

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

4905 HIGHWAY 58 | CHATTANOOGA, TN 37416

BEVERLY APARTMENTS

OFFERING MEMORANDUM



EXCLUSIVELY LISTED BY

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INVESTMENT SUMMARY



BEVERLY APARTMENTS | CHATTANOOGA, TN

WELCOME TO BEVERLY APARTMENTS

INVESTMENT SUMMARY

Matthews Real Estate Investment Services™ is pleased to present this offering of **Beverly Apartments**, located in Chattanooga, TN. This property features a diverse selection of renovated studio, one-bedroom, and two-bedroom floor plans, which offer in-unit washer/dryer hookup, in-unit attic storage, and private patio fencing.

Ideally positioned off Hwy 58, Beverly Apartments boasts unparalleled connectivity, **just 6 miles from Chattanooga Metropolitan Airport and less than 10 miles from downtown Chattanooga**. Residents will appreciate the convenience of nearby amenities including Starbucks, Food City, Chattanooga State Community College, and Booker T. Washington Park. Beverly Apartments stands as an attractive rental option for professionals and families alike, seeking both comfort and convenience in one of Chattanooga's most promising neighborhoods.

The opportunity comes with multiple value paths for new ownership. The first would be to capitalize on **over 25% rental upside available through renovating the remaining interiors**. The second would be taking advantage of the **additional 2 acres of land already zoned for an additional 40 units to increase the scale to nearly 100 units** which will allow for full-time on-site staff and further operational efficiency.



9.3 MI

TO DOWNTOWN CHATTANOOGA



\$73,500

AVG HOUSEHOLD INCOME (1 MI)



49

TOTAL NUMBER OF UNITS

PROPERTY HIGHLIGHTS



Over 25% rental upside



Stabilized occupancy and collections



Significant capital improvements were made to the property leaving little to no deferred maintenance for a new owner



An additional 2.04 acres of land have already been zoned to add 40 more units



In-unit washer & dryer hookups, in-unit attic storage, and fenced in patios



On-site office unit & storage shed



Location right off Hwy 58 provides great tenant traffic while simultaneously having ideal unit placement far off the highway with plenty of green space and no road noise



Property taxes are locked in at the current assessed value for the next 4 years with Hamilton County reassessing every 4 years and the latest reassessment in January 2025



Beverly Apartments
PROPERTY NAME

4905 Highway 58
Chattanooga, TN 37416
PROPERTY ADDRESS

Hamilton County
COUNTY

1984
YEAR BUILT

49
NUMBER OF UNITS

±32,040 SF
GROSS SF

±654 SF
AVG SF PER UNIT

±6.54 AC
LOT SIZE

PROPERTY DETAILS

ADDITIONAL PROPERTY INFORMATION

Unit Mix: Studio (1), 1+1 Units (38), 2+1 Units (7), 2+2 Units (3)

HVAC: PTAC Units (90% replaced over past 5 years)

Metering: Individual Metered Electric | Master Metered Water | No Gas

Electrical: Copper

Plumbing: Copper/PVC

Roofs: Flat – Pitched (all replaced within last 10 years)

Section 8: None

Parking: Surface Park

UTILITY SUMMARY

Service	Paid by	Fee
Electricity	Tenant	Direct
Water & Sewer	Property	\$60/\$65
Pest Control	Property	\$0
Trash	Property	\$0

DISTANCE TO:

