



*Excellence and Integrity in
Everything we do!*

LUKEN HOLDINGS, INC

(423) 756-1200

www.lukenholdings.com

Real Estate Management

JANUARY 2010



Letter from President & CEO Lynda Childress

Happy New Year! It is a brand new year, already. My prayer for this New Year is that it is much better than last year. We hope and pray that your businesses flourish and grow and increase. It is our wish that each of our tenants and their employees prosper. Please let us know of your successes and important happenings within your organization. We would love to highlight those in our monthly newsletter.

Everyone dislikes the dreaded New Year's Resolutions but I think that they have gotten a bad rap so I am going to make some. I call them "goals". I have some personal goals to reach and I will strive to reach them. I believe that it is important for a person to have a goal or a vision, dream - whatever you want to call it. My goal for our company is to be even better than we have been, more given to excellence and integrity, to grow and strive to be the best that we can be. I want our employees to be very proud of where they work and who they work for. I hope that this reflects in the work that we do. We hope that you are proud to say that you lease from us and that we manage your property. Goals are attainable with hard work and perseverance. I can do it - you can do it - we can do it. You see, the best is still to come. You never know what a new year may bring.....

LUKEN HOLDINGS, INC.

Lynda Childress,
President & CEO

Russ Elliott, CCIM, SIOR
Broker

Tammy McClendon Babb
Leasing Administrator/Broker

Beth Robertson
Controller

Jerry Gross
Property Manager

Carolyn Stringer
Executive Assistant

Belinda McClurd
Tenant Services

Meredith Coke
Accounts Payable

Tondee Hudson
Accounts Receivable

THIS MONTHS PHILOSOPHY

**Deal with others as we would
have others deal with us.
Your attitude today will make
all the difference in everything
that matters.**

Ten Commercial Real Estate Terms You Should Know



Whether you own or rent your office space, property costs are one of the largest business overhead expenses. That's why it's important to comprehend the full ramifications of taking over the title to a property or entering into a lease agreement. Before you sign a lease, work with a commercial real estate broker with a proven track record, and consult with an attorney skilled in real estate law. You should also familiarize yourself with some common real estate terms:

1. **Appraisal.** A written report by a state-licensed professional that includes an unbiased analysis of the property's value and the reasoning that led to that opinion. An appraisal report is required for any property sale.
2. **Broker.** An agent who brings together a buyer and a seller, or a landlord and a tenant, in a real estate transaction. All brokers must be licensed by the state in which they work. Most work on commission, and the landlord or seller usually pays the fee.
3. **Build-to-suit.** A method of leasing property in which the landlord makes improvements to a space based on the tenant's specifications. The cost of construction is generally factored into the lease terms. Most build-to-suit provisions apply to long-term (10-year) leases.
4. **Concessions.** Benefits or discounts given by the seller or landlord of a property to help close a sale or lease. Common concessions include absorption of moving expenses, space remodeling or upgrades (also called "build-outs"), and reduced rent for the initial term of the lease.
5. **Escalation clause.** A clause in a lease that allows the landlord to increase rent in the future. Rent increases dictated under an escalation clause may be charged in various ways, including:
 - A fixed increase over a definite period
 - A cost-of-living increase tied to a government index, such as the tax rate
 - An increase directly related to increases in operating the property
6. **HVAC.** An acronym for "heating-ventilation-air-conditioning" system. In a commercial building, the landlord generally is responsible for maintaining the HVAC.
7. **Lease.** An agreement by which the owner of a property (the "lessor") grants the right of possession to a tenant (the "lessee") for a specific period of time (the "term") for a predetermined amount of money (the "rent"). A "leasehold estate" is the space occupied by the tenant. Common types of leases include:
 - A straight, or flat, lease, which stipulates that the same periodic payment (usually monthly) be made for the entire term of the lease.
 - A percentage lease, which uses a percentage of the net or gross sales to determine the monthly rent. This is most often used in retail properties and with a minimum base rent.
 - A net lease, which requires the tenant to pay maintenance, taxes, insurance and so on, along with a fixed rent. This is also called "net-net-net" or "triple net."
8. **Lien.** A legal claim filed against a property for payment of a debt or obligation. If a property owner fails to pay a creditor, for example, the creditor can place a lien on the property. A lien can halt the sale of a property.
9. **Sales-leaseback.** A transaction in which an owner sells a property to an investor, who then leases the property back to the original owner under prearranged terms. Sale-leaseback deals offer the original owner freed-up capital and tax breaks and the investor a guaranteed return and appreciation.
10. **Sublease.** A lease given by a tenant for some or all of a rented property. For example, if a tenant rents 20,000 square feet but only ends up needing 10,000 square feet, they may want to sublet the extra space for some or all of the remaining term of the lease, providing they continue to occupy and pay rent for the property.

Russell P. Elliott, CCIM, SIOR (Principal Broker for Luken Holdings Inc.)



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6400 Building - Building B - 9,574 Sq. Ft. 6300 Building - Suite 6300 - 8,818 Sq. Ft.



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BUSINESS
CENTER**

Suite 105 - 14,179 Usable Sq.ft. / 15,717 Rentable Sq.Ft.

Suite 240 - 4,145 Usable Sq.Ft. / 4,547 Rentable Sq.Ft.



Tammy's featured property: 3733 Ringgold Road
2,487 square feet

Perfect space for personal trainer/ fitness workouts/Yoga Instruction or ballet classes;
Excellent location minutes from downtown close to the tunnels in East Ridge, next door to
the "new" Dance Floor location.

Call today for a showing 423-756-1200 and get your New Year started with a new
exercise business, just in time for those resolutions to be made (and kept)!



Tammy's tips and real estate lingo...

