

FREESTANDING LA | FITNESS



VENTURE INVESTMENT SALES
OFFERING MEMORANDUM



REPRESENTATIVE PHOTO



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REPRESENTATIVE PHOTO

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EXECUTIVE SUMMARY

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INVESTMENT OVERVIEW

// LA FITNESS

THIS FREESTANDING \pm 37,000 SQUARE FOOT LA FITNESS IS AMONG THE FIRST HANDFUL OF CLUBS IN THE NATION USING LA'S NEW PROTOTYPE BUILDING. THE CLUB SITS ON 3.98 ACRES OF LAND AT THE NWC OF US 287 AND W SUBLETT ROAD IN THE DENSELY ESTABLISHED TRADE AREA OF SOUTH ARLINGTON, TEXAS AND IS SHADOW-ANCHORED BY A NEWLY COMPLETED 123,000 SQUARE FOOT KROGER MARKETPLACE GROCERY STORE. THE LEASE HAS A 15.5-YEAR PRIMARY TERM WITH THREE 5-YEAR OPTIONS COMMENCING ON OR ABOUT MARCH 1ST, 2020. THE SITE HAS EXCELLENT EXPOSURE TO A COMBINED TRAFFIC COUNT OF OVER 95,000 VEHICLES PER DAY ALONG US 287 AND W SUBLETT ROAD. THIS SITE IS CENTRALLY LOCATED WITHIN THE DALLAS-FORT WORTH TRADE AREA, APPROXIMATELY 10 MILES FROM DOWNTOWN FORT WORTH TO THE WEST AND APPROXIMATELY 24 MILES FROM DOWNTOWN DALLAS TO THE EAST. ARLINGTON, TX IS THE SEVENTH MOST POPULATED CITY IN TEXAS WITH A POPULATION OF 398,112 PEOPLE.

THE DALLAS-FORT WORTH METROPLEX IS THE LARGEST METROPOLITAN AREA IN TEXAS, THE LARGEST IN THE SOUTH, AND FOURTH LARGEST IN THE U.S. WITH A POPULATION OF 7,539,711, ACCORDING TO THE NEW 2019 U.S. CENSUS POPULATION ESTIMATES. OVERALL, DFW IS THE 11TH LARGEST METRO ECONOMY IN THE WORLD AND HAS A GROSS METRO PRODUCT EXCEEDING \$535 BILLION ACCORDING TO THE BUREAU OF ECONOMIC ANALYSIS. AS A RESULT, THE METROPLEX BENEFITS FROM THE 24 FORTUNE 500 COMPANY HEADQUARTERS AND THE 43 FORTUNE 1000 HEADQUARTERS LOCATED THROUGHOUT DFW. ARLINGTON'S ROBUST ECONOMY CAN PRIMARILY BE ATTRIBUTED TO ITS ECONOMIC DIVERSITY WITH INDUSTRIES RANGING FROM EDUCATION, MANUFACTURING, RETAIL, ENTERTAINMENT, AND HEALTH CARE. THE CITY IS HOME TO THE UNIVERSITY OF TEXAS AT ARLINGTON (42,496 STUDENTS), GENERAL MOTORS, THE PARKS MALL AT ARLINGTON, THE DALLAS COWBOYS, THE TEXAS RANGERS, SIX FLAGS OVER TEXAS AMUSEMENT PARK, AND TEXAS HEALTH RESOURCES.

THIS LA FITNESS LOCATION BENEFITS FROM A DENSE THREE-MILE POPULATION WITH OVER 75,000 PEOPLE AND AN AVERAGE HOUSEHOLD INCOME OF OVER \$107,000 PER YEAR. IN ADDITION TO THE NEWLY CONSTRUCTED KROGER MARKETPLACE, ALBERTSONS GROCERY STORE HAS OPERATED A LOCATION AT THE SWC OF THE INTERSECTION SINCE 2002 WHICH IS CURRENTLY RANKED EIGHTH OUT OF THEIR 34 DFW LOCATIONS. OTHER PROMINENT RETAILERS AT THE INTERSECTION INCLUDE STARBUCKS, CHICK-FIL-A, WHATABURGER, ANDY'S FROZEN CUSTARD, TACO BELL, BURGER KING, JACK IN THE BOX, AND CHICKEN EXPRESS. THIS COLLECTION OF RESTAURANTS ALONG WITH TWO MAJOR GROCERY STORES MAKE W SUBLETT ROAD AND US 287 THE MAIN DAILY NEEDS INTERSECTION IN THE TRADE AREA AND ENSURES THE LONG-TERM STABILITY OF THIS ASSET.

