

BUILDING Community RE-BUILDING Commerce in Chattanooga, Tennessee



For over eighty years, Herman Walldorf Commercial, Inc. has been actively involved in Chattanooga's real estate development. Between successful revitalization efforts – and now with the addition of major employers like Volkswagen and Amazon – the area is primed for even more commercial growth and development.

At the helm is Rudy Walldorf CCIM, president. As a commercial real estate professional for 44 years, and son of the company's founder, Walldorf grew up not only in the region, but also in the business as well. He has spent his lifetime trying to help build Chattanooga into the vibrant city he sees today.

"In the 1970s, Chattanooga had a reputation as being one of the dirtiest cities in country, due to its reliance on foundries," Walldorf recalled. "But that is no longer the case." Now the region is filled with natural beauty and outdoor activities and is home to the many regional events that boost tourism and bring ample business to the downtown hospitality industry. And Chattanooga, being the first to offer gigabit Ethernet, brought a number of tech startups to town. "We've gone from being known for the steel industry to being known

for innovation and high-tech business."

Chattanooga's change was deliberate and took time. Walldorf, working with Chattanooga's Chamber of Commerce, visited successful inner city revitalization endeavors around the country and helped implement in Chattanooga the best of what they saw elsewhere. He said their efforts were so successful that now other cities visit Chattanooga for revitalization and redevelopment strategies.

"One of the milestones in the riverfront clean up and development was the 1992 opening of the 4,000-gallon freshwater aquarium," Walldorf said. "At the time it was the largest in the U.S. and attracted a million visitors, and that was big." An adjacent saltwater aquarium was added in 2005.

While the recession took its toll on the region, in many ways Chattanooga fared better than much of the country. "Chattanooga has never been a boom or bust economy," Walldorf explained. "We weren't hurt as badly as other areas; we were more deliberate and had less speculation."

And commercial real estate activity was not impacted as badly as residential. According to Walldorf, Chattanooga's

downtown area remained relatively strong due to office employers and tourism. "A strong retail market developed downtown, initially building off of tourist traffic. The retail presence, in turn, made downtown attractive for residential markets, and, both condo and apartments have increased with huge demand for apartments right now. Living in downtown Chattanooga is very attractive," he states, "The residential base is returning and that makes Chattanooga more attractive to businesses looking to locate in the Southeast."

"Volkswagen's arrival had a huge psychological impact on the city," Walldorf said. "Some commercial and residential growth north of the plant may have happened anyway, but growth in general certainly was spurred by VW."

With the new Amazon distribution facility and with the building of a second Volkswagen plant for a brand new SUV line, Walldorf is confident that the combination of these plants will make Chattanooga a desirable location for suppliers, moving Chattanooga "from being a second tier city to a major force" in the near future.

Walldorf said emphatically, "Getting where we are took deliberate effort and really goes back decades. Chattanooga is really a great place to be with a great future, and we, going forward, are excited to be a part of it."



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