



Tennessee Department of Children's Services
10 Year Lease | 8% Cap
Plus ± 3.38 Acre Site & $\pm 6,478$ SF Leasable



DISCLAIMER & LIMITING CONDITIONS

Bull Realty has been retained as the exclusive brokers to arrange the sale of the Subject Property.

This Offering Memorandum contains selected information pertaining to the Property but does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may require. All financial projections are provided for general reference purposes only and are based upon assumptions relating to the general economy, competition and other factors, which therefore, are subject to material change or variation. Prospective purchasers may not rely upon the financial projections, as they are illustrative only. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents, including financial information, are described in summary form and do not purport to be complete or accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to review independently all documents.

This Offering Memorandum is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Property by Bull Realty Inc. or the current Owner/Seller. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Property described herein.

Owner/Seller expressly reserve the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice. Owner/Seller shall have no legal commitment or obligation to any purchaser reviewing this Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered and approved by the Owner/Seller and any conditions to the purchaser's obligations therein have been satisfied or waived. The Seller reserves the right to move forward with an acceptable offer prior to the call for offers deadline.

This Offering Memorandum may be used only by parties approved by the Owner. The Property is privately offered, and by accepting this Offering Memorandum, the party in possession hereof agrees (i) to return it if requested and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Listing Brokers. The terms and conditions set forth above apply to this Offering Memorandum in its entirety and all documents, and other information provided in connection therewith.

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BULL REALTY

ASSET & OCCUPANCY SOLUTIONS

PROPERTY OVERVIEW

2600 WESTERN AVE

EXECUTIVE SUMMARY

10 Year Lease | 8% Cap | Value Add ±3.38 Acre Site & ±6,478 SF Leasable

Opportunity to acquire a 55,000 SF facility on 9.11+ acres designed in 2009 for the AAA+ credit state of Tennessee for the Department of Children’s Services (DCS). The state just inked a 48,522 SF ten-year lease renewal.

On top of a long term lease with a high credit tenant in place, the property includes two significant value-add components a 3.38 acre site & 6,478 SF of leasable space. The pricing allocation is as follows:

1. Ten-Year Lease: \$6,126,800 at an approximate cap rate of 8%.
2. 3.38 Acre Site: \$653,432 Site to build up to a 20,000 SF or larger building. Value based on sale comps of \$193,320 per acre.
3. New SF: \$719,777 Value from approximately 6,478 SF leasable space available in December. Value is based on conservative rent of only \$10/SF net, and a conservative 9% cap rate.

The property is perfectly located for DCS in Knoxville, TN, the second-fastest-growing city in the state of Tennessee. The sites are close to Interstates I-40 and I-640 in West Knoxville

- 10-Year lease through 11/30/2035
- AAA+ S&P Global Credit Rating
- Tenant pays utilities and janitorial
- Annual escalations 50 basis points
- Built for DCS in 2009
- HVAC replaced in 2024
- 270 paved parking spaces
- Normal state appropriations clause
- Additional 6,478 SF leasable space
- 3.38 Buildable Site included



Price:
\$7,500,000



Existing NOI:
\$490,144



Existing Building:
±55,000 SF



Site Size:
±9.11 Acres
±3.38 Acres

PROPERTY INFORMATION

Building

Type	State Government Office
Address	2600 Western Ave, Knoxville, TN
County	Knox
Building Size	±55,000 SF
Year Built/Renovated	2009/2025
# of Stories	1
Ceiling Height	18 FT
Parking	270 Surface spaces
Heating/Air	Replaced in 2024

Sites

Tenant Site	±9.11 Acres
Parcel IDs	094HA00102 + 094AJ01401
Additional Site	±3.38 Site to build up to ±20,000 SF
Zoning	OP

Financial

NOI as of 12/1/2025	\$504,535 at 88% occupancy
Lease	10 years .5% annual escalations
*Cap Rate	6.5%
Sale Price	\$7,500,000

*This cap rate does not consider the value of the leaseable space or buildable site.

