar to Subject

### Comments

---

Husch Blackwell is the largest tenant in the historic Dome Building. The ownership uses a NNN rate structure which is not typical in the office market for larger multi-tenant buildings.

**Rental Adjustment Grid for Floors 1, 2 and 3**

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	317 Oak St	401 Chestnut St	605 Chestnut St	1208 King St	736 Georgia Ave
City	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga
County	Hamilton	Hamilton	Hamilton	Hamilton	Hamilton
State / Zip	TN 37402	TN 37402	TN 37450	TN 37403	TN 37402
Lease Start Date	N/A	12/1/2023	12/1/2020	6/1/2022	Undisclosed
Lease Term	N/A	Expires 11/30/2033	Expires 11/30/2025	Expires 10/31/2025	Expires 10/31/2026
Tenant Name	N/A	Sargent & Lundy	MFG Chemical	KCH Logistics	Confidential
Leased SF (Net Rentable)	24,305	43,135	4,650	21,000	22,540
Lease Type	N/A	Full Service	Full Service	Full Service	NNN
Year Built	1928	1973	1979	1984	1892
Site Size	26,916	111,949	15,246	37,026	62,726
<b>Price per SF of Rentable Area</b>		<b>\$21.50</b>	<b>\$23.58</b>	<b>\$25.00</b>	<b>\$25.48</b>
<b>Transactional Adjustments</b>					
Expense Structure		Full Service	Full Service	Full Service	NNN
% Adjustment		0%	0%	0%	20%
Conditions of Lease		N/A	N/A	N/A	N/A
% Adjustment		0%	0%	0%	0%
Market Conditions		N/A	N/A	N/A	N/A
% Adjustment		0%	0%	0%	0%
<b>Cumulative Adjusted Price</b>		<b>\$21.50</b>	<b>\$23.58</b>	<b>\$25.00</b>	<b>\$30.58</b>
<b>Property Adjustments</b>					
Location		0%	0%	0%	0%
Access		0%	0%	0%	0%
Exposure		0%	0%	0%	0%
Unit Size		20%	-20%	-5%	0%
Effective Age/Condition		-20%	-20%	-15%	-15%
Quality of Construction		0%	0%	0%	0%
Amenities		0%	0%	0%	0%
Parking		0%	0%	0%	0%
Site Coverage Ratio		0%	0%	0%	0%
<b>Net Property Adjustments (\$)</b>		<b>\$0.00</b>	<b>-\$9.43</b>	<b>-\$5.00</b>	<b>-\$4.59</b>
<b>Net Property Adjustments (%)</b>		<b>0%</b>	<b>-40%</b>	<b>-20%</b>	<b>-15%</b>
<b>Final Adjusted Price/SF</b>		<b>\$21.50</b>	<b>\$14.15</b>	<b>\$20.00</b>	<b>\$25.99</b>
<b>Range of Adjusted Rents (\$/SF)</b>		<b>\$14.15</b>	<b>\$25.99</b>		
<b>Average (\$/SF)</b>		<b>\$19.53</b>			
<b>Indicated Rent (\$/SF)</b>		<b>\$17.00</b>			

**Rental Adjustment Grid for Floor 4**

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	317 Oak St	401 Chestnut St	605 Chestnut St	1208 King St	736 Georgia Ave
City	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga
County	Hamilton	Hamilton	Hamilton	Hamilton	Hamilton
State / Zip	TN 37402	TN 37402	TN 37450	TN 37403	TN 37402
Lease Start Date	N/A	12/1/2023	12/1/2020	6/1/2022	Undisclosed
Lease Term	N/A	Expires 11/30/2033	Expires 11/30/2025	Expires 10/31/2025	Expires 10/31/2026
Tenant Name	N/A	Sargent & Lundy	MFG Chemical	KCH Logistics	Confidential
Leased SF (Net Rentable)	5,117	43,135	4,650	21,000	22,540
Lease Type	N/A	Full Service	Full Service	Full Service	NNN
Year Built	1928	1973	1979	1984	1892
Site Size	26,916	111,949	15,246	37,026	62,726
<b>Price per SF of Rentable Area</b>		<b>\$21.50</b>	<b>\$23.58</b>	<b>\$25.00</b>	<b>\$25.48</b>
<b>Transactional Adjustments</b>					
Expense Structure		Full Service	Full Service	Full Service	NNN
% Adjustment		0%	0%	0%	20%
Conditions of Lease		N/A	N/A	N/A	N/A
% Adjustment		0%	0%	0%	0%
Market Conditions		N/A	N/A	N/A	N/A
% Adjustment		0%	0%	0%	0%
<b>Cumulative Adjusted Price</b>		<b>\$21.50</b>	<b>\$23.58</b>	<b>\$25.00</b>	<b>\$30.58</b>
<b>Property Adjustments</b>					
Location		0%	0%	0%	0%
Access		0%	0%	0%	0%
Exposure		0%	0%	0%	0%
Unit Size		20%	0%	10%	10%
Effective Age/Condition		-20%	-20%	-15%	-15%
Quality of Construction		0%	0%	0%	0%
Amenities		0%	0%	0%	0%
Parking		0%	0%	0%	0%
Site Coverage Ratio		0%	0%	0%	0%
Net Property Adjustments (\$)		\$0.00	-\$4.72	-\$1.25	-\$1.53
Net Property Adjustments (%)		0%	-20%	-5%	-5%
<b>Final Adjusted Price/SF</b>		<b>\$21.50</b>	<b>\$18.86</b>	<b>\$23.75</b>	<b>\$29.05</b>
<b>Range of Adjusted Rents (\$/SF)</b>		<b>\$16.03</b>	<b>\$29.05</b>		
<b>Average (\$/SF)</b>		<b>\$21.84</b>			
<b>Indicated Rent (\$/SF)</b>		<b>\$19.50</b>			

### **SUBJECT PROPERTY OCCUPANCY STATUS**

The subject property is 100% vacant and was formerly occupied by Hamilton County administrative staff. No lease exists and the property was owner-occupied in the recent past. Since no long-term lease encumbering the subject property exists, ownership could immediately demand a market rental rate for the subject property. Downtown office properties in Chattanooga are typically leased to tenants on a full service (gross) basis. In fact, three of the four lease comparables used within the appraiser's analysis are full service. The subject will be analyzed at a full service market rental rate as determined by the Rental Adjustment Grids. The typical full service lease agreement has the lessor bearing responsibility for all operating expenses which include real estate taxes, property insurance, utilities, management, common area maintenance, landscaping, refuse removal, pest control, janitorial, maintenance and repairs to tenant interiors and major repairs and replacements while the lessee is responsible for its rent. The subject property will be analyzed under a full service lease basis.

### **MARKET RENT CONCLUSION**

The subject property is considered to be in average condition compared to the typical office facility in the subject submarket. The appraiser determined that the 4<sup>th</sup> floor in the subject office building could be rented as a separate unit. Because no natural delineation existed on floors 1, 2 and 3 they were all determined to be likely leased to one tenant. This would create a building with two total tenants. Therefore, the subject was analyzed as two separate leasable units – 24,305 square feet on floors 1, 2 and 3 and 5,117 square feet on floor 4. The indications of market rent after analysis for similar 24,305 square foot units is from \$14.15 per square foot to \$25.99 per square foot, full service. The subject's 24,305 square foot unit will be analyzed at a market rate of \$17.00 per square foot, full service. The indications of market rent after analysis for similar 5,117 square foot units is from \$16.03 per square foot to \$29.05 per square foot, full service. The subject's 5,117 square foot unit will be analyzed at a market rate of \$19.50 per square foot, full service.

