

A photograph of a commercial property at 2600 Western Ave. The image shows a long, single-story building with a light-colored metal exterior and a dark roof. A section of the building has a brick facade. Several cars are parked in a lot in front of the building. A tall, thin tree stands in the center of the lot, and a street lamp is visible. The background consists of a hill with bare trees under a clear blue sky. In the foreground, there is a gravel area and a paved road.

PROPERTY OVERVIEW

2600 WESTERN AVE

EXECUTIVE SUMMARY

Tennessee Department of Children's Services 2600 Western Ave, Knoxville, Tennessee 10+ Year Lease

Opportunity to acquire a facility on 9 acres with 270 parking spaces designed and built for the Tennessee Department of Children's Services (DCS) in 2009. DCS has a lease through November 30th of this year with a new 10-year lease beginning as soon as current construction is completed, which should be by December or shortly thereafter.

The property includes two significant value add components. The sale includes a site to build up to a 20,000 building. Additionally once the seller completes the new buildout and the ten year lease starts, there will be a 6,478 SF suite to lease for added income. The property is perfectly located for DCS in Knoxville, TN, the second fastest growing city in the state of Tennessee.

- Ten Year + lease through November 30, 2035
- Leased by the State of Tennessee
- AAA+ S&P Global Credit Rating
- Tenant pays utilities and janitorial
- Rent increases December 2025 by \$3,000 a month, \$34,546.68 annually
- Annual escalations of .50% every December
- Built for DCS in 2009
- HVAC replaced in 2024
- 270 paved parking spaces
- Normal state appropriations clause
- Fully Sprinkled



NOI Beginning
December 2025:
\$504,535



Bldg Size:
±55,000 SF



Site Size:
±9.11 Acres

PROPERTY INFORMATION

Building

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

Site

Site Size	9.11 Acres
Parcel ID	094HA00102
Value Add	Site to build up to 20,000 building
Zoning	OP

Financial

NOI as of 12/1/2025	\$504,535 at 88% occupancy
Lease	10+ years

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

48,522 SF (Lease through 11/30/2035)

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, it 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>

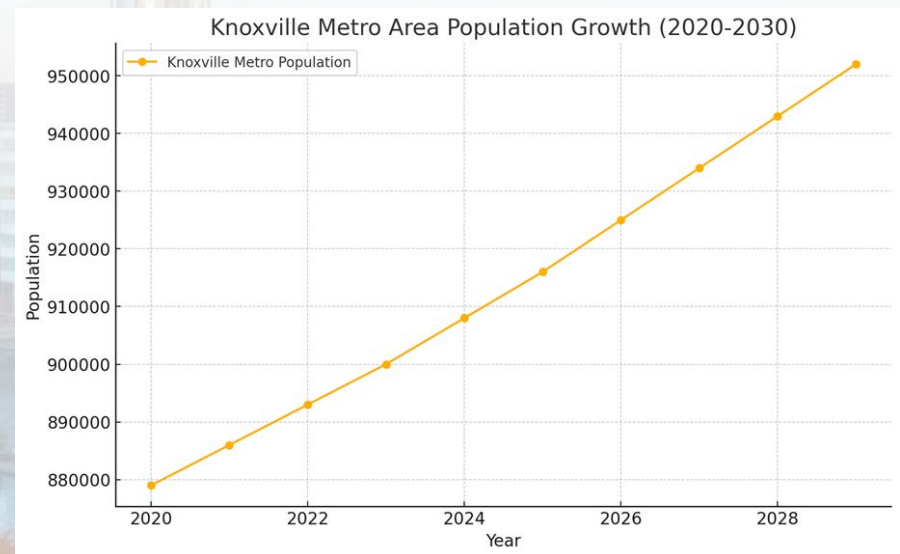
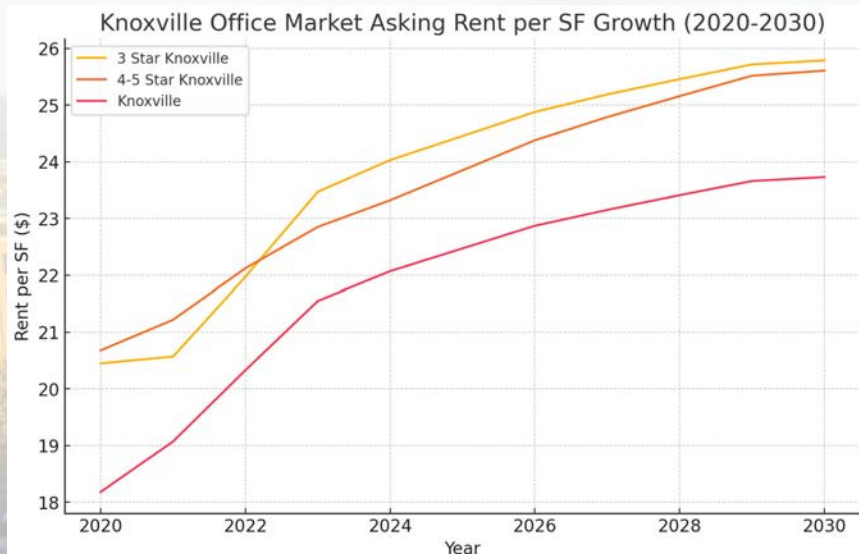
KNOXVILLE OFFICE MARKET