Food City: ±1.1 miles

Starbucks: ±1.2 miles

Booker T. Washington State Park: ±1.8 miles

Chattanooga Yacht Club: ±3.4 miles

Tennessee Riverwalk at the Dam: ±4.0 miles

Chattanooga State Community College: ±4.5 miles

Enterprise South Nature Park: ±5.3 miles

Chattanooga Metropolitan Airport: ±5.9 miles

Tennessee Aquarium: ±8.8 miles

Downtown Chattanooga: ±9.3 miles

PROPERTY WIDE CAPITAL IMPROVEMENTS

18 Interior Rehabs

Maintenance Shed Remodel

New & Repaired Concrete Walkways

Parking Lot Crack Seal, Pavement Seal, & New Striping

New Siding As Needed

New Exterior Light Fixtures

New Paint

New Property Sign, Building Signs, & Unit Signs

Office Rehab

Mail Center Rehab

New Fire Hydrants & Water Line As Needed

New Patio Fencing

Rezoned Vacant Parcel For 40 Additional Units

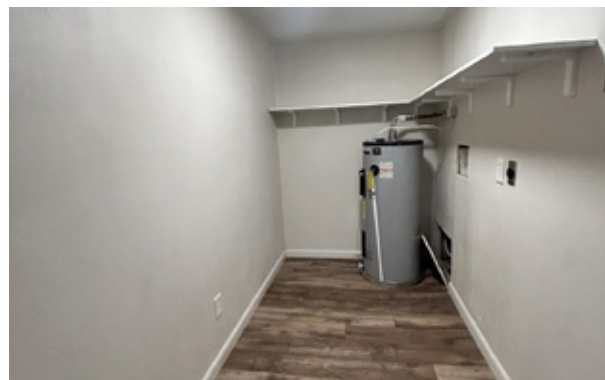
New Roofs As Needed

New Landscaping & Garden Walls As Needed

Considerable Tree Removal



