



6500 OLD DENTON ROAD  
FORT WORTH, TEXAS



## INVESTMENT CONTACTS

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## INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer the opportunity to acquire a two-story 36,000-square-foot freestanding 24 Hour Fitness situated on 4.76 acres in Fort Worth, Texas—the second-largest city in the Dallas–Fort Worth metropolitan area (MSA Population: 7.4 Million). Built in 2006, 24 Hour Fitness' net lease features  $\pm 8.1$  years of primary term remaining with 12% rent increases every 5 years throughout the initial term and in each of its four 5-year renewal options. The property is ideally positioned with excellent access and visibility along Old Denton Road which is off Western Center Boulevard (Combined Traffic Count: 35,000 VPD). The site is also within feet from the on-ramp to Interstate 35 (Traffic Count: 156,000 VPD), providing direct access to Downtown Fort Worth (8 miles south). BNSF Railway's corporate headquarters (Fort Worth Employees: 4,500) is just a few blocks west of the site on Western Center Boulevard, providing 24-Hour Fitness with a substantial pool of clients. The property is immediately adjacent to Whataburger, Waffle House, Sprint, Starbucks, Joe's Crab Shack, and across Old Denton Road from Rosa's Café & Tortilla Factory, Christian Brothers Automotive Alliance, and Comfort Inn (70 Rooms). 24 Hour Fitness is located within one of Fort Worth's primary retail and commercial corridors with 3.8 MSF of retail, 4.3 MSF of office, 32.1 MSF of industrial and 9,368 multifamily units within a 3-mile radius. Major brands operating within the immediate vicinity include Home Depot, Regal Cinemas, Holiday Inn Express (75 Rooms), Staybridge Suites (84 Rooms), Sleep Inn (68 Rooms), Extra Space Storage, On the Border, Chili's, McDonald's, Popeye's, Firehouse Subs, Smoothie King, RaceTrac, 7-Eleven, Wingstop, AT&T, FedEx, Denny's, Jimmy John's, Wendy's, and Which Wich, among many others. Additionally, the site is walking distance from over 6,500 households, providing a substantial built-in customer base. In total, 24 Hour Fitness benefits from dynamic demographics with a population of 91,468 and an average household income of \$85,433 within a 3-mile radius.



Actual Location

### INVESTMENT OVERVIEW

|                |  |
|----------------|--|
| ADDRESS        | 6500 Old Denton Road<br>Fort Worth, TX 76131 |
| TERM REMAINING | $\pm 8.1$ Years                              |
| BUILDING SIZE  | 36,000 SF                                    |
| PARCEL SIZE    | 4.76 Acres                                   |
| YEAR BUILT     | 2006   |
| NOI            | \$907,560                                    |
| CAP            | 6.75%  |
| PRICE          | \$13,445,000                                 |



# INVESTMENT HIGHLIGHTS



## LEADING HEALTH CLUB

Founded in 1983, 24 Hour Fitness employs over 22,000 individuals and has nearly 4 million members throughout its 433 clubs across 13 U.S. states. In Texas alone, 24 Hour Fitness has 485,000 members and 71 clubs, including 31 in Dallas-Fort Worth. In July 2018, Club Industry ranked 24 Hour Fitness #3 on its list of Top 100 Health Clubs of 2018.



## NN LEASE WITH ATTRACTIVE RENT INCREASES

24 Hour Fitness' NN lease features ±8.1 years of primary term remaining with 12% rent increases every 5 years throughout the initial term and in each of its four 5-year renewal options.



## EXCELLENT ACCESS & VISIBILITY

The property is ideally positioned with excellent access and visibility along Old Denton Road which is off Western Center Boulevard (Combined Traffic Count: 35,000 VPD). The site is also within feet from the on-ramp to Interstate 35 (Traffic Count: 156,000 VPD), providing direct access to Downtown Fort Worth (8 miles south).



## STRATEGIC LOCATION ACROSS FROM MAJOR CORPORATE HEADQUARTERS

BNSF Railway's corporate headquarters (Fort Worth Employees: 4,500) is just a few blocks west of the site on Western Center Boulevard, providing 24-Hour Fitness with a substantial pool of clients.