INVESTMENT HIGHLIGHTS


- LARGEST PRIVATELY OWNED HEALTH CLUB PROVIDER IN THE NATION.
- NEWLY CONSTRUCTED PROTOTYPE
- OVER 75,000 PEOPLE WITHIN A THREE-MILE RADIUS WITH AVERAGE HH INCOMES EXCEEDING \$107,000
- NO STATE INCOME TAX
- SHADOW-ANCHORED TO NEW 123,000 SF KROGER MARKETPLACE
- INTERNET-RESISTANT TENANT
- COMBINED TRAFFIC COUNTS OF OVER 95,000 VPD AT THE INTERSECTION
- BRAND NEW 15.5-YEAR LEASE

PROPERTY PROFILE



ADDRESS

5331 W. SUBLETT RD.,
ARLINGTON, TX



PURCHASE PRICE

\$ 11,870,833



LAND SIZE

± 3.984 AC



IN-PLACE NOI

\$ 712,250



YEAR BUILT

2020




CAP RATE

6.0%



LEASED

100% LEASED

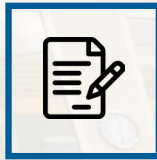


BUILDING SIZE

± 37,000 SF

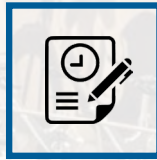
REPRESENTATIVE PHOTO

LEASE ABSTRACT



LEASE COMMENCEMENT

EST. MARCH 2020



PRIMARY TERM

FIFTEEN AND A HALF (15.5) YEARS

| 03/01/2020 - 02/28/2021 | MINIMUM GUARANTEED RENT ABATED | |
|-------------------------|--------------------------------|--------------|
| 03/01/2021 - 02/28/2026 | \$ 712,250 / YR | \$ 19.25 PSF |
| 03/01/2026 - 02/28/2031 | \$ 769,600 / YR | \$ 20.80 PSF |
| 03/01/2031 - 08/31/2035 | \$ 826,950 / YR | \$ 22.35 PSF |

* SELLER TO CREDIT ABATED RENT AT CLOSING



OPTIONS

THREE (3) FIVE (5) YEAR OPTIONS

| | | |
|----------|-----------------|--------------|
| OPTION 1 | \$ 884,300 / YR | \$ 23.90 PSF |
| OPTION 2 | \$ 941,650 / YR | \$ 25.45 PSF |
| OPTION 3 | \$ 999,000 / YR | \$ 27.00 PSF |

REPRESENTATIVE PHOTO

TENANT OVERVIEW

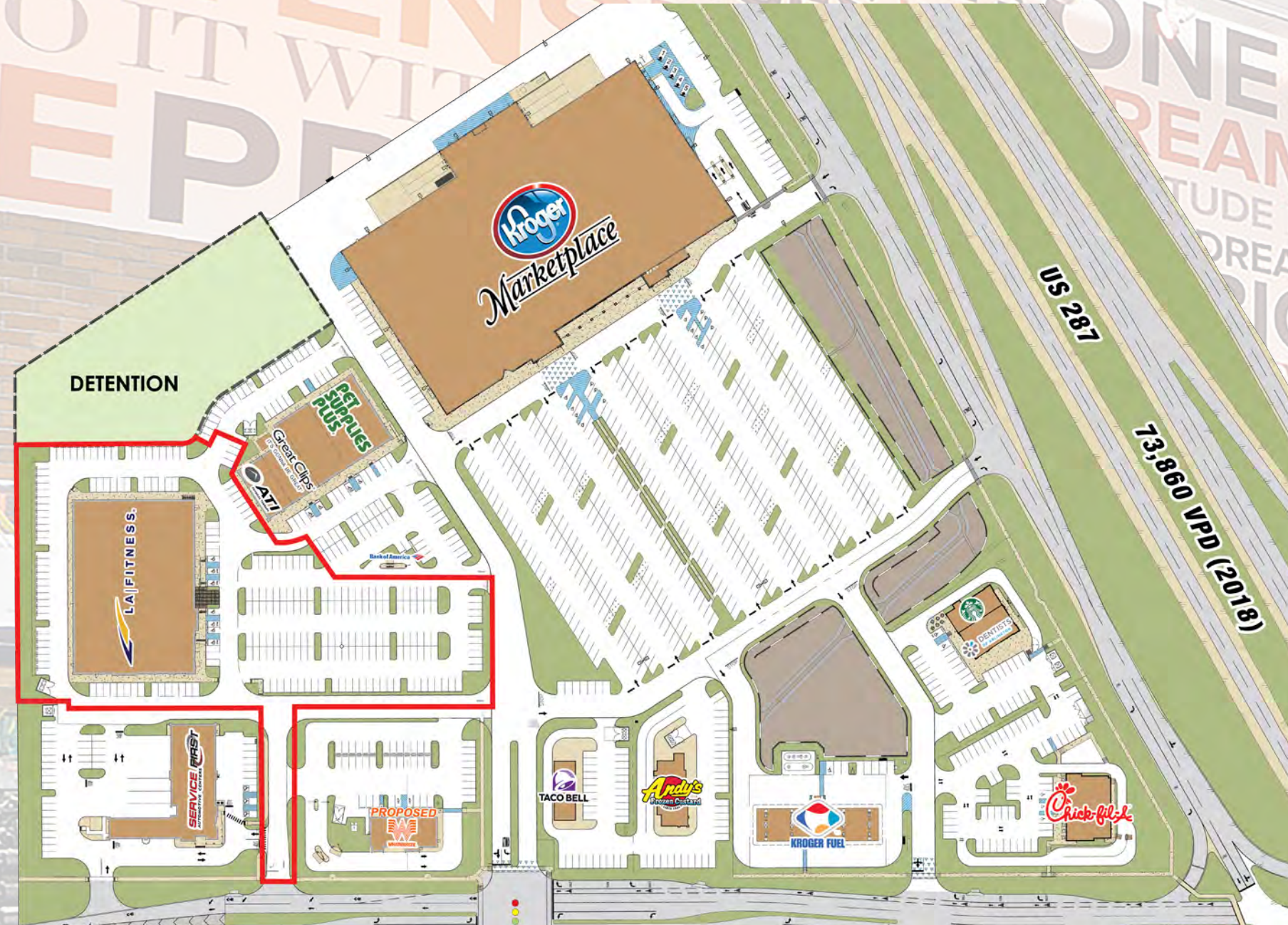
IN 1984, FOUNDER CHIN YI, CHAIRMAN & CEO AND LOUIS WELCH, PRESIDENT & CEO, OPENED THE FIRST LA FITNESS IN COVINA, CALIFORNIA WITH THE SIMPLE GOAL OF BEING ABLE TO PROVIDE ALL OF ITS MEMBERS THE OPPORTUNITY TO ENJOY GOOD HEALTH. THIS ORIGINAL GOAL HAS CONTINUED TO BE AT THE CORE OF LA FITNESS BY CONSISTENTLY PURSUING INNOVATIVE WAYS TO ENHANCE THE PHYSICAL AND EMOTIONAL WELL-BEING OF ITS MEMBERS. FOR INSTANCE, LA FITNESS INTRODUCED A STUDIO CONCEPT CALLED HIIT BY LA FITNESS IN 2018, WHICH OFFERS HIGH INTENSITY INTERVAL TRAINING WORKOUTS THAT ARE COMPRISED OF A VARIETY OF FUNCTIONAL EXERCISES, CORE TRAINING, CARDIO INTERVAL TRAINING AND STRENGTH TRAINING.