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 After a strong start to the year, demand for office space in Knoxville has picked up. The vacancy rate is only 3.2%. Asking rents average \$22.80 SF while the rent at the subject property in only \$13.94 SF.

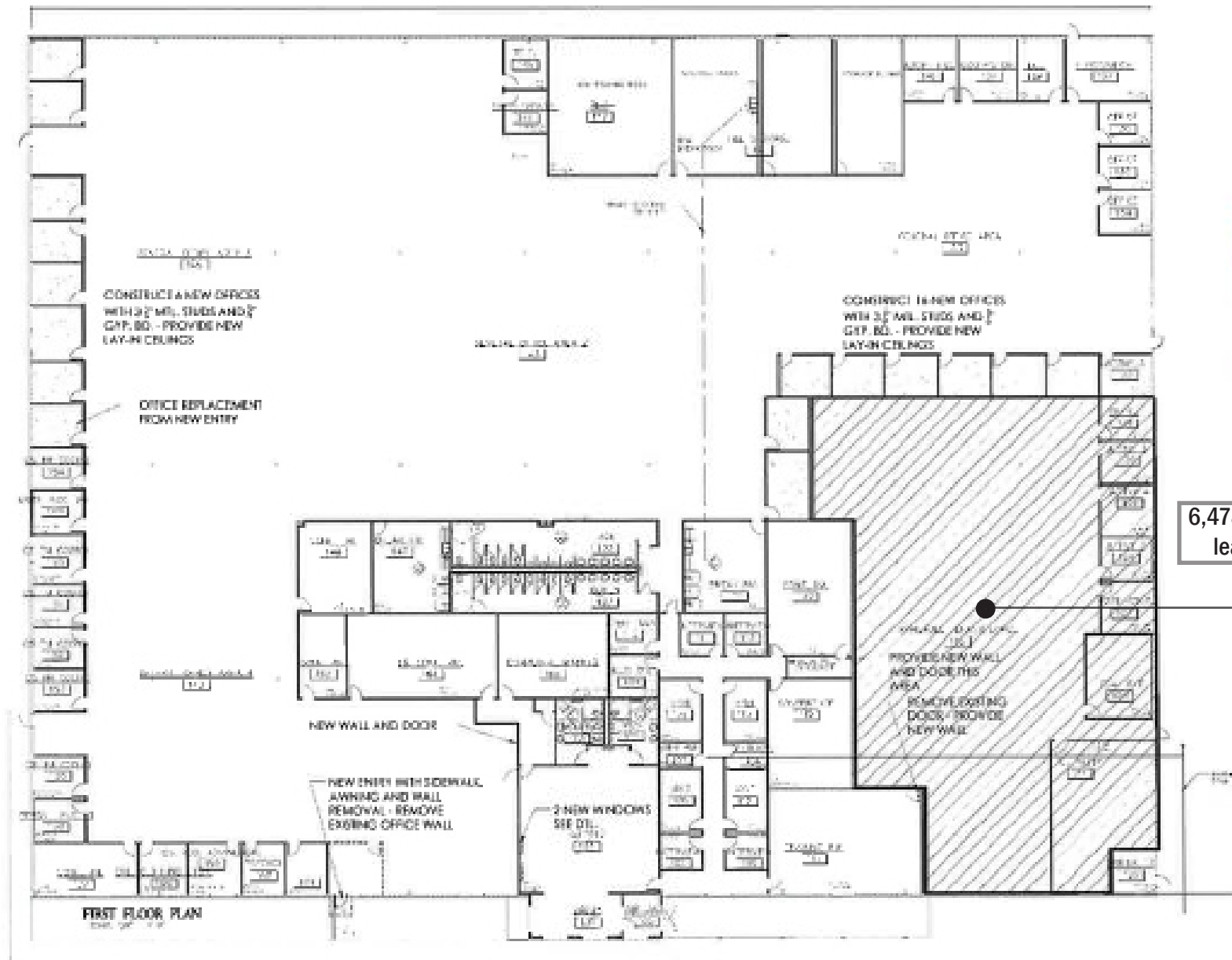
One important factor that has contributed to the good health of the local office market is the shortage of new office developments in recent years. The last time a year saw at least 100,000 SF of net new supply was in 2017. Additionally, Knoxville's office inventory has decreased over the past five years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

