

For Sale

Creative Office • Adaptive Re-Use • Expansion Potential



Owner-User or Value-Add Opportunity

1601-1673 S Holtzclaw Avenue • Chattanooga, TN 37404



SVN | Second Story is pleased to present 1601 S Holtzclaw Avenue, a ±100,300 SF adaptive-reuse commercial property situated on **6.81 acres** within **Chattanooga's southside** market. This historic asset consists of six building units featuring a versatile mix of creative office, commercial, and mixed-use space, and offers the rare advantage of **free on-site parking**. More than **\$5.5 million in capital improvements** have been completed since 2019, including new HVAC systems, roofing upgrades, environmental remediation, and other major building enhancements. Zoned for mixed-use commercial and residential development, the property provides strong expansion potential and represents a significant opportunity for both owner-users and value-add investors.

Currently ±49% occupied by a diverse tenant mix, the property includes approximately 50,000 SF of shell-condition space, offering large contiguous floorplates of ±10,000 SF and ±16,000 SF. Within an **office submarket posting 95%+ occupancy**, these floorplates represent an exceptional opportunity. 1601 S Holtzclaw is one of only eight buildings in the immediate area capable of accommodating requirements over 10,000 SF, and only one of these competing buildings offer free parking.

Located minutes from Downtown Chattanooga, the site benefits from proximity to major employment centers, new residential and mixed-use development, and convenient access to Main Street (US 41) and I-24.

1601 S Holtzclaw Avenue Chattanooga, TN 37404



The Offering

Sale Price \$9,000,000

Property Summary

Market Area	Southside Chattanooga
Building Size	±100,300
Occupancy	49.1%
Year Built	1948 Renov. 2022 & 2024
Lot Size	±6.81 AC
Parking	170 Free Spaces
Zoning	UGC (Urban General Commercial)



Creative Office, Adaptive Re-Use Asset

- ±100,300 SF historic commercial building on 6.81 AC with exposed brick, timber, and renewed architectural character
- \$5.5M+ in recent capital improvements, including new HVAC units, roofing upgrades, and environmental remediation

Owner-User or Value-Add Opportunity

- 49.1% occupancy enables immediate repositioning, lease-up strategy, or headquarters use

Development Potential

- UGC zoning allows up to 5 stories of additional mixed-use, multifamily, or townhome development

Free Surface Parking

- 170 dedicated spaces provide a competitive advantage

Scarce Large-Space Availability

- ±10,000 SF and ±16,000 SF contiguous shell spaces for custom build-outs
- One of only eight local buildings able to accommodate large users, with only one competitor offering free parking

Strong Submarket Fundamentals

- East Office Submarket at +95% occupancy, supporting long-term demand

Prime Chattanooga Location

- Minutes to Downtown, Southside, UTC, major hospitals, and key employment centers
- Quick access to Main Street (US 41) and I-24

