

For Sale

Multifamily Investment Opportunity

31 Units | \$3,980,000



Offering Memorandum

The Lodge

405 Chickamauga Drive, Dayton, TN 37321



Table of Contents

3 Section 1
Property Information

14 Section 2
Location Information

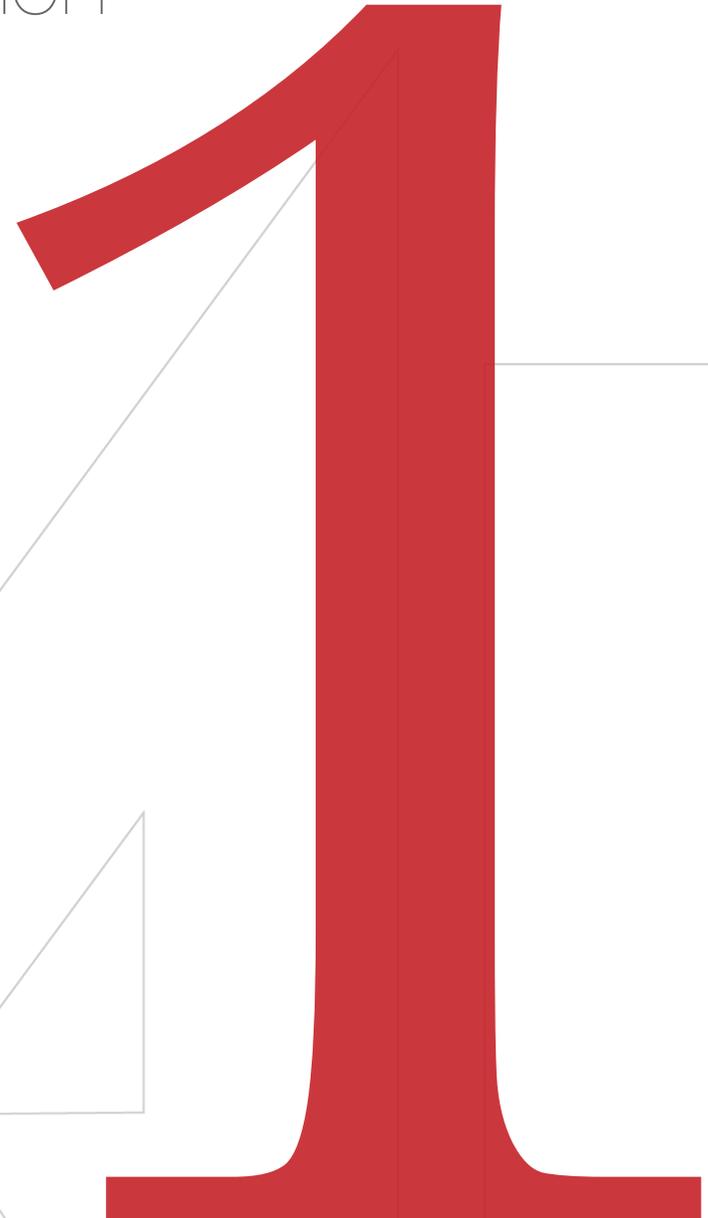
22 Section 3
Financial Analysis

27 Section 4
Demographics

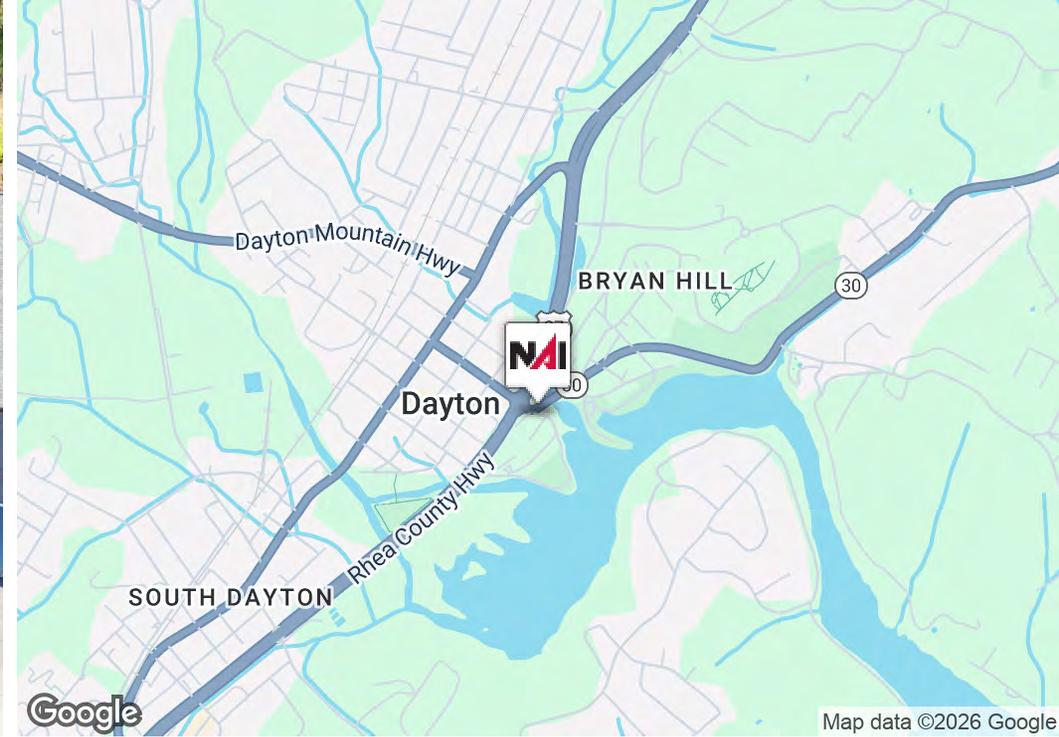
30 Section 5
Advisor Bios

Section 1

Property Information



Executive Summary



SALE PRICE:	\$3,980,000
NUMBER OF UNITS:	31 + Phase 2 Land
CAP RATE:	7.5%
NOI:	\$290,839 (actual)
LOT SIZE:	2.17 Acres
BUILDING SIZE:	22,528 SF
YEAR BUILT:	2021
RENOVATED:	2025
ZONING:	Commercial - Hospitality
MARKET:	Dayton
CROSS STREETS:	Rhea County Highway

Property Overview

Presenting an exceptional opportunity for workforce housing investment in Dayton, TN. This 22,528 SF property, originally built in 2021 as a hotel and converted to workforce/multifamily housing in 2025, offers 31 units and is zoned for commercial-hospitality use. This property is the only property in Dayton offering lease terms of less than 6 months, which has allowed the current owner to dominate the market for workforce housing. While the property offers the amenities of an extended-stay property, it does not incur the franchise fees that typically accompany them. Having undergone a complete conversion, this property offers investors the opportunity to generate existing cash flow with additional value-add components. With its efficient layout and design, this property is well-suited for meeting the demand for affordable workforce housing in the Dayton area. The garages offer an additional sense of security and storage for the residents while offering an additional income source for ownership.

The property is delivered with the adjacent 1.4-acre parcel and all construction plans for Phase II of the development. If constructed according to plan, it would allow an investor to add 26 units. If desired, plans can be modified to include more units and/or garages.

Property Description



Property Overview

Presenting an exceptional investment opportunity in workforce housing/multifamily in Dayton, TN. This 22,528 SF property, originally built in 2021 as a hotel and converted to workforce/multifamily living in 2025, offers 31 units and is zoned for commercial-hospitality use. With its spacious layout and modern design, this property is well-suited for meeting the demand for affordable workforce housing in the Dayton area.

The sale includes an additional 1.5 acres and all construction plans for Phase II of the development. It would allow an investor to add 26 units if the units were constructed according to plan. If desired, plans can be modified to include more units and/or garages.