## PRIMARY RETAIL & COMMERCIAL CORRIDOR

24 Hour Fitness is located within one of Fort Worth's primary retail and commercial corridors with 3.8 MSF of retail, 4.3 MSF of office, 32.1 MSF of industrial and 9,368 multifamily units within a 3-mile radius. Major brands operating within the immediate vicinity include Home Depot, Regal Cinemas, Holiday Inn Express (75 Rooms), Staybridge Suites (84 Rooms), Sleep Inn (68 Rooms), Extra Space Storage, On the Border, Starbucks, Waffle House, Joe's Crab Shack, Chili's, McDonald's, Popeye's, Firehouse Subs, Smoothie King, RaceTrac, 7-Eleven, Wingstop, AT&T, FedEx, Denny's, Jimmy John's, and Which Wich, among many others.



## PROXIMITY TO AREA'S MAIN POINTS OF INTEREST

24 Hour Fitness is less than 6 miles from the Fort Worth Meacham International Airport and is proximate to a multitude of local attractions, including Stockyards Station (7 miles south), Cabela's (8 miles north), and the Texas Motor Speedway (13 miles north).



## BUILT-IN CUSTOMER BASE

The site is walking distance from over 6,500 households, providing a substantial built-in customer base.



## DYNAMIC DEMOGRAPHICS

24 Hour Fitness benefits from dynamic demographics with a population of 91,468 and an average household income of \$85,433 within a 3-mile radius.



## DALLAS-FORT WORTH, TX MSA

The Dallas/Fort Worth Metroplex (Dallas/Fort Worth, DFW) is a dynamic 12-county region comprised of Dallas, Fort Worth and another 150 municipalities. The Metroplex is the fourth-largest metropolitan area in the United States with an area of 384 square miles and a population of more than 7.4 million people. DFW also has the largest, most educated workforce in the state of Texas, totaling approximately three and a half million people, and leads the state in public university and community college students (250,000).

## DEMOGRAPHICS

| 1 MILE POP. | 1 MILE AHI | 3 MILE POP. | 3 MILE AHI | 5 MILE POP. | 5 MILE AHI | TRAFFIC COUNTS   |
|-------------|------------|-------------|------------|-------------|------------|--|
| 16,320      | \$79,567   | 91,468      | \$85,433   | 278,327     | \$84,588   | Old Denton Road: 3,000 VPD<br>Western Center Boulevard: 32,000 VPD<br>Interstate 35: 156,000 VPD |