Tenants

Dept. of Children Services- State of Tennessee	±48,522 SF
Available for lease beginning December	±6,478 SF



TENANT PROFILE



Department of Children's Services

The Department of Children's Services is Tennessee's public child welfare agency, dedicated to ensuring the safety, well-being, and permanency of children across the state. It establishes statewide standards for performance that reflect best practices in child welfare, aiming to provide the highest level of care and protection for vulnerable children and families. The department is responsible for investigating allegations of child abuse and neglect, responding swiftly to ensure the safety of children in potentially harmful situations.

Additionally, DCS administers Tennessee's foster care system, working closely with foster families, caregivers, and community partners to provide stable and supportive environments for children in need. A key focus of the department is finding permanent solutions for children and youth who enter its care, whether through reunification with their biological families or through adoption when reunification is not possible. By prioritizing the best interests of each child, the Department of Children's Services plays a crucial role in shaping brighter futures for children and strengthening families across Tennessee.

<https://www.tn.gov/dcs/about-us.html>

TOTAL SPACE OCCUPIED:	± 48,522 SF
LEASE TYPE:	Modified Gross
ORIGINAL MOVE-IN DATE:	2009
LEASE COMMENCEMENT DATE:	December 1, 2025
LEASE EXPIRATION DATE:	November 30, 2035
RENT/SF:	\$13.94
TENANT RESPONSIBILITIES:	Utilities & janitorial
ESCALATIONS:	50 basis points annually
PARKING:	270 Spaces

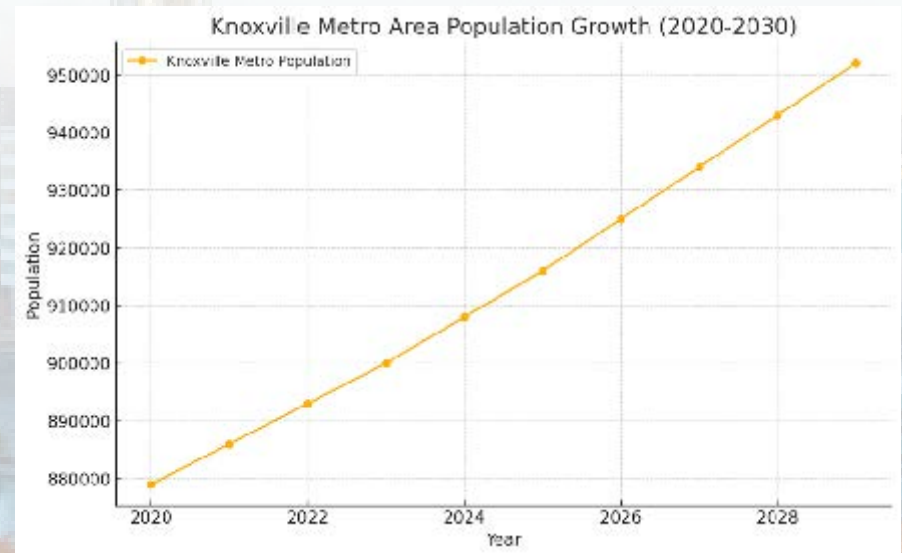
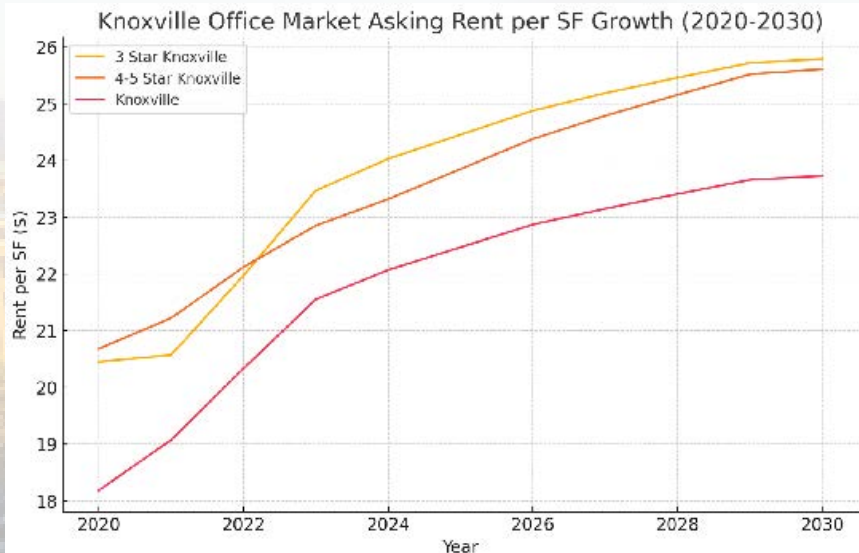
KNOXVILLE OFFICE MARKET

