

SINGLE TENANT NET LEASE INVESTMENT

12+ Years Remaining | Adjacent to Home Depot/Walmart

10011 Broadway St., Pearland, TX 77584

Open and Paying Full Rent



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INTERNATIONAL

LEASE ABSTRACT	
Tenant Trade Name	24 Hour Fitness
Lease Start	July 7, 2012
Lease Expiration	December 31, 2032
Term Remaining On Lease	12 Years*
Base Rent	\$881,760
Rental Adjustments	1/1/2024: \$1,140,984 1/1/2028: \$1,254,912
Option Periods	3 - 5 Yr Options 10% Increases Every 5 Years 1/1/2033: \$1,380,369 1/1/2038: \$1,518,525 1/1/2043: \$1,670,179"
Lease Type	NN Lease
Roof & Structure (Repair & Maintenance Only)	Tenant Responsible
*Tenant Has the One-Time Option to Terminate as of 1/1/2025 with 90 Days' Notice Should the Option be Exercised Tenant Shall Pay a Termination Fee of \$855,738 to Landlord	
PARCEL DETAILS	
APN	7033-0001-000
Building Size	39,700 SF
Land Size	5.65 Acres

INVESTMENT HIGHLIGHTS

- *24 Hour Fitness* – Single Tenant Net Lease – Over 12 Lease Years Remaining
- *Corporate Guaranteed* – 24 Hour Fitness United States, Inc. a Delaware Corp
- *30% Increase in Rent* Commencing 1/1/2024
- 10% Increases Thereafter Including Options (3, 5 Year Options)
- Tenant Reimburses Landlord for Repair and Maintenance of Roof & Building
- *Ease of Management* with Tenant Responsible for Daily Maintenance on the Premises
- Landlord Responsible for Only Replacement of Roof, Structure, HVAC, Parking Lot Resurfacing
- Positioned on Broadway St. – *Over 31,000 VPD* – Located Just off Highway 288
- Broadway St – Main Retail Trade Corridor with a Regional Draw in the Houston MSA
- *National Tenants Surrounding Include* The Home Depot, Walmart Supercenter, Target, H-E-B, Kohl’s, Ross Dress for Less, Chick-fil-A, Raising Cane’s
- *Strong Surrounding Demographics* – Over 189,006 Residents within 5 Mile Radius
- *Affluent Houston Suburb* - Over \$114,965 in AHHI within 5 Mile Radius





**Corporate Guaranteed – 24 Hour Fitness
United States, Inc. a Delaware Corp**





TENANT OVERVIEW

24 Hour Fitness is the world’s largest privately owned and operated fitness center chain, and third in number of clubs behind Gold’s Gym and Fitness First of the UK. It currently has 400+ clubs across 16 states, and 24,000+ employees in the United States. The corporate office is located in San Ramon, California and a processing center is located in Carlsbad, California.

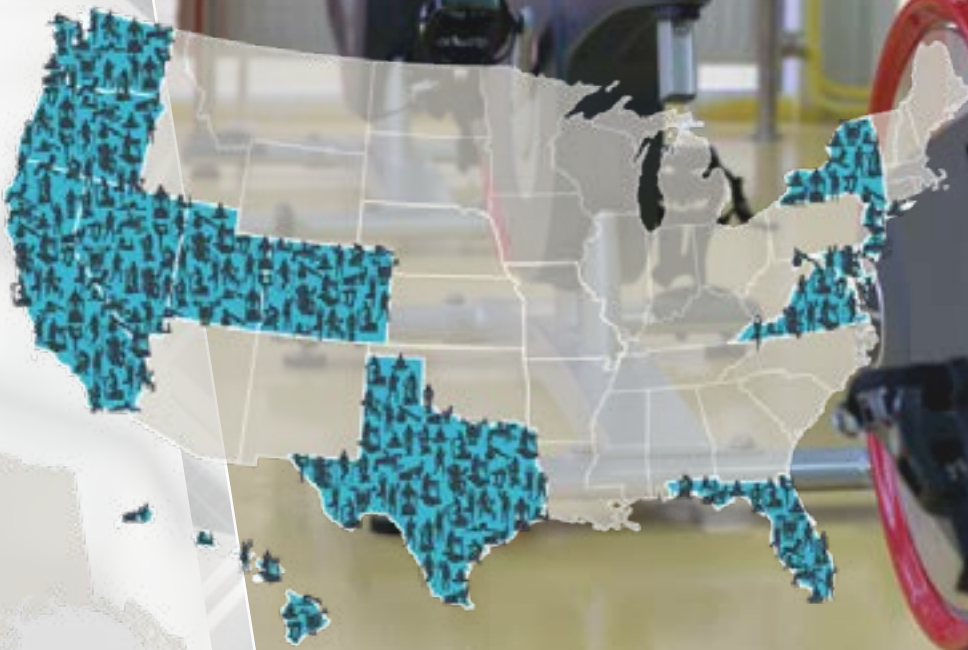


Moving forward under new CEO Tony Ueber, the company is implementing an aggressive growth plan and a transformation of the brand. Ueber stated that 24 Hour Fitness will open more than 16 new clubs in 2019, and their primary focus is on building their own facilities rather than growing through acquisitions. Along with growth 24 Hour Fitness is focused on delivering a marketing and sales process that is member centric. This involves rolling out more self-service capabilities like on line joining options and programs dedicated to unique groups within their membership.