Location Overview

Situated in the heart of Dayton, TN, the surrounding area of the property offers a delightful mix of natural beauty and modern amenities. Just a short distance from the scenic Chickamauga Lake, residents can enjoy an array of waterside activities, including fishing and boating. The historic downtown district is close by, providing a charming selection of local shops, eateries, and cultural attractions. For workforce housing operators, the property's close proximity to employers, major highways, and transportation centers makes it an ideal location for residential living. With its blend of scenic vistas and urban conveniences, this area presents a compelling opportunity for investment.



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Property Details

PROPERTY NAME:	The Lodge
PROPERTY ADDRESS:	405 Chickamauga Drive Dayton, TN 37321
APN:	090P C 008.00 and 090P C 007.00
LOT SIZE:	2.17 Acres
BUILDING SIZE:	22,528 SF
ZONING:	Commercial - Hospitality
CROSS STREETS:	Rhea County Highway
YEAR BUILT/RENOVATED:	2021/2025
AVERAGE FLOOR SIZE:	11,264
NUMBER OF UNITS:	31



Sale Highlights

- 22,528 SF newly built property
- 31 modern, spacious and fully-furnished units
- Zoned for Commercial - Hospitality use that allows for multifamily
- Prime investment opportunity in the thriving Dayton area
- Contemporary design and layout
- Designed to meet the demand for quality residential accommodations
- Successfully converted to workforce/multifamily housing with high occupancy
- Versatile property for multifamily real estate investors
- Located in a USDA Rural Development Zone



Additional Photos



Additional Photos



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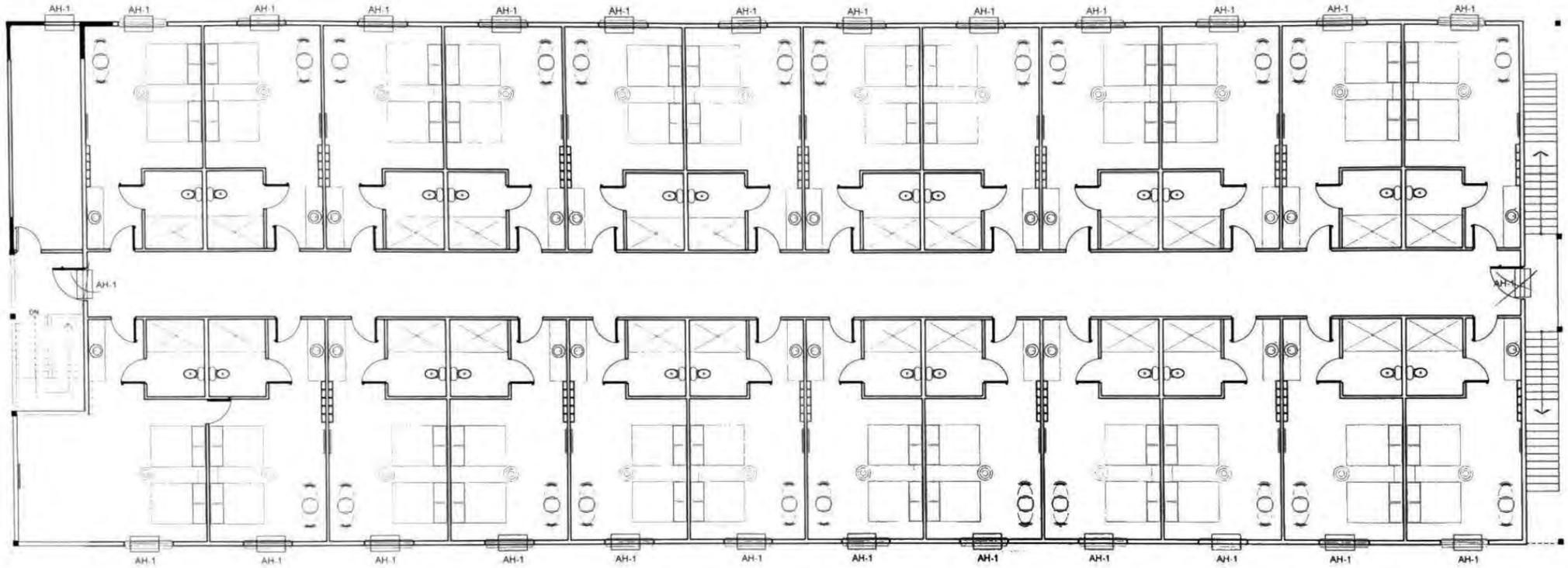
Additional Photos



