



LA | FITNESS

TOWSON, MD



NEW 15-YEAR LEASE TERM

**TROPHY MARYLAND
INVESTMENT OPPORTUNITY**

OFFERING MEMORANDUM

Marcus & Millichap



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Marcus & Millichap

OFFICES THROUGHOUT THE U.S. AND CANADA
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LA | FITNESS
TOWSON, MD

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LA | FITNESS TOWSON, MD

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POPULATION
324,160
POPULATION WITHIN 5 MILES OF
LA FITNESS – TOWSON, MD

LA | FITNESS
TOWSON, MD

EXECUTIVE SUMMARY ▶ 01

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INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present this rare opportunity to purchase the LA Fitness retail condo located within Towson Commons, an infill mixed-use project in the high growth submarket of Towson (Baltimore MSA) MD. The offering is an approximate 48,000 - square foot state-of-the-art facility opened in 2014 which is part of a flagship mixed-use project including 120,000 square feet of multi-level retail space, an adjoining 230,000 square foot 10-story class A office building and a multi-level parking structure (862 stalls). LA Fitness recently extended their lease early offering the new owner 15 years of firm term which demonstrates the Tenant's strong commitment to this location.

This 3-story retail destination and 10-story office building at York Road and Pennsylvania Avenue originally opened in 1992 and once housed the AMC movie theater, a Borders Books & Music, a craft gallery and several restaurants, and included an 862-space parking garage. Purchased by the current owners in 2013; they completely rehabilitated and re-tenanted the project bringing in LA Fitness in as the anchor tenant for the project.

Towson Commons' redevelopment is one of several development projects in Towson that will alter Towson's landscape in the coming years. Along with the modernized Towson Commons, Towson Row and Towson Square are two other projects that all-together will completely transform a once largely vacant downtown district into a vibrant bustling community with retail, dining, office, residential and hotel space.



INVESTMENT HIGHLIGHTS



INDUSTRY LEADING
TENANT



#1

Revenue-Generating
Health Club Company In The
Industry (Non-Franchised)



GOOD
LOCATION



ADJACENT TO
\$350
MILLION

Mixed-Use
Development



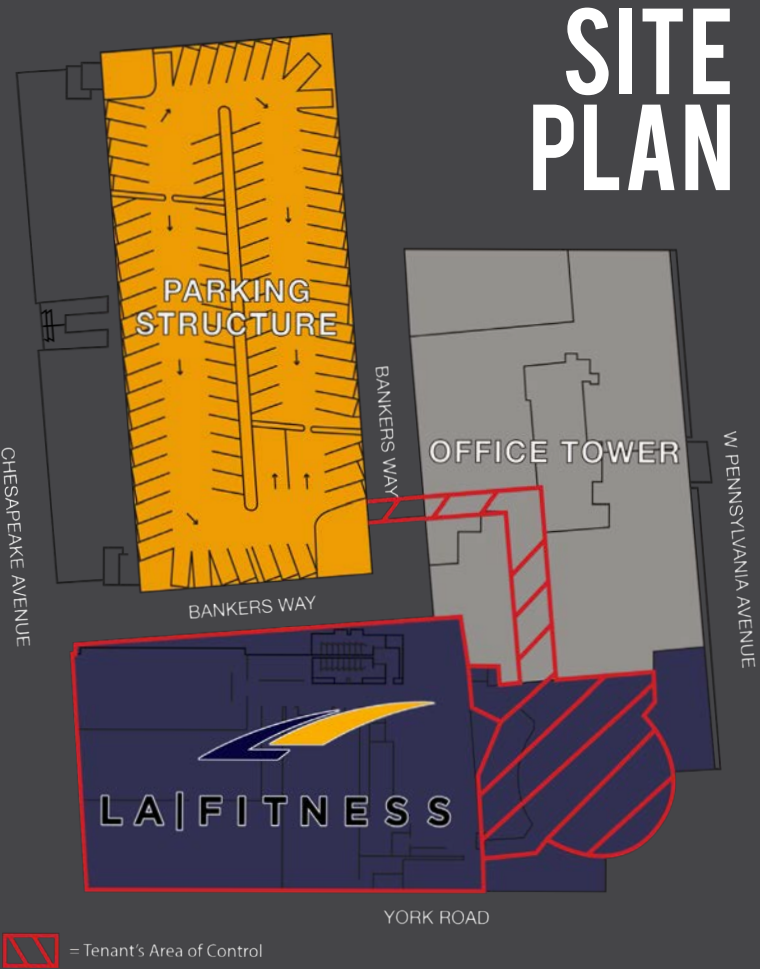
RECENT
EXTENSION



BRAND NEW
15 YEAR
Lease
(Early Extension)