24 Hour Fitness is currently owned by AEA Investors, a leader in the private equity industry; Ontario Teachers’ Pension Plan, Canada’s largest singleprofession pension plan – and one of the world’s largest; and Fitness Capital Partners, a fund organized by Dean Bradley Osborne and Global Leisure Partners. It was acquired from Forstmann Little & Co in May 2014. 24 Hour Fitness operates a nutritional supplement company, Apex Fitness Group, which is also the distributor of the Bodybugg system. Their motto is “Improving lives through fitness.”

COMPANY OVERVIEW

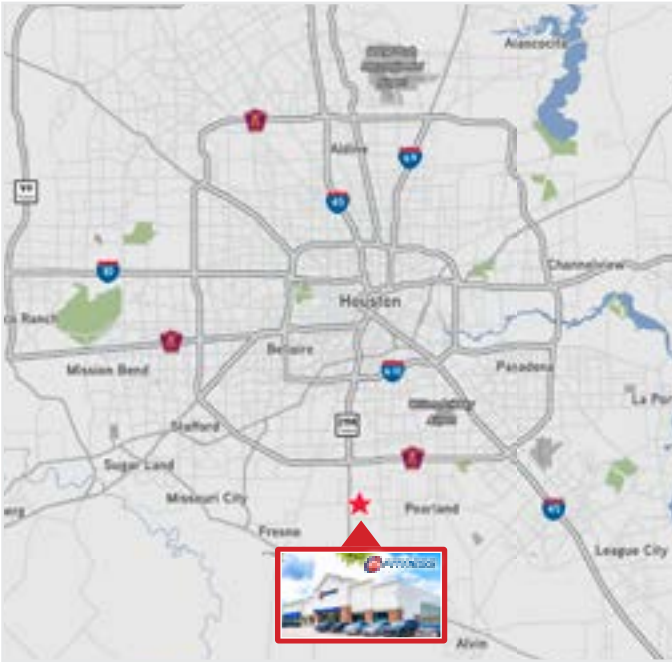
Tenant	24 Hour Fitness
Credit Rating / Outlook	S&P: B-
Members	4+ million
2017 Revenue	\$1.44 billion
# of Locations	430+
Headquarters	San Ramon, CA
Employees	24,000+
Company Website	www.24hourfitness.com





CITY OF PEARLAND

Pearland is one of the fastest growing cities in Texas, positioned on a growth curve that extends well into the 21st century. As the fastest growing city in the Houston region, Pearland has everything your company needs to be successful. Affordable housing, outstanding schools, safe neighborhoods and superb quality of life has led to tremendous growth in Pearland. With millions of square feet of retail, office and residential construction completed in the past 10 years, Pearland is on its way to becoming the next major employment center in the Houston region.



Location

Pearland’s location is one of its greatest assets. Located approximately 20 minutes from downtown Houston and less than 15 minutes from the Texas Medical Center, Pearland offers the lifestyle of a small town but still provides easy access to the Theater district, and Houston’s many fine restaurants. Pearland is 15 minutes from NASA’s Johnson Space Center, providing a highly educated workforce. Beltway 8, Houston’s second loop, runs along Pearland’s northern boundary.

In addition, Pearland is located off State Highway 288, which is surrounded by some of the most undeveloped land around Houston. This results in less highway traffic than is normally faced on any other Houston highway. For air travel, Houston’s Hobby Airport is less than 10 minutes from Pearland’s northern city limits on State Highway 35.



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Economy

Pearland’s strategic location within the Houston MSA provides local employers access to over 2.8 million talented and seasoned workers in industries such as energy, manufacturing and allied healthcare—including over 7,500 Texas Medical Center employees that live within the Pearland city limits.

Labor Force

Since 2005, Pearland’s estimated labor force has grown from just over 31,302 to over 60,000 in 2020.

