



7650 S Barrington Rd | Hanover Park, IL
OFFERING MEMORANDUM



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

EXCLUSIVELY LISTED BY

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EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

- **New 15-year lease extension** with Fitness International, LLC dba LA Fitness who has operated at the site since 2005
- Significant capital contribution will be made by both tenant and landlord for interior renovations to the building – see broker for details
- Anchor to Westview Center which is a ±321,000 SF grocery-anchored shopping center with over 65% national tenants and an ideal co-tenancy mix of service, soft goods, hard goods and food users such as Tony's Finer Foods, Sears Outlet, Chuck E. Cheese, Portillo's, Dollar Tree and Taco Bell
- **Structured 10% rental increases every 5 years throughout the initial term** and options and not tied to Consumer Price Index (CPI)
- Attractive average return of 6.90% over the initial term of the lease, not including option periods
- Rare chance to acquire an LA Fitness at well-below replacement cost and paying **extremely low rent at only \$8.93 per square foot** – Over 40% below market for the brand
- Corporately guaranteed lease by Fitness International, LLC which is the **#1 revenue generating Health Club Company in the industry** (Non-Franchised Model)
- Fitness International, LLC (Db a LA Fitness) is **the largest, non-franchised fitness club operator in the U.S.** with over 700 locations and annual revenues of over \$2.1 billion according to Club Industry
- **Internet resistant, \$30 billion-a-year industry** with more than 36,000 clubs across the U.S. and annual growth of 3-4% over the last decade
- **Brand new roof to be installed prior to close of escrow**, accompanied by a 15-year manufacturer's roof warranty
- Minimal landlord responsibilities throughout the term of ownership that are ideal for both in state and out of state investors – see broker for details
- In-fill neighborhood location with little competition within a 5-mile radius
- **Signalized, hard-corner location** with frontage to Barrington Road which sees over 30,000 cars per day
- Exceptional identity and branding via direct visibility and/or pylon signage on both Barrington Road (±30,000 VPD) and Irving Park Road (±29,000 VPD)
- Ideal mix of service and daily needs oriented tenants in the immediate area, such as Walmart, Target, Home Depot, Menards, At Home, Kohl's, McDonald's, Starbucks, Chase Bank and Walgreens
- Affluent demographics with **average household income over \$100,000 in a 3-mile radius** and over 260,000 residents in a 5-mile radius

SITE PLAN



FINANCIAL OVERVIEW



\$8,640,000
LIST PRICE



\$540,000
NOI



6.25%
CAP RATE

BUILDING INFO

Address	7650 S Barrington Rd Hanover Park, IL 60133
APN	06-25-411-037
Year Built	1988
GLA of Building	±60,472 SF
Lot Size	±137,650 SF (3.16 Acres)

TENANT SUMMARY

Tenant Trade Name	L.A. Fitness Inc.
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
*Roof, Structure, & **Parking Lot	Landlord Responsible
Original Lease Term	15 Years
Lease Start Date	10/31/05
Lease Expiration Date	2/28/34
Term Remaining	±14.5 Years
Increases	10% Every Five Years
Options	Three, 5-Year Options

*New, 15-year transferrable roof warranty

**LL may charge Tenant for the cost of resurfacing the parking areas on Tenant's Parcel from time to time, so long as such cost is amortized on a straight line basis over the useful life of the applicable improvements according to GAAP; Landlord to have entire parking lot seal-coated prior to close of escrow

ANNUALIZED OPERATING DATA

Lease Term	Monthly Rent	Annual Rent	Rent PSF	CAP Rate
Current - 2/28/24	\$45,000.00	\$540,000	\$8.93	6.25%
3/1/24 - 2/28/29	\$49,500.00	\$594,000	\$9.82	6.88%
3/1/29 - 2/28/34	\$54,450.00	\$653,400	\$10.81	7.56%
Option 1	\$59,895.00	\$718,740	\$11.89	8.32%
Option 2	\$65,884.50	\$790,614	\$13.07	9.15%
Option 3	\$72,472.95	\$869,675	\$14.38	10.07%

TENANT OVERVIEW

LA FITNESS OVERVIEW



» **COMPANY NAME**
LA FITNESS



» **INDUSTRY**
HEALTH CLUB



» **HEADQUARTERED**
IRVINE, CALIFORNIA



» **OWNERSHIP**
PRIVATE



» **YEAR FOUNDED**
1984



» **WEBSITE**
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.