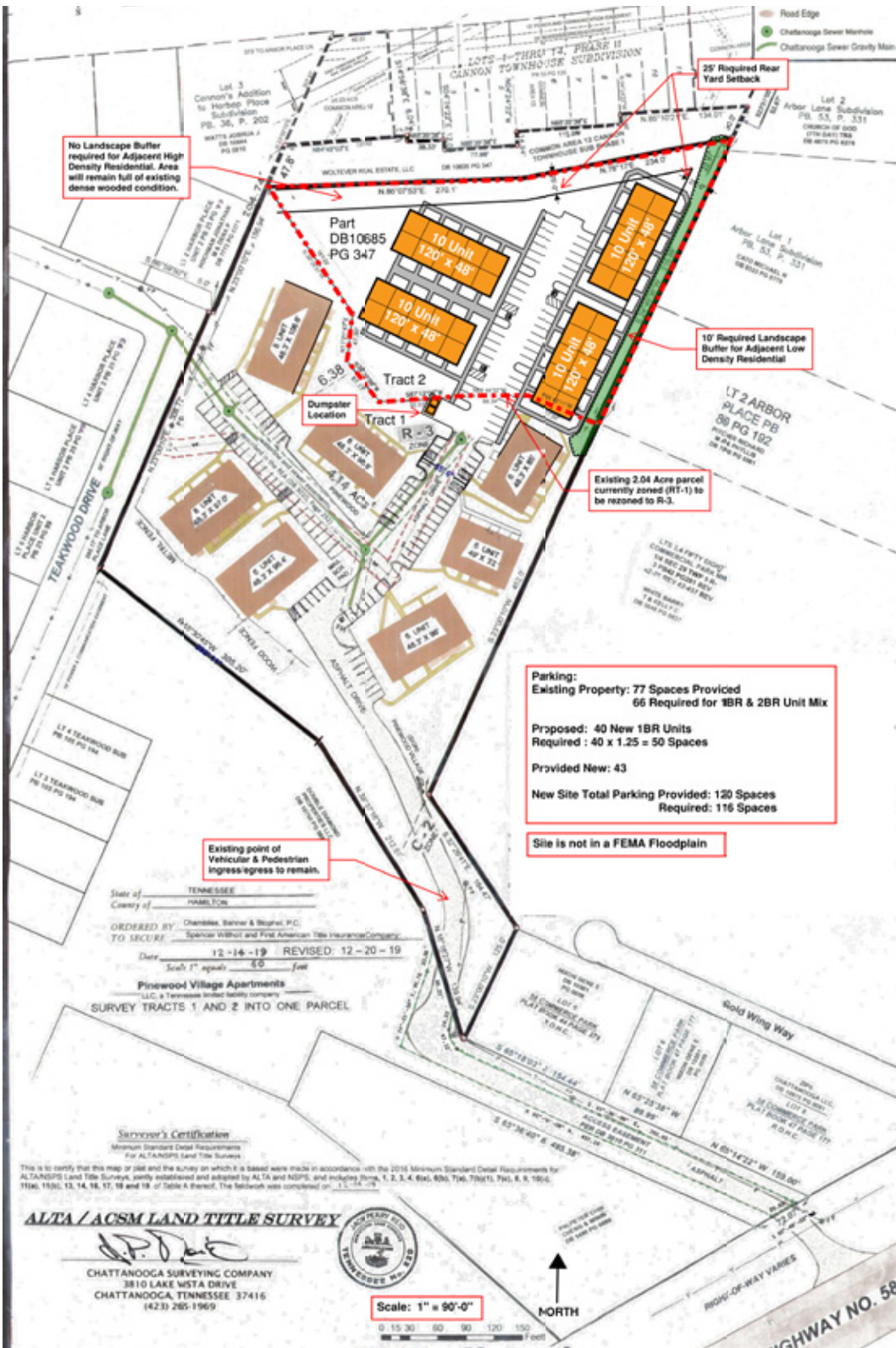
INTERIORS



DEVELOPMENT OPPORTUNITY

±2.04 ACRES ZONED FOR 40 UNITS

An aerial photograph of a residential development featuring several long, single-story apartment-style buildings with brown roofs. The buildings are arranged around a central parking lot filled with cars. The surrounding area is densely wooded with trees in various shades of green and autumn colors. In the background, a large body of water is visible under a clear blue sky. A dark blue, irregularly shaped polygon highlights a specific area of land within the wooded area, containing the text '±2.04 ACRES ZONED FOR 40 UNITS'. In the bottom right corner, a parking lot contains several white motorhomes and a white truck.



ADDITIONAL DEVELOPMENT OPPORTUNITY

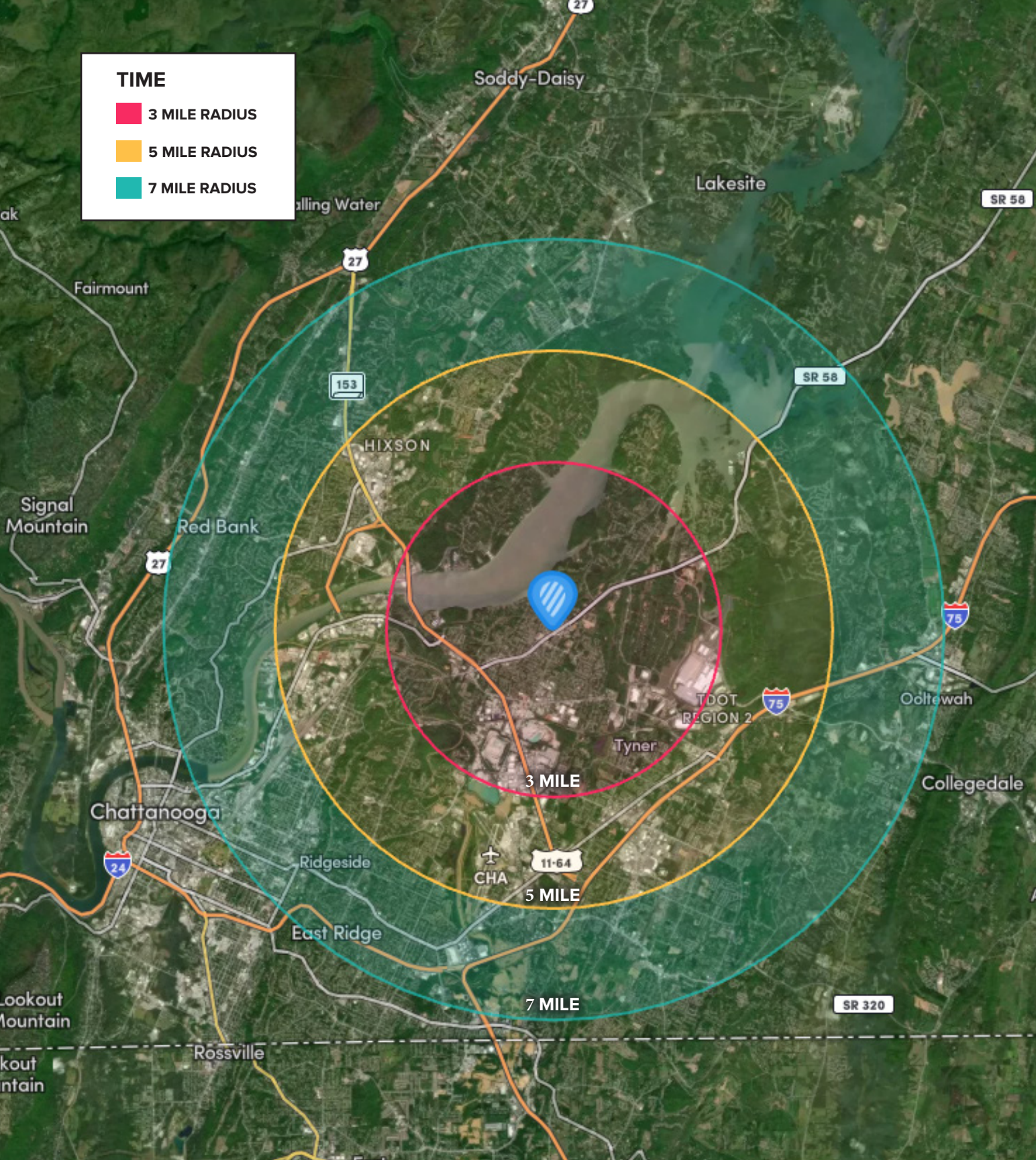
- An additional 2.04 acres of land have already been zoned to add 40 more units
- Tentative building plans already created (see photo to the left)