Additional Photos



Floor Plan

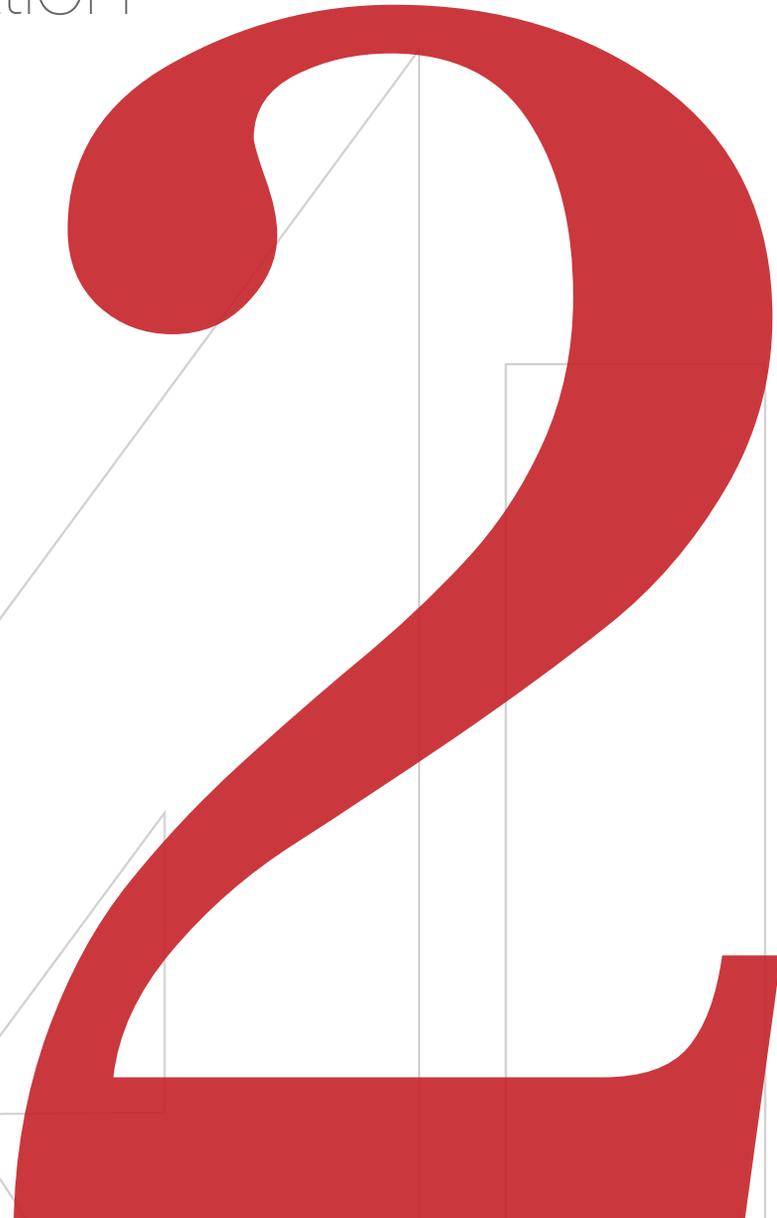


Phase II Site

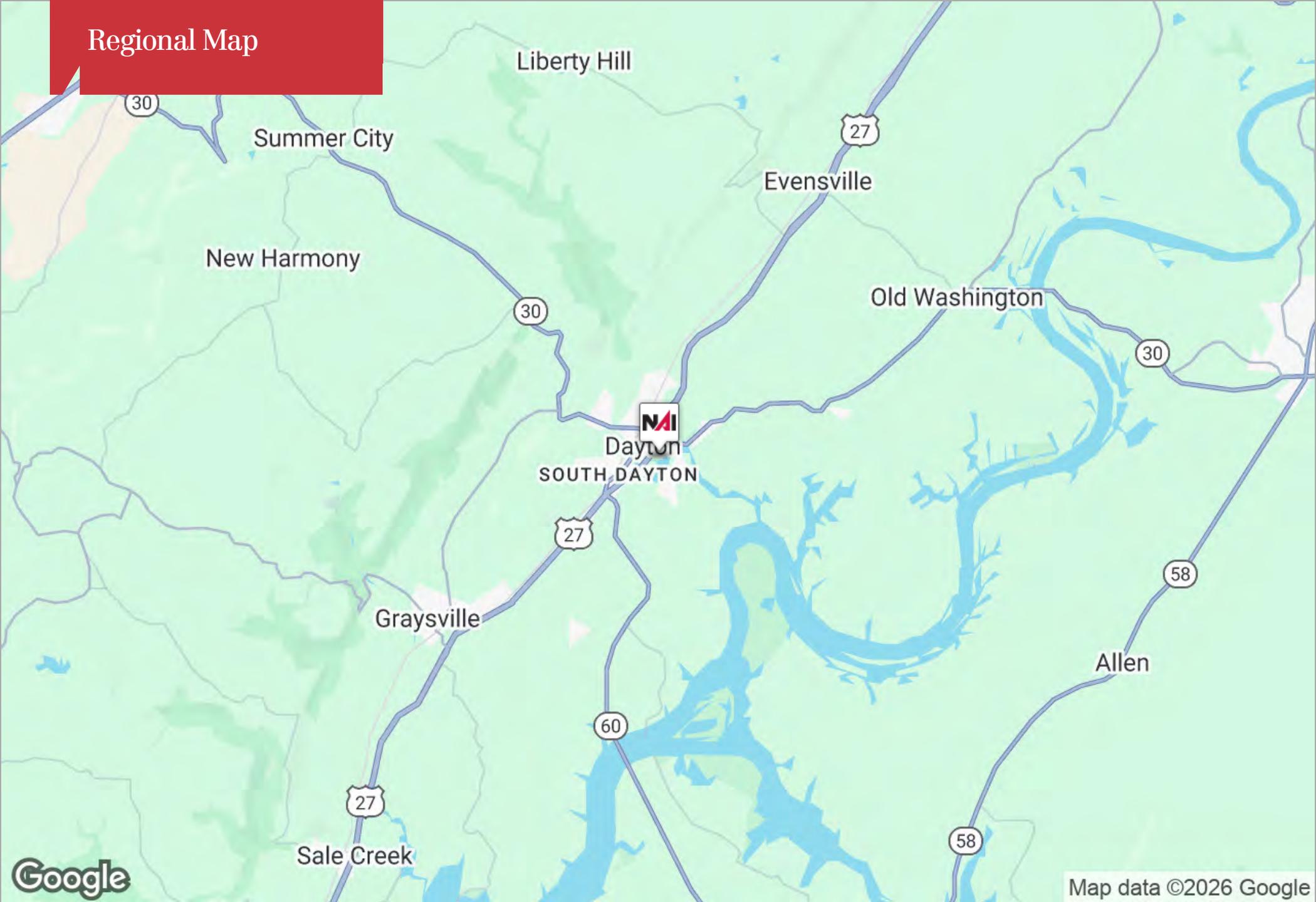


Section 2

Location Information



Regional Map

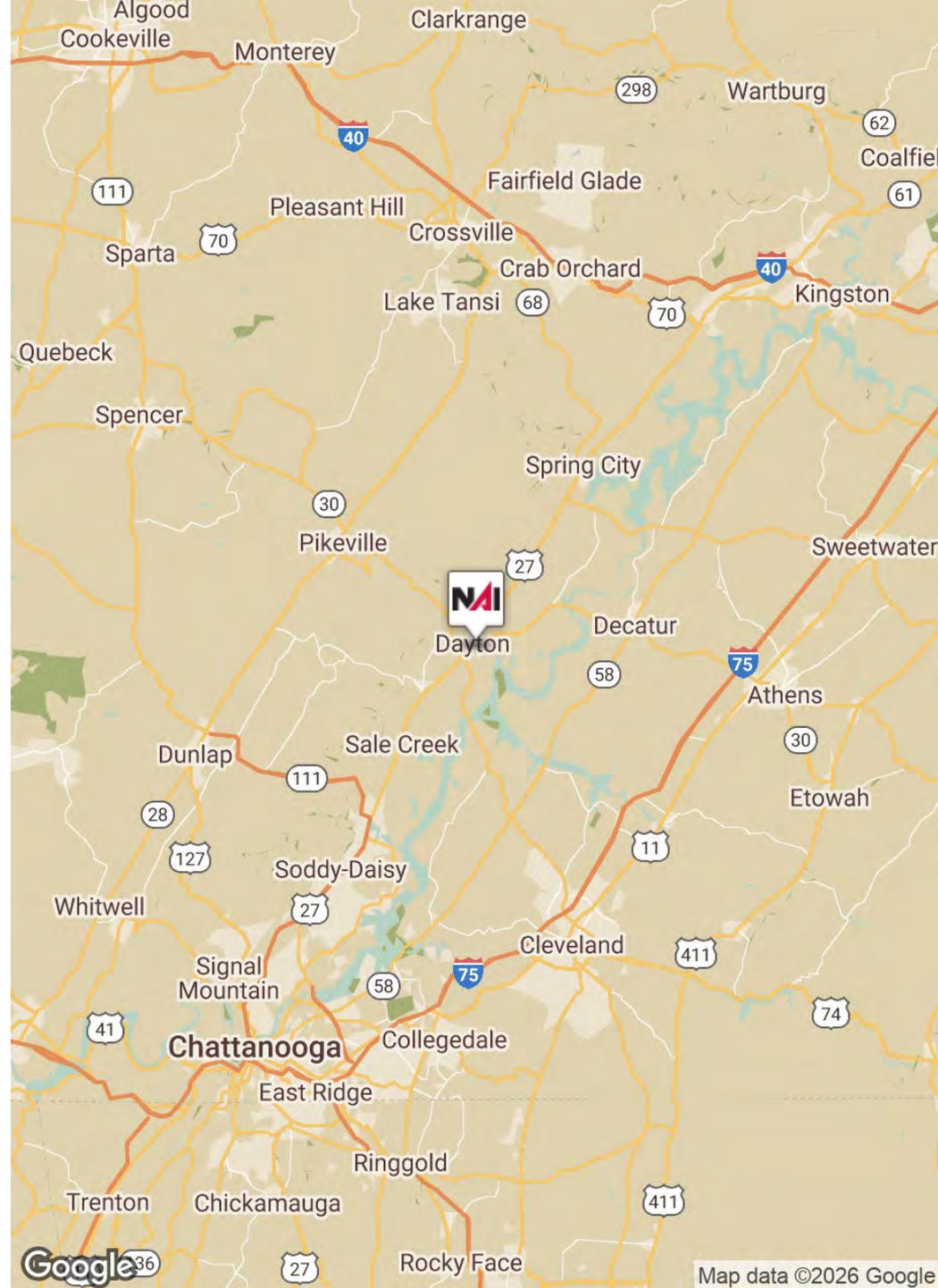
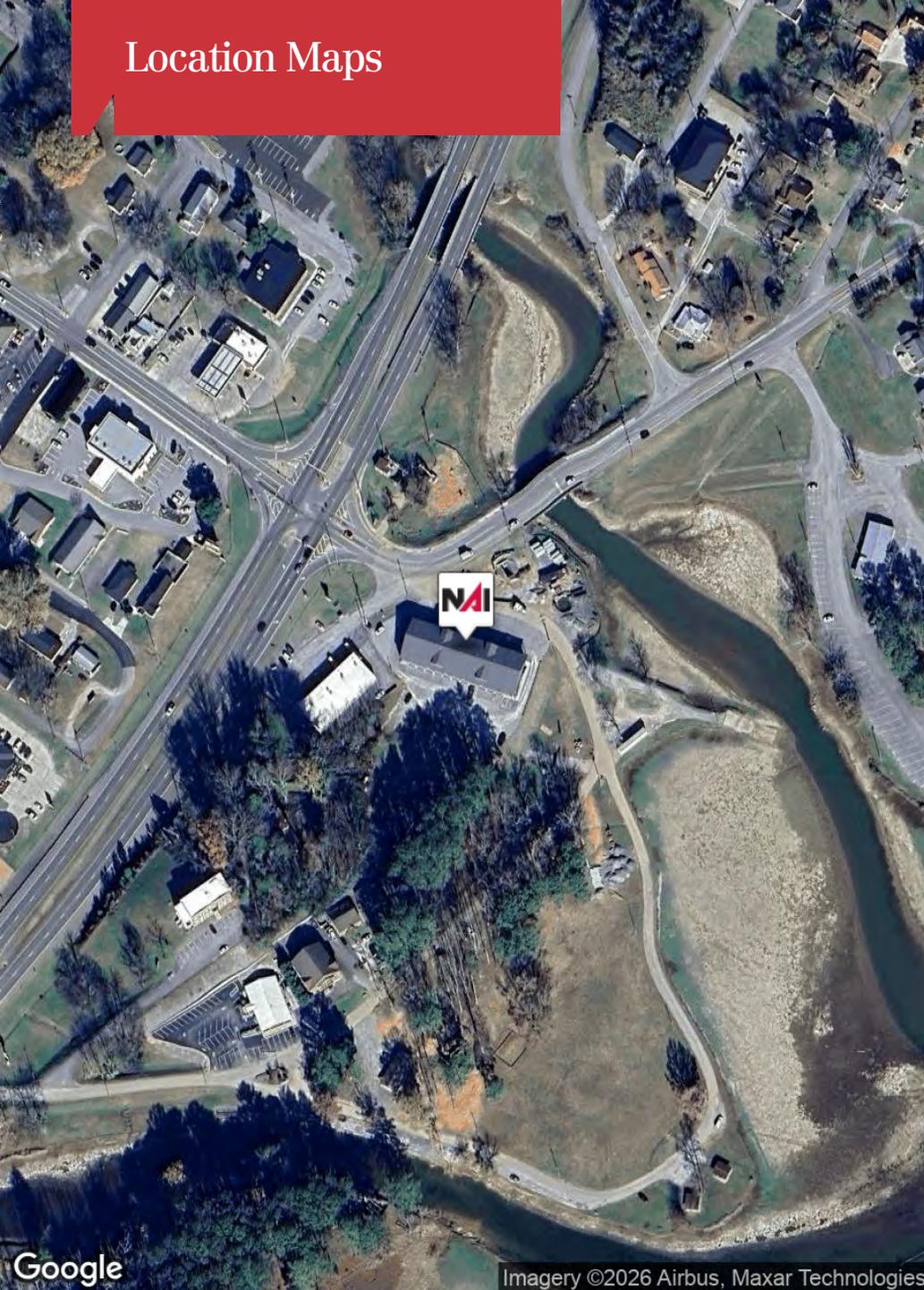


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Location Maps



Google

Imagery ©2026 Airbus, Maxar Technologies

Google

Map data ©2026 Google



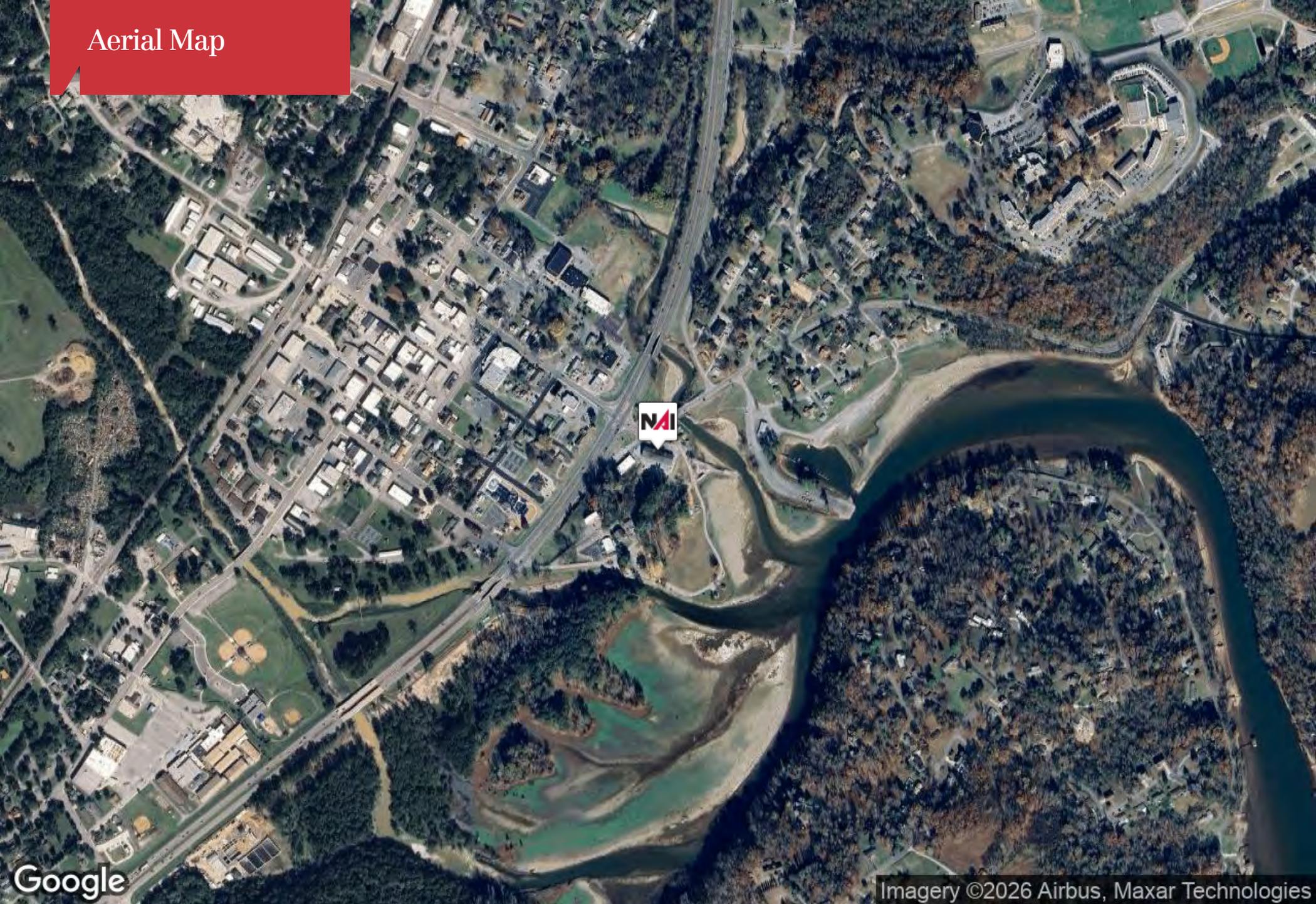
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Aerial Map



Google

Imagery ©2026 Airbus, Maxar Technologies

NAI Koella
RM Moore

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in

Retailer Map





★ Designed by TownMapsUSA.com

Dayton, TN

Rhea County provides safe, small-town living near many diverse shopping, dining, cultural, and entertainment opportunities. Dayton is a city in and the county seat of Rhea County. Dayton is conveniently located 30 miles north of Chattanooga, 70 miles south of Knoxville, and 110 miles east of Nashville. Within a 45-minute drive, a million people reside where Rhea County employers draw labor from. Tennessee Department of Transportation reports that over 33,000 people travel to Rhea County daily for work, with average commutes between thirty and forty-five minutes.