Surrounded by Growth

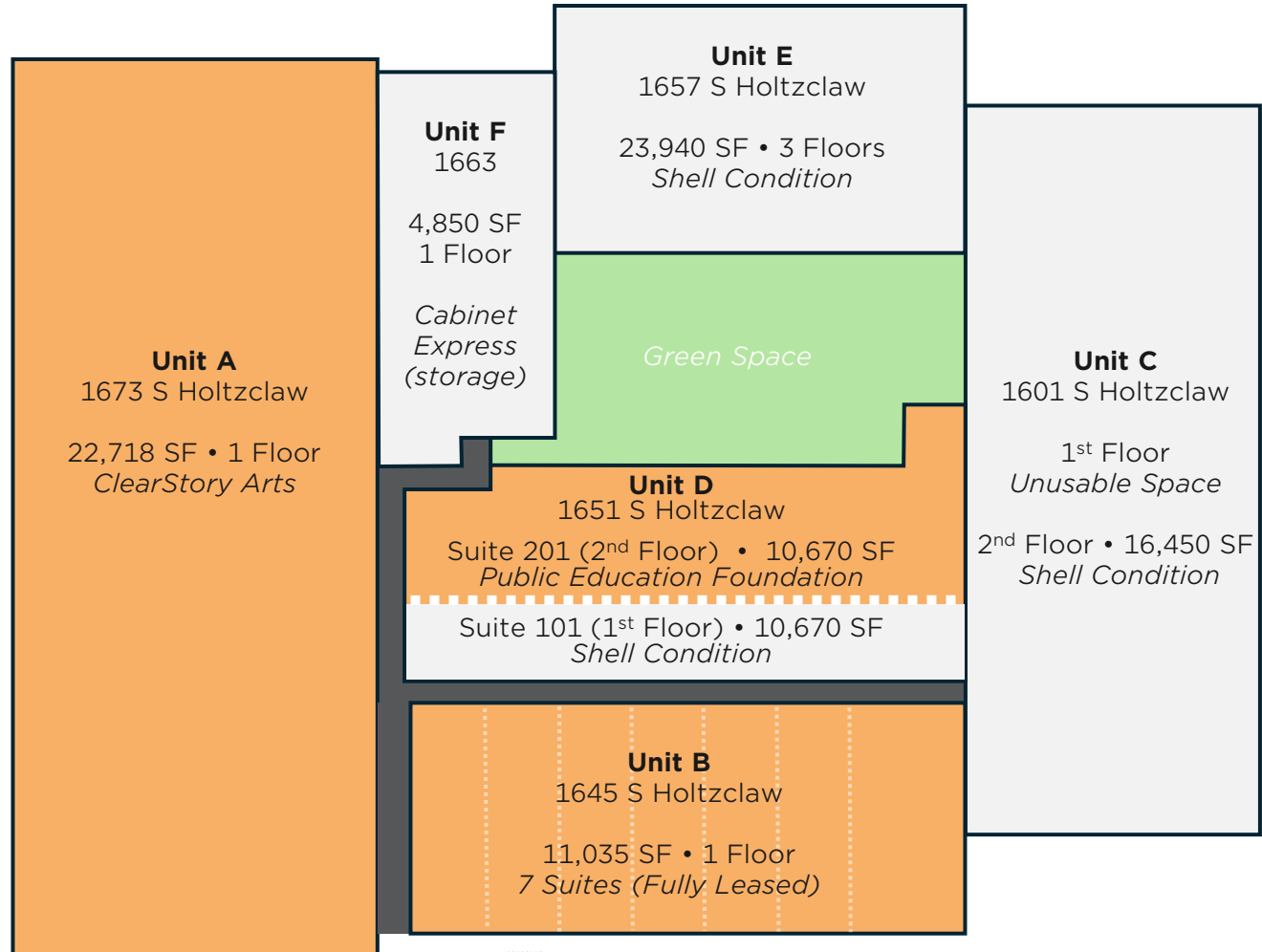
- Dense pipeline of new mixed-use and residential development within 2 miles



Property Specs

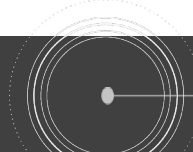
- 6 Building Units
- 100,333 Total SF
- 44, 423 Renovated
- 55,910 SF Shell Condition
- 49,273 SF Occupied (49.1%)
- 51,060 SF Vacant (50.9%)

Unit	Address	SF
A	1673 S Holtzclaw	22,718
B	1645 S Holtzclaw	11,035
C	1601 S Holtzclaw	16,450
D	1651 S Holtzclaw	21,340
E	1657 S Holtzclaw	23,940
F	1663 S Holtzclaw	4,850
Total Building Size		100,333