Interstate 35  
156,000 VPD

Sante Fe Enclave  
Single Family Homes \$200K+

Belterra Apartments  
288 Units



Carrington Court  
Townhomes



Western Center Boulevard  
32,000 VPD



Old Denton Road  
3,000 VPD





The Greens of Fossil Lake  
288 Units

Avington Park at Fossil Creek  
480 Units

The Golf Club  
Fossil Creek

Interstate 35  
156,000 VPD

REGAL  
ENTERTAINMENT  
GROUP

ON THE BORDER  
MEXICAN GRILL

75 Rooms

84 Rooms

CALIBER  
COLLISION

ExtraSpace  
Storage

DHL  
SUPPLY CHAIN

Sedona Place  
Senior Living

Shady Oak  
BARBECUE & GRILL

chili's

68 Rooms

Skyview West Apartments  
256 Units

BRAUM'S

Old Denton Road  
3,000 VPD

K  
Denny's  
7 ELEVEN  
AT&T  
FedEx  
WHICH WICH  
GENCHI GRILL

JOE'S  
CRAB SHACK

24 HOUR FITNESS

Sprint STARBUCKS



SITE PLAN



INTERSTATE 35: 156,000 VPD



STARBUCKS  
Sprint

WAFFLE  
HOUSE



OLD DENTON RD: 3,000 VPD



75 Rooms



84 Rooms



68 Rooms



75 Rooms





# LEASE SUMMARY

|                              |   |             |
|------------------------------|---|-------------|
| <b>TENANT</b>                | 24 Hour Fitness USA, Inc.   |             |
| <b>GUARANTOR</b>             | 24 Hour Fitness United States, Inc.                               |             |
| <b>RENT COMMENCEMENT</b>     | March 16, 2007  |             |
| <b>LEASE EXPIRATION</b>      | March 31, 2027  |             |
| <b>TERM REMAINING</b>        | ±8.1 Years  |             |
| <b>LEASE TYPE</b>            | NN  |             |
| <b>INITIAL TERM RENT</b>     | Years 10-15 (current):  | \$907,560   |
|                              | Years 16-20:  | \$1,016,640 |
| <b>RENT ESCALATIONS</b>      | 12% every 5 years   |             |
| <b>REMAINING OPTIONS</b>     | Four 5-year options   |             |
| <b>OPTION RENT</b>           | Option 1:   | \$1,138,680 |
|                              | Option 2:   | \$1,275,120 |
|                              | Option 3:   | \$1,428,120 |
|                              | Option 4:   | \$1,599,480 |
| <b>OPTION RENT INCREASES</b> | 12% every 5 years   |             |
| <b>TAXES</b>                 | Tenant shall pay Real Property Taxes levied against the Premises. |             |

## INSURANCE

**Property Insurance:** Landlord shall obtain and keep in force during the Term: (i) a policy or policies of insurance, with commercially reasonable deductible limits, covering loss or damage to the Premises, Landlord's Work, and the Tenant's Improvements, at least in the amount of the full replacement cost thereof, and in no event less than the total amount required by Mortgagees, against all perils included within the classification of "special form" coverage and contractual liability; and (ii) a policy or policies of insurance covering objects owned by Landlord which are normally covered under a "Boiler and Machinery" policy, with policy limits which are reasonable under prudent industry standards for shopping centers in the region in which the Premises is located. **Tenant shall pay to Landlord the cost of insurance premiums incurred by Landlord in obtaining and maintaining the property insurance required to be carried by Landlord.**

**Liability Insurance:** Tenant shall maintain in full force and effect, at its sole cost and expense, for the protection of Tenant, commercial general liability insurance with a minimum combined single limit of \$3,000,000. Similarly, Landlord shall maintain in full force and effect at all times from and after the date Tenant accepts possession of the Building and thereafter during the Term, at its sole cost and expense, for the protection of Landlord, commercial general liability insurance with a minimum combined single limit of \$3,000,000.

## REPAIRS & MAINTENANCE

**Landlord** shall maintain and provide repair for the structural integrity of the Building, including but not limited to foundation, structural components of walls, floor slabs, and structural components of the roof systems (but not roof covering). Landlord shall promptly repair and/or replace all items of a capital nature and any and all defects, patent or latent, in the original construction of Landlord's Work and any damage to the Premises arising therefrom. **Landlord** shall, at its sole cost and expense: (i) make any necessary replacements of light poles or resurfacing or replacement of parking areas and replacement of sidewalks and make any necessary repairs, modifications, or improvements to the detention pond located on the Premises. Additionally, Landlord shall be responsible for 1/2 of the maintenance of the Mutual Access Easement Tract, with the adjacent landlord being responsible for the other 1/2.

**Tenant** shall clean, maintain, repair, make necessary improvements and replace interior and exterior exposed surfaces of the Building, including but not limited to floor and wall covering, HVAC system, roof covering, windows and doors, and fire sprinkler systems, and keep the Building in good and sanitary condition. Tenant shall maintain and repair utility lines or pipes and conduit, and telephone lines and conduit of the Premises. In no event shall Tenant be required to make repairs or improvements of a capital or structural nature. **Tenant** shall, at Tenant's sole cost and expense, operate, maintain, repair, clean, protect, landscape, and illuminate the parking lot, landscape, and sidewalk areas of the Premises.