With over forty-one industrial and manufacturing employers such as Nokian Tyres, Robinson Manufacturing Company, Woodmack Products, and Dayton Plastics, the demand for workforce housing in Rhea County continues to remain unsatisfied. Very few affordable rentals are available for area employees, which causes employers to draw from surrounding areas, sometimes requiring a 45-minute or greater drive to and from work each day.

City Information

City Highlights

- Low Property Taxes
- Low Cost of Living
- Industrial/Manufacturing Based Community
- Convenient Location for both Rail and Highway

Nokian Tyres announces Dayton Factory Expansion, Creation of 75 Additional Jobs

DAYTON, TN — In 2018, Finnish tire company Nokian Tyres announced they would invest \$360 million to build a new manufacturing facility in Dayton, creating 400 new jobs. The 830,000 SF facility was completed and in 2023, Nokian announced the construction of an additional 600,000 SF at its North American production site, as the company aims to double tire capacity at the award-winning facility. This expansion created an additional 75 jobs in the Dayton area. The expansion and warehouse are in line with Nokian Tyres' originally announced investment, which called for the facility to reach full capacity of as many as four million tires. The total value of the 75 new jobs and the originally planned capacity expansion and warehouse is approximately \$174 million.

When Nokian Tyres opened its North American factory in 2019, it committed to bring 400 jobs to Rhea County. As the company adds positions and equipment in pursuit of full capacity approaching four million tires per year, it is partnering with the state and community to raise that total number of employees to 475. Nokian strives to be an employer of choice in Southeast Tennessee, and that has been the focus since day one of operations in Dayton.

The 600,000-tire warehouse connected to the Dayton Factory is in line with the original investment plan. The facility will join the company's nine-warehouse network throughout the U.S. and Canada and will serve the growing volume of customers in the sun belt. The company plans to bring the warehouse online by mid-2024. The factory set production records with existing equipment in 2022, and the company has begun installing additional infrastructure inside the factory to meet its goal of producing up to four million tires per year – a milestone it plans to reach in 2024. The company makes all-season and all-weather tires at the facility, which is the epicenter of its growth plan in North America. The expansion will enable Nokian Tyres to add light truck tires to the Dayton Factory's product mix in 2024.

In its first three years of operations in Dayton, the company has earned recognition for its workplace culture, operations and sustainability. Nokian Tyres was the Chattanooga Regional Manufacturers Association's Company of the Year in 2021, and the company was the first in Rhea County to receive the prestigious Tennessee Governor's Environmental Stewardship Award. The Dayton Factory's production building is the only tire production facility in the world to possess LEED v4 Silver certification, and its LEED v4 Gold-certified administration building is fully powered by energy generated from onsite solar panels.

- Nokian Tyres opened its North American production facility in 2019 and began producing tires there for commercial use in January 2020
- The company currently employs approximately 350 workers at the Dayton Factory, a number it will grow to 475 by the end of 2024
- At full capacity, the Dayton Factory will produce as many as four million all-season and all-weather tires annually for sale in the North American market. The facility is scheduled to reach full capacity by 2024
- The new onsite tire storage warehouse will have capacity of 600,000 tires and will open in mid-2024
- The 830,000 square-foot facility includes a LEED v4 Gold-certified administration building, the only LEED v4 Silver-certified tire production building in the world, and a five-story mixing building where the company formulates rubber compounds for the tires it crafts in Dayton
- The Dayton Factory is part of a global production network that also includes Nokian Tyres' flagship facility in Nokia, Finland.



What is Workforce Housing and how can it help Dayton?

Dayton, Tennessee prides itself on the industrial growth that has fueled the city for decades. Home to the United States Headquarters of Nokian Tyres among other large industrial and manufacturing employers, Dayton has become an employment base for high-skilled workers.

Job growth in the Dayton area has remained consistent; however, the community faces the same critical issue that other similar industrial markets face – an enormous lack of affordable housing that is growing with each passing day.

Closing this gap and getting on track to meet the residential needs of the workforce will require innovation, a shift in development approach and collaboration amongst public/private partnerships. This can be accomplished through a variety of approaches.

What is “workforce housing”? Workforce housing is typically defined as affordable housing for those with incomes that are between 60 and 140% of the area median income. It is also sometimes referred to as middle-income or moderate-income housing. The term “workforce” refers to those that are employed but it does not usually include those who are the target of affordable housing programs.

One solution in Dayton is employer-supported workforce housing. This model involves major employers partnering with developers to build or convert existing buildings specifically for their employees. The employers typically co-invest in exchange for providing affordable workforce housing for their employees, to improve their recruitment and retention.

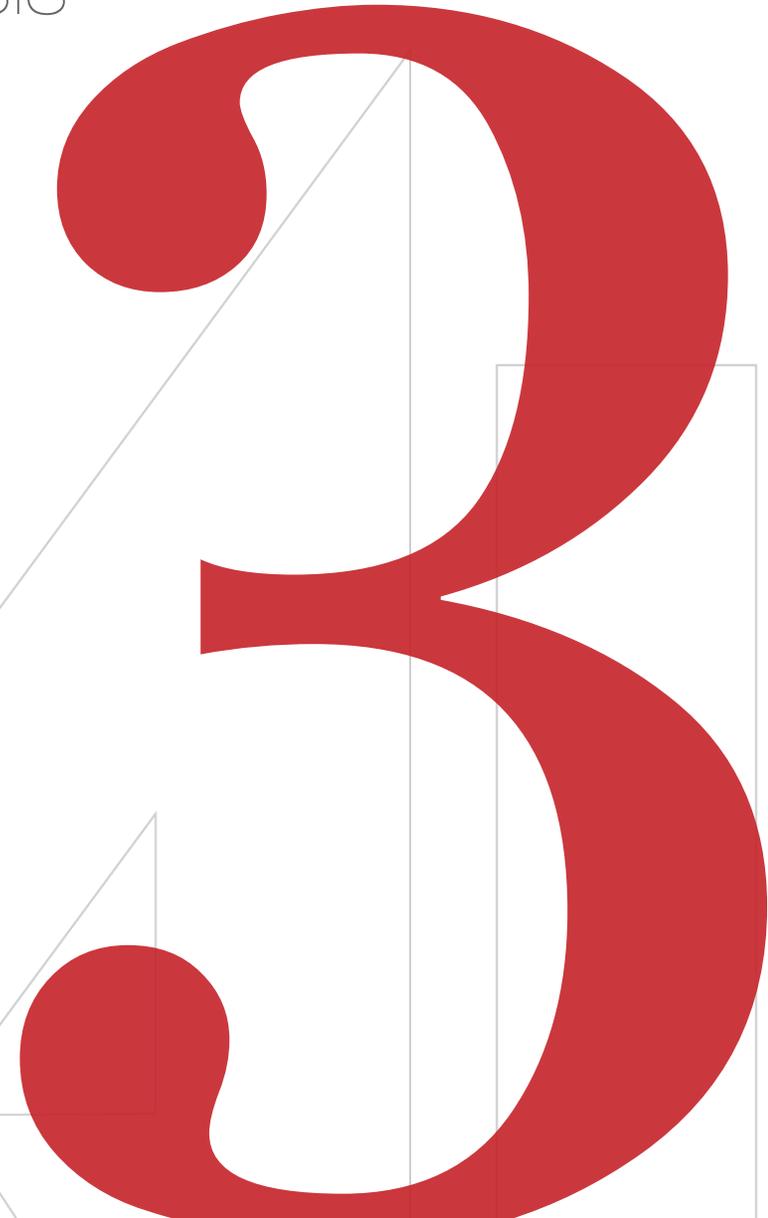
In addition to employer-supported housing, more traditional multifamily developers have the opportunity to either convert existing facilities or build new facilities that offer smaller, non-traditional housing opportunities for the industrial and manufacturing workforce.