After a strong start to the year, demand for office space in Knoxville has started to pick back up. Had it not been for the removal of more than 400,000 SF. The vacancy rate is only 3.2%. Asking rents average \$22.80 SF while the rent at the subject property is only \$13.94 SF.

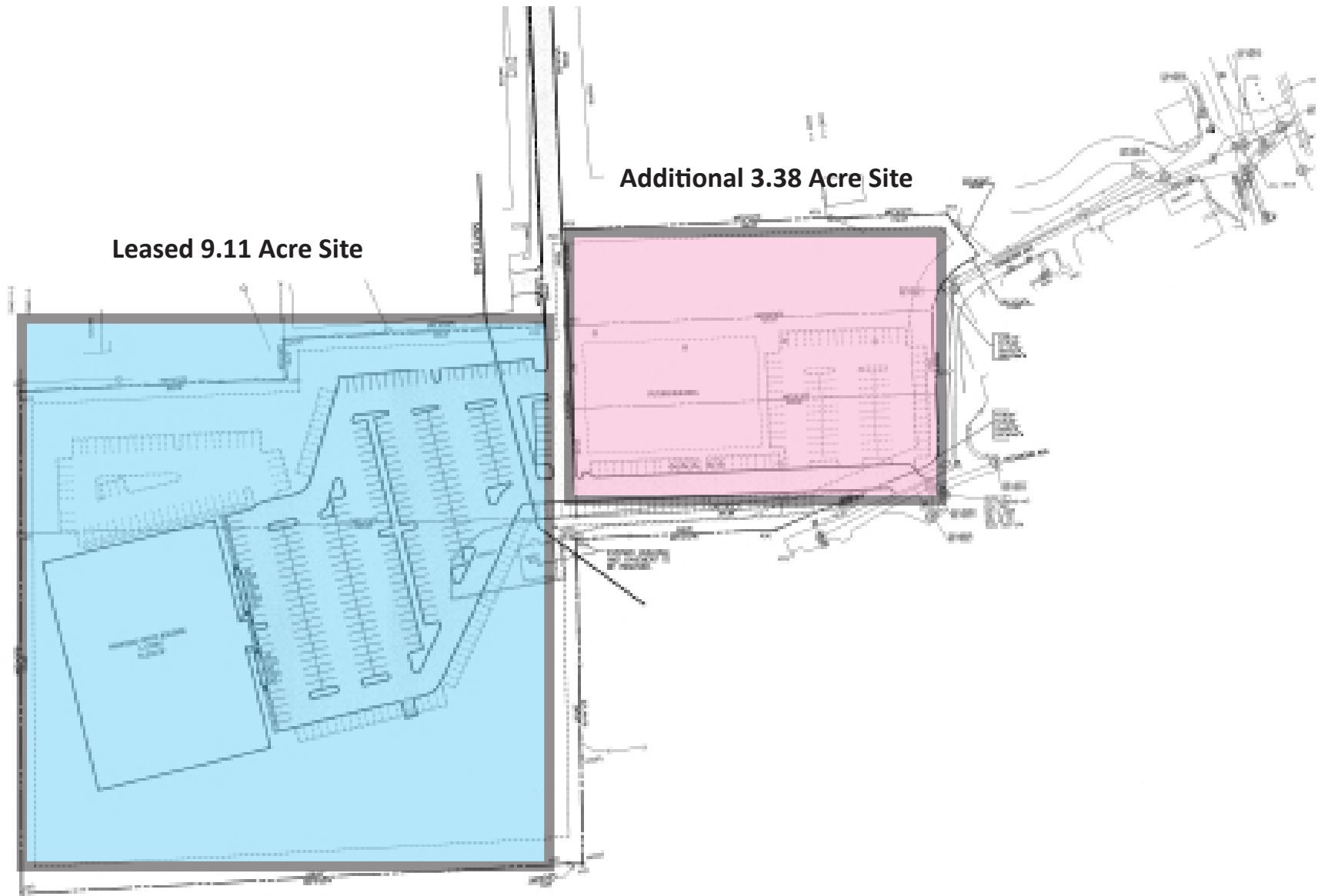
One important factor that has contributed to the good health of the local office market is the shortage of new office developments in recent years. The last time a year saw at least 100,000 SF of net new supply was in 2017. Additionally, Knoxville's office inventory has decreased over the past five years due to the high number of conversions and demolitions.

