For Sale

Mixed-Use Investment Opportunity

110 Somerville Avenue • Chattanooga, TN 37405

SVN
SECOND STORY
REAL ESTATE MANAGEMENT

SVN | Second Story is pleased to present the opportunity to acquire 110 Somerville Avenue, a premier mixed-use asset in Chattanooga's vibrant Northshore neighborhood. This newly built property offers high-quality office, and multifamily space supported by a diverse tenant mix and long-term lease structures, delivering exceptional investment stability in one of the Southeast's fastest-growing markets.

Somer Station's office component is 84% occupied by two long-term NNN tenants, with a 5,000 SF suite available. The Lofts at Somer Station include 22 fully furnished apartments that are 100% occupied. More than $200,000 of furniture and furnishings are included in the sale, providing a turnkey multifamily operation with significant tangible value.

The asset benefits from riverfront adjacency, on-site parking, and walkable access to the national retailers, local boutiques, restaurants, and galleries that define the Northshore lifestyle. Nearby amenities include Publix, Whole Foods, Chipotle, Orangetheory Fitness, Starbucks, Coolidge Park, and the Walnut Street Bridge.

Potential 2027 Tax Abatement: Ownership is currently in the process of filing for a 2027 property tax abatement, which could provide additional operating expense savings to the future owner, subject to approval.

110 Somerville Avenue
Chattanooga, TN 37405

The Offering

Sale Price	$12,250,000
NOI	$767,700

Property Summary

Market Area	Northshore Chattanooga
Property Type	Mixed-Use Office & Multifamily
Year Built	2023
Building Size	±53,087
Occupancy	Office 84% | Multifamily 100%
Lease Types	NNN
Lot Size	±1.6 AC
Parking	88 Shared Spaces (per reciprocal easement)
Furniture & Furnishings	$200K+ Value (included in Multifamily component)

Multifamily | Lofts at Somer Station

- 22 Fully-Furnished Apartments
- $200K+ Furniture & Furnishings Included
- 100% Occupancy

Office | Somer Station

- Two Long-Term NNN-Leased Office Tenants
- 5,000 SF Vacant Suite
- 84% Occupancy