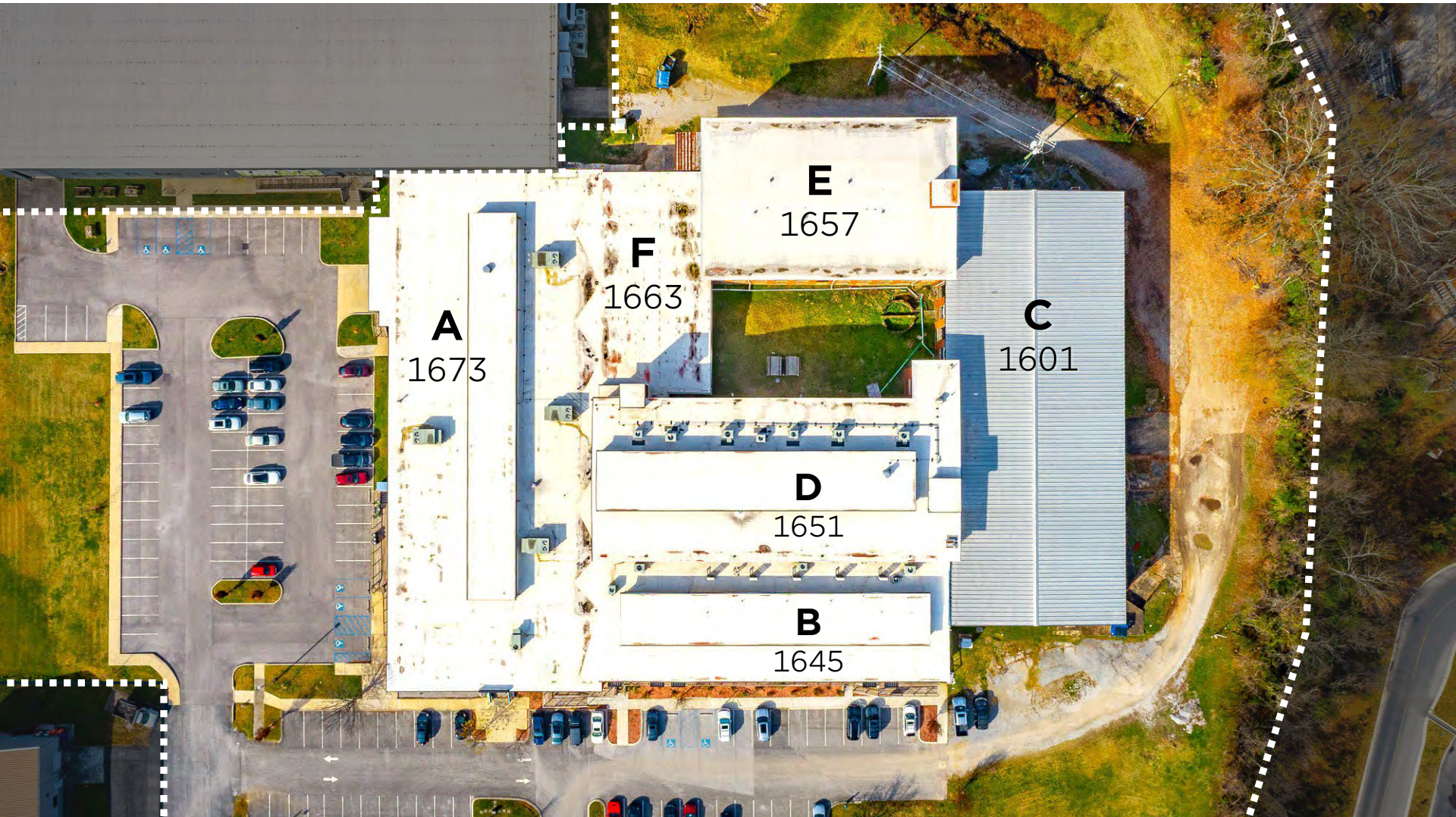


Renovated/
Occupied

Shell
Condition



Property Aerial



Property Composition | Renovated/Occupied Space vs. Shell Condition

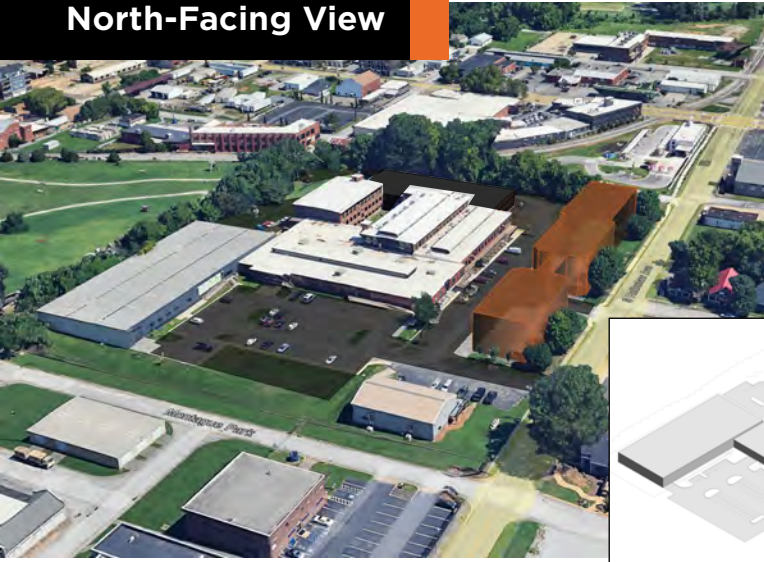




Development Potential | Zoned UGC (Urban General Commercial) | Up to 5 Stories Mixed-Use Commercial & Residential



North-Facing View