THROUGHOUT ITS VAST PORTFOLIO OF LOCATIONS LA FITNESS OFFERS ITS MEMBERS A VARIETY OF AMENITIES THAT INCLUDE TOP OF THE LINE CARDIO EQUIPMENT, FREE WEIGHTS AND WEIGHT MACHINES, PERSONAL TRAINING, GROUP FITNESS CLASSES, BASKETBALL COURTS, RACQUETBALL COURTS, INDOOR HEATED LAP POOLS, SAUNAS, LOCKER FACILITIES AND JUICE BARS. LA FITNESS CLUBS ARE OPEN 7 DAYS A WEEK WITH SOME LOCATIONS OPEN 24 HOURS A DAY. THROUGH BOTH THE AMENITIES OFFERED AND CONSISTENT FOCUS ON IMPROVING MEMBERSHIP EXPERIENCE, LA FITNESS HAS BECOME RECOGNIZED AS ONE OF THE BEST IN CLASS OPERATORS WITHIN THE HEALTH CLUB INDUSTRY.

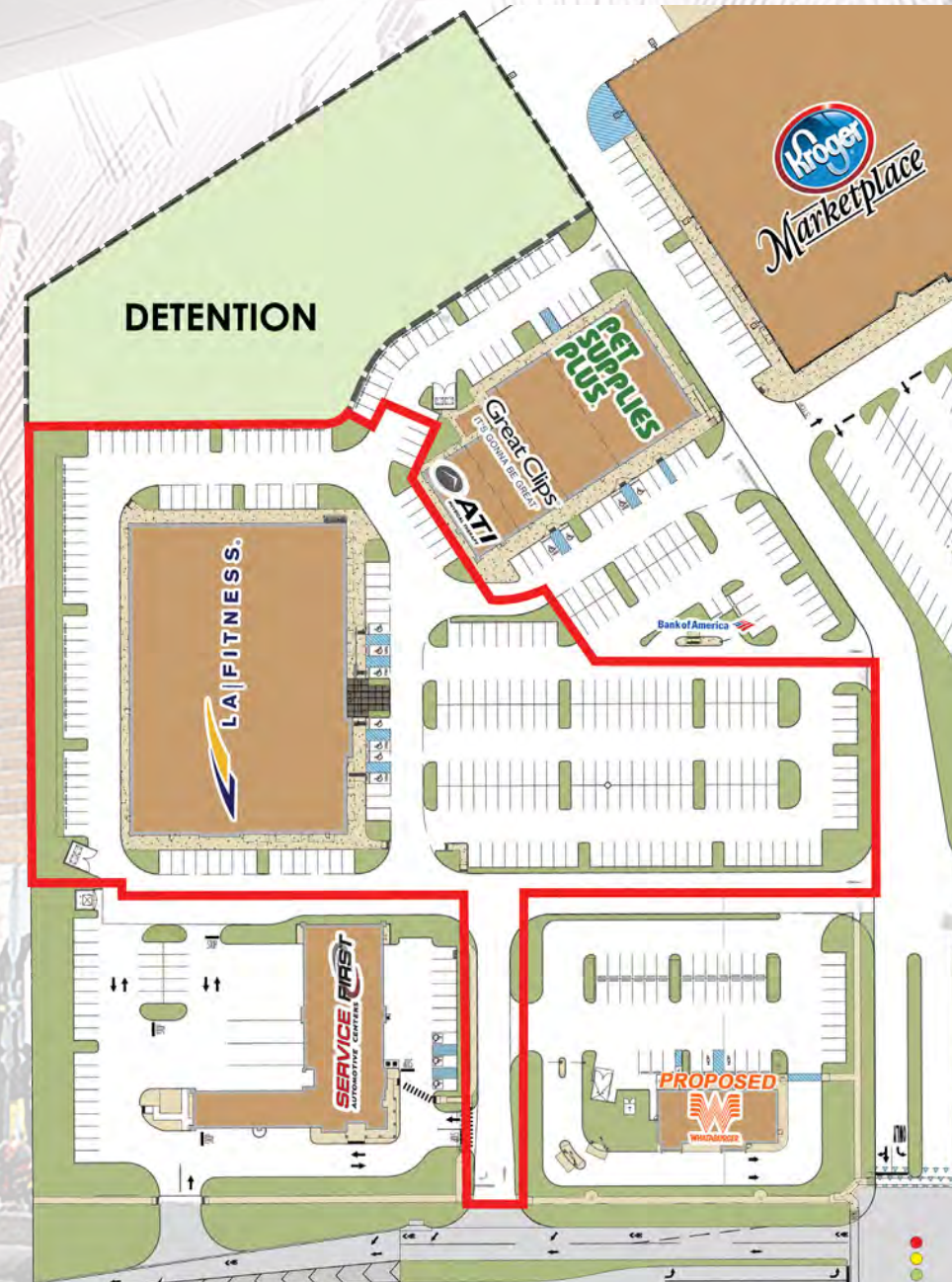
LA FITNESS HAS GROWN TO BECOME THE LARGEST PRIVATELY HELD HEALTH CLUB OPERATOR IN THE COUNTRY THROUGH ITS ACQUISITION OF SEVERAL HEALTH CLUB CONCEPTS, AND BY GREATLY EXPANDING ITS IN-HOUSE DEVELOPMENT PLATFORM. IN 2018, ANNUAL REVENUE EXCEEDED \$2.09 BILLION, WHICH GAVE LA FITNESS THE #1 RANKING FOR HIGHEST REVENUE GENERATING HEALTH CLUB COMPANY FOR THE SIXTH CONSECUTIVE YEAR ACCORDING TO CLUBINDUSTRY.COM. LA FITNESS CURRENTLY HAS OVER 750 LOCATIONS THROUGHOUT THE UNITED STATES AND CANADA, AND IS STILL AGGRESSIVELY EXPANDING ITS FOOTPRINT BOTH DOMESTICALLY AND INTERNATIONALLY.