110 Somerville Avenue | Society of Work | 24,304 SF (entire 2nd floor + partial 1st floor)

Tenant Overview

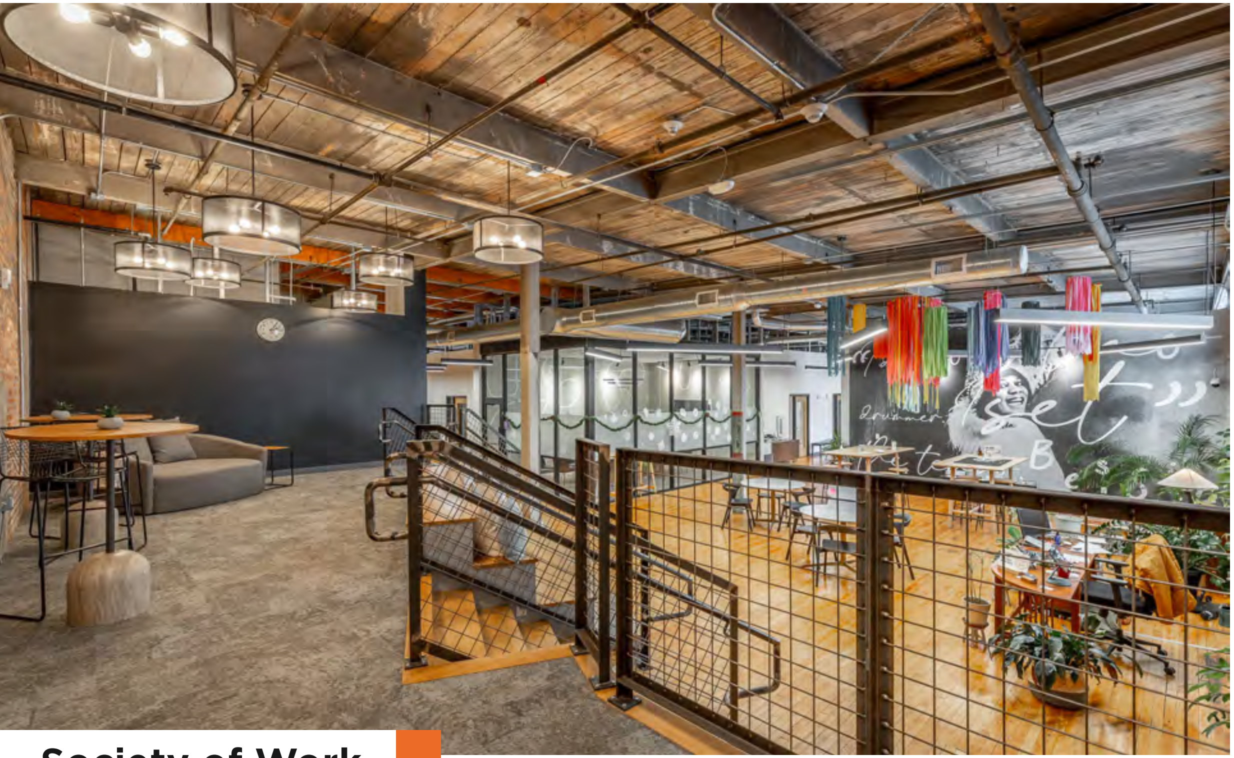
Society of Work is one of Chattanooga's leading flexible workspace providers, providing premium office solutions and a dedicated team that blend professional amenities with a vibrant community atmosphere. The company has delivered consistent 30% annual growth over the past four years, demonstrating strong market demand for innovative workspace solutions.

Lease Terms

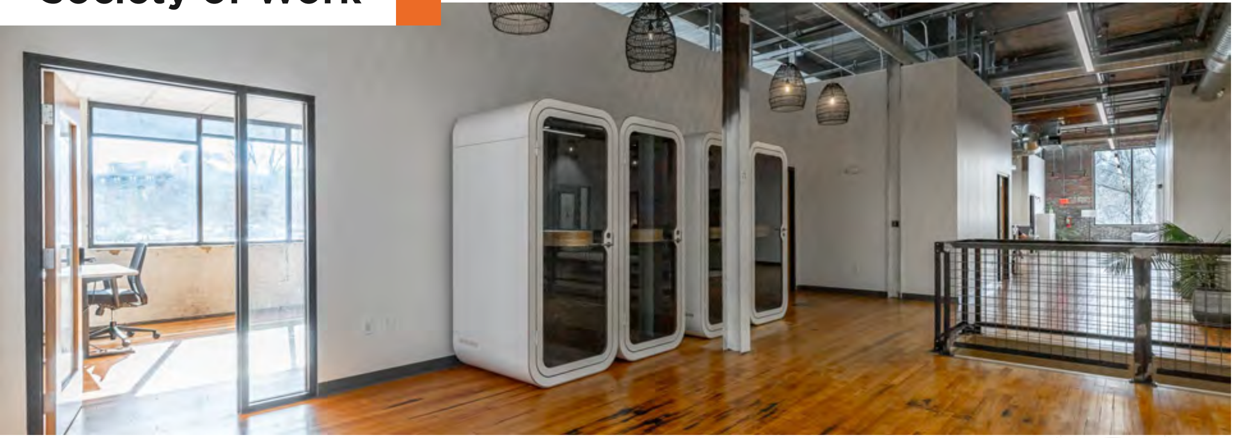
Square Feet	24,304 SF
Lease Term*	10 Years
Lease Commencement	Reset at COE
Lease Expiration	10 Years from COE
Lease Type	NNN
Rental Escalation	8% Increase at Year 5
Renewal Options	Four, 5-Year Options

*Tenant is currently in year 3 of an existing 10-year lease. Upon closing, the lease will reset, providing buyer with a new 10-year term from COE.