TRADE AREA

TIME

- 3 MILE RADIUS
- 5 MILE RADIUS
- 7 MILE RADIUS



3 MILE RADIUS

28.3 SQUARE MILES

22,889

TOTAL POPULATION

\$79.9K

AVG HH INCOME

9,987

HOUSEHOLDS

\$557.2M

CONSUMER SPEND

5 MILE RADIUS

78.5 SQUARE MILES

78,816

TOTAL POPULATION

\$86.2K

AVG HH INCOME

33,176

HOUSEHOLDS

\$1.9B

CONSUMER SPEND

7 MILE RADIUS

153.9 SQUARE MILES

187,612

TOTAL POPULATION

\$95.1K

AVG HH INCOME

77,936

HOUSEHOLDS

\$5.2B

CONSUMER SPEND

FINANCIAL OVERVIEW



BEVERLY APARTMENTS | CHATTANOOGA, TN

FINANCIAL OVERVIEW

PRICING SUMMARY

LIST PRICE	PRICE/ UNIT	PRICE/SF	CURRENT		YEAR 1 - ADJUSTED		MATTHEWS™ PRO FORMA	
			CAP RATE	GRM	CAP RATE	GRM	CAP RATE	GRM
\$4,550,000	\$92,857	\$142.01	6.34%	8.95	6.23%	8.81	8.79%	6.97

UNIT MIX & SCHEDULED INCOME

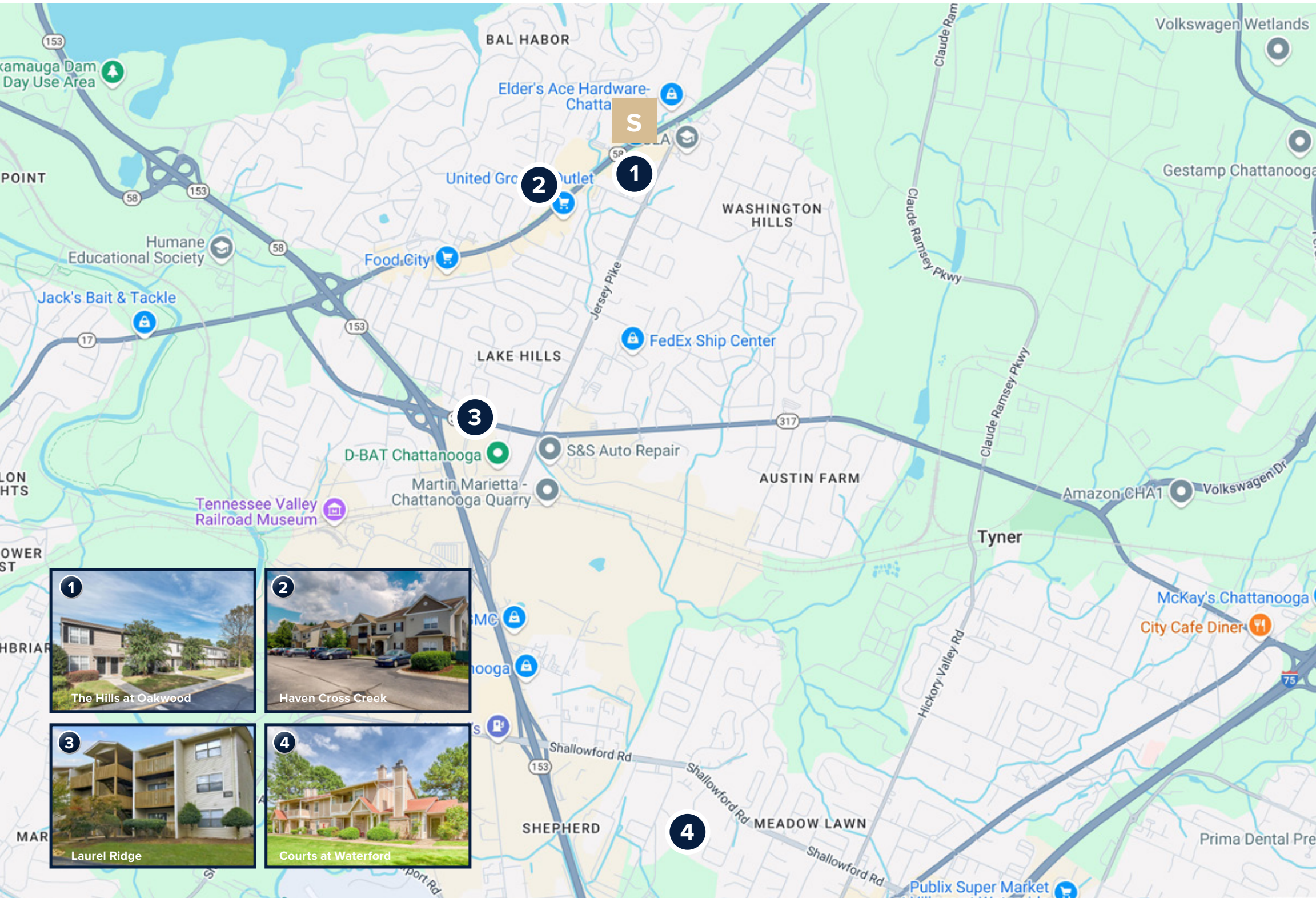
TOTAL UNITS	UNIT MIX	UNIT MIX %	AVG SQUARE FEET	AVG RENT PSF	CURRENT AVG RENT	CURRENT MONTHLY RENT	MARKET RENT	MARKET RENT PSF	MARKET MONTHLY RENT
1	Studio	2%	600	\$1.17	\$699	\$699	\$1,000	\$1.67	\$1,000
38	1+1	78%	600	\$1.40	\$841	\$31,956	\$1,000	\$1.67	\$38,000
7	2+1	14%	864	\$1.10	\$951	\$6,654	\$1,250	\$1.45	\$8,750
3	2+2	6%	864	\$1.09	\$946	\$2,838	\$1,275	\$1.48	\$3,825
Average			654	\$1.33	\$860	\$42,147	\$1,053	\$1.62	\$51,575
Total			32,040	\$65.41	\$42,147	\$505,763	\$51,575	\$79.55	\$618,900