REPRESENTATIVE PHOTO

SITE PLAN



SITE PLAN

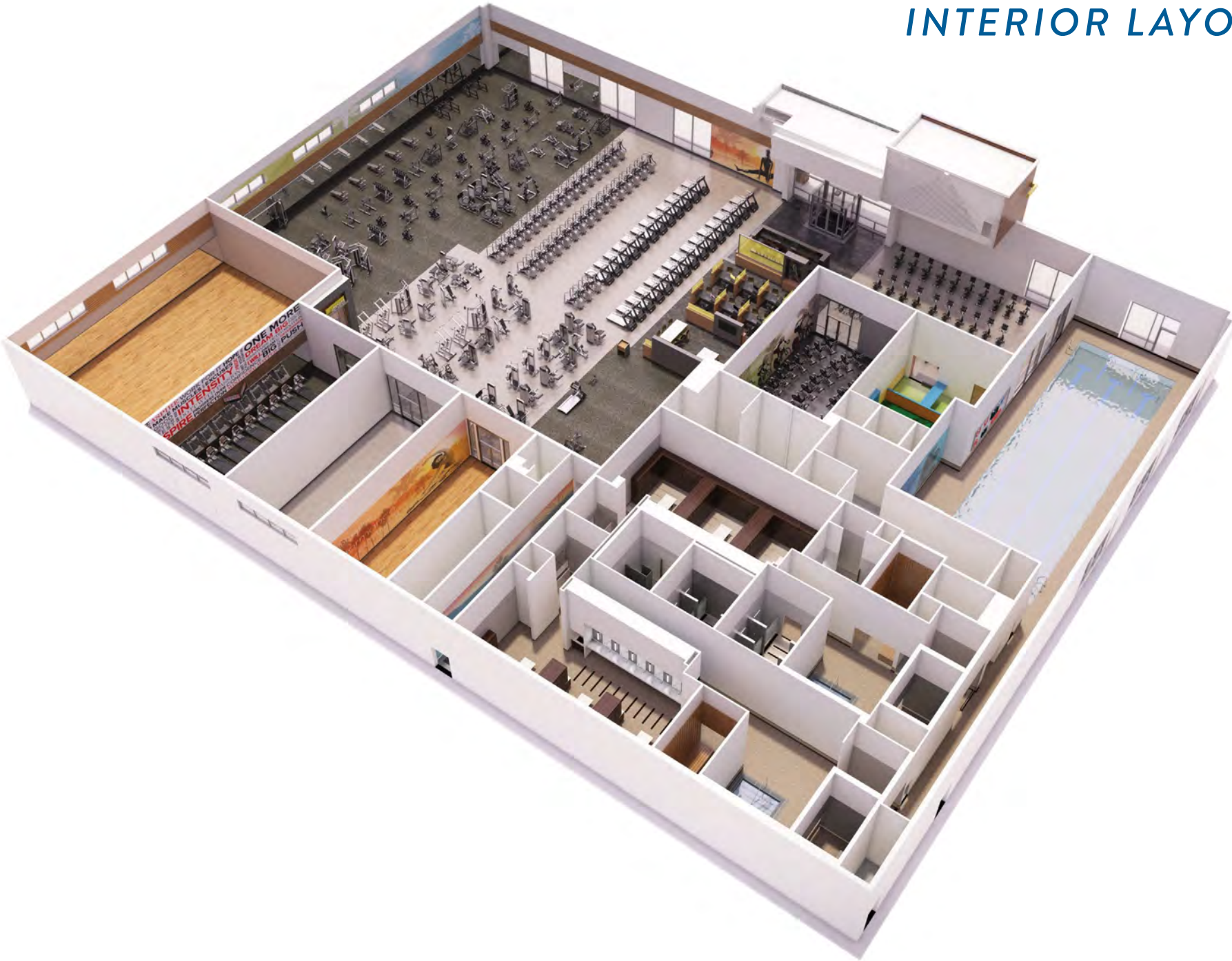


INTERIOR LAYOUT



REPRESENTATIVE PHOTO

INTERIOR LAYOUT