Once the market rent for the subject property is determined, the anticipated income and expenses for the property are made in the following "reconstructed" income statement. A reconstructed income statement is defined as: "A statement prepared by an appraiser or other analyst to accurately reflect the future performance of a property, considering its historical income and expenses. In preparing

reconstructed operating statements, appraisers may consult accountant's financial statements, comparable properties, auditors' statements, or historical data provided by the ownership entity."<sup>12</sup>

**COSTS INCURRED TO ACHIEVE STABILIZED OCCUPANCY -  
RENT LOSS, LESSOR'S PROFIT, LEASING BROKERAGE FEES AND TENANT IMPROVEMENT ALLOWANCE**

Since 317 Oak Street is 100% vacant, the property would experience a lease-up period in which a rent loss is incurred until reaching stabilized occupancy (or stabilization). As part of reaching stabilization, the lessor would also need to pay leasing fees (i.e., commissions) to brokers, provide an improvement allowance to tenants and incur a lost profit in not having the subject property leased at stabilization. Upon review of the CoStar Office Market Report for the subject's competitive market area (zip code 37402 and 37403), the report indicates two key metrics suggesting the subject market's Median Months to Lease at 15.9 months and a 95% Probability of Leasing in Months at 15 months. Therefore, it is extraordinarily assumed that the subject will reach stabilized occupancy in 16 months or by February 17, 2027. The subject has two units to lease to separate tenants or the entirety could be leased to one tenant. Within the subject's neighborhood, none of the units would be considered small; smaller units (3,000 square feet or below) usually find stabilization within 4 to 8 months. Despite the subject property being in a good location, the appraiser estimates the subject would reach stabilization at the end of 16 months. The appraiser determined that the owner will experience rent loss of 16 months to lease the space at market rate from the "As Is" date of value (October 17, 2025) and incur lessor's profit, tenant improvement allowance and leasing commission costs. These costs must be deducted from the "As Stabilized" value in order to arrive at an "As Is" value. **The two tables below illustrate the total loss incurred to achieve stabilization.**

---

<sup>12</sup> The Dictionary of Real Estate Appraisal, Sixth edition, The Appraisal Institute, 2015, page 190.

**Rent Loss Due to Vacancy**

Period (Month):	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Occupancy:	0.00%	6.03%	12.06%	18.09%	24.13%	30.16%	36.19%	42.22%	48.25%	54.28%	60.31%	66.34%	72.38%	78.41%	84.44%	90.47%
Potential Gross Income:	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747	\$42,747
Collected Rent:	\$0	\$2,578	\$5,156	\$7,735	\$10,313	\$12,891	\$15,469	\$18,047	\$20,626	\$23,204	\$25,782	\$28,360	\$30,938	\$33,517	\$36,095	\$38,673
Rent Loss :	\$42,747	\$40,169	\$37,591	\$35,013	\$32,434	\$29,856	\$27,278	\$24,700	\$22,122	\$19,544	\$16,965	\$14,387	\$11,809	\$9,231	\$6,653	\$4,074

---

**Total Rent Loss Due to Vacancy:           \$374,573**

In the chart above, the occupancy is representative of the subject’s occupancy at the beginning of each month. By the end of the 16<sup>th</sup> month or beginning of the 17<sup>th</sup> month, it is extraordinarily assumed that the subject would have reached a stabilized occupancy of 96.5%.

---

**Overall Stabilization Costs**

---

**Rent Loss**

---

Rent Loss Due to Vacancy \$ 374,573  
**Gross Rent Loss \$ 374,573**

**Lessor's Profit**

---

**5% of Gross Rent Loss \$ 37,457**

**Brokerage Fees**

---

Market Rate (Annual / SF) \$17.00  
 Term (Years) 3.00  
 Unit Sq Ft 24,305  
 Gross Contract Value \$1,239,555  
**6% of Gross Contract Value \$74,373**

**Brokerage Fees**

---

Market Rate (Annual / SF) \$19.50  
 Term (Years) 3.00  
 Unit Sq Ft 5,117  
 Gross Contract Value \$299,345  
**6% of Gross Contract Value \$17,961**

**Tenant Improvement Allowance (TIA)**

---

TIA per Lease Year \$ 2  
 Term (Years) 3.00  
 Unit Sq Ft (Both Units) 29,422  
**Gross Contract Value \$176,532**

**Stabilization Discount**

---

**Gross Rent Loss + Lessor's Profit + Brokerage  
 Fees + Tenant Improvement Allowance \$ 680,896**

The two tables indicate a total loss due to stabilization of \$680,896.

An explanation of these stabilization costs is provided below.

### **Rent Loss**

Rent loss occurs during the lease-up period in which a space remains vacant with no signed lease and no income earned until reaching stabilized occupancy (or stabilization).

### **Lessor's Profit**

In the context of an office building with below market occupancy trying to achieve stabilization, "lessor's profit" (also called "leasing profit" or "entrepreneurial incentive") represents the reward/compensation to the property owner for the time, effort, risk, and opportunity cost involved in leasing up the vacant space. The lessor's profit in appraisal practice typically defaults to 10% under normal market conditions with moderate leasing effort and standard timeframes. However, this percentage can vary from 5% to 15% based on market dynamics and risk factors. Higher profits of around 15% are justified when deals involve substantial tenant improvements, highly competitive or difficult markets, extensive lease-up efforts, longer vacancy periods, or elevated risk of failure. Conversely, lower profits of 5-7% are appropriate in favorable conditions where minimal work is needed, tenant demand is strong, properties lease quickly, and market risk is low. This sliding scale allows appraisers to account for the varying levels of entrepreneurial effort, time, and risk that lessors face in different leasing scenarios. The appraiser has determined that the subject property would create a lessor's profit of 10% in the Downtown Chattanooga office market in October, 2025. A lost lessor's profit of 10% has been utilized.

### **Brokerage Fees**

Brokerage fees (also called leasing commissions) are payments made to real estate brokers for negotiating and executing commercial lease transactions. These are typically paid by the landlord/lessor, though the structure can vary. Typical fees in the Chattanooga market are a total of 6% of lease value, which is paid by the lessor. 3% typically is paid to the real estate broker representing the tenant (i.e., the tenant representative) and the other 3% is paid to the real estate broker representing the lessor (i.e., the listing broker).

### **Tenant Improvement Allowance (TIA)**

A Tenant Improvement Allowance is a sum of money the lessor provides to the tenant to customize or build out the leased space to meet the tenant's specific needs. For 3 year lease terms in Chattanooga, lessors typically \$0 to \$2 per lease year for good credit tenants. The appraiser believes a \$2 per square foot Tenant Improvement Allowance would be provided to any good credit tenant(s) signing a lease at

the subject property. The Tenant Improvement Allowance (TIA) would be based on the net rentable area of 29,422 square feet. The calculation is below, as demonstrated in the Overall Stabilization Costs chart, and the TIA would typically be used in the Chattanooga market for interior finishes, specifically paint and floor covering.

**29,422 rentable square feet x \$2 per square feet per lease year x 3 year term = \$176,532 in TIA**

The Reconstructed Income Statement on the following page will present all of the valuation scenarios.

## Reconstructed Income Statement

### Income Breakdown

Unit	Unit Sq Ft	\$/SF	\$/MO	Annual Rent	% of PGI
317 Oak St (Floors 1, 2 and 3)	24,305	\$17.00	\$34,432	\$413,185	80.5%
317 Oak St (Floor 4)	5,117	\$19.50	\$8,315	\$99,782	19.5%
<i>Total Square Feet</i>	29,422				
<b>Potential Gross Income (PGI)</b>				<b>\$512,967</b>	<b>100.0%</b>
<b>Vacancy and Credit Loss</b>			<b>4.5%</b>	<b>\$23,083</b>	<b>4.5%</b>
<b>Effective Gross Income (EGI)</b>				<b>\$489,883</b>	<b>95.5%</b>

### Expense Breakdown

Line Item	Annual Expense	Per Unit
Taxes	\$41,162.00	\$1.40
Insurance	\$9,500.00	\$0.32
Management/Leasing (Approx. 6% of EGI)	\$29,393.00	\$1.00
Common Area Maintenance, Pest Control, Landscaping	\$10,000.00	\$0.34
Prorated Major Replacements/Repairs	\$10,000.00	\$0.34
<b>Total Expenses</b>	<b>\$100,055.00</b>	<b>\$4.12</b>
<b>Expense Ratio (Expenses/EGI)</b>	<b>20.42%</b>	

<b>Net Operating Income (NOI)</b>	<b>\$389,828</b>	<b>\$13.25</b>
<b>Capitalization Rate</b>	<b>8.30%</b>	
<b>"As Stabilized" Value</b>	<b>\$4,696,723</b>	<b>\$159.63</b>
<b>"As Stabilized" Value Rounded</b>	<b>\$4,700,000</b>	<b>\$159.74</b>
<b>Stabilization Cost Deductions</b>	<b>\$680,896</b>	<b>\$23.14</b>
<b>"As Is" Value</b>	<b>\$4,015,827</b>	<b>\$136.49</b>
<b>"As Is" Value Rounded</b>	<b>\$4,020,000</b>	<b>\$136.63</b>

## **EXPLANATIONS ON RECONSTRUCTED INCOME STATEMENT**

As previously stated, the rent comparables and market research indicate full service lease agreements are most prevalent within Downtown Chattanooga. The typical full service lease agreement has the lessor bearing responsibility for all operating expenses which include real estate taxes, property insurance, utilities, management, common area maintenance, landscaping, refuse removal, pest control, janitorial, maintenance and repairs to tenant interiors and major repairs and replacements while the lessee is responsible for its rent. The subject property has been analyzed under this full service lease basis.