Actual Location



## SURROUNDING USES





## TENANT OVERVIEW



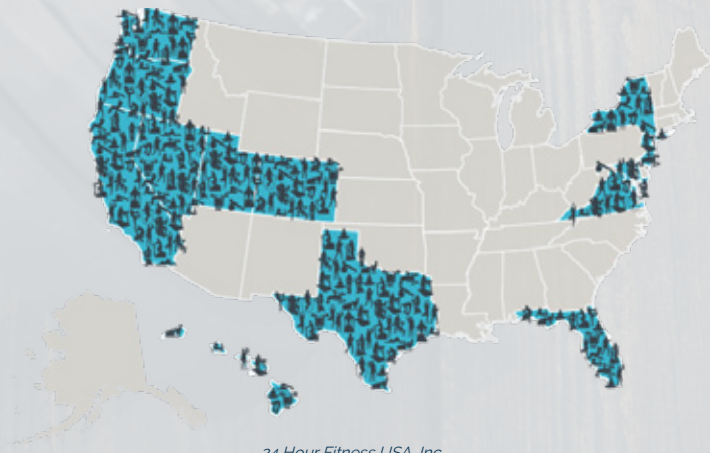
Founded in 1983 by Mark Mastrov, the company was originally named "24 Hour Nautilus." Later in 1996, the company combined 24 Hour Nautilus, 24 Hour Family Fitness Centers, and Gold's Gyms of Hawaii under the brand name 24 Hour Fitness.

In May 2014, Forstmann Little & Co reportedly sold 24 Hour Fitness Worldwide Inc. for \$1.85 billion to an investment group led by AEA Investors LP and the Ontario Teachers' Pension Plan.

The fitness chain currently employs over 22,000 individuals and has nearly 4 million members throughout its 433 clubs across 13 U.S. states. In Texas alone, 24 Hour Fitness has 485,000 members and 71 clubs, including 31 in Dallas-Fort Worth.

Chris Roussos was hired as CEO in May 2017 and has a reputation for driving the success of multiple large companies.

Earlier this year, *Club Industry* ranked 24 Hour Fitness #3 on its list of Top 100 Health Clubs of 2018.



24 Hour Fitness USA, Inc.



### COMPANY OVERVIEW

|              |               |
|--------------|---------------|
| LOCATIONS    | 433           |
| MEMBERS      | 4,000,000+    |
| EMPLOYEES    | 22,000+       |
| 2017 REVENUE | \$1.44B       |
| HEADQUARTERS | San Ramon, CA |

1- Source: Club Industry



## DALLAS-FORT WORTH MSA

The Dallas/Fort Worth Metroplex (Dallas/Fort Worth, DFW) is a dynamic 12-county region comprised of Dallas, Fort Worth, and another 150 municipalities. The Dallas area is the fourth-largest metropolitan area in the United States with an area of 384 square miles and a population of more than 7.4 million people. DFW also has the largest, most educated workforce in the state of Texas, totaling approximately three and a half million people, and leads the state in public university and community college students (250,000). DFW is home to a total of 41 colleges and universities, with the most notable being Texas Christian University (Enrollment: 9,000) in Fort Worth and Southern Methodist University (Enrollment: 6,500) in Dallas, among many others, offering the DFW work force a well-educated and qualified pool of applicants to recruit from. The DFW Metroplex has therefore enjoyed a sustained period of economic and population expansion as local companies increase their business capacity and others relocate to this desirable, central U.S. location. Bolstered by positive job growth, Dallas/Fort Worth consistently outperforms the robust Texas economy. In Fort Worth alone, the number of high-wage jobs has been growing at twice the national rate. Fueling this job growth is the area's ability to attract a steady stream of companies relocating from across the country. Some of the most recent moves include TEKsystems, Fiesta Restaurant Group, State Farm, Quaker Oats, Dynamic Energy, Wistron, Toyota, Liberty Mutual, and Restoration Hardware. Several of the newly arriving companies cited lower costs of doing business as well as proximity to transportation, including the Dallas/Fort Worth International Airport, the network of interstates and highways, and the area's commuter and freight rail network.