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PROPERTY OVERVIEW

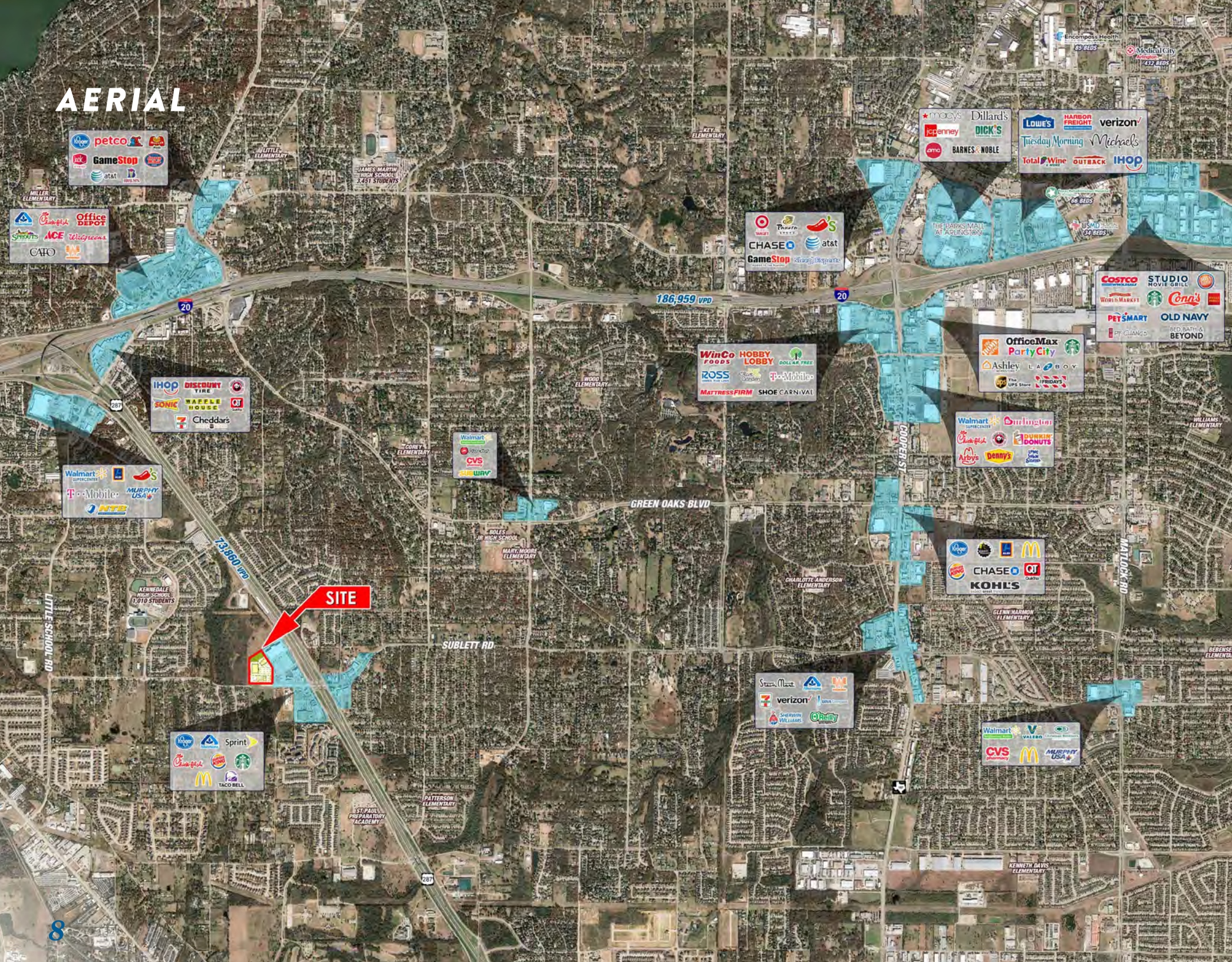
- // LOCATION MAP
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LOCATION MAP