A rapid economic recovery coincided with an uptick in office leasing activity in 2021 and 2022. Knoxville's trailing four-quarter leasing activity came in at about 730,000 SF. Annual absorption reached 390,000 SF, thanks to a strong start to 2024.

Asking rents over the past year grew by 1.9%, which outpaced the national average by about 350 basis points as conditions are much tighter in Knoxville than many other parts of the country.



SURVEY



SOLD COMPARABLES



SUBJECT PROPERTY

2600 Western Ave, Knoxville, TN

BUILDING SIZE	NOI
±55,000 SF	\$490,143.73



US Department of Veteran Affairs
575 Phelan Ave, Memphis, TN

SOLD PRICE	\$12,250,000
BUILDING SIZE	±40,876 SF
PRICE/SF	\$299.69/SF
CAP RATE	6.84%
NOI	\$857,500
SOLD DATE	Jul 2024



Veterans Affairs
5423 S Sherwood Forest Blvd
Baton Rouge, LA

SOLD PRICE	\$4,251,123
BUILDING SIZE	±7,738 SF
PRICE/SF	\$549.38
CAP RATE	6.50%
NOI	\$276,323
SOLD DATE	Dec 2022



KS DCFS
1710 Palace Dr, Garden City, KS

SOLD PRICE	\$ 3,740,000
BUILDING SIZE	±27,705 SF
PRICE/SF	\$134.99
CAP RATE	6.92%
NOI	\$261,426
SOLD DATE	May 2021

KNOXVILLE, TN

Knoxville is a city on the Tennessee River in eastern Tennessee. Downtown Knoxville never fails to attract attention with relatively narrow streets reflecting its 18th-century origins, a public square of unusual shape, and a variety of large buildings of different styles in brick and marble most of them built before 1930. And most of it is on top of a 60-foot river bluff. It's a picturesque downtown, subtly unusual in its dimensions. Almost every minute of every day, you see people posing for photographs on Gay Street or Market Square or the Old City or World's Fair Park.

DEMOGRAPHICS



POPULATION

5 MILES	10 MILES	15 MILES
144,381	361,668	569,767



HOUSEHOLDS

5 MILES	10 MILES	15 MILES
61,979	152,412	234,738



AVERAGE HOUSEHOLD INCOME

5 MILES	10 MILES	15 MILES
\$68,437	\$89,918	\$97,226

ESRI 2025

KNOXVILLE, TN



ECONOMIC DRIVERS

EDUCATION AND RESEARCH

The University of Tennessee (UT), located in Knoxville, is one of the most significant economic drivers in the region. As a major public research university, UT plays a pivotal role in local employment, research, and innovation. The university's research activities span various fields, including engineering, life sciences, agriculture, and energy, which contribute to Knoxville's economic growth. The UT Medical Center, the region's largest healthcare provider, is also an important part of the city's economy, offering medical services, education, and research opportunities.