DOWNTOWN INFILL PROJECT

Flagship Location Located In Towson Commons Mixed-Use Development



ANNUALIZED OPERATING DATA

BASE RENT	MONTHLY RENT	ANNUAL RENT
9/1/2019 - 8/31/2024	\$87,450	\$1,049,400
9/1/ 2024 - 8/31/2032	\$96,195	\$1,154,340
OPTION 1	\$105,815	\$1,269,774
OPTION 2	\$116,395	\$1,396,751
OPTION 3	\$128,035	\$1,536,426
NET OPERATING INCOME		\$1,049,400

OFFERING SUMMARY

**+ 435 YORK RD #300
TOWSON, MD 21204**

OFFERING SUMMARY

Price	\$15,546,000
Price Per SF	\$323.88 SF
Gross Leasable Area (GLA)	48,000 SF
Year Built / Renovated	1992 / 2014
Parking	On Site Garage (862 stalls)
Net Operating Income	\$1,049,400
Cap Rate	6.75%

LEASE SUMMARY

Lease Term	15 Years
Lease Type	NN*
Commencement Date	August 15, 2014
Expiration Date	December 31, 2032
Renewal Options	Three 5-Year Options

*LL Responsible For Roof - 20 Year Roof Warranty In Place



ATTRACTIVE
6.75%
CAP RATE


PRICE
\$15,546,000


\$323.88
PRICE PER SQUARE FOOT


6.75%
GOING-IN CAP RATE


\$1,049,400
NET OPERATING INCOME



INCOME
\$91,940

AVERAGE HOUSEHOLD INCOME
WITHIN 3-MILE RADIUS OF
LA FITNESS – TOWSON, MD



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PROPERTY DESCRIPTION ▶ 02

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PROPERTY DETAILS

Address	435 York Rd #300, Towson, MD 21204
Location	The Offering is Located Off York Road
Total Building Size	349,826 Square Feet
Rentable Square Feet	The Offering Consists of 48,000 Rentable Square Feet
Traffic Counts	32,505 Vehicles Per Day on York Road
Year Built	1992 / 2014







FIRST CLUB

NOVEMBER 1984
COVINA, CALIFORNIA



Fitness International, LLC, known as LA Fitness, is the largest non-franchised fitness club operator in the United States. Founded in 1984 and headquartered in Irvine, Calif., LA Fitness is one of the fastest growing sports club chains in the U.S., with more than 700 locations across the United States and Canada. Club Industry estimates the company has annual revenue of \$2.1 billion. LA Fitness was also ranked #1 out of 100 in Club Industry's Top 100 Health Clubs of 2018.

Their mission is to help as many people as possible achieve the benefits of a healthy lifestyle by creating a nationwide network of sports clubs, offering its members the widest range of amenities and the friendliest service at an affordable price.

LA Fitness clubs offer state-of-the-art equipment and cardio areas, group and specialty classes, indoor heated lap pools, whirlpool spas and saunas, racquetball and basketball courts, full locker facilities, personal trainers, and babysitting. The company also sells apparel for men and women, headgear, bags, and other merchandise through their online store.

700+ LOCATIONS



\$2.1 BILLION*
TOTAL REVENUE 2017
A 5.7% Increase From 2016

*Club Industry estimates the company has annual revenue of \$2.1 billion.