REPRESENTATIVE PHOTO



PHOTOS



REPRESENTATIVE PHOTO

PHOTOS



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PHOTOS

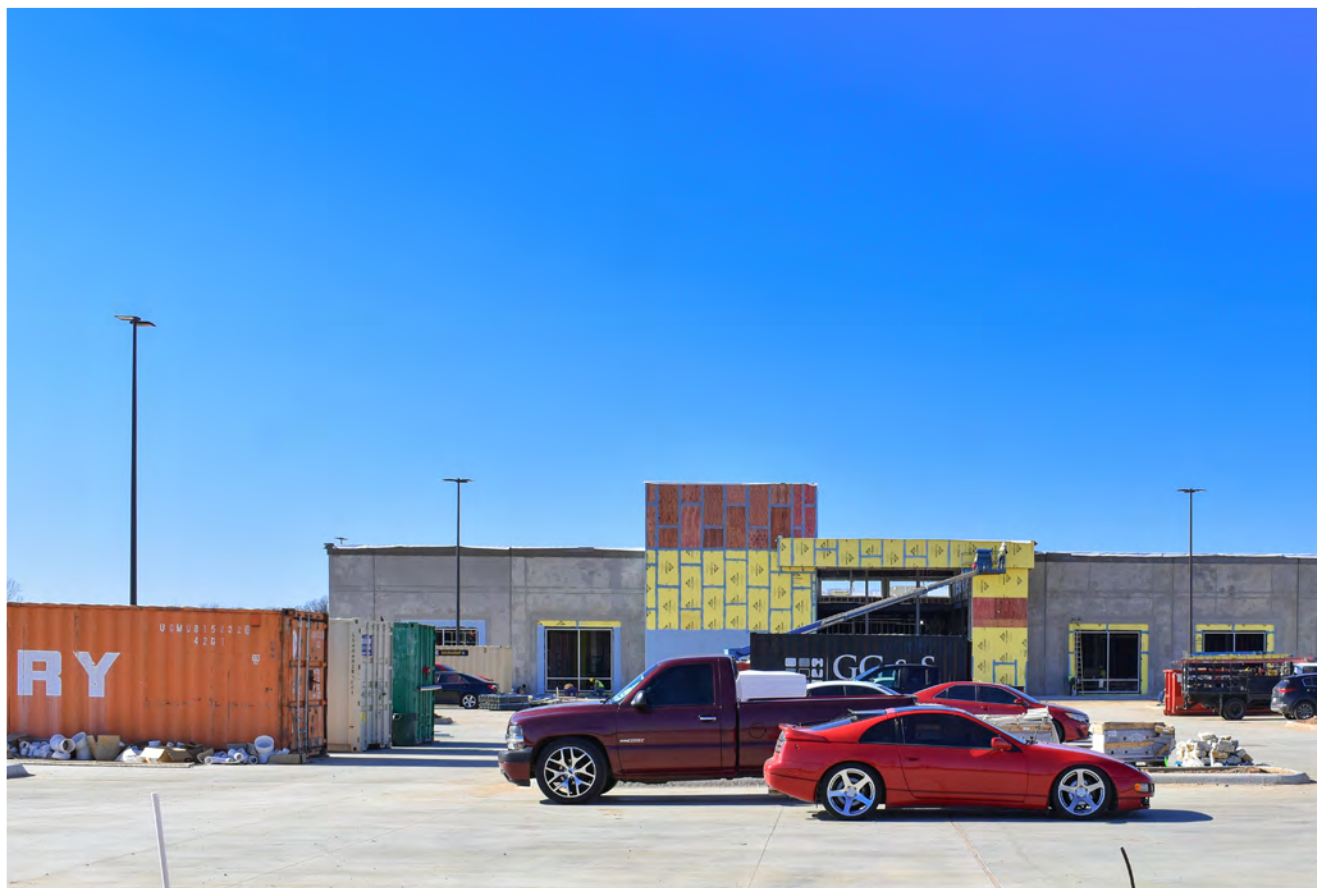
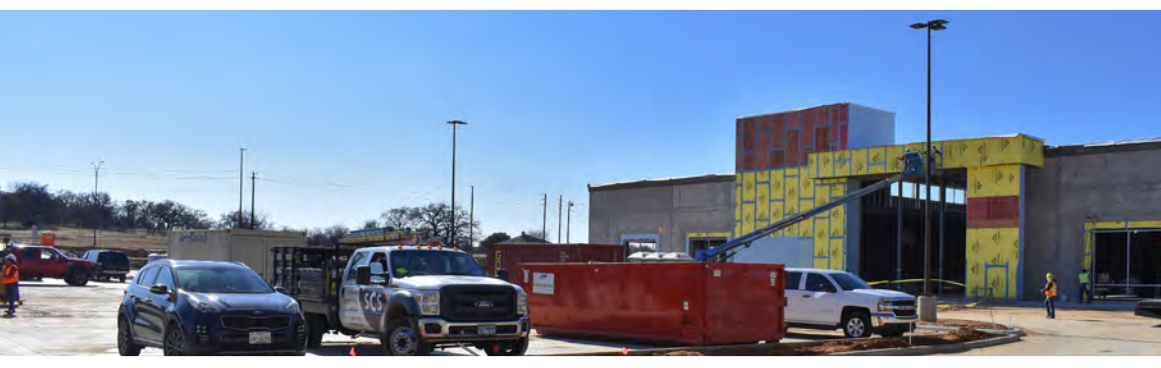