### **Vacancy and Credit Loss**

This category accounts for the time period between occupants, as well as possible prolonged vacancies under slow market conditions. Market participants typically expect a vacancy and credit loss of 4% to 8% of potential gross income for similar property types. CoStar reports that the current vacancy rate for office properties in the 37403 and 37402 zip code area is 4.5%. This assignment reflects the probable vacancy during the economic life of the property and not necessarily the current or short-term vacancy. The findings of the CoStar office report support a low-end vacancy and credit loss allocation. As of the effective date, the subject is vacant due to Hamilton County's decision to sell the building. Based on current and perceived long-term market conditions and the subject's current and anticipated tenancy over a typical holding period, a vacancy and credit loss of 4.5% is concluded.

After the vacancy and collection losses are subtracted from the Potential Gross Income, we have the Estimated Gross Income (EGI).

### **Reimbursements**

Lessee expenses essential to the utilization of the subject property must be incorporated into the PGI so that the vacancy and credit loss can be accurately represented in the EGI. There were no reimbursements to report as the lease is a full service lease where the lessor is responsible for all operating expenses with no reimbursement.

## **Expenses**

All of the expenses are projections. The real estate taxes were estimated by review of similar office properties' taxes in Downtown Chattanooga. The market indicates insurance expenses for office facilities fall between \$0.25 and \$0.60 per square foot. Local real estate management companies indicated a management fee range between 4% and 10%, of the effective gross income, dependent on the property type. Because the subject is a multi-tenant (two tenants) office facility, it is likely that the management fee would be 6%. Maintenance expenses were estimated based on market expenses. The major repairs and replacements expense was estimated by considering what it would cost on an annual basis to sink into an account at 1-3% interest to replace the roof and other structural components over a twenty year period. The expense ratio for the property appears to be in line with the market as reflected through the review of many operating statements over the years.

## **DIRECT CAPITALIZATION**

After the estimate of net operating income is made, the income is capitalized to current market value by use of a capitalization rate and a method called direct-capitalization.

Direct capitalization is “a method used to convert an estimate of a single year’s income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate income factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only one year’s income is used. Yield and value change are implied, but not explicitly identified.”<sup>13</sup> It is a ratio between the past sale price and the net income of a property. They are best abstracted from actual market transactions in order that they relate the indications of the market.

**Derivation of Overall Capitalization Rates:** Any interest in real estate that has an income can be valued by direct capitalization, but the interest most commonly appraised is the fee simple estate, which includes all property rights in the real estate. The direct capitalization formula that applies to this type of valuation is:

$$\text{Value} = \text{Net operating income} / \text{Overall capitalization rate}$$

Conversely, the capitalization rate may be derived from actual market transactions by the changing the same formula.

$$\text{Overall capitalization rate} = \text{Value (Sale Price)} / \text{Net operating income}$$

“Deriving capitalization rates from comparable sales is the preferred technique when sufficient information about sales of similar, competitive properties is available. Data on each property’s sale price, income, expenses, financing terms, and market conditions at the time of sale is needed.”<sup>14</sup> The method of deriving capitalization rates used in this report is from similar, competitive properties. The properties used are those that were cited in the Sales Comparison Approach earlier in this report.

Capitalization rates in real estate markets outside of large metropolitan areas generally have a wide spread and are not generally consistent. This is because of several factors:

---

<sup>13</sup> The Appraisal of Real Estate, 14<sup>th</sup> edition, The Appraisal Institute, Chicago, Illinois (U.S., 2013), p. 491.

<sup>14</sup> The Appraisal of Real Estate, 14<sup>th</sup> edition, The Appraisal Institute, Chicago, Illinois (U.S., 2013), p. 493.

- Purchasers of commercial property are generally not as active, and as a result, tend to work from their own "rules of thumb" or generally unsophisticated methodology. They are not as knowledgeable as more active investors in more active real estate areas.
- Many of the market sales are for "owner occupancy" rather than investment income. Therefore, the suitability of the property to their particular use is more important than the income generation of the property.
- The participants are less knowledgeable, and as a result, do not keep adequate records of expenses and income so that a reliable estimate of a capitalization rate can be extracted. Many times the appraiser must reconstruct an operation statement on a sale to extract a rate.

Below are a few of the market area capitalization rates extracted from recent transactions. The summaries of the extracted rates are:

**Direct Capitalization Rates**

Address	Property Type	Sale Date	Sale Price	OAR
5751 Cornelison Rd Chattanooga, TN 37411	Office	4/24/2025	\$1,350,000	9.90%
5746 Marlin Rd Chattanooga, TN 37411	Office	3/28/2025	\$10,850,000	8.00%
537 Market St Chattanooga, TN 37402	Office	12/3/2024	\$4,770,000	7.50%
6101 Enterprise Park Dr Chattanooga, TN 37416	Office	4/24/2024	\$2,140,000	7.50%
5715 Cornelison Rd Chattanooga, TN 37411	Office	11/21/2023	\$1,350,000	8.60%
			<b>Average</b>	<b>8.30%</b>

### **YIELD CAPITALIZATION (DCF ANALYSIS)**

“A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment’s income pattern, holding period, and yield rate.”<sup>15</sup>

Capitalization rates in real estate markets outside of large metropolitan areas generally have a wide spread and are not generally consistent. This is because of several factors:

1. Purchasers of commercial property are generally not as active, and as a result, tend to work from their own "rules of thumb" or generally unsophisticated methodology. They are not as knowledgeable as more active investors in more active real estate areas.
2. Many of the market sales are for "owner occupancy" rather than investment income. Therefore, the suitability of the property to their particular use is more important than the income generation of the property.
3. The participants are less knowledgeable, and as a result, do not keep adequate records of expenses and income so that a reliable estimate of a capitalization rate can be extracted. Many times the appraiser must reconstruct an operation statement on a sale to extract a rate.

The appraiser used the Band of Investment technique and consulted the Investor Survey of RealtyRates.com in the following yield capitalization analyses.

The method used to estimate the capitalization rate appropriate for the subject property was the Band of Investment Technique, a form of Direct Capitalization.

---

<sup>15</sup> The Dictionary of Real Estate Appraisal, Sixth edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), p. 251.

**Band of Investment Technique:** The Band of Investment Technique is used to derive an overall capitalization rate. “The overall capitalization rate must satisfy both the mortgage capitalization rate requirement of the lender and the equity return requirement of the equity investor. For mortgage-equity analysis, it can be viewed as a composite rate, weighted in proportion to the total property investment represented by debt and equity. The overall capitalization rate is a weighted average of the mortgage capitalization rate ( $R_m$ ) and equity capitalization rate ( $R_e$ ). The loan-to-value ratio (M) represents the loan or debt portion of the property investment. The equity ratio (E, which is sometimes shown as  $1 - M$ ) represents the equity portion of the property investment”,<sup>16</sup> as seen in the table below:

**Band of Investment Method**

**Mortgage/Equity Assumptions**

Loan to Value Ratio (M)	80%
Interest Rate	7.00%
Amortization (Years)	25
Mortgage Constant ( $R_m$ )	0.08481
Equity Ratio (E)	20%
Equity Dividend Rate ( $R_e$ )	10%

**Weighted Average of Mortgage and Equity Requirements**

M	x	$R_m$	=	Mortgage Requirement
80%	x	8.48%	=	6.79%
E	x	$R_e$	=	Equity Requirement
20%	x	10.00%	=	2.00%
<b>Indicated Capitalization Rate</b>				<b>8.79%</b>

<sup>16</sup> The Appraisal of Real Estate, 14<sup>th</sup> edition, The Appraisal Institute, Chicago, Illinois (U.S., 2013), p. 496

**Investor Survey:** The appraiser also consulted the Investor Survey of RealtyRates.com. “The *Investor Survey* presents the results of polling information taken from 312 appraisal and brokerage firms, developers, investors, and lenders nationwide. The bulk of the data is comprised of individual tables for each property type that include surveyed minimum, maximum and average mortgage and equity requirements and resulting built-up overall capitalization rates (OAR’s) via debt coverage ratio and band of investment technique, together with surveyed OAR’s based on actual net operating incomes (NOI) exclusive of reserves and actual sale prices. Reserves for repairs and replacements are also tracked and presented by property type in a separate table. In addition, the *Investor Survey* also includes a market commentary, discount rates for acquisitions, re-capitalizations and new construction, a mortgage matrix, a separate equity dividend rates table, interim (construction and mini perm) financing matrices, a property desirability matrix, historical average OAR’s, land lease cap and discount rates, and as indicated above, reserve requirements, all by property type.”