ENERGY AND TECHNOLOGY

Knoxville benefits from its proximity to Oak Ridge National Laboratory (ORNL), the largest science and energy research facility in the U.S. The lab focuses on various energy-related fields, including nuclear energy, clean energy, and advanced materials. This has made Knoxville a hub for energy research and development, as well as a center for nuclear technology.



LOGISTICS AND DISTRIBUTION

Knoxville's central location in East Tennessee makes it an attractive spot for logistics and distribution companies. The city is well-served by major highways like Interstate 40 and Interstate 75, providing direct access to national and international markets. Knoxville is also home to key distribution centers for companies like Amazon, Home Depot, and Walmart.



With its proximity to the Port of Chattanooga and easy access to the Tennessee River, Knoxville serves as a regional hub for transportation, distribution, and logistics, which supports both retail and manufacturing sectors.

FEDERAL INVESTMENTS

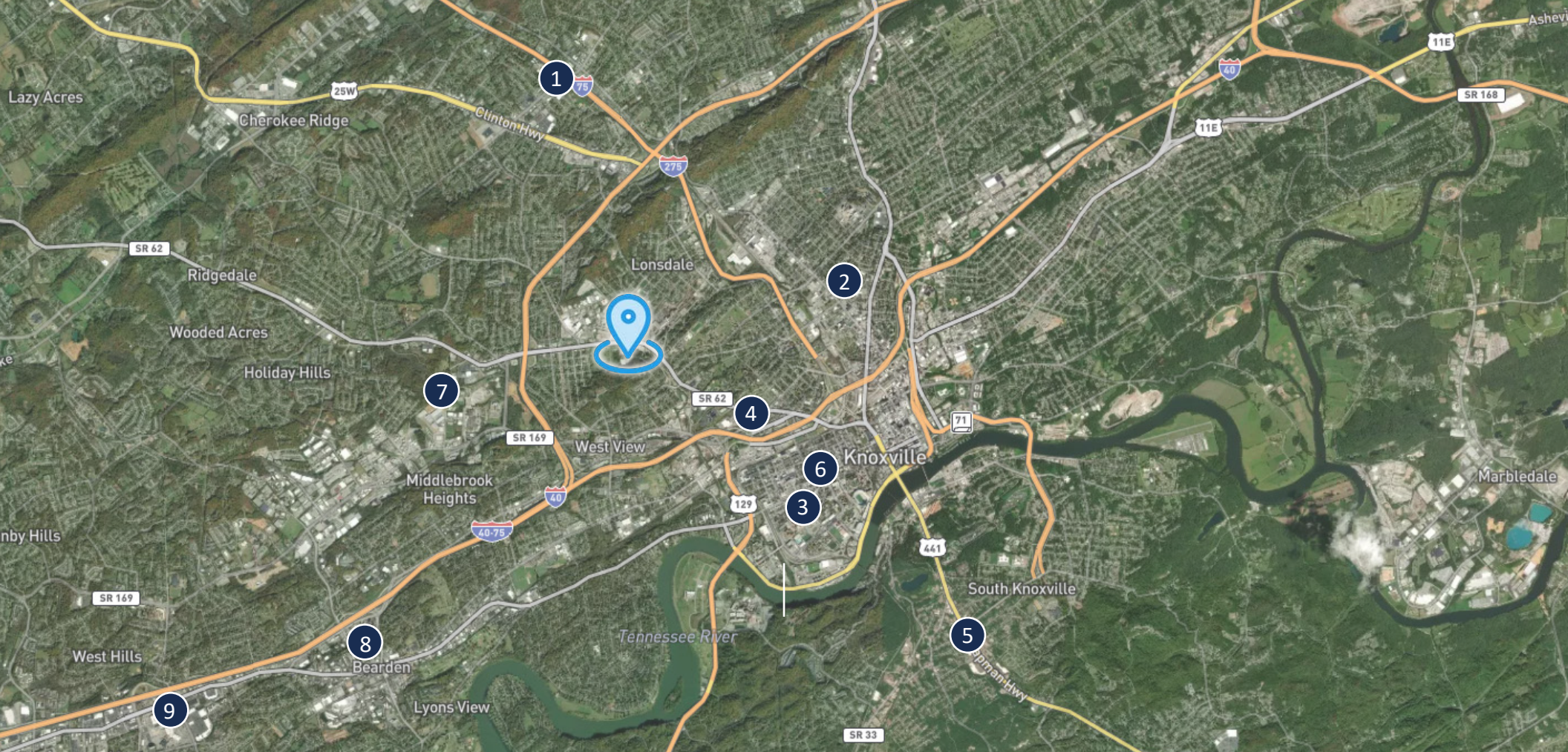
In March 2024, Knoxville secured a \$42.6 million grant from the U.S. Department of Transportation to implement a civic infrastructure plan. This initiative aims to restore cultural and economic opportunities in communities affected by past urban renewal efforts, reflecting the city's commitment to inclusive growth.