ANNUAL OPERATING SUMMARY

ADJUSTMENTS	CURRENT T-12		YEAR 1 - ADJUSTED		MATTHEWS™ PRO FORMA		BROKER NOTES
	NOV-24	PER UNIT	\$ TOTAL	PER UNIT	\$ TOTAL	PER UNIT	
GROSS POTENTIAL RENT	\$505,763		\$618,900	Market Rent	\$656,591	30%	
Less Vacancy	-\$25,288	-5.00%	-\$30,945	-5.0%	-\$32,830	-5.0%	Assumes 5% vacancy
Loss/Gain to Lease	\$0	0.00%	-\$105,213	-17.0%	-\$6,566	-1.0%	Assumes 1% loss to lease
Less Concessions	-\$3,582	-0.71%	\$0	0.0%	\$0	0.0%	
Other Income	\$2,549	\$52	\$2,600	\$53	\$2,705	\$55	T-12 "other income" grown at 2%
Utility Reimbursement(Water/Trash/Other)	\$19,689	\$402	\$20,083	\$410	\$20,894	\$426	T-12 utility reimbursement grown at 2%
GROSS OPERATING INCOME	\$499,131		\$505,425		\$640,795		
EXPENSES							
Real Estate Taxes	\$42,238	\$862	\$61,252	\$1,250	\$64,353	\$1,313	mileage rate of 44.873 with assessed value fixed for next 4 years
Property Management Fee	\$41,560	\$848	\$35,380	\$722	\$44,856	\$915	Assumes 7% property management fee
Insurance	\$23,212	\$474	\$23,275	\$475	\$24,453	\$499	Assumes insurance expense of \$475/unit
General and Administrative	\$2,728	\$56	\$4,900	\$100	\$5,148	\$105	Assumes general admin expense of \$100/unit
Contract Services	\$22,412	\$457	\$22,050	\$450	\$23,166	\$473	Assumes contract services (landscaping & pest control) of \$450/unit
Turnover	\$1,499	\$31	\$9,800	\$200	\$10,296	\$210	Assumes turnover cost of \$200/unit
Repairs & Maintenance	\$41,636	\$850	\$19,600	\$400	\$20,592	\$420	Assumes repairs & maintenance cost of \$400/unit
Electrical	\$2,793	\$57	\$2,849	\$58	\$2,993	\$61	T-12 electric expense grown at 2%
Water/Sewer	\$25,848	\$528	\$26,365	\$538	\$27,700	\$565	Annualized T-3 water bill grown at 2%
Trash Removal	\$6,736	\$137	\$6,871	\$140	\$7,219	\$147	T-12 trash removal expense grown at 2%
Reserves	\$0	\$0	\$9,800	\$200	\$10,296	\$210	Assumes reserves of \$200/unit
TOTAL EXPENSES	\$210,662	\$4,299	\$222,141	\$4,533	\$241,072	\$4,920	
NET OPERATING INCOME	\$288,469	\$5,887	\$283,284	\$5,781	\$399,723	\$8,158	