Lease Year	Annual Rent	Monthly Rent
1–4 (Initial Term)	$461,776.00	$38,481.33
5–10 (Initial Term)	$498,718.08	$41,559.84
11–15 (1st Renewal)	$523,653.98	$43,637.83
16–20 (2nd Renewal)	$549,836.68	$45,819.72
21–25 (3rd Renewal)	$577,328.52	$48,110.71
26–30 (4th Renewal)	$606,194.94	$50,516.25



Society of Work



110 Somerville Avenue | Empire Communities | 2,210 SF (1st floor)

EMPIRE

Tenant Overview

Empire Communities is one of North America's largest privately held homebuilders with an established tradition of creating prestigious, award-winning new homes and communities. Since 1993 the company has built more than 35,000 new homes in Toronto and Southwestern Ontario, Canada, Texas, Colorado, Georgia, Tennessee and the Carolinas.

Lease Terms

Square Feet	2,210 SF
Base Rental Rate	$25 PSF
Lease Term	5 Years
Lease Commencement	10/1/2023
Lease Expiration	9/30/2028
Lease Type	NNN
Renewal Options	Two, 5-Year Options
Rental Escalations	3% Annually
***TI Amortization (10 Years)**	$5,317.08 Per Month

*Tenant is responsible for TI amortization payments only during the initial 10-year amortization period. If the Tenant does not exercise its first 5-year renewal option (Years 6–10), no additional TI payments are due. There are no escalations on the TI amortization amount. By the commencement of the second 5-year renewal term (Years 11–15), all TI amortization obligations will have been satisfied.

Empire Communities

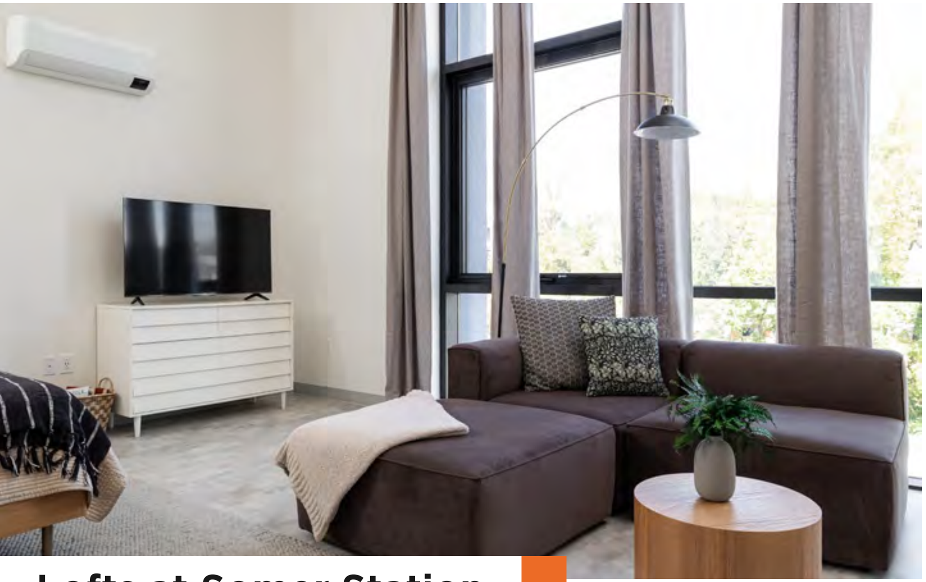
110 Somerville Avenue | Multifamily | Lofts at Somer Station

ALL INCLUSIVE LIVING | The Lofts at Somer Station was created for the co-living community, designed to accommodate remote workers, contract workers, entrepreneurs, short-term residents, and individuals seeking convenient, hassle-free living. The property is fully furnished and includes amenities that allow for quick and easy move-in. The location and programming are curated to encourage involvement with the local community, offering a distinctive living environment for residents and visitors alike.