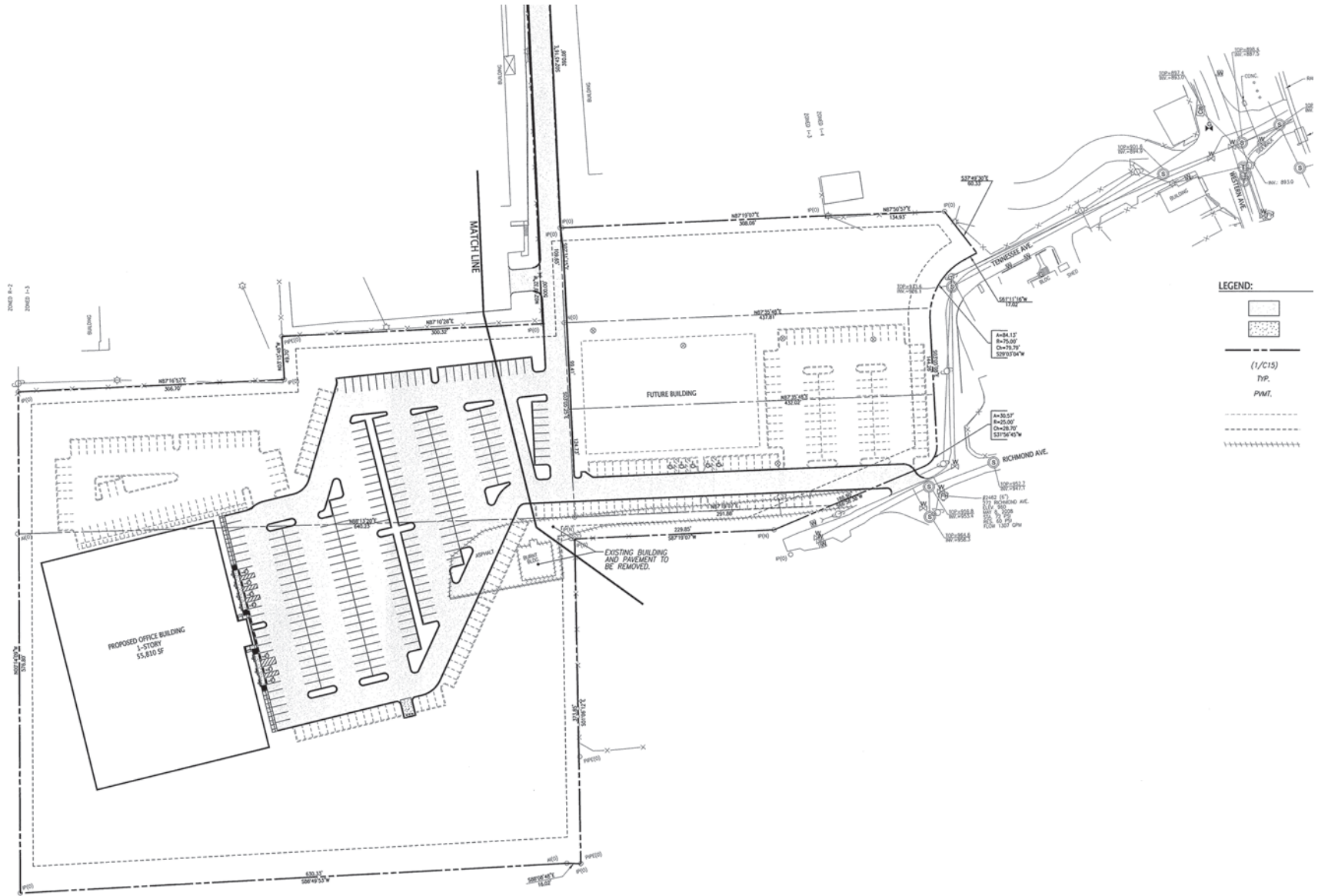


FLOOR PLAN



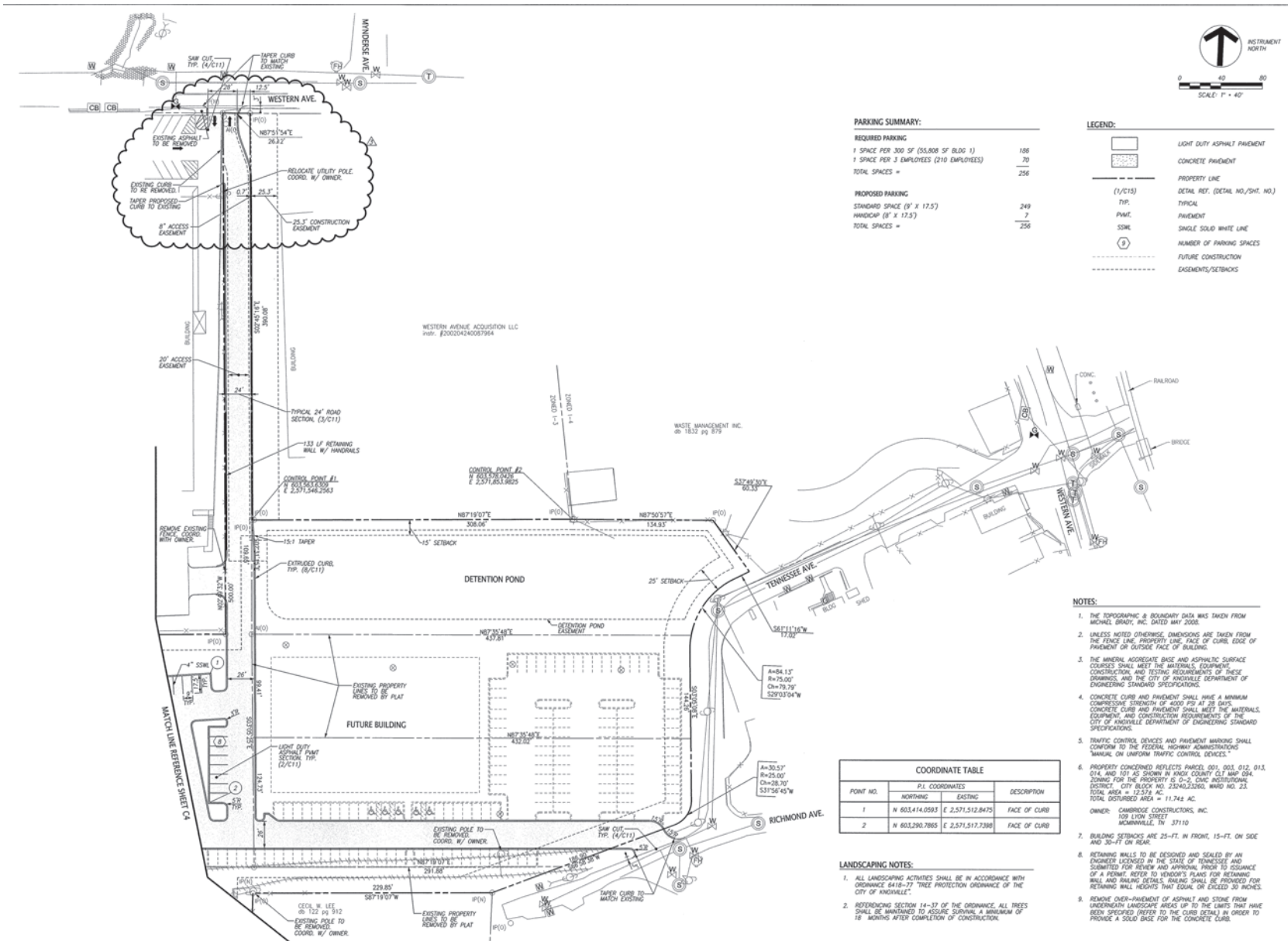
6,478 SF will be available for lease for added income

SURVEY



BUILDABLE ADJACENT SITE

Significant value add components include leasing approximately 6,475 SF once seller completes new buildout for DCS new ten year lease. Additionally the sale includes a buildable adjacent site to construct up to a 20,000 SF range building.



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

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.