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2025						
OFFICE - ALL TYPES						
Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	1.07%	<b>DCR Technique</b>	1.10	0.061974	0.80	<b>5.45</b>
Debt Coverage Ratio	1.10	<b>Band of Investment Technique</b>				
Interest Rate	5.51%	Mortgage	80%	0.061974	0.049579	
Amortization	40	Equity	20%	0.072391	0.014478	
Mortgage Constant	0.061974	OAR				<b>6.41</b>
Loan-to-Value Ratio	80%	<b>Surveyed Rates</b>				<b>6.02</b>
Equity Dividend Rate	7.24%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	6.72%	<b>DCR Technique</b>	2.15	0.137600	0.50	<b>14.79</b>
Debt Coverage Ratio	2.15	<b>Band of Investment Technique</b>				
Interest Rate	11.16%	Mortgage	50%	0.137600	0.068800	
Amortization	15	Equity	50%	0.154723	0.077361	
Mortgage Constant	0.137600	OAR				<b>14.62</b>
Loan-to-Value Ratio	50%	<b>Surveyed Rates</b>				<b>13.74</b>
Equity Dividend Rate	15.47%					
<b>Average</b>						
Spread Over 10-Year Treasury	3.40%	<b>DCR Technique</b>	1.63	0.086675	0.68	<b>9.51</b>
Debt Coverage Ratio	1.63	<b>Band of Investment Technique</b>				
Interest Rate	7.84%	Mortgage	68%	0.086675	0.058506	
Amortization	30	Equity	33%	0.117673	0.038244	
Mortgage Constant	0.086675	OAR				<b>9.67</b>
Loan-to-Value Ratio	67.5%	<b>Surveyed Rates</b>				<b>9.79</b>
Equity Dividend Rate	11.77%					
*2nd Quarter 2025 Data			Copyright 2025 RealtyRates.com™			

## **INCOME APPROACH SUMMARY**

The income is analyzed by Direct Capitalization, Band of Investment technique and Realty Rates 2025 3<sup>rd</sup> Quarter Investor Survey for all office properties. The Direct Capitalization technique derives an overall capitalization rate by dividing a single year's net operating income by the overall value or sale price. The overall rate indicated by the Direct Capitalization technique was 8.30%. The Band of Investment technique is "a technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment."<sup>17</sup> The overall rate indicated by the Band of Investment technique was 8.79%. The Realty Rates 2025 3<sup>rd</sup> Quarter Investor Survey for all office properties indicated an average capitalization rate of 9.79% for office properties. The appraiser has considered all three techniques but has given most weight to the direct capitalization approach to provide an overall capitalization rate of 8.30%.

### **INCOME APPROACH – "AS STABILIZED" VALUE CONCLUSION**

The estimated indication of "As Stabilized" fee simple value by the Income Capitalization Approach is \$4,696,723 or **\$4,700,000**<sup>®</sup>.

### **INCOME APPROACH – "AS IS" VALUE CONCLUSION**

After deducting the overall stabilization costs relating to leasing the subject property's office space, which include rent loss, lost lessor's profit, brokerage commissions, and tenant improvement allowance (i.e., \$680,896) from the "As Stabilized" fee simple value, the estimated indication of "As Is" fee simple value by the Income Capitalization Approach is \$4,015,827 or **\$4,020,000**<sup>®</sup>.

---

<sup>17</sup> The Dictionary of Real Estate Appraisal, Sixth edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), page 19

---

---

## RECONCILIATION AND FINAL ESTIMATE OF VALUE

---

The process of reconciliation on an appraisal report is the review of each method of valuation process and, with consideration to the strengths and weaknesses of each, a judgment is made as to the final estimate of value. The approaches used to estimate the “As Is” market value of the subject property include the Sales Comparison Approach and the Income Approach. The value indicated by each approach and the final estimate of market value is below:

**“As Stabilized” Value Scenario**

Estimated Value By Cost Approach:	Not Applied
Estimated Value By Sales Comparison Approach:	\$4,845,000
Estimated Value By Income Approach:	\$4,700,000

**“As Is” Value Scenario**

Estimated Value By Cost Approach:	Not Applied
Estimated Value By Sales Comparison Approach:	\$4,165,000
Estimated Value By Income Approach:	\$4,020,000

**Typical Purchaser:** Small to Mid-Size Investor / Owner Operator

**Exposure Time:** The CoStar Market Report for office sales in the 37403 and 37402 zip code area of Hamilton County indicates a 50% Probability of Selling In Months at 6.4 months for sales transacting over the last 12 months. Based on the above information, the opinion of value for the subject is based on a previous exposure time of between 6 and 12 months. Since there are no major changes expected in the market in the near future, the marketing time is also expected to be between 6 and 12 months.

The Cost Approach is typically most accurate when valuing newly constructed or proposed improvements. The Cost Approach did not provide a credible value opinion due to the difficulty in accurately calculating the depreciation of the subject facility.

**“AS STABILIZED” VALUE RECONCILIATION**

The Cost Approach is typically most accurate when valuing newly constructed or proposed improvements. The Cost Approach did not provide a credible value opinion due to the difficulty in accurately calculating the depreciation of the subject facility.

The Sales Comparison Approach is applicable to all property types and is considered very reliable when there are a sufficient number of recent sales to create a value pattern in the market. We were fortunate in finding comparables of similar properties which provided us with good reliable sales data.

Income-producing properties are bought and sold on the basis of their anticipated net incomes. Therefore, the Income Approach is reliable when the rental income, operating expenses, capitalization rate, and method of capitalization are estimated from adequate indices of existing market conditions. We believe that in this report all these factors are well founded and supported.

Therefore, with a weighted average reliance placed on the Sales and Income Approaches, it is the appraiser’s opinion that the “As Stabilized” market value of the subject property, as of February 17, 2027, is:

**\$4,780,000**

**FOUR MILLION SEVEN HUNDRED EIGHTY THOUSAND DOLLARS**

**“As Is” VALUE RECONCILIATION**

With a weighted average reliance placed on the Sales and Income Approaches, it is the appraiser’s opinion that the “As Is” market value of the subject property, as of October 17, 2025, is:

**\$4,100,000**

**FOUR MILLION ONE HUNDRED THOUSAND DOLLARS**

**ADDENDA**

## **CONTINGENT AND LIMITING CONDITIONS**

The market value set forth in this appraisal report is subject to the following contingent and limiting conditions.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title hereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The various sketches, maps, plats, and exhibits in this report are included for illustration purposes only, to assist the reader in visualizing the property and are not necessarily drawn to scale. The Appraiser has made no survey of the property.
5. The Appraiser, by reason of this report, is not required to give further consultation or testimony or attendance in court, with reference to the property in question, unless arrangements have been previously made a reasonable time in advance.
6. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
7. The Appraiser assumes that there are no hidden or un-apparent conditions of the property, subsoil, or structure, which would render it more or less valuable. The Appraisers assume no responsibility for such conditions, or for obtaining engineering studies that may be required to discover such factors.
8. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, the Appraiser gives no responsibility for accuracy or warranty of such items.
9. Possession of this report, or a copy thereof, does not carry with it the right of publication.
10. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
11. That the date of value to which the opinions expressed in this report apply is set forth in this report. The Appraiser assumes no responsibility for economic or physical factors occurring at some later date, which may affect the opinions herein stated. The forecast, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
12. That no claim is intended to be expressed for matters of expertise, which would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. The Appraiser claims no expertise in areas such as, (but not limited to), legal, structural, pest control, mechanical, etc.
13. That the Appraiser has not personally inspected the subject property, and therefore assumes no evidence of structural deficiencies exist, except as stated in this report; however, no responsibility for hidden defects or

conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes, can be assumed without provision of specific professional or governmental inspections.

14. Unless otherwise stated in the report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.
15. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a conformity survey of the property and a detailed a detailed analysis of the requirements the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
16. Acceptance of and/or use of this appraisal report constitute acceptance of the foregoing general assumptions and limiting conditions.