$200K+ IN FURNITURE & FURNISHINGS | The multifamily component is fully furnished with more than $200,000 in furniture & furnishings included in the sale, offering a turnkey living product with substantial tangible asset value.

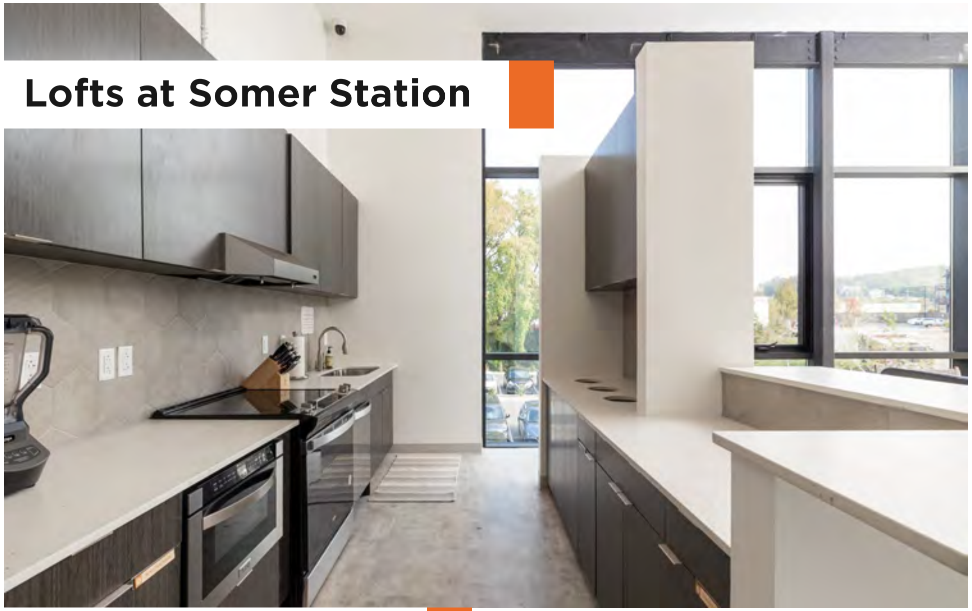
Unit	Status	Monthly Rent	Lease Start	Lease End	Monthly Utilities
102	Rented	$1,450	8/1/24	7/31/26	$150
108	Rented	$1,100	8/15/25	8/14/26	$150
114	Rented	$1,450	7/10/24	7/9/26	$150
120	Rented	$1,200	12/12/25	3/11/27	$150
126	Rented	$1,450	7/10/24	7/9/26	$150
132	Rented	$1,450	6/27/24	6/26/26	$150
138	Rented	$1,100	8/4/25	8/3/26	$150
202	Rented	$1,100	8/15/25	8/14/26	$150
208	Rented	$1,100	8/5/25	2/4/26	$150
214	Rented	$1,150	11/21/25	5/20/26	$150
220	Rented	$1,450	7/10/24	7/9/26	$150
226	Rented	$1,350	9/27/24	9/26/26	$150
232	Rented	$1,100	9/6/25	9/5/26	$150
238	Rented	$1,450	7/10/24	7/9/26	$150
302	Rented	$1,100	10/15/25	10/14/26	$150
308	Rented	$1,100	7/19/25	1/18/26	$150
314	Rented	$1,450	7/10/24	7/9/26	$150
320	Rented	$1,450	7/5/24	7/4/26	$150
326	Rented	$1,150	11/3/25	5/3/26	$150
332	Rented	$1,100	8/28/25	8/27/26	$150
338	Rented	$1,110	9/29/24	9/28/26	$150
350	Rented	$1,200	11/28/25	11/27/26	$150
22 Units	**100% Occupied**	**$28,050***			**$3,300**