TOURISM AND HOSPITALITY

Knoxville's tourism industry is a significant contributor to its economy, thanks to its location in the scenic Great Smoky Mountains region. The city serves as a gateway to the national park, which attracts millions of visitors each year. Knoxville's vibrant downtown area, historic districts, and cultural venues such as the Tennessee Theatre and Knoxville Museum of Art also bring in tourists.





IN THE AREA



Subject Property

- 1 Starbucks, IHOP, Holiday Inn Knoxville, Best Western, Hampton Inn, Outback Steakhouse
- 2 Next Level Brewing, Remedy Coffee, Barrelhouse by Gypsy Circus, Yoga Central, Magpies Bakery
- 3 The University of Tennessee, University of Tennessee Research Park, Neyland Stadium, Thompson-Boling Arena, Knoxville Convention

- 4 Human Services Department, Public Works Service Center, City of Knoxville Fleet Services, University of TN Facilities Services
- 5 Kroger, Planet Fitness, Walgreens, KFC, Ace Hardware, Sonic
- 6 Just Love Coffee, Moe's Southwest Grill, Starbucks, Mellow Mushroom, Tropical Smoothie Cafe, CVS Pharmacy, Zaxby's, Publix

- 7 Federal Bureau of Investigation, U.S. Postal Service, Knoxville Racquetball Club, Club4 Fitness, Walmart, Orangetheory
- 8 Calhoun's, CAVA, Firstwatch, Whole Foods, REI, Brazerio's, Ulta, Bonefish Grill, barre3, ALDI, Madewell, Kroger
- 9 **West Town Mall** - Apple, Belk, Dick's Sporting Goods, Texas Roadhouse, Chick-Fil-A, lululemon, Dillard's, Gap, Williams-Sonoma



BULL REALTY

ASSET & OCCUPANCY SOLUTIONS



CONTACT INFORMATION

BROKER PROFILES



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Michael Bull, CCIM is the founder and CEO of Bull Realty. He is an active commercial real estate broker licensed in eight states and has assisted clients with over 8 billion dollars of transactions over his 35-year career.

Mr. Bull founded Bull Realty in 1998 with two primary missions: to provide a company of brokers known for integrity and to provide the best disposition marketing in the nation. While known for effective disposition services, the firm also provides acquisition, project leasing, and site representation in all major property sectors.

Michael personally leads a team focused on office investment sales.

You may know Michael as host of America's Commercial Real Estate Show. The popular weekly show began broadcasting in 2010 and today is heard by millions of people around the country. Michael and other respected industry leaders, analysts, and economists share market intel, forecasts, and strategies. New shows are available every week on-demand wherever you get your podcasts, YouTube, and the show website, www.CREshow.com.