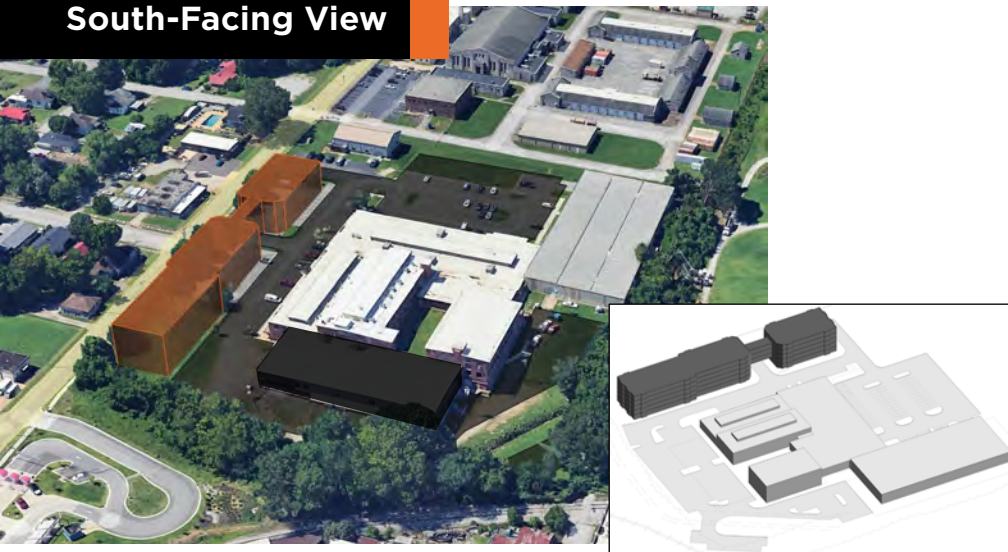


PROPOSED SITE DEVELOPMENT PLAN

Zoning: UGC (Urban General Commercial)

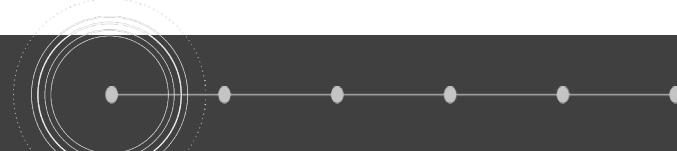
- 5-Story Mixed-Use Building
- 155 Apartments
- +35,000 SF Office & Makerspace
- Overhead Bridge Connector (3rd Floor)
- Demolition of Building Unit C
- Parking expanded to 217 spaces