When leasing retail space be sure to inquire about the CAM (Common Area Maintenance) fees:

This is the amount of Additional Rent charged to the tenant, in addition to the Base Rent, to maintain the common areas of the property shared by the tenants and from which all tenants benefit. Examples include: snow removal, outdoor lighting, parking lot sweeping, insurance, property taxes, etc.

It's important to understand that the CAM charges do fluctuate from year to year. The Landlord should be able to give you an estimate based on the previous years cost during the leasing negotiations.

Best wishes, Tammy Babb

INTRODUCING A LUKEN HOLDINGS TENANT

The Dance Floor And Personal Style **Invitations & Announcements**

Have you ever wanted to learn to dance but felt as if you have two left feet or were just too shy to take the first step? Well, if this sounds like you then come check out The Dance Floor. It has been said that their Intro to Ballroom (Monday and Thursday at 8:00pm) is the least intimidating dance lesson you will ever attend. It is designed for the first-timer each and every time. Their philosophy is – if you can walk, you can dance.

The Dance Floor has been in the Osborne Shopping complex in East Ridge for three years. If you didn't know that there was a dance studio in East Ridge you weren't alone. They used to be located in a small space on the side of the complex and went unnoticed except for those shopping at the Bi-Lo. (Their doors faced each other). In November they moved into their new space on the corner that faces Ringgold Road. Now it is hard not to notice them, especially on the nights they have their parties when everyone is dancing and having fun. People are always walking by looking in the windows wishing it were them dancing. It is a great way to make new friends, get some exercise and just have fun. Since moving to the new location they have expanded their classes to include more group classes as well as private lessons. You can see their monthly calendar at www.thedancefloortn.com or if you have any questions you can call them at 423.697.1891.

Located within The Dance Floor is a second business - Personal Style Invitations & Announcements. They create custom invitations and announcements for all occasions, i.e. weddings, birthdays, graduations, births and parties. They work with you to design a unique invitation that is special to you and your situation. Appointments are required so that they can dedicate time specifically to you, as they have two businesses. Samples of their work can be found at www.personalstyleinvite.com or if you would like to schedule an appointment, they can be reached at 423.697.1986.



INTRODUCING A LUKEN HOLDINGS TENANT



**The Daily Flower
Volunteer Bld.**

**826 Georgia Av.
Chattanooga, TN**

PH 266-5643



Reprinted from Chattanooga Times News Free-Press 12-18-09

The Daily Flower by Humphreys opened in the Volunteer Building in November. The family has been in the floral business for 75 years, and will continue to operate the store on 1220 McCallie Avenue, its location since 1986.

During the Great Depression, Mrs. Alice Humphreys started selling flowers at an indoor stand on Patten Parkway, and eventually opened the first Humphreys in 1934. "Having a business in the Volunteer Building near where my great-grandmother started selling flowers is like coming full circle in the family business. I hope they would be happy with how things turned out," says Rob Johnson, President of Humphreys Flowers.

The Daily Flower is intended to be an open-air, European market-style flower shop where the colorful blooms are sold outside on the street. "You just grab some flowers and go," said Mr. Johnson. On cold or rainy days customers can enter the shop to see flowers and plants.

"It's like our baby store," says Hallie Humphreys, Alice Humphrey's great-great-granddaughter who is a Daily Flower shop saleswoman. Rob Johnson's parents help out with the business. His mother handles sales while his father is the company's chief financial officer.

"It is the neatest thing that we have gone back to the place where it all started. It's a great symbol of where Chattanooga is. Downtown is once again a vibrant place, and stores are opening up where they once did 75 years ago" said Mr. Johnson

INTRODUCING A LUKEN EMPLOYEE



BELINDA McCLURD

TENANT SERVICES

(423) 756-1200

**bmclurd@
lukenholdings.com**

Belinda handles the daily maintenance calls for the 24 office buildings and 3 retail strip centers. Every day is different and brings new challenges. Her job is never boring, which she says is a good thing. The most interesting call she says she has ever received in 29 years was recently when a tenant called and said there was a snake in their warehouse. Belinda also handles calls concerning cleaning issues. Please feel free to contact her any time you have maintenance or cleaning needs and she and our outstanding maintenance personnel will do their best to take care of you.

Belinda is originally from Dallas, Texas and moved to Chattanooga in 1967. Before joining Osborne Building Corporation in 1980, she worked for GAF Corporation. She and her husband Reid live in East Brainerd.

ACCOLADES TO TWO OF LUKEN HOLDINGS MAINTENANCE CREWS

Ron Fisher and Kenny Hill

I was a little disappointed not to see Kenny and Ron on the Christmas wishes from the Luken staff, so I want to let you and your staff know that you very well represented by them.

We often need help for maintenance issues and are always met with a speedy response and a warm smile. It has been more than a pleasure and comfort to know if we ask them to solve an issue for us, it is always completed and completed well. Kenny and Ron take a real pride in the work that they provide to your company and I feel very lucky to have worked with people so dedicated and nice for the last 9 years.

I would imagine that as they are the behind the scenes crew that make things happen you may not get the feedback or praise from your tenants that they deserve, so I wanted to make sure that they were spoken for by us.

Again, we love the Newsletters and appreciate Kenny and Ron more than I can express.”

Julie Quigley, Administrative Manager, UBS Financial Services – The Krystal Building

Luken Holdings, Inc.
735 Broad St.
Suite 1204
Chattanooga, TN 37402



THE TALLAN BUILDING AT TWO UNION SQUARE, CHATTANOOGA, TN 37402

AVAILABLE NOW

Suite 200 – 2,375 Usable Sq. Ft. / 2,717 Rentable Sq. Ft.