---

## **QUALIFICATIONS OF WILLIAM C. HAISTEN, III**

### Business Address

The Haisten Group, LLC  
3154 St Elmo Avenue  
Chattanooga, TN 37408  
Telephone: (423) 899-1928, x615  
Email: [whaisteniii@thehaistengroup.com](mailto:whaisteniii@thehaistengroup.com)

### Education

Graduated University of Tennessee: BA Political Science 2000

### Appraisal Institute – Course:

#110-Appraisal Principles	1999
#120-Appraisal Procedures	1999
#310-Basic Income Capitalization	2003
#320-General Applications	2003
#510-Advanced Income Capitalization	2004
#810-Computer-Enhanced Cash Flow Modeling	2004
#410-7-Hour National USPAP Update	2005
#400-General Market Analysis and Highest & Best Use	2008
#410-National USPAP	2008
#530-Advanced Sales Comparison and Cost Approaches	2009
#540-Report Writing and Valuation Analysis	2009
#550-Advanced Applications	2010

### Appraisal Institute – Continuing Education:

7-Hour USPAP Update Course	2016
Compliance, Completeness & Competency	2016
Valuation by Comparison: Residential Analysis	2016
Hotel/Motel Valuation	2015
Intro to Green Building	2015

### Appraisal Institute Examinations successfully completed:

Exam I110	1999	Exam 400G	2008
Exam I120	1999	Exam I401N	2008
Exam I310	2003	Exam II530	2009
Exam I320	2003	Exam II540	2009
Exam II510	2004	Exam II550	2010
Exam SE810	2004		
Exam I400	2005		

### Appraisal Institute Candidate for Designation (MAI)

Successfully completed Demonstration of Knowledge Requirement – Capstone Program	2016
Successfully completed Specialized Experience Requirement	2016

### Experience

Appraiser – The Haisten Group, LLC	2014 - Present
Appraiser – The Haisten Group, Inc.	2002 - 2014
Woodford & Associates	1999

### Professional Affiliations, Membership and Licenses:

Board Member – Tennessee Real Estate Appraiser’s Commission	2023 - Present
Candidate for Designation (MAI) - Appraisal Institute (No. 402825)	
State Certified Real Estate Appraiser – State of Tennessee, License No. CG-2458	
State Certified Real Estate Appraiser – State of Georgia, License No. CG-322580	





STATE OF TENNESSEE  
DEPARTMENT OF  
COMMERCE AND INSURANCE



WILLIAM CLEE HAISTEN III

ID NUMBER: 2458  
LIC STATUS: ACTIVE  
EXPIRATION DATE: April 30, 2027

38335

TENNESSEE REAL ESTATE APPRAISER COMMISSION  
CERTIFIED GENERAL REAL ESTATE APPRAISER  
THIS IS TO CERTIFY THAT ALL REQUIREMENTS  
OF THE STATE OF TENNESSEE HAVE BEEN MET

ATTN:THE HAISTEN GROUP, LLC  
WILLIAM CLEE HAISTEN III  
3154 SAINT ELMO AVE  
CHATTANOOGA CHATTANOOGA TN 37408

## State of Tennessee

TENNESSEE REAL ESTATE APPRAISER COMMISSION  
CERTIFIED GENERAL REAL ESTATE APPRAISER  
WILLIAM CLEE HAISTEN III

*This is to certify that all requirements of the State of Tennessee have been met.*




ID NUMBER: 2458  
LIC STATUS: ACTIVE  
EXPIRATION DATE: April 30, 2027

IN-1313  
DEPARTMENT OF  
COMMERCE AND INSURANCE

## Appraisal Order Form

Printed On: 10/15/2025

<b>ORDER INFORMATION</b>		Order Status: Assigned
File No.: 25100601	Loan Type: Market Value	<b>DATES</b>
Case No.:	Job Type: "SEE ORDER FORM"	
Clients File No.:	Property Type: MLK King Bldg	
Tracking No.:	Form Type: L/F Restricted (??)	
DOS File No.:		Ordered: 10/15/2025
<b>PROPERTY INFORMATION</b>		Due: 10/15/2025
Address: 317 Oak St		Assigned: 10/15/2025
City: Chattanooga	County: Hamilton State: TN Zip: 37403	Inspected:
Location:	Map No: Census Tract:	Reviewed:
Legal: MLK Bldg Pt Lots 1 & 3 Blk C Longs Addn DB1733 PG259		Signed:
Sale Price:	Loan Amt.: Sale Date:	Fax/EDI:
Rooms: Bedrooms: Baths:	Estimated Market Value:	Delivered:
Borrower: Hamilton County	Owner: Hamilton County	Invoiced:
<b>CLIENT INFORMATION</b>		User Defined:
Client: Hamilton County Real Property		Cancelled:
Branch:		Paid:
Address: 4005 Cromwell Rd		<b>BILLING</b>
City: Chattanooga	State: TN Zip: 37421	
Phone: 209-6444	Fax: 423-209-6445	
Contact: Micheal Kirk		
<b>BILLING CLIENT INFORMATION</b>		Fee:
Client: Hamilton County Real Property		Tax:
Branch:		Total Amount:
Address: 4005 Cromwell Rd		Payment #1:
City: Chattanooga	State: TN Zip: 37421	Check #: Date:
Phone No.: 209-6444	Fax: 423-209-6445	Payment #2:
Contact: Micheal Kirk		Check #: Date:
Misc: 423-596-2206		Amount Due: \$0.00
<b>APPRAISER INFORMATION</b>		
Appraiser: William C. Haisten, III	Supervisor:	
Cert #: CG-2458	State: TN	Cert #:
License #:	State:	License #:
Exp. Date: 04/30/2027		Exp. Date:
<b>PRIMARY CONTACT INFORMATION</b>		
Primary Contact: Michael Kirk	Home Phone: 423-596-2206	
Best Time to Call:	Work Phone: 423-209-7960	
<b>SECONDARY CONTACT INFORMATION</b>		
Secondary Contact:		Home Phone:
Best Time to Call:		Work Phone:
<b>SPECIAL INSTRUCTIONS</b>		
fee \$3750 due date Fri 10/24 - Fri 11/7 e-mail michaelk@hamiltontn.gov		
mls -- no		
zips -- no		
asst to complete -- daveb		
entered by -- JKL		
<b>COMMENTS</b>		
		

Report Version 8.0.0.1

25100601  
(W)

**Jennifer Luy**

**From:** Will Haisten  
**Sent:** Friday, September 26, 2025 9:37 AM  
**To:** Kirk, Michael  
**Cc:** Mansfield, Lynn M; Leamon, Todd; Tuggle, Jean; Bagby, LaMonte L; Roddy, David; Jennifer Luy  
**Subject:** RE: Appraisal Request

Mike,

We will put this appraisal assignment in the queue. Thank you.

Best Regards,

**Will Haisten**  
**The Haisten Group, LLC**  
3154 St. Elmo Avenue  
Chattanooga, TN 37408  
C: 423-503-8349

\*3750  
4-6 Wks  
10/24 - 10/7

**From:** Kirk, Michael <MichaelK@HamiltonTN.gov>  
**Sent:** Friday, September 26, 2025 8:32 AM  
**To:** Will Haisten <whaisteniii@thehaistengroup.com>  
**Cc:** Mansfield, Lynn M <LynnM@HamiltonTN.gov>; Leamon, Todd <ToddL@HamiltonTN.gov>; Tuggle, Jean <JeanTu@HamiltonTN.gov>; Bagby, LaMonte L <LaMonteB@hamiltontn.gov>; Roddy, David <DRoddy@HamiltonTN.gov>  
**Subject:** Re: Appraisal Request

Will,  
I have approval to proceed. Please get us in the queue for appraisal at your earliest convenience per your email below.

I will handle access to the building when needed. Let me know if you have any questions.

Thanks in advance. mk

Michael S. Kirk  
Director of Property Management  
Hamilton County Government

4005 Cromwell Rd  
Chattanooga, TN 37421  
Tel: 423.209.7960  
Cell: 423.596.2206  
michaelk@hamiltontn.gov

317 OAK ST  
37403



CONFIDENTIALITY NOTICE: If you have received this email in error, please immediately notify the sender by e-mail at the address shown. This email transmission may contain confidential information. This information is intended only for the use of the individual(s) or entity to whom it is intended even if addressed incorrectly. Please delete it from your files if you are not the intended recipient. Thank you for your compliance.

2-N

**From:** Will Haisten <whaisteniii@thehaistengroup.com>  
**Sent:** Wednesday, September 24, 2025 10:50 AM  
**To:** Kirk, Michael <MichaelK@HamiltonTN.gov>

PAVEL

---

**Cc:** Mansfield, Lynn M <[LynnM@HamiltonTN.gov](mailto:LynnM@HamiltonTN.gov)>  
**Subject:** RE: Appraisal Request

**Caution!**

This email originated from an external source. Do not click links or open attachments unless you recognize the sender and know the content is safe.