South-Facing View



Rent Roll

Tenant	Suite	SF Leased	Lease Type	Rent PSF	Monthly Rent	Annual Rent	Lease Start	Lease End	Annual Escal.	Options
Unit A • 1673 S Holtzclaw										
ClearStory Arts		22,718	FSG	\$12.18	\$23,050	\$276,600	7/15/2024	7/15/2027	+\$500/6mo ¹	
UNIT B • 1645 S Holtzclaw										
RC Wellness	105	1,910	MG	\$21.05	\$3,350	\$40,200	1/13/2025	12/31/2028	3%	(1) 3-year
Brick Hunter USA	109	1,585	MG	\$21.51	\$2,841	\$34,093	2/1/2025	1/31/2027	3%	
C Cross Logistics	113	1,585	MG	\$21.28	\$2,811	\$33,737	7/1/2023	6/30/2026	3%	
Zack Sullivan (Airbnb)	117	1,585	FSG	\$17.30	\$2,285	\$27,420	10/1/2025	3/31/2026		
Ali Kay Studio	121	1,585	MG	\$19.68	\$2,600	\$31,200	12/1/2024	11/30/2026		
Community Gains	125	1,585	MG	\$20.44	\$2,700	\$32,400	12/1/2025	11/30/2028	3%	
The Dyve Hair Bar	129	1,200	MG	\$22.00	\$2,200	\$26,400	5/1/2024	4/30/2031	Step-Ups ²	
UNIT C • 1601 S Holtzclaw										
Vacant		16,450								
UNIT D • 1651 S Holtzclaw										
Public Educ. Foundation	201	10,670	MG+	\$18.03	\$16,027	\$192,327	8/15/2023	7/31/2033	Step-Ups ³	(4) 5-year
Vacant	101	10,670								
UNIT E • 1657 S Holtzclaw										
Vacant		23,940								
UNIT F • 1663 S Holtzclaw										
Phil Timm (Storage)		4,850	FSG	\$0.62	\$250	\$3,000	12/1/2025	11/30/2026		
		100,333			\$58,115	\$697,377				

¹ \$500 semiannual bumps for 30 mos, then flat \$24,550 for balance of term² Scheduled annual base rent increases: Yr1 = \$0; Yr2 = \$2,200; Yr3 = \$2,200; Yr4 = \$2,250; Yr5 = \$2,250; Yr6 = \$2,300; Yr7 = \$2,300³ Yrs 1-2 flat at \$15,560.42; Yrs 3-10 escalate 3% annually

Operating Statement | Proforma

Income	T12 Total	2026 Proforma
Rental Income	\$614,110	\$699,181
Vacancy Loss (5%)	\$0	\$34,959
Total Operating Income	\$614,110	\$664,222
Expenses		
General Maintenance	\$26,734	\$26,734
Property Taxes	\$115,235	\$74,535
Insurance	\$44,241	\$44,241
Management Fees	\$30,306	\$33,211
Brokerage Expense	\$0	\$5,832
Repairs & Maintenance	\$39,413	\$39,413
Utilities	\$68,467	\$68,467
Administrative/Other	\$837	\$837
Total Operating Expenses	\$325,232	\$293,270
Net Operating Income	\$288,877	\$370,952



North-Facing Aerial View



South-Facing Aerial View



East-Facing Aerial View



Significant New Development Within 2 Miles | Surrounded by delivered and in-progress commercial projects



Chattanooga, TN | Fast-Growing, Tech-Enabled, Investor-Friendly

Population Growth

+5.5%

over the
past 5 years

Internet Speeds

25 Gbps

1st U.S. city to offer
25 gigabit per second
community-wide

Tourism Impact

\$1.5B+

in local tourism
spending from
15M+ visitors
annually

Cost of Living

~10%

below the
national average

Vibrant, Expanding Economy

- ~20% job growth in Chattanooga MSA (2014–2023) outpacing the national 12% increase; Driven by 50% increase in manufacturing employment since 2010
- Over \$4B in recent corporate investment from Volkswagen, Amazon, Alstom, Wacker Polysilicon, and others
- Strong base of manufacturing, industrial, and distribution employment
- “Gig City:” Growing technology hub offering the fastest municipal internet grid in the Western Hemisphere; \$5B projected impact + 8,000 jobs by 2035
- Expanding population and workforce driving housing, retail, and commercial demand
- No state income tax on wages in TN; Relatively low property tax rates compared to many states