The Lodge, with its existing 31 units has helped to meet this need and has maintained high occupancy since conversion. The remaining 10 garages can be converted into additional residential units and the excess land provides additional expansion.



Section 3

Financial Analysis



Conversion Financial Assumptions

ACTUAL			PROFORMA				
Income			Income				
25 1 Bed (per current rent roll)	\$	352,560.00	25 1 Bed (\$1,250/mo)	\$	375,000.00		
1 Bed Premium (\$1,380/mo)	\$	16,560.00	1 Bed Premium (\$1,380/mo)	\$	16,560.00		
5 2 Bed (per current rent roll)	\$	106,500.00	5 2 Bed (\$1,700/mo)	\$	102,000.00		
10 Garages (\$200/mo) (3 rented)	\$	7,200.00	10 Garages (\$200/mo)	\$	24,000.00		
Additional Income (application fees, late fees, vending, etc.)	\$	5,000.00	Additional Income (application fees, late fees, vending, etc.)	\$	5,000.00		
Total Current Actual Income	\$	487,820.00	Total Potential Gross Income	\$	522,560.00		
Less 5% Vacancy	\$	(24,391.00)	Less 5% Vacancy	\$	(26,128.00)		
Potential Gross Income	\$	463,429.00	Potential Gross Income	\$	496,432.00		
Expenses			Expenses Estimated				
Spectrum	\$	13,062.36	Spectrum	\$	13,062.36		
Utilities	\$	40,800.00	Utilities	\$	40,800.00		
Pest Control	\$	2,700.00	Pest Control	\$	3,000.00		
RE Taxes (estimate)	\$	36,000.00	RE Taxes (estimate)	\$	36,000.00		
Fire alarm inspection	\$	1,140.00	Fire alarm inspection	\$	1,140.00		
Fire alarm service	\$	600.00	Fire alarm service	\$	600.00		
Fire extinguisher inspection	\$	120.00	Fire extinguisher inspection	\$	120.00		
Repairs/Maintenance (5%)	\$	23,171.45	Repairs/Maintenance (5%)	\$	24,821.60		
Current PM	\$	42,000.00	Salary (if current PM is retained)	\$	42,000.00		
Property Insurance	\$	12,996.00	Property Insurance	\$	13,000.00		
Total Estimated Expenses	\$	172,589.81	37.24%	Total Estimated Expenses	\$	174,543.96	35.16%
NOI Based on Current RR	\$	290,839.19	Estimated NOI Proforma	\$	321,888.04		

No assumptions have been made for conversion of remaining 10 garage units or construction of Phase II

Unit Mix Summary

UNIT TYPE	BEDS	BATHS	COUNT	% OF TOTAL	SIZE SF	MARKET RENT	MARKET RENT/SF
Efficiency	1	1	25	61%	420 SF	\$1,250	\$2.98
Premium	1	1	1	2.40%	600 SF	\$1,380	\$2.30
2 Bed	2	1	5	12.20%	900 SF	\$1,700	\$1.89
Garage	-	-	10	24.40%	450 SF	\$200	\$0.44
TOTALS/AVERAGES			41	100%	490 SF	\$1,052	\$2.21



Rent Roll

SUITE	BEDROOMS	BATHROOMS	SIZE SF	RENT	RENT / SF
101	1	1	420 SF	\$1,150	\$2.74
102	1	1	450 SF	\$1,150	\$2.56
203	1	1	450 SF	\$1,180	\$2.62
204	1	1	600 SF	\$1,380	\$2.30
205	1	1	450 SF	\$1,150	\$2.56
206	1	1	450 SF	\$1,150	\$2.56
207	1	1	450 SF	\$1,180	\$2.62
208	1	1	450 SF	\$1,200	\$2.67
209	1	1	450 SF	\$1,180	\$2.62
210	1	1	450 SF	\$1,150	\$2.56
211	1	1	450 SF	\$1,150	\$2.56
212	1	1	450 SF	\$1,150	\$2.56
213	1	1	450 SF	\$1,150	\$2.56
214	1	1	450 SF	\$1,180	\$2.62
215	1	1	450 SF	\$1,150	\$2.56
216	1	1	450 SF	\$1,180	\$2.62
217	1	1	450 SF	-	-
218	1	1	450 SF	\$1,250	\$2.78
219	1	1	450 SF	\$1,230	\$2.73
220	1	1	450 SF	\$1,150	\$2.56
221	1	1	450 SF	\$1,250	\$2.78
222	1	1	450 SF	\$1,150	\$2.56
223	1	1	450 SF	\$1,150	\$2.56



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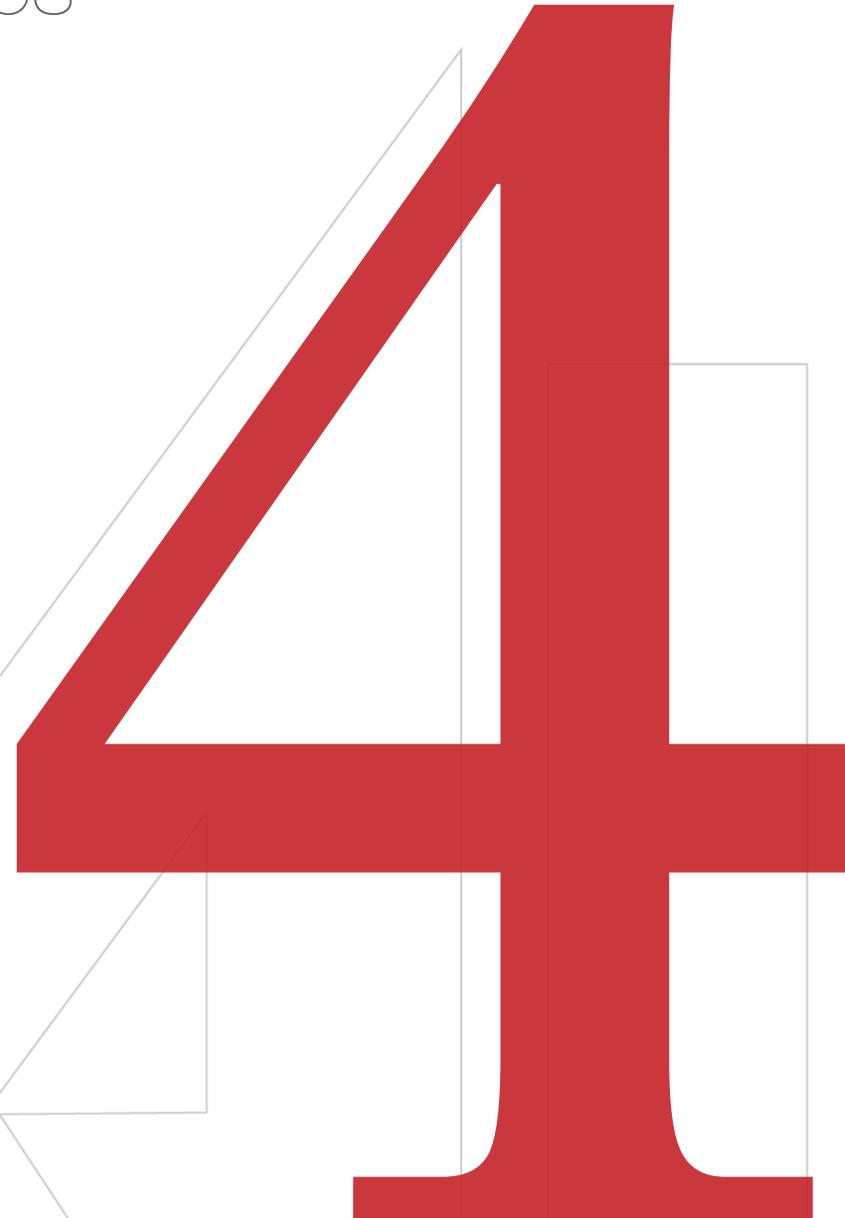


