

# LA|FITNESS<sup>®</sup>

## AT ESSEX GREEN TOWN CENTER

471 Prospect Avenue | West Orange, NJ 07052  
High-Income New York Metro

OFFERING MEMORANDUM



**MATTHEWS<sup>™</sup>**  
REAL ESTATE INVESTMENT SERVICES





# LA | FITNESS®

## AT ESSEX GREEN TOWN CENTER

471 Prospect Avenue | West Orange, NJ 07052  
High-Income New York Metro



### EXCLUSIVELY LISTED BY

#### DAVID MALOY

*Senior Associate | Shopping Centers*

direct (949) 777-5983 mobile (917) 515-9975  
david.maloy@matthews.com  
License No. 10401244229 (NY)

#### EL WARNER

*EVP & National Director | Shopping Centers*

direct (949) 873-0507 mobile (858) 752-3078  
el.warner@matthews.com  
License No. 01890271 (CA)

#### BROKER OF RECORD

Ray Smith  
License No. 7868129 (NJ)

### CONTENTS

**03** EXECUTIVE OVERVIEW

**04** FINANCIAL OVERVIEW

**05** OFFERING SUMMARY




**09** TENANT OVERVIEW

**10** AREA OVERVIEW

# SECTION 1

## Executive Overview

### INVESTMENT HIGHLIGHTS

-  · Long-term lease with 10% increases every 5 years
-  · High traffic, dense New York suburb
-  · Nationally recognized tenant with excellent member following
-  · Very strong performance with roughly 1,300 check-ins per day
-  · New (two-year old) construction
-  · 13.5 miles from Manhattan
-  · \$159,026 Avg household income within 1 mile
-  · Population of 549,832 within 5 miles

### INVESTMENT SUMMARY

» OFFERING PRICE	\$19,280,000
» NOI (CURRENT)	\$1,349,600
» CAP RATE (CURRENT)	7.00%
» CAP RATE (YEAR 3)	7.70%
» TOTAL BUILDING AREA	±48,000 SF
» TOTAL LAND AREA	±2.59 Acres
» TERM REMAINING	±12.75 Years
» INCREASES	10% Every 5 Years

## SECTION 2

# Financial Overview

### PARCEL MAP



### ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent
Year 1-5 (Current)	\$112,466.67	\$1,349,600.00
Year 6-10	\$123,713.33	\$1,484,560.00
Year 11-15	\$136,084.67	\$1,633,016.00
Option 1 - Year 16-20	\$149,693.13	\$1,796,317.60
Option 2 - Year 21-25	\$164,662.45	\$1,975,949.36
Option 3 - Year 26-30	\$181,128.69	\$2,173,544.30
Option 4 - Year 31-35	\$199,241.56	\$2,390,898.73

### TENANT SUMMARY

Tenant Trade Name	La Fitness
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsibility
Term Remaining on Lease	±12.75 Years
Original Lease Term	15 Years
Lease Expiration Date	3/1/2031
Increases	10% Every 5 Years
Options	Four, 5-Year Options



## SECTION 3

# Offering Summary

## THE OFFERING

LA Fitness at Essex Green Town Center is a newly constructed 48,200 square foot LA Fitness on Rooney Road in West Orange (Essex County), New Jersey. LA Fitness occupies the entire property under a 15-year lease with four, 5-year options and 10% rent increases every 5 years. The lease is 100% guaranteed by Fitness International, LLC, the corporate parent of LA Fitness. West Orange is a densely populated commuting suburb in the New York Metropolitan area located approximately 12 miles from Manhattan via the Lincoln Tunnel and New Jersey Transit's Midtown Direct rail service. The property is adjacent to Essex Green Town Center, strategically located at the intersection of Prospect Avenue and Interstate 280, the main highway connecting the property with New York City, Newark Airport, I-80, Garden State Parkway, and the New Jersey Turnpike.

## MARKET OVERVIEW

The New York metropolitan area is one of the most popular metropolitan areas in the world and is considered an international center for commerce, finance, media, art, fashion, research, technology, education, and entertainment. Essex County is the 3rd most populous county in the State of New Jersey, and one of the most populated counties in the country, with a population of nearly 800,000 people. The Bureau of Economic Analysis ranks Essex County in the top 7% of all counties in the United States in terms of per capita income. The county is a magnet for New Yorkers with affluent, diverse suburbs such as West Orange, Essex Fells, Montclair, Glen Ridge and Verona.