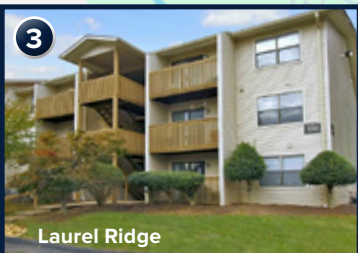
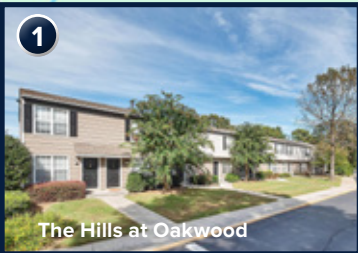
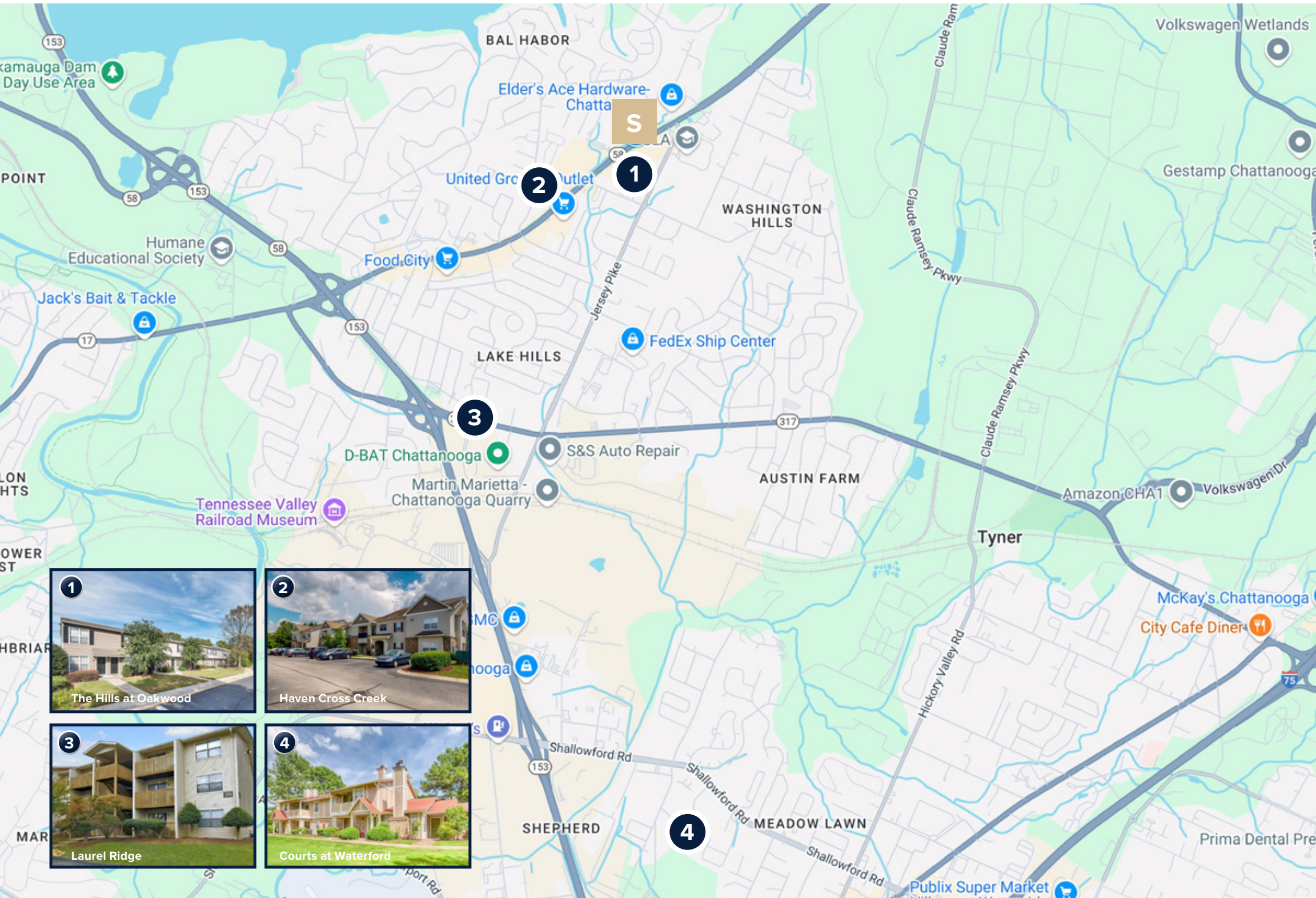
CONVENTIONAL (1BR) RENT COMPARABLES MAP