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

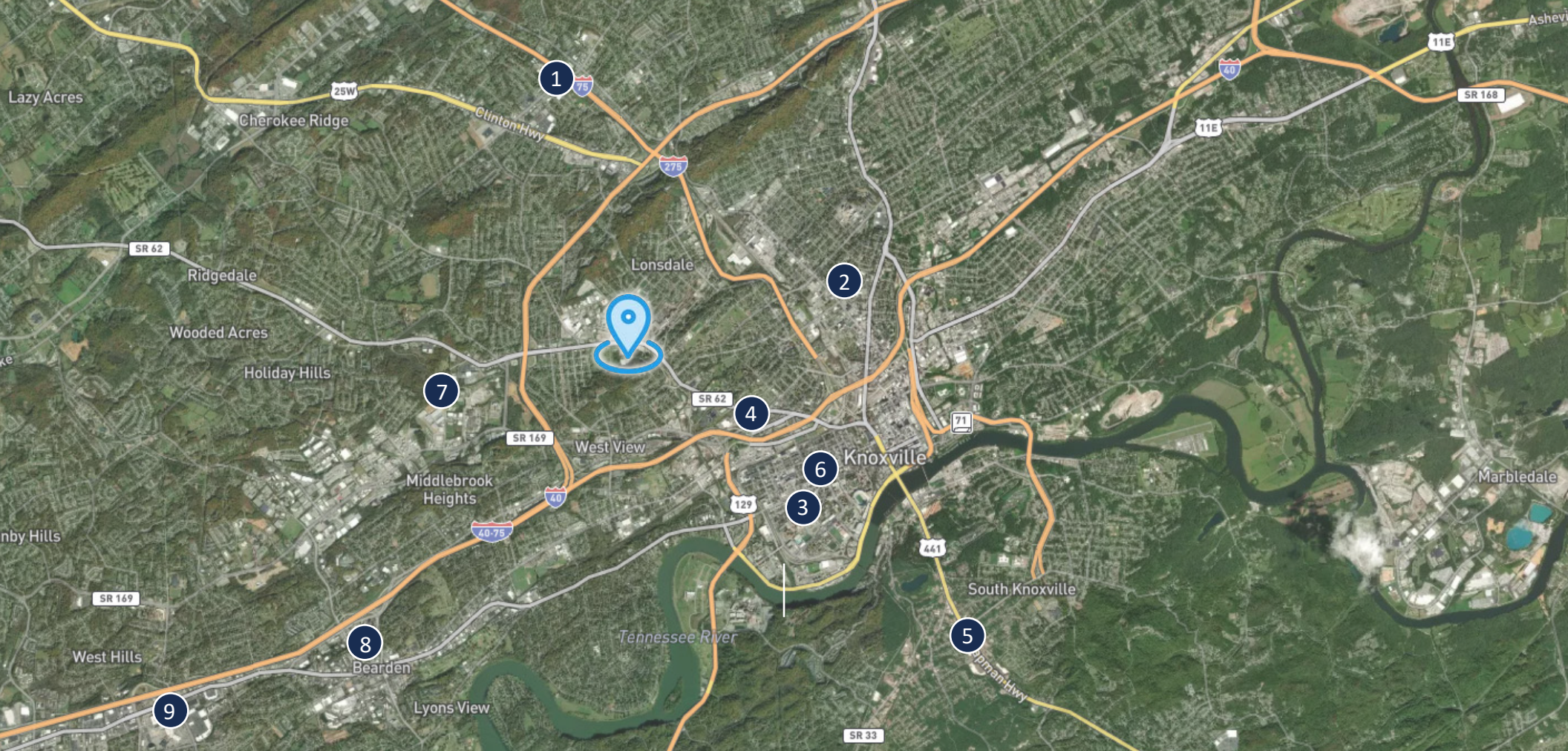


AVERAGE HOUSEHOLD INCOME

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

ESRI 2024





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 Broker Profiles



MICHAEL BULL, CCIM
President, The Office Group
404-876-1640 x101
Michael@BullRealty.com

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 provide 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.



ISABEL EILER
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Isabel@BullRealty.com

Isabel works with Michael Bull, CCIM with a primary focus of assisting clients with the acquisition and disposition of government leased properties. This includes office and industrial properties leased to the GSA, General Services Administration for the federal government and properties leased to state and local governments. Driven by a commitment to integrity and client-centric service, Isabel prioritizes transparency, reliability, and innovation.

Isabel was born in the mainland United States, however, spent her formative years in Humacao, Puerto Rico. She returned to the U.S. to complete her undergraduate degree at the University of Tennessee, Knoxville where she obtained her Bachelor's degree in Finance with a Minor in Entrepreneurship. Post graduating, she began working with other commercial real estate firms with their investment sales teams before she joined Bull Realty.

In her free time, she enjoys hanging out with friends and is involved with local dog rescues and their rehoming efforts.



AUSTIN BULL
Commercial Real Estate Advisor
404-876-1640 x175
Austin@BullRealty.com

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.

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<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 brokers Bull Realty & Bang 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 The Portfolio. 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 Kentucky, Alabama, and 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 _____

CONTACT INFORMATION

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