West Orange is a densely populated commuting suburb in the New York Metropolitan area located approximately 12 miles from Manhattan via the Lincoln Tunnel and New Jersey Transit's Midtown Direct train service. Prospect Avenue is the main collector road for east-west commuters, and Interstate 280, the main highway connecting the property with New York City, Newark Airport, I-80, Garden State Parkway, and the New Jersey Turnpike. The Property is supported by outstanding demographics with over 500,000 people within the market area of five miles and an average household income of over \$137,000 within the neighborhood market of one mile.

The LA Fitness at Essex Green Town Center is in close proximity to many notable destinations including Liberty International Airport, the busiest airport in the New York metropolitan area and one of the busiest airports in the world; the Meadowlands Sports Complex that includes MetLife Stadium, home to the New York Jets and Giants National Football League teams; the Prudential Center, home to the New Jersey Devils National Hockey League team; and the New Jersey Performing Arts Center. In addition, the property is within 1 mile from three country clubs and golf courses including Essex County Country Club, Montclair Country Club, and Crestmont.



**AATcapital**  
Personal Loans

**CAMBRIA**  
hotels & suites

**COURTYARD**  
Marriott

**Prospect Ave**  
±17,000 VPD

**ShopRite**

**AMC DINE-IN** **GNC** **H&R BLOCK**  
**SUPERCUTS** **Total Wine & MORE**

**ESSEX GREEN  
TOWN CENTER**

**searsoutlet** **petco**  
where the healthy pets go

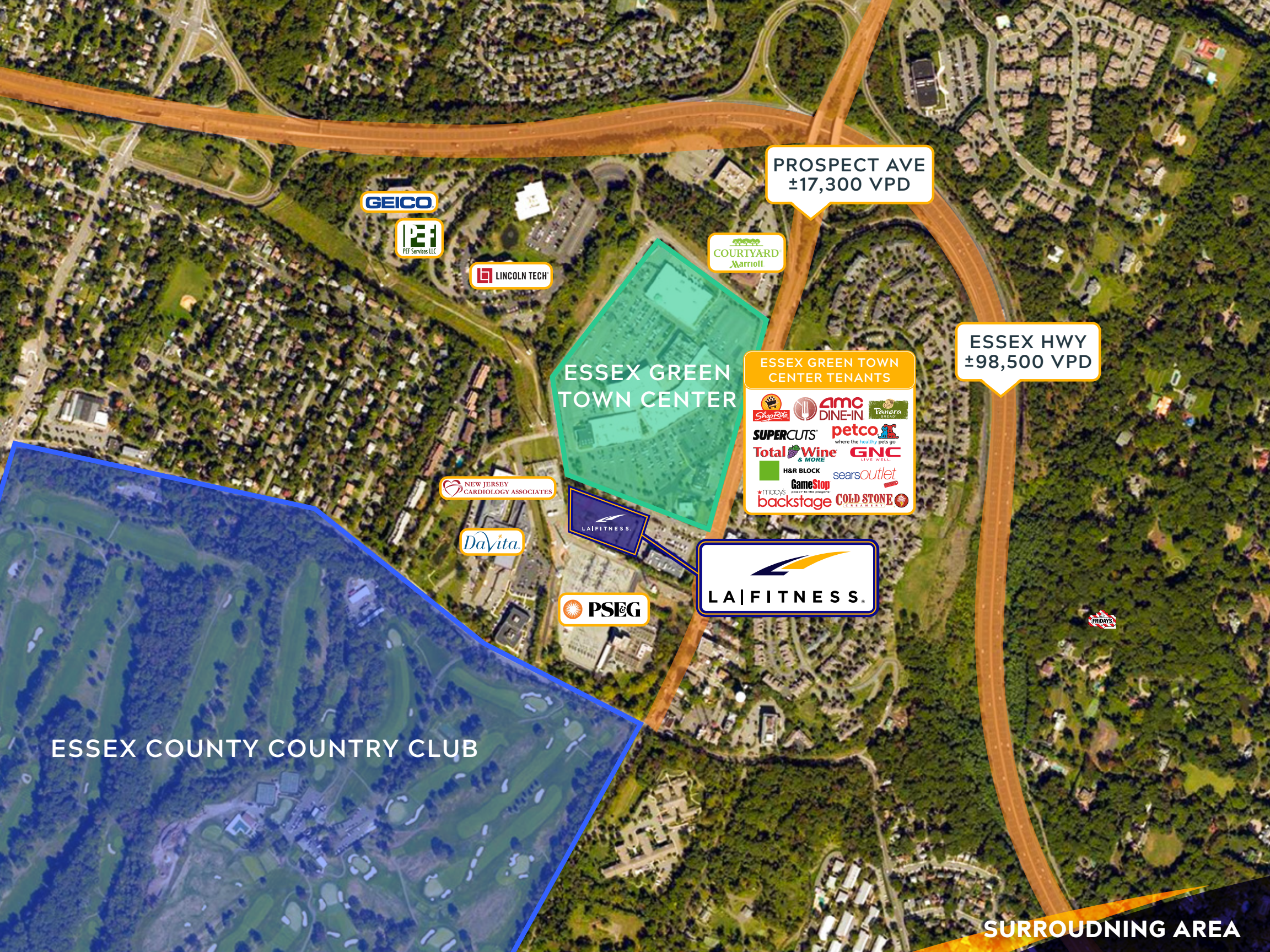
**Panera BREAD** **COLD STONE CREAMERY**  
**macy's backstage** **TORRID**  
**GameStop** **JERRY'S** artist outlet  
power to the players