SURROUNDING TENANTS



SURROUNDING TENANTS



AREA OVERVIEW

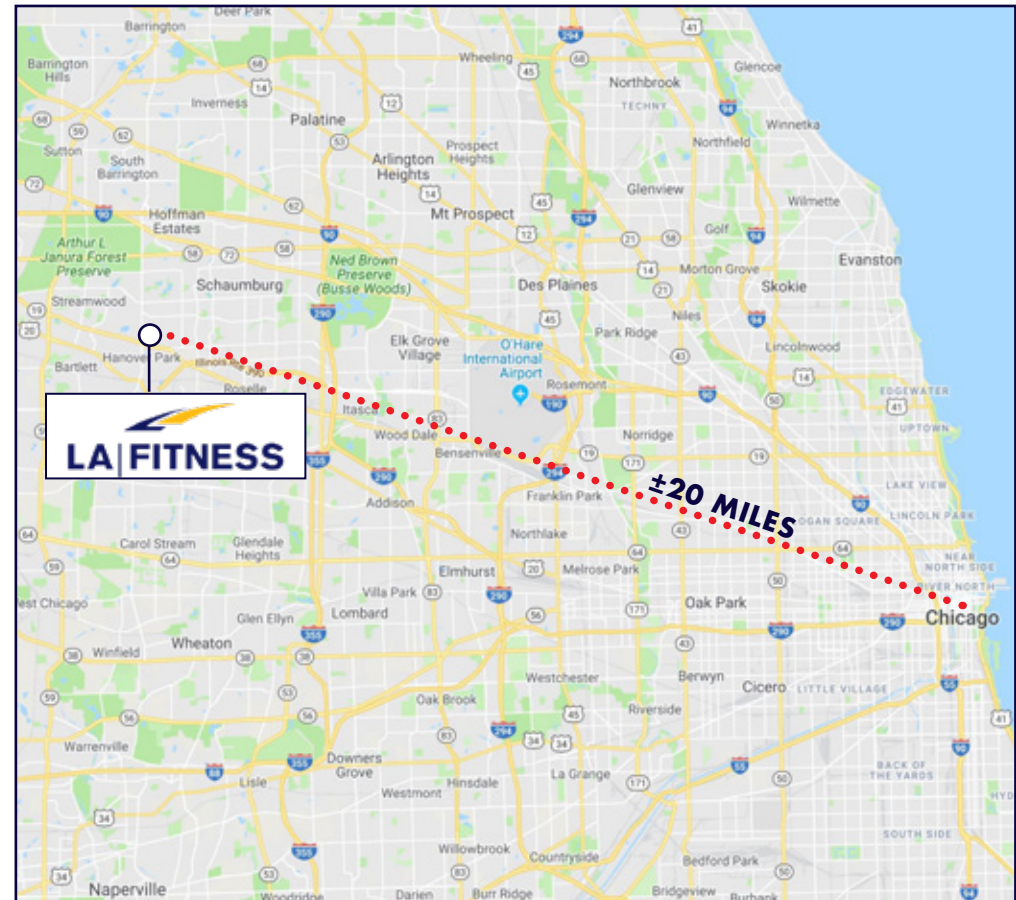
HANOVER PARK, IL

Hanover Park, Illinois is a suburban community located 30 miles northwest of Chicago. The Village has a land area of over six square miles. The Village is located in both Cook and DuPage Counties. Hanover Park is situated in the southwest portion of “The Golden Corridor,” so-named because of its phenomenal rate of growth. This corridor stretches northwest from O’Hare Airport along the North-west Tollway (Interstate 90). As more and more major corporations choose to locate in the Golden Corridor, the halo effect from their presence attracts an increasing number of businesses, both large and small, wanting to locate in this thriving, modern center of commerce and industry.

Nearby are some of the finest recreational areas in Chicagoland, where opportunities for hunting, fishing, water sports and leisure activities of all kinds abound. The outstanding cultural and entertainment opportunities in Chicago are an hour away.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 Projection	18,458	127,111	260,238
2019 Estimate	18,704	127,523	260,057
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Projection	5,437	44,003	94,481
2019 Estimate	5,489	43,969	94,115
INCOME	1-MILE	3-MILE	5-MILE
2019 Avg Household Income	\$91,343	\$100,984	\$107,382
2019 Med Household Income	\$79,026	\$82,964	\$87,316





CHICAGO, IL

Situated on the southwestern shore of Lake Michigan. Chicagoland is an informal name for the metropolitan area associated with the city of Chicago and its suburbs and has no official definition. The region is often considered to include areas beyond its corresponding MSA, as well as portions of the greater CSA.

Chicago has one of the world's largest and most diversified economies, with more than four million employees and generating an annual gross regional product (GRP) of over \$575 billion, which is more than countries like Sweden and Norway. Having been listed as an alpha global city by the Global Cities Index, it is a key player in every sector from risk management innovation and information technology to manufacturing and health services.

ECONOMY

The city is an efficient economic powerhouse, home to more than 400 major corporate headquarters, including 31 in the Fortune 500. Boeing, United Continental Holdings, Inc., Exelon Corporation, R. R. Donnelley & Sons Company, and Archer Daniels Midland are just a few of the Fortune 500 companies based in the area. Motorola Solutions, Inc. intends to move their headquarters from Schaumburg, IL to Chicago in the coming future. McDonald's has become the latest Fortune 500 company to establish its presence in Chicago as it is preparing to move its headquarters from Oak Brook, IL to the windy city by early 2018.

As a multicultural city that thrives on the harmony and diversity of its neighborhoods, Chicago embodies the values of America's heartland integrity. It is this level of diversification that has resulted in Chicago being rated as having the most balanced economy in the United States. Additionally, its central location allows Chicago to be at the center of global trade, transit and data networks.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **LA Fitness** located at **7650 S Barrington Rd, Hanover, IL 60133** (“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.

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