CONSTRUCTION PHOTOS



CONSTRUCTION PHOTOS





LA FITNESS
ARLINGTON, TEXAS



TRADE AREA OVERVIEW

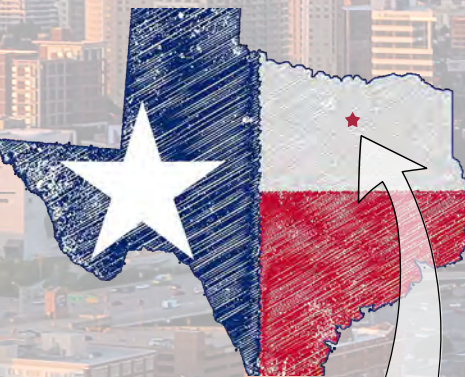
// DFW AREA OVERVIEW
// DEMOGRAPHIC OVERVIEW

ACCESSIBILITY



DFW IS THE BUSIEST AIRPORT IN TEXAS, THE **FOURTH** BUSIEST AIRPORT IN THE U.S., AND THE **15TH** BUSIEST AIRPORT IN THE WORLD SERVING OVER **69 MILLION** PASSENGERS IN 2018.

190 DOMESTIC DESTINATIONS
63 INTERNATIONAL DESTINATIONS
200+ NON-STOP DESTINATIONS
23 PASSENGER AIRLINES
22 CARGO AIRLINES
164 GATES
5 TERMINALS



DFW METRO AREA IS HOME TO **7,539,711** PEOPLE MAKING IT THE **LARGEST** METRO AREA IN TEXAS AND THE **4TH LARGEST** IN THE U.S.

OVER 200 PEOPLE MOVE TO DALLAS - FORT WORTH METRO AREA EVERY DAY.

U.S. OR NORTH AMERICAN HEADQUARTERS FOR LEADING GLOBAL COMPANIES INCLUDING **7-ELEVEN, ERICSSON, BLACKBERRY LTD., TOYOTA, ESSILOR USA, AT&T, AMERICAN AIRLINES, SOUTHWEST AIRLINES, TEXAS INSTRUMENTS & MANY MORE.**

DALLAS HAS THE **4TH LARGEST** GMP IN THE U.S.. AND APPROX. **11TH LARGEST** GROSS DOMESTIC PRODUCT IN THE WORLD.

ONE / THIRD OF ALL TEXANS LIVE IN DFW



BUSINESS & ECONOMIC GROWTH

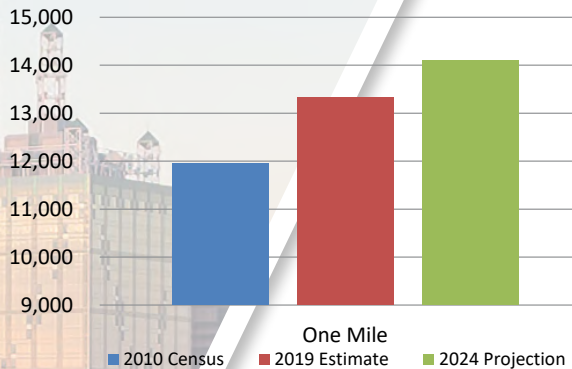
24 FORTUNE 500 COMPANY HEADQUARTERS
43 FORTUNE 1000 COMPANY HEADQUARTERS
#1 FOR NEW JOB OPPORTUNITIES

DALLAS-FORT WORTH HAS THE **HIGHEST CONCENTRATION** OF CORPORATE HEADQUARTERS WITH MORE THAN **10,000 BUSINESSES** CALLING DFW HOME

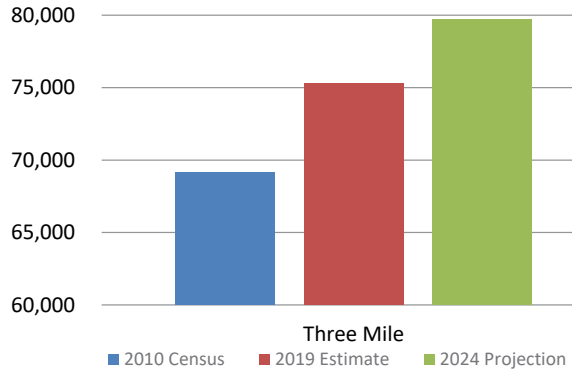
4TH LARGEST WORKFORCE IN THE U.S. ADDING **122,000** JOBS FROM MAY 2017 TO MAY 2018.