**T.G.I. FRIDAYS**



**LA | FITNESS**





PROSPECT AVE  
±17,300 VPD

GEICO

PEF  
PEF Services LLC

LINCOLN TECH

COURT-YARD  
Marriott

ESSEX GREEN  
TOWN CENTER

ESSEX GREEN TOWN  
CENTER TENANTS

Shipt

AMC DINE-IN

Panera

SUPERCUTS

petco

Total Wine & MORE

GNC

H&R BLOCK

sears outlet

GameStop

backstage

COLD STONE

ESSEX HWY  
±98,500 VPD

NEW JERSEY  
CARDIOLOGY ASSOCIATES

Davita

LA|FITNESS

PSEG

LA|FITNESS

ESSEX COUNTY COUNTRY CLUB

SURROUDNING AREA





13.5 MILES





## SECTION 4

# Tenant Overview



### LA FITNESS OVERVIEW



» **COMPANY NAME**  
LA FITNESS



» **INDUSTRY**  
HEALTH CLUB



» **HEADQUARTERED**  
IRVINE, CALIFORNIA



» **OWNERSHIP**  
PRIVATE



» **YEAR FOUNDED**  
1984



» **WEBSITE**  
[WWW.LAFITNESS.COM](http://WWW.LAFITNESS.COM)

LA Fitness was founded in 1984 by founder Chin Yi, Chairman & CEO, and Louis Welch, President & CEO with one location at the corner of Hollenbeck Avenue and Arrow Highway in Covina, a suburb of Los Angeles, California. LA Fitness remains a privately-owned company, with major ownership interests held by private equity firms Seidler Equity Partners and Madison Dearborn Partners.

LA Fitness locations include weight and cardio equipment, group fitness classes throughout the day, indoor heated lap pool, spa, sauna, racquetball and basketball courts, locker facilities, personal trainers, Kids Klub (babysitting), juice bar, and swim school (some facilities may vary). LA Fitness locations are open 7 days per week. Some locations are open 24 hours. With a successful prototype in place, LA Fitness then expanded its in-house development efforts, and new club construction now accounts for the vast majority of the clubs opened every year.



## SECTION 5

# Area Overview

### WEST ORANGE, NEW JERSEY

The Township of West Orange is a flourishing suburban sanctuary that is the envy of Essex County. With a dynamic, global population of almost 50,000 residents, West Orange is known for its rich history as well as its cosmopolitan appeal. Former home to legendary inventor Thomas Edison's laboratories, West Orange is now the future home to 'Edison Village,' featuring upscale, full-service residential townhouses with breathtaking views of the Manhattan skyline. Close-knit neighborhoods offer a diverse selection of housing options. From million-dollar mansions, colonials, split-levels, and capes, to condominium complexes, townhouses, and newly-constructed neighborhood enclaves, West Orange presents an assorted housing stock for all types of budgets.

**FUTURE JOB GROWTH** over the next  
ten years is predicted to be **38.20%.**

### DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	9,417	166,368	555,399
2018 Estimate	9,404	166,065	549,832
2010 Census	9,190	159,618	531,273
Growth 2018-2023	0.14%	0.18%	1.01%
Growth 2010-2018	2.32%	4.04%	3.49%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	3,995	66,660	214,275
2018 Estimate	3,928	65,447	208,753
2010 Census	3,722	60,773	195,231
Growth 2018-2023	1.71%	1.85%	2.65%
Growth 2010-2018	5.53%	7.69%	6.93%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Average Household Income	\$159,026	\$114,738	\$104,675



## LOCATION

Location is key to any lifestyle, and West Orange is the place to be. Minutes from major sports & entertainment venues, we're also a short drive to the Berkshires, the Pocono Mountains, ski resorts and New Jersey's Infamous beaches.