### ECONOMY

The Dallas/Fort Worth economy continues to advance steadily as job growth remains twice the national average over the past year. According to Moody's Analytics, all major industries are outperforming their U.S. counterparts, and the Dallas and Fort Worth unemployment rate sits at 3.6% and 3.5% respectively. The economy's strong performance is largely due to the abundance of corporate relocations, which is anchoring the growing demand for professional services. Employment in professional services is 4.7% above the national average. The economy is favored with positive short and long-term outlook as strong income and job gains accelerate housing recovery and improving labor force quality attracts more corporate relocations. Other leading industries such as transportation and hospitality will also lend to the area's higher than average growth. As the number one tourist destination in Texas, the economy reaps the benefits by offering visitors a range of experiences with eight primary entertainment districts with distinct dining, shopping and cultural amenities. From NASCAR racing to rodeos, world-class museums to cowboy cuisine, boutique shopping to a Top 5 zoo, biking to horseback riding, the city and surrounding area lures more than 9.1 million visitors annually. With 1,850 flights daily, DFW Airport serves as a gateway for visitors from around the globe, making Fort Worth an easily accessible international and domestic leisure destination.



### TOP EMPLOYERS

| EMPLOYER                       | # OF EMPLOYEES |
|--------------------------------|----------------|
| WAL-MART STORES INC.           | 34,000         |
| AT&T                           | 17,000         |
| BAYLOR SCOTT & WHITE HEALTH    | 16,860         |
| BANK OF AMERICA CORP.          | 14,465         |
| TEXAS INSTRUMENTS INC.         | 13,000         |
| JPMORGAN CHASE & CO.           | 12,600         |
| HCA NORTH TEXAS DIVISION       | 11,612         |
| UT SOUTHWESTERN MEDICAL CENTER | 10,000         |
| SOUTHWEST AIRLINES CO.         | 9,500          |
| TARGET BRANDS INC.             | 8,270          |

Sources: Dallas Business Journal, Book of Lists, 2017; Dallas Office of Economic Development, 2016; Dallas Regional Chamber, 2017



# DALLAS–FORT WORTH MSA

## TRANSPORTATION ADVANTAGES

Dallas/Fort Worth is served by an excellent infrastructure of highways and interstates, rail, major airports, and public transportation systems. The central location and international airport system give businesses a competitive advantage in the national and international marketplace. Markets anywhere in the country or the world can be easily accessed from the region, making DFW a center of distribution activity for regional, national, and international operations.

Dallas/Fort Worth International Airport, larger than the island of Manhattan, is the third-busiest airport in terms of operations and the tenth-busiest airport in the world in terms of annual passenger counts. DFW Airport logs nearly 700,000 annual flights that service over 68 million passengers to over 200 worldwide destinations. Home to American Airlines—the nation's largest carrier—DFW Airport has earned a reputation as one of the best-operating airports in the world. Its annual economic impact on the North Texas economy totals \$31.6 billion, and the airport supports over 300,000 jobs. Additionally, the \$2.34 billion Capital Development Program at the airport will generate an additional \$34 billion in economic impact and create 77,000 new jobs over the next 15 years. Dallas is also home to Love Field, home base for Southwest Airlines and one of the premier close-in airports in the nation. Located in the heart of Dallas, Love Field provides a convenient and efficient airport serving both commercial airline and corporate user needs, transporting seven million passengers annually.

Trinity Metro is the transit agency located in and serving the city of Fort Worth, Texas and its suburbs in the surrounding Dallas-Fort Worth metropolitan area. While it primarily operates the region's bus service, Trinity Metro also partners with Dallas Area Rapid Transit (DART) to operate the Trinity Railway Express, which offers commuter rail service from downtown Fort Worth to DFW Airport and downtown Dallas. DART covers 700 square miles in Dallas and 12 surrounding suburban communities, serving 111.8 million passengers. In conjunction with DART Rail, Trinity Railway Express (TRE) and bus services, DART moves more than 360,000 passengers each day across the Metroplex. In terms of infrastructure, DFW is served by six interstates, seven other U.S. highways,





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