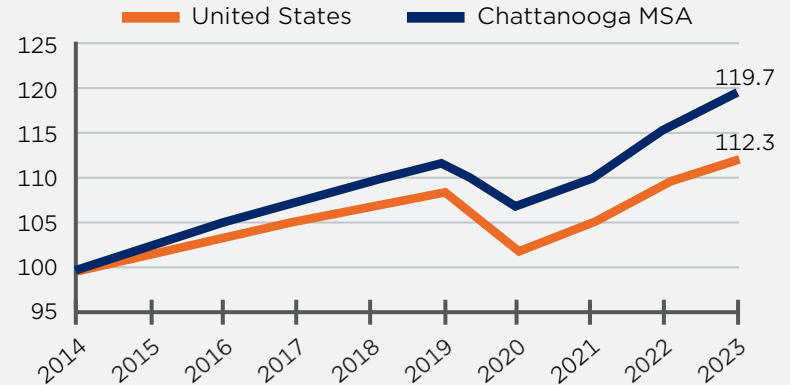
Employment Growth

Chattanooga MSA
20%
Job Growth
 (2014–2023)
 vs. **12%** Nationally


 Driven by
+50%
Manufacturing Employment
 (since 2010)

NONFARM EMPLOYMENT

Bureau of Labor Statistics, 2014 = 100

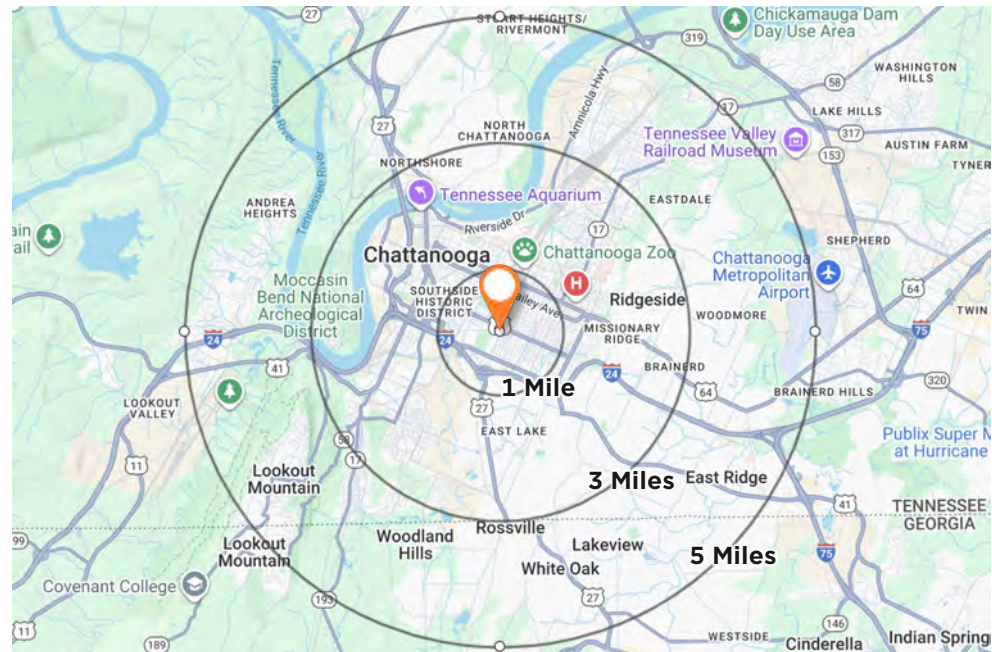


Demographics



POPULATION	1 MILE	3 MILES	5 MILES
Total Population	9,099	72,722	141,483
2029 Projection	9,933	78,776	151,541
Median Age	31.6	34.6	36.8
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	3,472	30,638	59,918
Persons Per HH	2.4	2.2	2.2
Average HH Income	\$77,073	\$66,653	\$69,918
Median Home Value	\$270,817	\$238,232	\$196,107

Demographics data derived from AlphaMap & Costar





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