Rent Roll

SUITE	BEDROOMS	BATHROOMS	SIZE SF	RENT	RENT / SF
224	1	1	450 SF	\$1,200	\$2.67
225	1	1	450 SF	\$1,150	\$2.56
226	1	1	450 SF	\$1,150	\$2.56
103	2	1	900 SF	\$1,735	\$1.93
104	2	1	900 SF	\$1,785	\$1.98
105	2	1	900 SF	\$1,735	\$1.93
106	2	1	900 SF	\$1,885	\$2.09
107	2	1	900 SF	\$1,735	\$1.93
G1	-	-	450 SF	\$200	\$0.44
G2	-	-	450 SF	\$200	\$0.44
G3	-	-	450 SF	-	-
G4	-	-	450 SF	\$200	\$0.44
G6	-	-	450 SF	-	-
G7	-	-	450 SF	-	-
G8	-	-	450 SF	-	-
G9	-	-	450 SF	-	-
G10	-	-	450 SF	-	-
TOTALS			20,370 SF	\$38,985	\$76.23
AVERAGES			509 SF	\$1,181	\$2.31

Section 4

Demographics



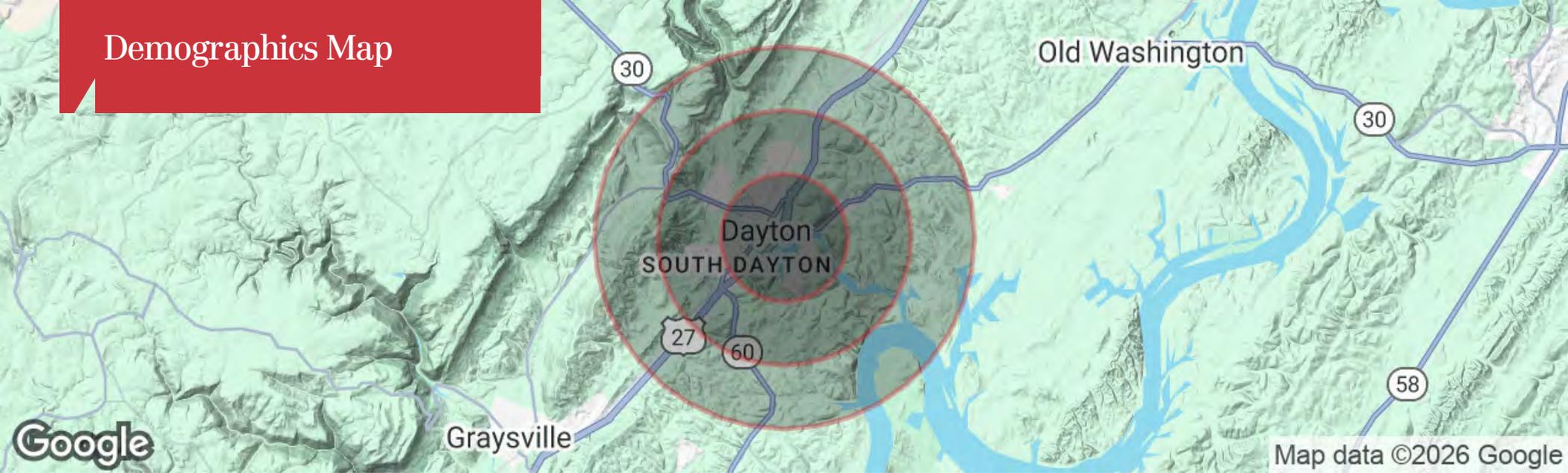
Demographics Report

	1 Mile	2 Miles	3 Miles
Total Households	844	2,181	3,821
Total Persons Per Hh	2.4	2.5	2.5
Average Hh Income	\$37,011	\$44,285	\$46,575
Average House Value	\$95,770	\$112,878	\$121,088

	1 Mile	2 Miles	3 Miles
Total Population	2,029	5,354	9,423
Median Age	39.5	34.7	33.6
Median Age (Male)	33.5	32.9	32.8
Median Age (Female)	43.9	36.3	34.6