- Hamilton County IT Department

Mike,

Great to talk with you. Our fee for the 317 Oak Street would be \$3,750 with a 4-6 week turn time. Thank you.

Best Regards,

**Will Haisten**  
**The Haisten Group, LLC**  
3154 St. Elmo Avenue  
Chattanooga, TN 37408  
C: 423-503-8349

**From:** Kirk, Michael <[MichaelK@HamiltonTN.gov](mailto:MichaelK@HamiltonTN.gov)>  
**Sent:** Tuesday, September 23, 2025 11:23 AM  
**To:** Will Haisten <[whaisteniii@thehaistengroup.com](mailto:whaisteniii@thehaistengroup.com)>  
**Cc:** Mansfield, Lynn M <[LynnM@HamiltonTN.gov](mailto:LynnM@HamiltonTN.gov)>  
**Subject:** Appraisal Request

Will,

Please give me a call on my cell at your convenience. We are looking at a potential sale of the Martin Luther King Building 317 Oak Street Chatt TN.

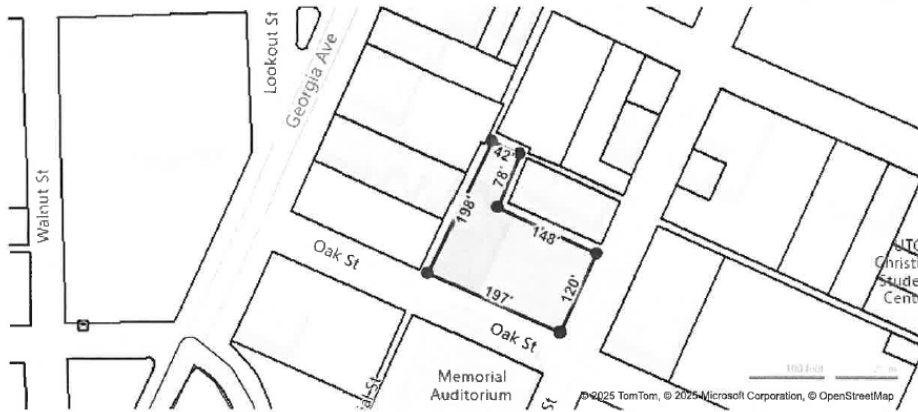
Thanks mk

Michael S. Kirk  
Director of Property Management  
Hamilton County Government

4005 Cromwell Rd  
Chattanooga, TN 37421  
Tel: 423.209.7960  
Cell: 423.596.2206  
[michaelk@hamiltontn.gov](mailto:michaelk@hamiltontn.gov)



CONFIDENTIALITY NOTICE: If you have received this email in error, please immediately notify the sender by e-mail at the address shown. This email transmission may contain confidential information. This information is intended only for the use of the individual(s) or entity to whom it is intended even if addressed incorrectly. Please delete it from your files if you are not the intended recipient. Thank you for your compliance.



**LOCATION**

**Property Address** 317 Oak St  
Chattanooga, TN 37403-1902

**Subdivision** Longs Addn

**County** Hamilton County, TN

**GENERAL PARCEL INFORMATION**

**Parcel ID/Tax ID** 145D B 013

**Alternate Parcel ID**

**Account Number**

**District/Ward** Chattanooga

**2020 Census Tract/Bik** 31/2

**Assessor Roll Year** 2024

**PROPERTY SUMMARY**

**Property Type** City Exempt

**Land Use** Governmental Functions And Ser

**Improvement Type**

**Square Feet**

**CURRENT OWNER**

**Name** Hamilton County

**Mailing Address** Hamilton Co Courthouse  
Chattanooga, TN 37402

**SCHOOL ZONE INFORMATION**

**Brown International Academy** 0.5 mi

**Elementary: Pre K to 5** Distance

**Orchard Knob Middle School** 1.7 mi

**Middle: 6 to 8** Distance

**Howard School** 1.6 mi

**High: 9 to 12** Distance

**SALES HISTORY THROUGH 09/19/2025**

Date	Amount	Buyer/Owners	Seller	Instrument	No. Parcels	Book/Page Or Document#
1/1/1967		Hamilton County				1733/259

**TAX ASSESSMENT**

Appraisal	Amount	Assessment	Amount	Jurisdiction	Rate
<b>Appraisal Year</b> 2020		<b>Assessment Year</b> 2020			
<b>Appraised Land</b> \$860,300		<b>Assessed Land</b>			
<b>Appraised Improvements</b>		<b>Assessed Improvements</b>			
<b>Total Tax Appraisal</b> \$860,300		<b>Total Assessment</b>			
		<b>Exempt Amount</b>			
		<b>Exempt Reason</b> Exempt/Exp			

**TAXES**

Tax Year	City Taxes	County Taxes	Total Taxes
No tax records were found for this parcel.			

**MORTGAGE HISTORY**

No mortgages were found for this parcel.

**FORECLOSURE HISTORY**

No foreclosures were found for this parcel.

**PROPERTY CHARACTERISTICS: BUILDING**

No Buildings were found for this parcel.

**PROPERTY CHARACTERISTICS: EXTRA FEATURES**

No extra features were found for this parcel.

**PROPERTY CHARACTERISTICS: LOT**

<https://car.crsdata.com/mls/Property/~qtpb3DQ3mlO6u9N24CXyQBCJB2aRifkG73Eiv0aPM8K3hf-XN9W-15JSWJYnJ1T1zzPZDi1sM1#EXPMAP>

10/15/25, 10:19 AM

CRS Data - Property Report for Parcel/Tax ID 145D B 013

Land Use Governmental Functions And Ser Lot Dimensions  
Block/Lot C/Pt 1&3 Lot Square Feet  
Latitude/Longitude 35.048766°/-85.305329° Acreage

PROPERTY CHARACTERISTICS: UTILITIES/AREA

Gas Source Road Type  
Electric Source Topography  
Water Source District Trend  
Sewer Source Special School District 1  
Zoning Code Display online RPA zoning Special School District 2  
Owner Type

LEGAL DESCRIPTION

Subdivision Longs Addn Plat Book/Page  
Block/Lot C/Pt 1&3 District/Ward Chattanooga  
Description M L King Building Pt Lots 1 & 3 Blk C Longs Addn N/R

FEMA FLOOD ZONES

Zone Code	Flood Risk	BFE	Description	FIRM Panel ID	FIRM Panel Eff. Date
X	Minimal		Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.	47065C0341G	02/03/2016

© 2025 Courthouse Retrieval System, Inc. All Rights Reserved.  
Information Deemed Reliable But Not Guaranteed.

Map for Parcel Address: 317 Oak St Chattanooga, TN 37403-1902 Parcel ID: 145D B 013



© 2025 Courthouse Retrieval System, Inc. All Rights Reserved.  
Information Deemed Reliable But Not Guaranteed.

O. K.

TRANSFERRED AUG 16 1967  
J. L. Cook, Assessor of Property

DAVID M. RAMSEY  
County Court Clerk

By *J. D. Brown*  
Deputy

G-14678-Y

IN CONSIDERATION of One (\$1.00) Dollar and other valuable

considerations paid, the receipt of all of which is hereby acknowledged,  
THE FIRST BAPTIST CHURCH OF CHATTANOOGA, TENNESSEE, a Tennessee Corporation,  
does hereby sell, transfer and convey unto HAMILTON COUNTY and the HAMILTON  
COUNTY BOARD OF EDUCATION, the following described real estate located in  
the City of Chattanooga, Hamilton County, Tennessee:



Parts of Lots One (1) and Three (3), Block "C",  
Long's Addition, plat of which is unrecorded.  
Said parts of said lots are contiguous and more  
particularly described as follows: BEGINNING at  
a spike at the Northwest intersection of Oak Street  
and Lindsay Street; thence Westwardly along the North  
line of Oak Street one hundred ninety-five and  
eighty hundredths (195.80) feet to an "X" cut in the  
concrete at the East line of an alley; thence North-  
wardly along the East line of said alley one hundred  
ninety-nine and ninety-four hundredths (199.94) feet  
to an old iron pipe set in the South line of an alley;  
thence Eastwardly along the South line of said alley  
forty-five (45) feet to an old iron pipe set in the  
West line of an alley; thence Southwardly along the  
West line of said alley seventy-four and ninety-four  
hundredths (74.94) feet to an old iron pipe set in the  
South line of an alley; thence Eastwardly along the  
South line of said alley one hundred fifty and seven-  
tenths (150.7) feet to an iron pin in the West line  
of Lindsay Street; thence Southwardly along the West  
line of Lindsay Street one hundred twenty-five (125) feet  
to the point of beginning.