** Monthly rent includes $500 in short-term fees.*



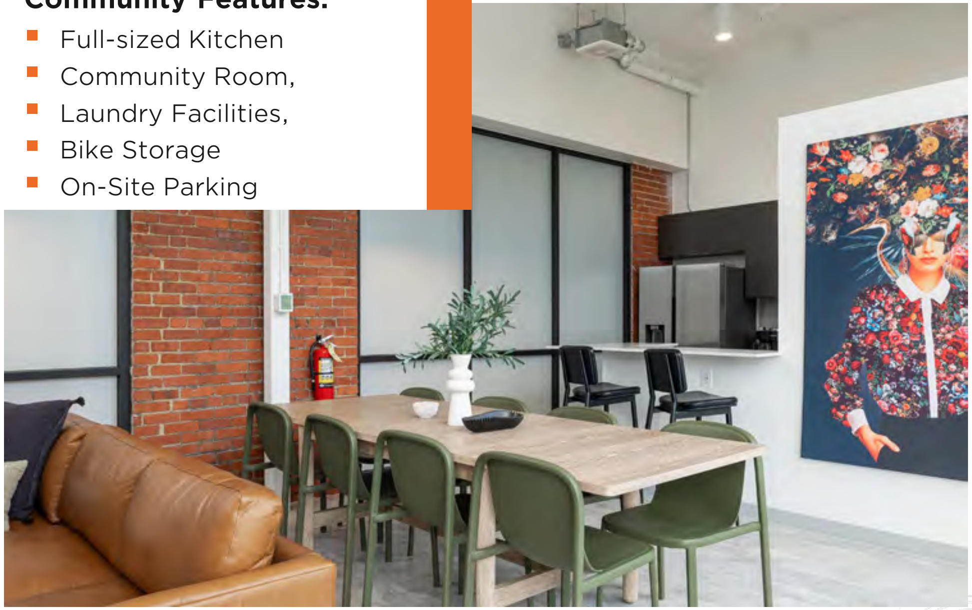
Lofts at Somer Station

Lofts at Somer Station



Community Features:

- Full-sized Kitchen
- Community Room,
- Laundry Facilities,
- Bike Storage
- On-Site Parking



Multiple Avenues for Value Creation

#1 Rent Growth:

Lofts at Somer Station Projected Rental Upside

VALUE IMPACT OF RENT INCRE#ASES AT 5.5% CAP								
	Current	**+ $50**	**+ $100**	**+$150**	**+$200**	**+$250**	**+$500**	**+$750**
Average Monthly Rent	$1,275	$1,325	$1,375	$1,425	$1,475	$1,525	$1,775	$2,025
Incremental Value Add @ 5.5% Cap	$0	$240,000	$240,000	$240,000	$240,000	$240,000	$1,200,000	$1,200,000
Aggregated Value Added	**$0**	**$240,000**	**$480,000**	**$720,000**	**$960,000**	**$1,200,000**	**$2,400,000**	**$3,600,000**






#2 Furniture Included:

More than $200K of furniture and furnishings is included with the sale, providing substantial tangible value and eliminating the need for a future owner to furnish the 22-unit multifamily component.

#3 Tax Abatement:

Potential 2027 property tax abatement could reduce operating expenses and increase NOI, subject to approval.


Downtown Chattanooga
Walnut St Bridge
Market Street
27
P.R. Olgiati Bridge
Manufacturers Rd
110

Vibrant Northshore Neighborhood | Downtown Chattanooga's Busiest Retail Hub

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

Vibrant, Expanding Economy

- 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
- Expanding population and workforce driving housing, retail, and commercial demand

New major developments supporting tourism and lifestyle growth:

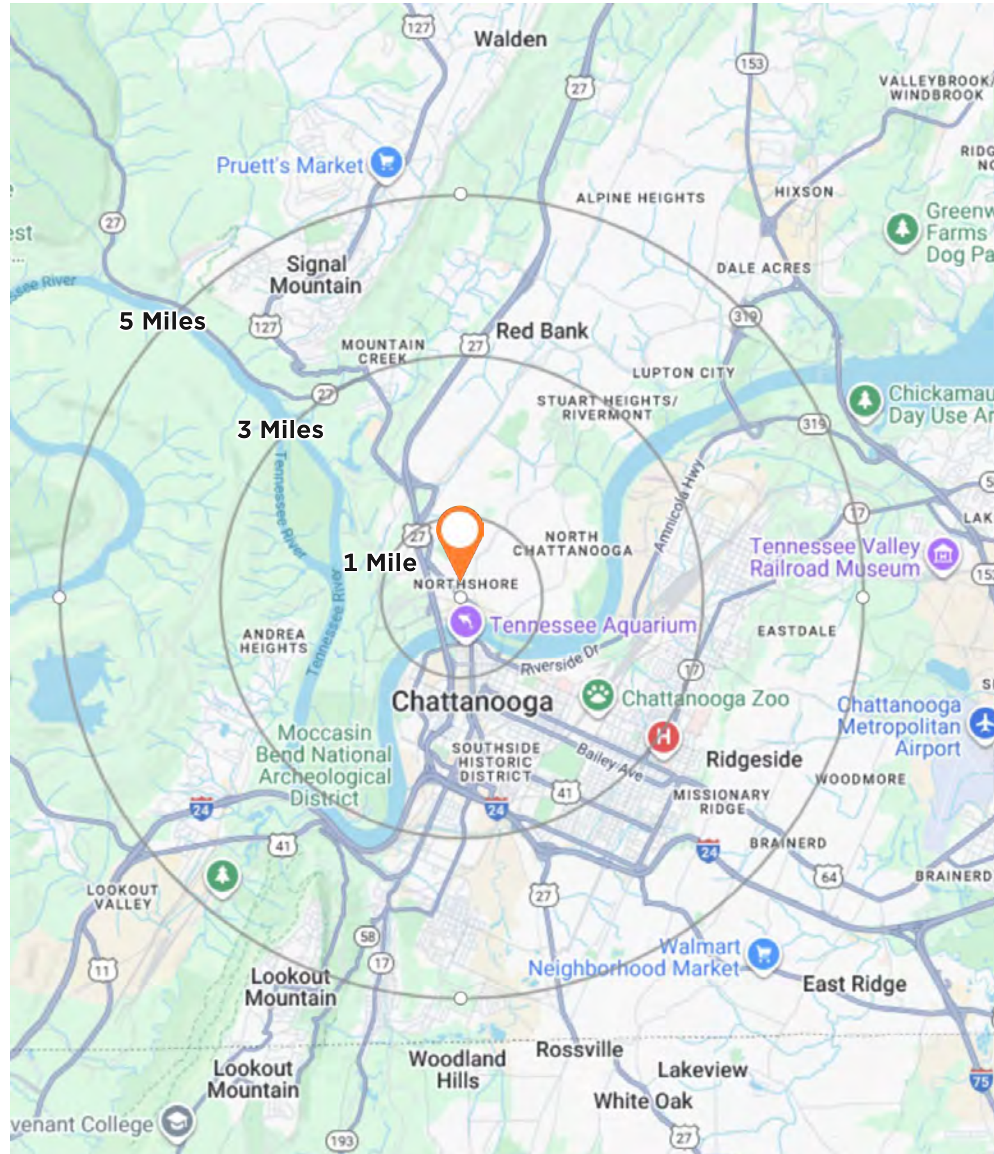
- The Bend: 120-acre mixed-use riverfront project with +450 residential units, +300K SF retail/entertainment, +700K SF office, +250 hotel rooms, and 300 marina slips
- ONE Riverfront: Comprehensive revitalization of the riverfront district with new housing, business space, and pedestrian-focused public realm improvements

Demographics

POPULATION	1 MILE	3 MILES	5 MILES
Total Population	7,735	48,307	115,340
2029 Projection	8,393	52,464	124,328
Median Age	36.9	34.9	36.3

HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	3,362	19,473	45,283
Persons Per HH	1.9	2	2.2
Average HH Income	$102,986	$83,390	$75,767
Median Home Value	$385,713	$328,882	$256,401

Demographics data derived from AlphaMap & Costar



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