* Demographic data derived from 2020 ACS - US Census

Demographics Map

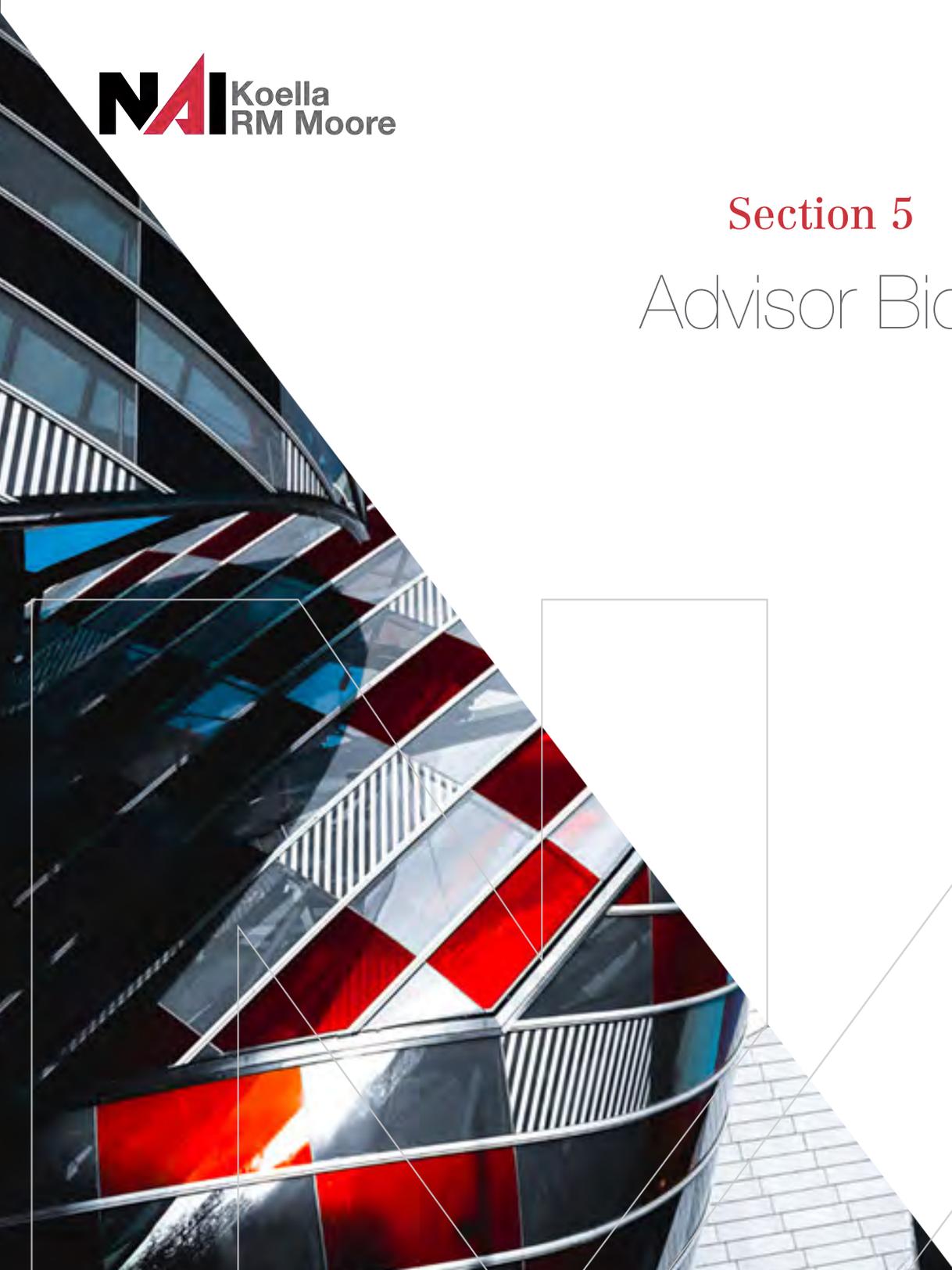
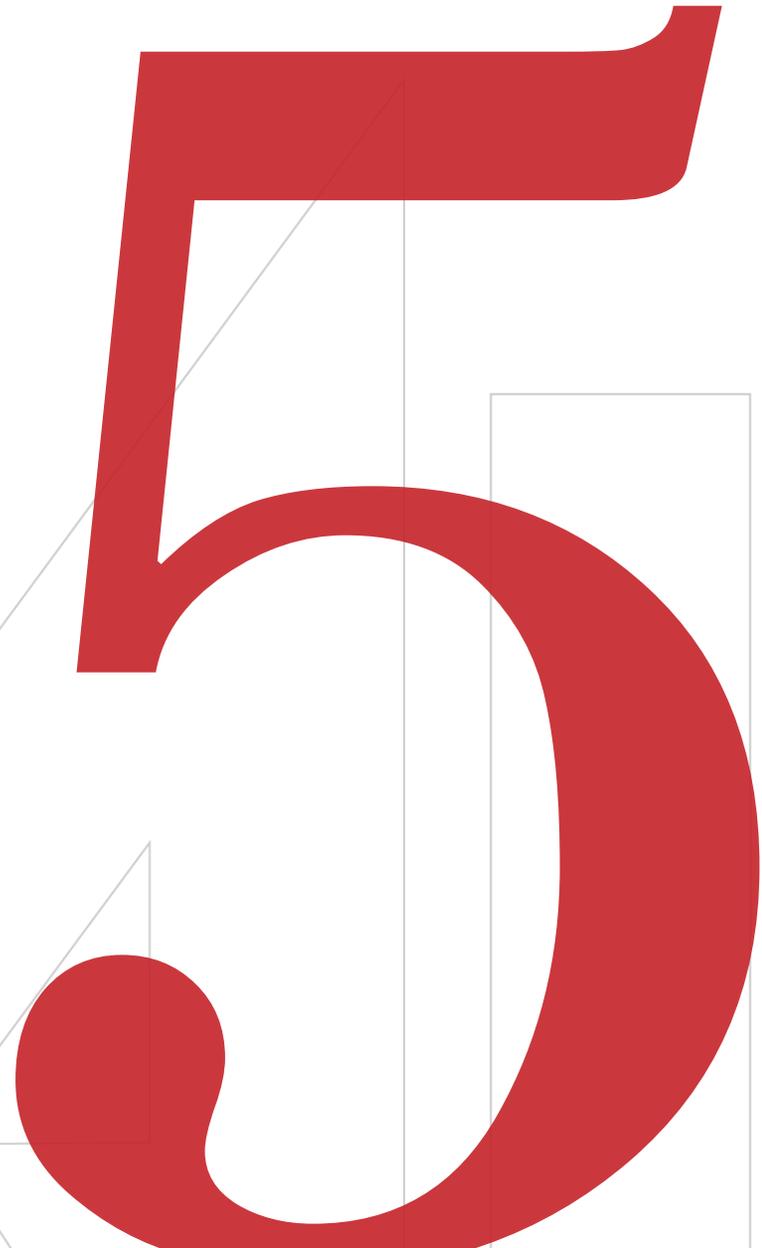


	1 Mile	2 Miles	3 Miles
Population			
Total Population	2,029	5,354	9,423
Median Age	39.5	34.7	33.6
Median Age (Male)	33.5	32.9	32.8
Median Age (Female)	43.9	36.3	34.6
Households & Income			
Total Households	844	2,181	3,821
# of Persons Per HH	2.4	2.5	2.5
Average HH Income	\$37,011	\$44,285	\$46,575
Average House Value	\$95,770	\$112,878	\$121,088
Race			
% White	90.2%	87.3%	87.9%
% Black	1.8%	3.6%	3.8%
% Asian	0.3%	0.9%	1.1%
% Hawaiian	0.0%	0.0%	0.0%
% Indian	0.0%	0.1%	0.1%
% Other	1.3%	2.2%	2.0%
Ethnicity			
% Hispanic	7.4%	8.9%	8.6%

* Demographic data derived from 2020 ACS - US Census

Section 5

Advisor Bios





Heidi Adams

Senior Advisor

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Professional Background

As the firm's Senior Investment Advisor, Heidi brings over four decades of diverse commercial real estate experience to the NAI Investment Group. Having transacted in all major asset classes, she has an innate ability to comprehensively analyze projects and effectively guide owners and investors through detailed steps to reach overall goals. Heidi's diverse experience in development, investment sales, and deal syndication allows her to focus uniquely on every transaction. Her wealth of knowledge has been invaluable in meeting her clients' needs, guiding the process through marketing, complex contract negotiations, due diligence, and closing.

Before practicing here in Tennessee, Heidi spent over 23 years in the commercial real estate industry in Central Florida. She last served as a Director of Brokerage and Asset Management for Taurus Southern Investments, a German investment firm, where she was responsible for brokerage activities and asset management of over 2.5 million square feet of high-tech office and flex products in Central Florida and Jacksonville. The Taurus team was responsible for developing the first USGBC LEED Gold Flex Project in Central Florida, and Heidi played an integral role in its success. Additionally, Heidi was tasked with analyzing potential acquisitions and, as a member of the Taurus disposition team, handled the sale of assets once they had reached the designated hold period for the investor group. During her five years with Taurus, Heidi was directly involved in over \$291 million in real estate transactions. The Florida Real Estate Journal recognized Heidi as a 2008 Top Woman in Commercial Real Estate. Additionally, Heidi was recognized by the Orlando Business Journal as one of Orlando's "40 Under 40" in 2007.

Since joining NAI, Heidi has been consistently ranked among the firm's highest producers. She was named the firm's Top Producer for 2016, 2017, 2018, 2020, 2021, 2022, 2023 and 2024, an honor achieved by closing the highest dollar volume of transactions for the year company-wide. Additionally, Heidi was recognized by the East Tennessee CCIM Chapter and the Knoxville Area Association of Realtors as the Top Multifamily Broker and Commercial Broker of the Year for 2018.