THIS INSTRUMENT  
WAS PREPARED BY  
WOODS & BIRLEY  
ATTORNEYS AT LAW  
116 PROVIDENT BUILDING  
CHATTANOOGA, TENN.  
1966



Being a part of the same property conveyed to The First  
Baptist Church, Chattanooga, Tennessee, by deeds of  
record in Book 570, Page 226, Book 906, Page 421 and  
Book 1290, Page 160, in the said Register's Office of  
Hamilton County, Tennessee.

SUBJECT to any governmental zoning and subdivision  
ordinances or regulations in effect thereon.

SUBJECT to drainage easement across subject property  
from the catch basin shown by survey of Hopkins-Morton  
Engineering Company, Inc., Drawing No. 1066-631-2, dated  
October 25, 1966, located near the West line of Lot  
Three (3) and in the alley on the West line of Lot One  
(1).

SUBJECT to an alleyway crossing part of Lot One (1)  
at the rear of the building as shown by survey of  
Hopkins-Morton Engineering Company, Inc., Drawing No.  
1066-631-2, dated October 25, 1966.

TO HAVE AND TO HOLD the same unto the said HAMILTON COUNTY  
and the HAMILTON COUNTY BOARD OF EDUCATION, its successors and assigns,  
forever in fee simple.

THE FIRST BAPTIST CHURCH OF CHATTANOOGA, TENNESSEE, a  
Tennessee Corporation, covenants that it is lawfully seized and possessed  
of said real estate; has full power and lawful authority to sell and  
convey the same; that the title thereto is clear, free and unencumbered.

except as hereinabove mentioned, and it will forever warrant and defend the  
same against all lawful claims.

IN WITNESS WHEREOF, THE FIRST BAPTIST CHURCH OF CHATTANOOGA,  
TENNESSEE, a Tennessee Corporation, has caused these presents to be executed  
by its *Chairman of Session Council* and its *Vice Chairman of Session Council*  
on this the 16th day of August, 1967.

THE FIRST BAPTIST CHURCH OF CHATTANOOGA,  
TENNESSEE

BY: *J. D. Brown*  
*Chairman of Session Council*  
*Walter Jackson*  
*Vice Chairman of Session Council*

260

STATE OF TENNESSEE  
COUNTY OF HAMILTON

Before me, [Signature], a Notary Public,  
duly appointed, commissioned and qualified in and for the State and County,  
aforesaid, personally appeared N. S. Harris Jr. and  
Shaw C. Blakemore Jr., with whom I am personally acquainted,  
and who upon oath acknowledged themselves to be the Chairman of Session Chairman  
and Vice Chairman of Session respectively of THE FIRST BAPTIST CHURCH OF  
CHATTANOOGA, TENNESSEE, the within named bargainor, a Corporation, and that  
they, as such Chairman and Vice Chairman  
being authorized so to do, executed the foregoing instrument for the purposes  
therein contained by signing the name of the Corporation by themselves as  
such Chairman and Vice Chairman.

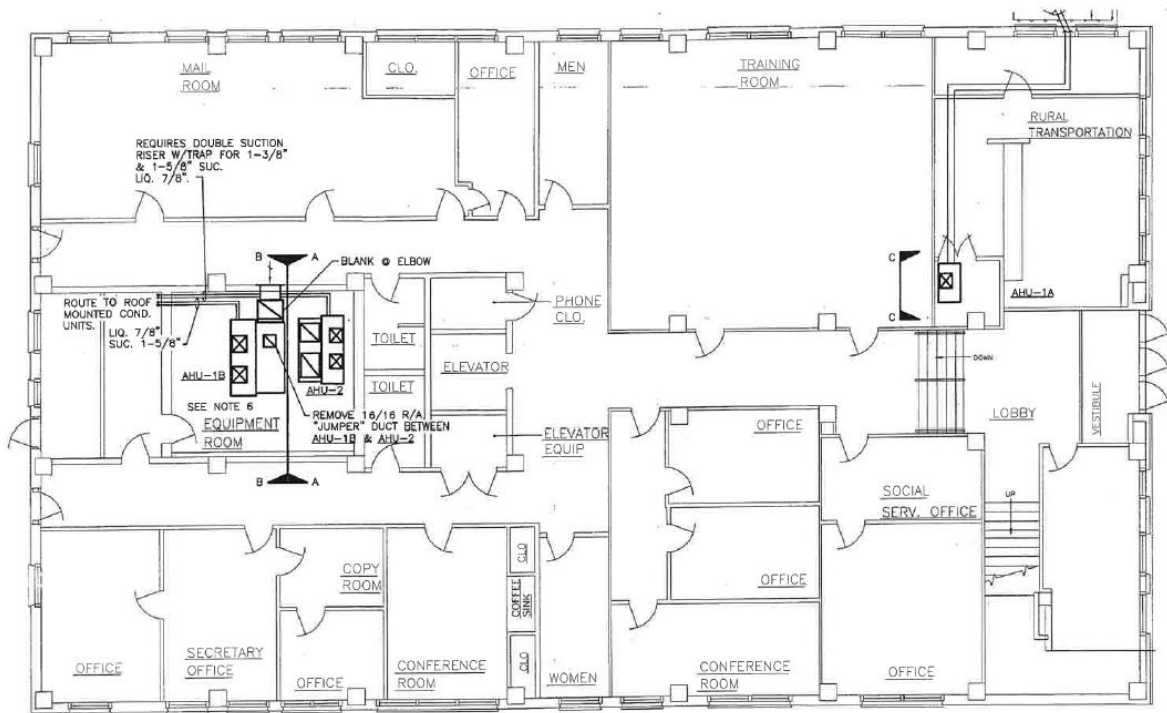
IN TESTIMONY WHEREOF, I have hereunto set my hand and Notarial  
Seal at Office in said County and State on this the 10th day of  
August, 1967.

[Signature]  
Notary Public



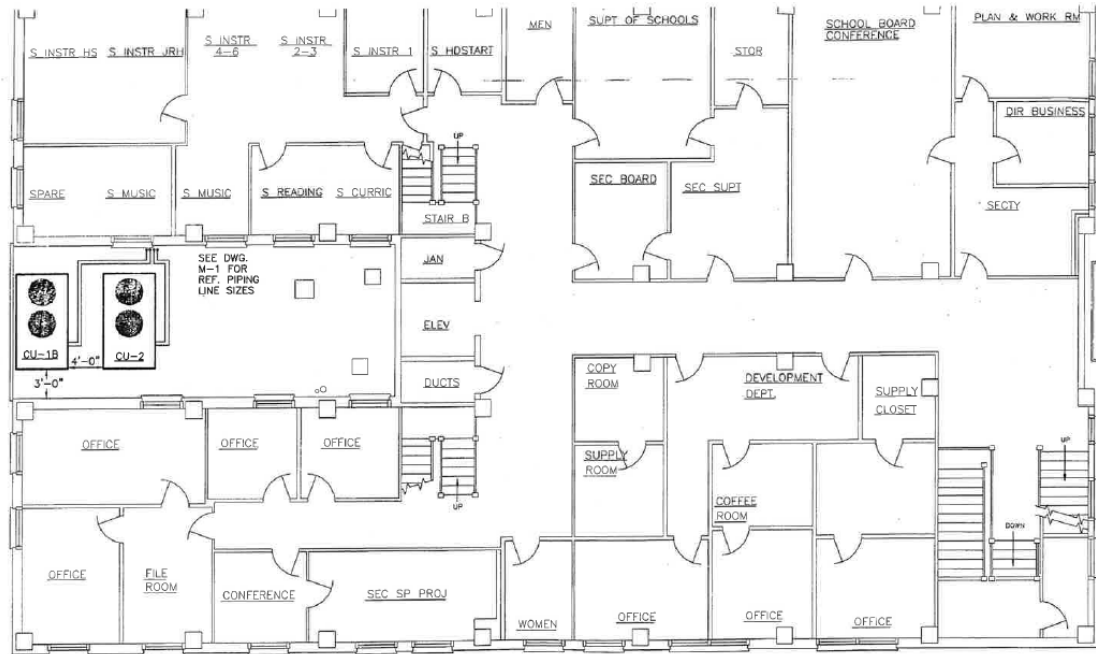
My Commission Expires: April 9, 1969

STATE OF TENNESSEE, HAMILTON COUNTY:  
The above Instrument and Certificate were filed Aug. 16, 1967 at 9:15 AM  
entered in Note Book No. 59 Page 167 and recorded in Record Book 1733 Page 259  
WITNESS my hand at office in Chattanooga, Tennessee.  
Dorothy P. Grammer Register...