CONVENTIONAL (1BR) RENT COMPARABLES

COMPARABLE SET									
PROPERTY ADDRESS	CITY, ST	ZIP	YEAR BUILT	UNITS	BUILDING SF	UNIT MIX	UNIT SIZE (SF)	MONTHLY RENT	AVG RENT/SF
S Beverly Apartments 4905 Highway 58	Chattanooga, TN	37416	1984	49	32,040	1+1	600	\$841	\$1.40
1 The Hills at Oakwood 4827 Jersey Pike	Chattanooga, TN	37416	1965	196	187,356	1+1	655	\$1,240	\$1.89
2 Haven Cross Creek 4025 Oakwood Dr	Chattanooga, TN	37416	2009	232	239,696	1+1	742	\$1,187	\$1.60
3 Laurel Ridge 4715 Bonny Oaks Dr	Chattanooga, TN	37416	1985	276	233,670	1+1	672	\$1,235	\$1.84
4 Courts at Waterford 6220 Shallowford Rd	Chattanooga, TN	37421	1989	318	260,789	1+1	595	\$1,080	\$1.82
AVERAGES								\$1,186	\$1.79

CONVENTIONAL (2BR) RENT COMPARABLES MAP



CONVENTIONAL (2BR) RENT COMPARABLES

COMPARABLE SET										
	PROPERTY ADDRESS	CITY, ST	ZIP	YEAR BUILT	UNITS	BUILDING SF	UNIT MIX	UNIT SIZE (SF)	MONTHLY RENT	AVG RENT/SF
S	Beverly Apartments 4905 Highway 58	Chattanooga, TN	37042	1984	49	32,040	2+2	864	\$951	\$1.10
1	The Hills at Oakwood 4827 Jersey Pike	Chattanooga, TN	37416	1965	196	187,356	2+1.5	840	\$1,185	\$1.41
2	Haven Cross Creek 4025 Oakwood Dr	Chattanooga, TN	37416	2009	232	239,696	2+2	963	\$1,371	\$1.42
3	Laurel Ridge 4715 Bonny Oaks Dr	Chattanooga, TN	37416	1985	276	233,670	2+2	946	\$1,340	\$1.42
4	Courts at Waterford 6220 Shallowford Rd	Chattanooga, TN	37421	1989	318	260,789	2+2	977	\$1,434	\$1.47
AVERAGES									\$1,333	\$1.43

MULTIFAMILY SALE COMPARABLES MAP



MULTIFAMILY SALE COMPARABLES

COMPARABLE SET										
	PROPERTY NAME	CITY, ST	POSTAL CODE	NUMBER OF UNITS	YEAR BUILT	BUILDING SIZE (SF)	SALE PRICE	PRICE PER UNIT	PRICE PER SF	SALE DATE
S	Beverly Apartments 4905 Highway 58	Chattanooga, TN	37416	49	1984	32,040	\$4,550,000	\$92,857	\$142.01	-
1	Ridgeside Apartments 6320 Hixson Pike	Hixson, TN	37343	147	1979	138,636	\$16,000,000	\$108,844	\$115.41	10/23/2024
2	1413 Mana Ln	Chattanooga, TN	37412	12	1965	11,924	\$1,300,000	\$108,333	\$109.02	10/7/2024
3	Country Oaks 137 Oyler Ln	Hixson, TN	37343	38	1972	27,981	\$4,375,000	\$115,132	\$156.36	8/29/2024
4	Villas on Sunrise 33 Sunrise Ln	Ringgold, GA	30736	19	1971	12,650	\$2,050,000	\$107,895	\$162.06	4/26/2024
5	Granite Heights 1400 N Chamberlain Ave	Chattanooga, TN	37406	66	2002	73,332	\$5,250,000	\$79,545	\$71.59	3/2/2024
6	The Gardens 3204 Redding Rd	Chattanooga, TN	37415	42	1971	39,420	\$4,550,000	\$108,333	\$115.42	2/19/2024
7	Seminole Pathe & Richwood Townhomes 302 Dunlap Ave & 918 Donaldson Rd	Chattanooga, TN	37412	56	1968	60,442	\$5,900,000	\$105,357	\$97.61	10/17/2023