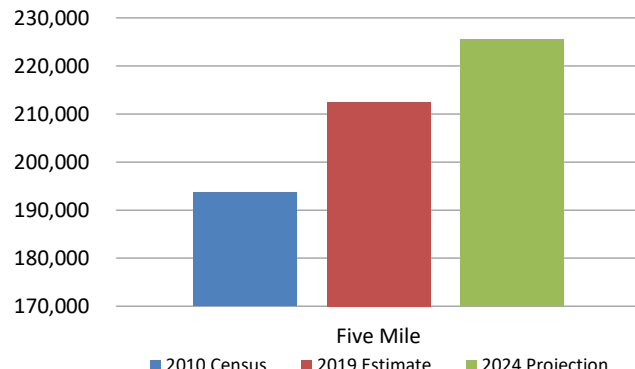
One Mile Population



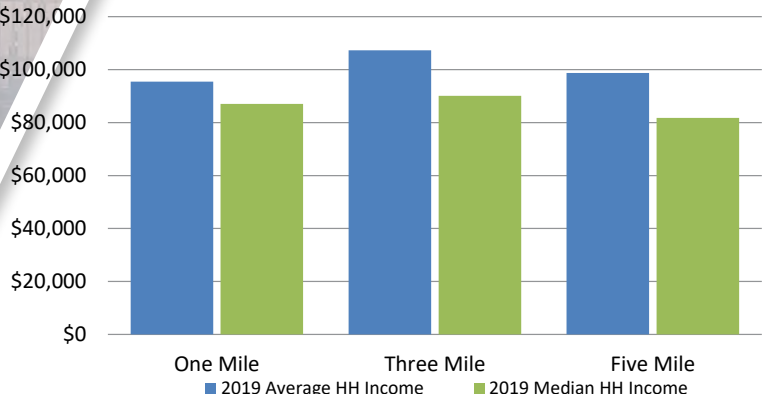
Three Mile Population



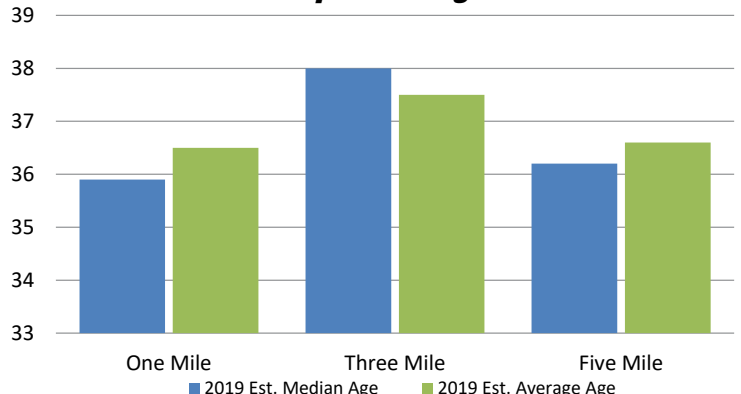
Five Mile Population



Income



Population Age



POPULATION DATA

| | One Mile | Three Mile | Five Mile |
|-----------------|----------|------------|-----------|
| 2010 Census | 11,946 | 69,126 | 193,696 |
| 2019 Estimate | 13,338 | 75,318 | 212,485 |
| 2024 Projection | 14,091 | 79,734 | 225,505 |

INCOME DATA

| | One Mile | Three Mile | Five Mile |
|------------------------|----------|------------|-----------|
| 2019 Average HH Income | \$95,449 | \$107,305 | \$98,697 |
| 2019 Median HH Income | \$87,079 | \$90,078 | \$81,767 |

MEDIAN AGE

| | One Mile | Three Mile | Five Mile |
|-----------------------|----------|------------|-----------|
| 2019 Est. Median Age | 35.9 | 38.0 | 36.2 |
| 2019 Est. Average Age | 36.5 | 37.5 | 36.6 |

TRAFFIC COUNTS

| | |
|--------------|-------------------|
| Sublett Road | 21,742 VPD (2018) |
| US 287 | 73,860 VPD (2018) |
| Total | 95,602 VPD (2018) |

LET'S TALK

VENTURE COMMERCIAL
8235 DOUGLAS AVENUE
SUITE 720
DALLAS, TEXAS 75225

INVESTMENT SALES
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DISCLAIMER

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Venture has prepared and compiled this memorandum from various sources to provide you with preliminary, unverified information about the property. HOWEVER, THE INFORMATION IS FOR INFORMATIONAL PURPOSES ONLY, AND YOU MAY NOT RELY UPON THE INFORMATION FOR ANY PURPOSE.

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This memorandum does not contain all of the information that a prudent investor should require in order to make an informed investment decision about the property. BEFORE MAKING AN INVESTMENT DECISION, YOU SHOULD PERFORM AND RELY UPON YOUR OWN INSPECTIONS, TESTS, AND OTHER DILIGENCE REGARDING THE PROPERTY, TAKING INTO ACCOUNT THE MERITS AND RISKS INVOLVED.

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