If you get a chance, see Michael speak at commercial real estate events in Atlanta or around the country. He speaks at national and state level events on topics related to commercial real estate.

He enjoys music, stand-up comedy, street motorcycles, and high-performance boating.



AUSTIN BULL
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Austin Bull specializes in assisting clients with the acquisition and disposition of commercial properties around metro Atlanta and across the Southeast U.S. He leverages Bull Realty's marketing technology, buyer databases, and market research to deliver superior client services. Austin works closely with 35 year, 8 billion transaction experienced broker Michael Bull, CCIM.

Austin has a degree in business administration from the University of North Georgia. He enjoys motorcycles and road course racing in his free time.

ABOUT BULL REALTY

MISSION:

To provide a company of advisors known for integrity and the best disposition marketing in the nation.

SERVICES:

Disposition, acquisition, project leasing, tenant representation and consulting services.

SECTORS OF FOCUS:

Office, retail, industrial, multifamily, land, healthcare, senior housing, self-storage, hospitality and single tenant net lease properties.

AMERICA'S COMMERCIAL REAL ESTATE SHOW:

The firm produces the nation's leading show on commercial real estate topics, America's Commercial Real Estate Show. Industry economists, analysts and leading market participants including Bull Realty's founder Michael Bull share market intel, forecasts and strategies. The weekly show is available to stream wherever you get your podcasts or on the show website: www.CREshow.com.

JOIN OUR TEAM

Bull Realty is continuing to expand by merger, acquisition and inviting agents with proven experience. As a regional commercial brokerage firm doing business across the country, the firm recently celebrated 27 years in business.

CONNECT WITH US:

<https://www.bullrealty.com/>



27
YEARS IN
BUSINESS



ATL
HEADQUARTERED IN
ATLANTA, GA

LICENSED IN
8
SOUTHEAST
STATES



CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is made and agreed to for the benefit of the undersigned party ("Receiving Party"), the owner of the subject property (the "Seller") and undersigned broker Bull Realty ("Broker").

Now therefore in consideration of the privileges granted to Receiving Party with respect to receiving certain confidential information, and other good and valuable consideration, the Receiving Party hereby agrees to the following:

I. Confidential Information:

Receiving Party will receive confidential information regarding property referred to as 2600 Western Ave. Prospect agrees to not disclose to any person that the property may be available for sale or lease, or that discussions or negotiations are taking place concerning the property, nor any terms, conditions, or other facts with respect to the property, including but not limited to tenant information, lease rates, lease expirations, income and expenses, and any such possible purchase, including the status thereof. The term "person" used in this agreement shall be interpreted broadly and shall include, without limitation, any corporation, company, partnership or individual other than parties to which Broker approves in writing. Receiving Party may share information with directors, officers, employees, agents, affiliates, counsel, lending sources, accountants or representatives of Receiving Party that Receiving Party notifies of the requirements of this Agreement. Receiving Party agrees to not contact the property owner, the management, the tenants, the lender, the vendors, the insurers, the employees or the customers of any business at the site.

II. Acting as a Principal:

Receiving Party hereby warrants that it is acting as a principal only, and not as a broker, regarding this contemplated transaction. Receiving Party acknowledges that Broker is working in an agency capacity as representing the Seller only in this transaction and is the only Broker involved in this potential transaction. Receiving Party agrees to not be involved in any arrangement to lease or purchase the property, in whole or in part, as a lender, partner, buyer of the note, buy in foreclosure, buy from bankruptcy court, or in any other manner acquire an investment in, joint venture or control of the property, unless Broker is paid a commission at closing as per separate agreement with Seller.

This agreement will expire two years from the date hereof.

III. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee.

If you are a broker, or a principal desiring to include an outside broker, contact the listing broker directly for a Buyer and Buyer's Broker Confidentiality & Commission Agreement.

Receiving Party _____

Signature _____

Date _____

Printed Name _____

Title _____

Company Name _____

Address _____

Email _____

Phone _____

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