AVERAGES

\$104,777

\$118.21

AREA OVERVIEW



BEVERLY APARTMENTS | CHATTANOOGA, TN

TENNESSEE CHATTANOOGA

Bordering the state of Georgia, Chattanooga is a charming town in Southeast Tennessee. With a city population of more than 180,000 residents, it is the 4th largest city in the state and has everything to offer from business and economic success to beautiful scenery and activities. The city boasts the most productive affordable housing program in the nation and has been awarded several awards for the redevelopment of the downtown and riverfront area.

Chattanooga has been recognized as a top emerging multifamily market, ranking seventh in 2024. This acknowledgment reflects the city's strong construction pipeline, stable occupancy rates, and growing employment market, indicating promising investment opportunities.

NEIGHBORHOOD OVERVIEW

Bal Harbor is an upscale residential neighborhood in Chattanooga, Tennessee, known for its stunning homes and serene environment. The area features a mix of architectural styles, from charming craftsman houses to modern masterpieces, all set along tree-lined streets with lush greenery. Residents enjoy a strong sense of community, supported by excellent schools and recreational opportunities, including parks and access to the Tennessee River. Bal Harbor's prime location offers convenient access to Chattanooga's dining, shopping, and entertainment options, making it a desirable place for families and individuals seeking both luxury and tranquility in their living environment.



187,612

RESIDENTS WITHIN METRO AREA



\$95,100

AVERAGE HOUSEHOLD INCOME



SURROUNDING TENANTS



58

± 39,370 VPD



SUBJECT PROPERTY



SURROUNDING TENANTS



SUBJECT PROPERTY



ECONOMY

Chattanooga, Tennessee has experienced a remarkable economic resurgence in recent years, outpacing national growth trends. Between January 2014 and December 2023, the Chattanooga metro area saw an 18.8% increase in nonfarm jobs, compared to 14% nationally. This growth has been largely driven by a manufacturing renaissance, particularly in the durable goods sector. Chattanooga has experienced significant economic development, attracting 87 projects between 2019 and 2023, resulting in over 8,300 jobs and nearly \$2.6 billion in capital investment. Major employers like Volkswagen, Amazon, and BlueCross BlueShield contribute to a robust job market, supporting a stable rental demand. The entry of companies like Volkswagen has transformed the local manufacturing landscape, with employment in this sector rising by almost 50% since 2010.

The region's \$43.9 billion economy is diverse, featuring major industry clusters in advanced manufacturing, automotive production, health services, textile production, transportation and logistics, and food and beverage production. Chattanooga has attracted significant foreign direct investment, totaling over \$8 billion since 2009. The city's economic development strategy focuses on talent development, quality job creation, and strengthening local businesses. Despite these positive trends, challenges remain, including the impact of remote work on the downtown core and the need to create economic opportunities that retain educated workers. The unemployment rate in Chattanooga stands at 5.6%, slightly below the national average, and future job growth over the next decade is projected to be 44.5%, surpassing the U.S. average of 33.5%.





UNIVERSITY OF TENNESSEE, CHATTANOOGA

The University of Tennessee at Chattanooga (UTC) is a public university located in Chattanooga, Tennessee, founded in 1886. Initially established as a private institution, it became part of the University of Tennessee System in 1969. UTC offers a comprehensive range of academic programs through its five colleges: Arts and Sciences, Business, Engineering and Computer Science, Health, Education and Professional Studies, and the Graduate School. The university is known for its strong emphasis on experiential learning, providing students with opportunities to engage in internships and research that connect them with the local community and industries. With over 140 undergraduate majors and nearly 100 graduate programs, UTC serves a diverse student body of approximately 9,000 undergraduates.

UTC is recognized for its commitment to student success and community engagement. The campus has undergone significant development, including over \$148 million in facility improvements to enhance the learning environment. The university's strategic partnerships facilitate applied research opportunities and foster leadership skills among students. UTC competes in NCAA Division I athletics as a member of the Southern Conference, offering a vibrant campus life with various sports and extracurricular activities. As a metropolitan university, UTC aims to provide accessible education while maintaining affordability for students from Tennessee and neighboring states



10,781

NUMBER OF STUDENTS



10,000+

NUMBER OF EMPLOYEES



140+

UNDERGRADUATE MAJORS

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property **4905 Highway 58, Chattanooga, TN 37416** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services™. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services™ is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services™, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services™ or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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