700+ LOCATIONS
ACROSS THE UNITED STATES & CANADA

LEASE SUMMARY

Tenant Trade Name	LA Fitness
Lease Term	15 Years
Lease Type	NN
Rent Commencement Date	January 1, 2017
Lease Expiration Date	December 31, 2031
Renewal Options	Three 5-Year Options

TENANT SUMMARY

Tenant	Fitness International, LLC
Ownership	Private
Annual Revenue	\$2.1 Billion
Number of Locations	700+
Headquarters	Irvine, CA
Website	www.lafitness.com

TOP GYMS

IN THE UNITED STATES

#1 LA FITNESS IRVINE, CALIFORNIA

#2 // LIFE TIME FITNESS - CHANHASSEN, MINNESOTA

#3 // 24 FITNESS - SAN RAMON, CALIFORNIA

#4 // CLUBCORP - DALLAS, TEXAS

#5 // EQUINOX - NEW YORK, NEW YORK

#6 // TOWN SPORTS INTERNATIONAL HOLDINGS, INC - NEW YORK, NEW YORK

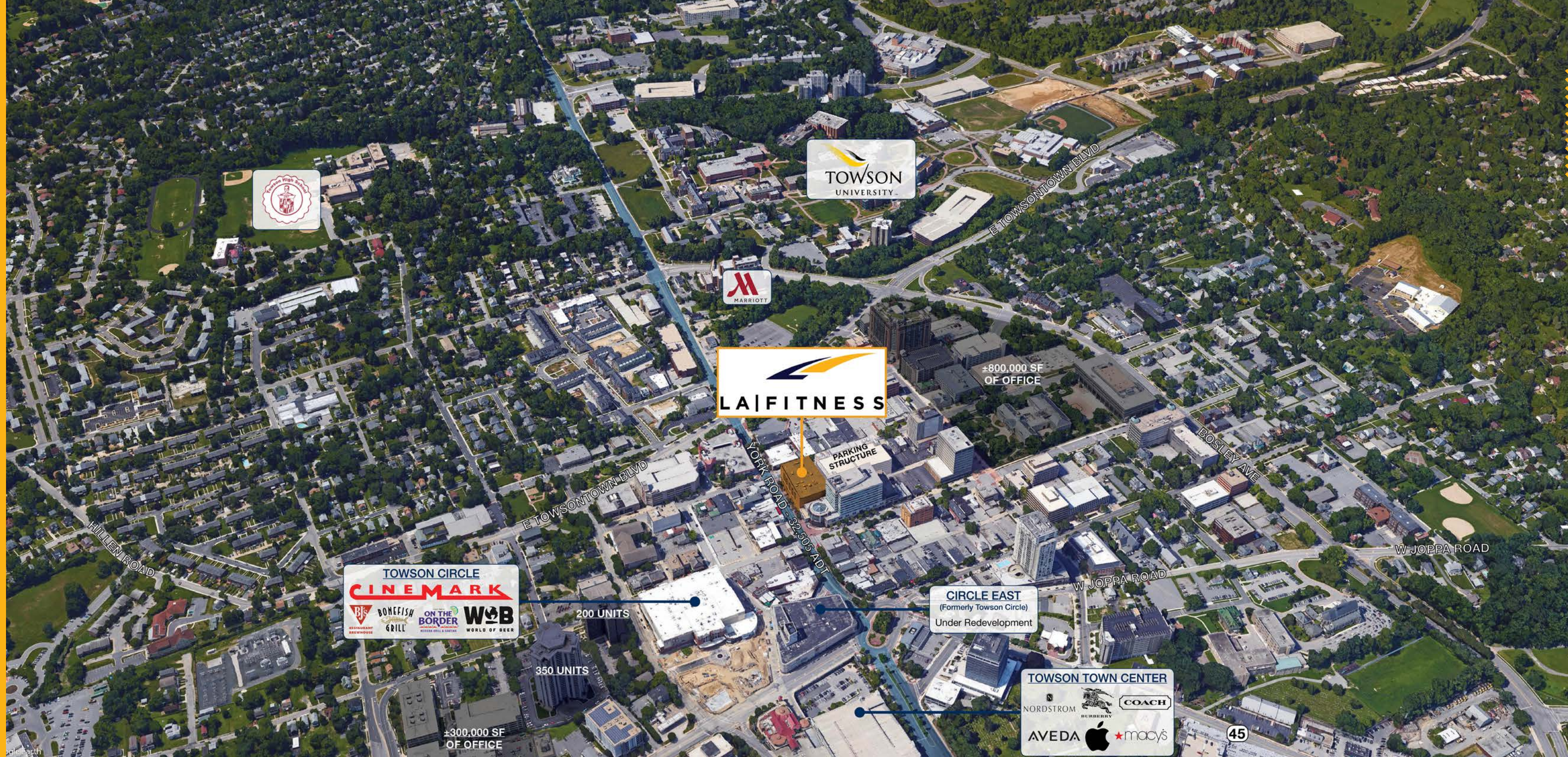
#7 // PLANET FITNESS - NEWINGTON, NEW HAMPSHIRE