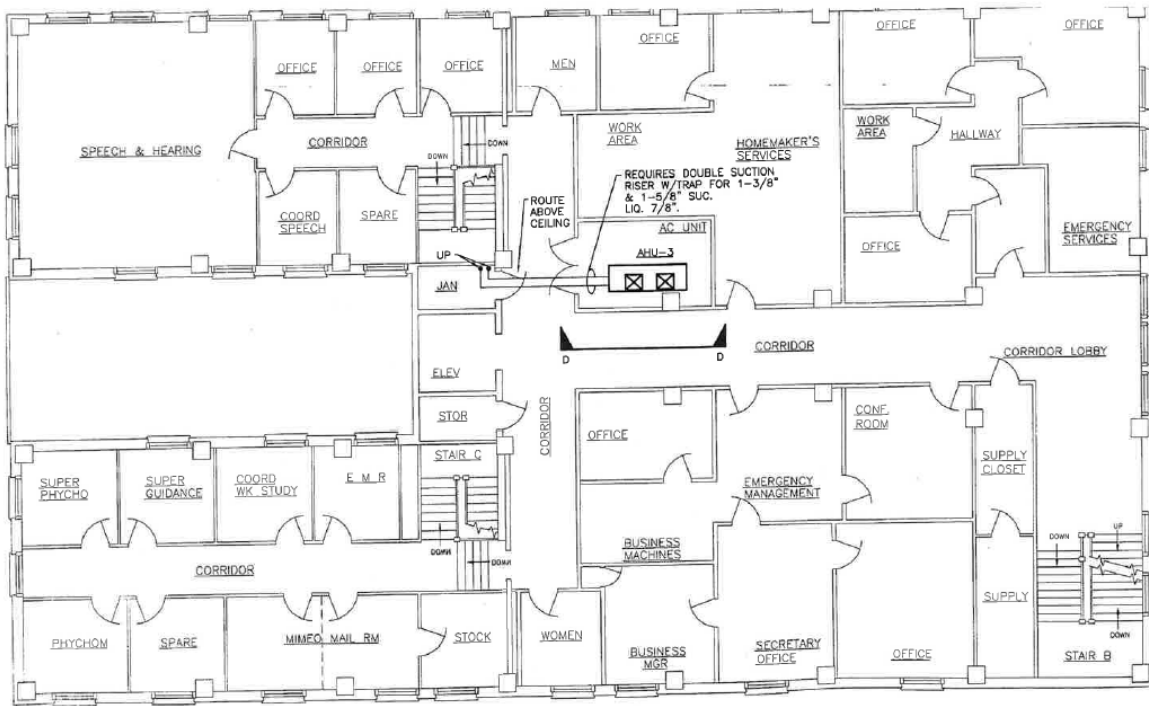
**FIRST FLOOR MECHANICAL PLAN**  
SCALE: 1/8" = 1'-0"

SEE SHEET M-5  
FOR STRUCTURAL  
PLATFORM FOR  
CU-1B & CU-2.

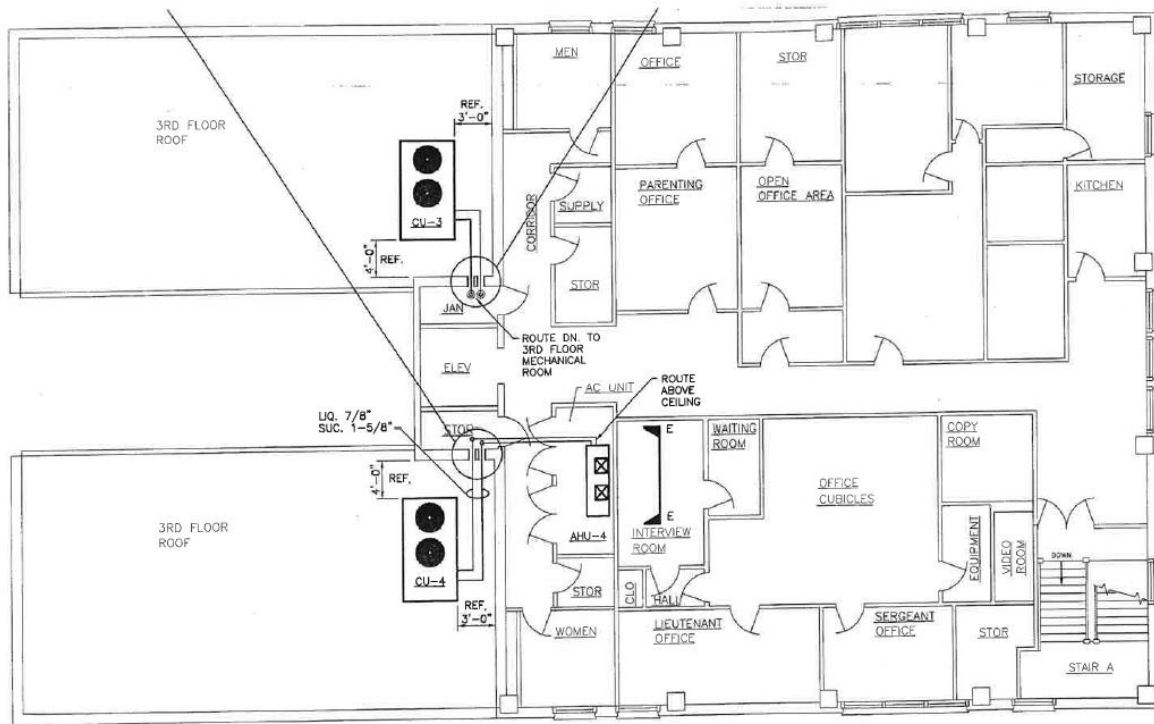


### SECOND FLOOR MECHANICAL PLAN

SCALE : 1/8" = 1'-0"



**THIRD FLOOR MECHANICAL PLAN**  
 SCALE : 1/8" = 1'-0"



**FOURTH FLOOR MECHANICAL PLAN**

SCALE : 1/8" = 1'-0"

CITY OF CHATTANOOGA  
101 E 11TH ST ROOM 100  
CHATTANOOGA, TN 37402



Phone: 423-643-7262  
Email: [ptax@chattanooga.gov](mailto:ptax@chattanooga.gov)  
OFFICE HOURS  
Monday through Friday  
8 a.m. - 4:30 p.m.

Jarrod Brock, City Treasurer

**CITY OF CHATTANOOGA  
2025 Tax Notice**

**Total Due:** \$1,468.32  
**Date Due:** 02/28/2026  
**PIDN:** 2025-79434  
**Security Code:** 7334  
**Parcel #:** 1450B013

HAMILTON COUNTY  
HAMILTON CO COURTHOUSE  
CHATTANOOGA, TN 37402

Description	Assessment	Rate	Amount Due
STORMWATER FEE 2025	8	183.5400	\$1,468.32

**TOTAL BY February 28, 2026 \$1,468.32**

Monthly Interest begins on March 1, 2026

**PAYMENT OPTIONS:**

**ONLINE:** [chattanoogatn.taxandrevenue.opengov.com](http://chattanoogatn.taxandrevenue.opengov.com)

*Fees apply: 2.55% or \$2.20 minimum for card, \$2 for e-check.*

**FIRST HORIZON BANK: CHATTANOOGA LOCATIONS ONLY.** Please bring this entire document with you and present separate checks per by 02/28/2026

**MAIL:** Chattanooga City Treasurer, P.O. Box 191, Chattanooga, TN 37401

*Include bottom portion of this notice, but no other correspondence.*

**IN PERSON:** City Hall, 101 E 11th Street, 1st Floor or **DROP BOX located on Newby St.**

Please bring this entire document with you by 02/28/2026

**PAY ONLINE:**



**ADDITIONAL INFORMATION  
LISTED ON BACK**

PLEASE DETACH AND RETURN LOWER PORTION WITH YOUR CHECK. TO ENSURE PROPER CREDIT, PLEASE INCLUDE THE PIDN ON YOUR CHECK.



**CITY OF CHATTANOOGA**  
TREASURER'S OFFICE  
423-643-7262

**PIDN:** 2025-79434

**Date Due:** 02/28/2026

**Amount Due:** \$1,468.32

**Amount Enclosed:** \_\_\_\_\_

**Location:** 317 OAK ST

**Please make checks payable to:**

Chattanooga City Treasurer  
PO Box 191  
Chattanooga, TN 37401-0191



2025-79434

202500794340000146832