**INTERSTATES 280/287 GARDEN  
STATE PARKWAY INTERSTATE I-95**

**5-10 MILES**



**NEWARK LIBERTY  
INTERNATIONAL AIRPORT**

**12 MILES**



**MANHATTAN**

**13.5 MILES**

## COMMUTE



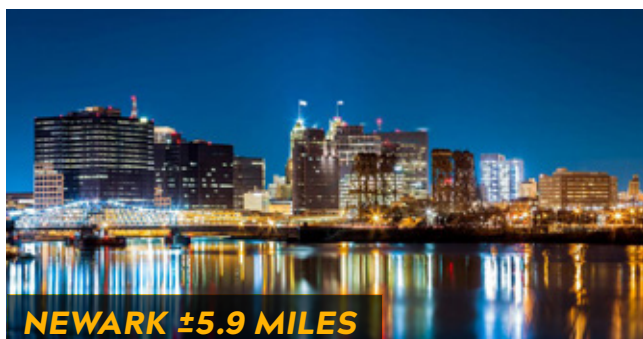
**FREE JITNEY SHUTTLE TO ORANGE  
& SOUTH ORANGE TRAIN STATIONS**



**BUSES COMMUNITY COACH,  
DECAMP, & NJ TRANSIT**



**MINUTES FROM SEVERAL NJ  
TRANSIT TRAIN STATIONS**



**NEWARK ±5.9 MILES**



**JERSEY CITY ±9.9 MILES**

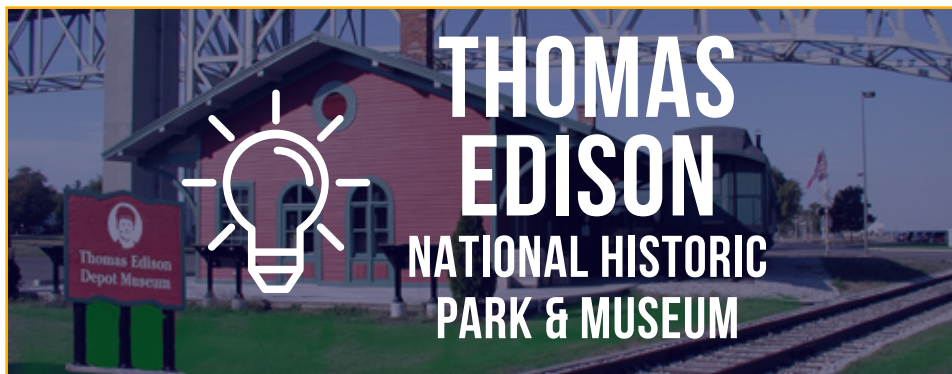
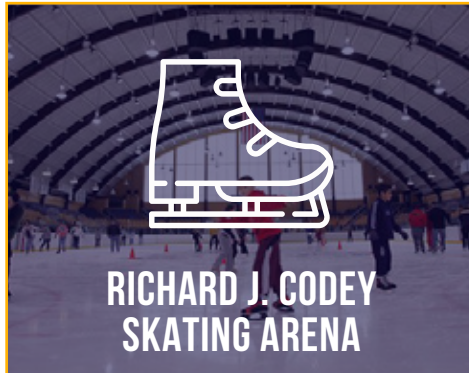


**NEW YORK CITY ±14.2 MILES**



## WEST ORANGE ATTRACTIONS

With a surprising number of attractions and something of interest for everyone, West Orange is the premiere destination for indoor and outdoor entertainment and recreational activities for both residents and visitors.





## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **LA Fitness** located at **471 Prospect Ave, West Orange, NJ** (“Property”). It has been prepared by Matthews Real Estate Investment Services. This 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 is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

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 detrimental to the interest of the Seller.

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 Seller 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 this Offering Memorandum.





# LA|FITNESS<sup>®</sup>

## AT ESSEX GREEN TOWN CENTER

471 Prospect Avenue | West Orange, NJ 07052  
High-Income New York Metro

### EXCLUSIVELY LISTED BY

#### DAVID MALOY

*Senior Associate | Shopping Centers*

direct (949) 777-5983 mobile (917) 515-9975  
david.maloy@matthews.com  
License No. 10401244229 (NY)

#### EL WARNER

*EVP & National Director | Shopping Centers*

direct (949) 873-0507 mobile (858) 752-3078  
el.warner@matthews.com  
License No. 01890271 (CA)

#### BROKER OF RECORD

Ray Smith  
License No. 7868129 (NJ)

**MATTHEWS<sup>™</sup>**  
REAL ESTATE INVESTMENT SERVICES