#8 // THE BAY CLUB CO. - SAN FRANCISCO, CALIFORNIA

#9 // CAPITAL FITNESS INC. DBA XSPORTS FITNESS - BIG ROCK, ILLINOIS

#10 // CRUNCH - NEW YORK, NEW YORK





LOCATED OFF
YORK ROAD



32,500+
CARS A DAY



HOUSING

\$307,486

MEDIAN HOUSING VALUE
WITHIN 1 MILE RADIUS OF
LA FITNESS – TOWSON, MD

LA | FITNESS
TOWSON, MD

MARKET OVERVIEW ▶ 03

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TOWSON COMMONS



Towson Commons is a 350,000 square foot mixed-use project situated in downtown Towson Maryland. Consisting of 230,000 square feet of office space, and 120,000 square feet of retail, this project is at the heart of a revitalized downtown area.

Towson Commons' redevelopment is one of several development projects in Towson that will alter Towson's landscape in the coming years. Along with the modernized Towson Commons, Towson Row and Towson Square are two other projects that all-together will completely transform a once largely vacant downtown district into a vibrant bustling community with retail, dining, office, residential and hotel space.

This 3-story retail destination and 10-story office building at York Road and Pennsylvania Avenue originally opened in 1992 and once housed the movie theater, a Borders Books & Music, a craft gallery and several restaurants, and included an 882-space parking garage. Purchased by the current owners in 2013 they completely rehabilitated and re-tenanted the project bringing in LA Fitness in as the anchor tenant for the project.



Towson Row

TOWSON ROW



Design Collective has been working with Caves Valley Partners to lead planning efforts for the redevelopment of a five-acre site in downtown Towson known as Towson Row. The privately funded \$300 million project will include more than a million square feet of mixed-use space including 200,000 square feet of office space, 100,000 square feet of retail space, high-rise residential development with 350 apartment and condominium units, a 200-room hotel, 300 student housing units and a 1,000-space parking garage.

The \$350-million Towson Row development will include the following, according to a statement from Baltimore County:

- 45,000-square-foot Whole Foods market
- 200,000 square feet of Class A office space
- 350 luxury high-rise apartments and condominiums
- 300 exclusive student housing units,
- 200 limited service hotel rooms
- More than 100,000 square feet of shops and restaurants
- More than 1,500 garage parking spaces for tenants and customers

DEMOGRAPHICS // TOWSON



POPULATION	1MILES	3MILES	5MILES
2022 Projection	24,619	123,510	327,978
2017 Estimate	23,896	121,180	324,160
2010 Census	21,788	115,985	316,196
Growth 2017-2022	3.03%	1.92%	1.18%
Growth 2010-2017	9.68%	4.48%	2.52%
2017 Population Hispanic Origin	1,230	4,925	12,422
2014 DAYTIME POPULATION	32,604	70,366	132,915

HOUSEHOLDS	1MILES	3MILES	5MILES
2022 Projection	8,682	49,609	132,963
2017 Estimate	8,353	48,606	131,347
2010 Census	7,324	46,248	128,035
Growth 2017 - 2022	3.94%	2.06%	1.23%
Growth 2010 - 2017	14.05%	5.10%	2.59%
Owner Occupied	3,536	29,058	81,076
Renter Occupied	4,818	19,548	50,271
2014 AVERAGE HOUSEHOLD SIZE	1.99	2.30	2.31

HOUSEHOLDS BY INCOME	1MILES	3MILES	5MILES
<\$25,000	1,883	8,500	22,400
\$25,000 - \$50,000	1,491	9,315	25,369
\$50,000 - \$75,000	1,488	8,938	24,252
\$75,000 - \$100,000	1,045	6,073	17,887
\$100,000 - \$125,000	888	4,533	12,189
\$125,000 - \$150,000	493	3,216	8,920
\$150,000 - \$200,000	521	3,765	9,564
\$200,000+	545	4,268	10,765
Average Household Income	\$82,284	\$91,940	\$90,720
Median Household Income	\$62,108	\$67,456	\$68,180




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+

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