Area	Labor Force	Employment	Unemployment	Unemployment Rate
Pearland	63,857	59,255	4,602	7.2%
Brazoria County	176,327	159,560	16,767	9.5%
Harris County	2,302,599	2,066,379	236,220	10.3%
Houston MSA	3,395,505	3,058,710	336,795	9.9%
Texas	13,846,028	12,705,927	1,140,101	8.2%



Leading Pearland Employers: Life Science / Health Care

- Altus Harbor
- Cardiovascular Systems, Inc.
- Kelsey-Seybold Clinic
- HCA Houston Healthcare Pearland
- Lonza
- Memorial Hermann
- Merit Medical Systems, Inc.

Energy

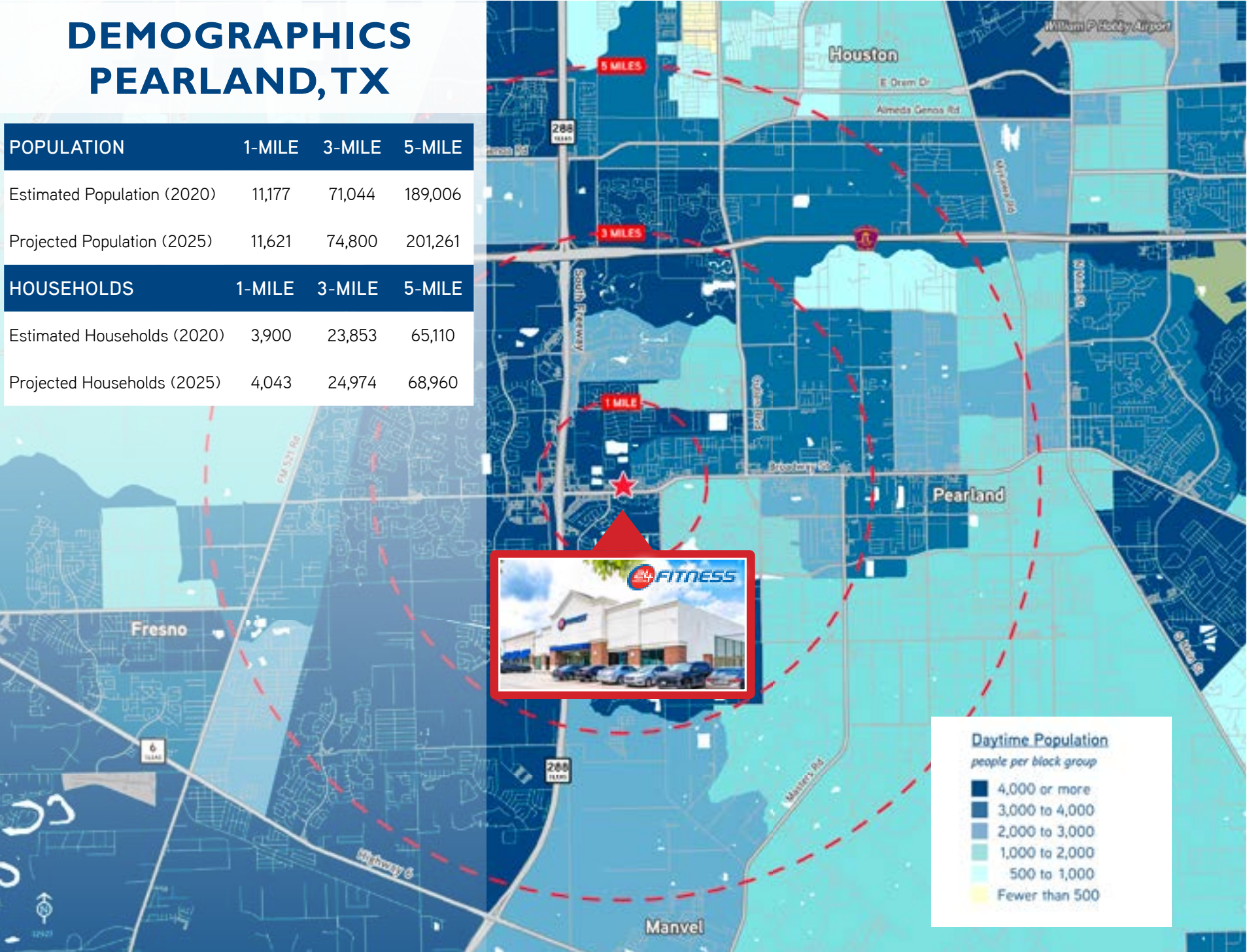
- Dover Energy
- EthosEnergy (formerly TurboCare)
- Mott McDonald
- Mitsubishi Heavy Industries Compressor Corp.
- Ref-Chem

Leading Pearland Employers: Manufacturing/Distribution

- Aggreko, LLC
- Kemlon Manufacturing & Development
- Packaging Services Company, Inc.
- Rex Supply
- Shawcor
- SolvChem, Inc.
- Third Coast Terminals
- Tool-Flo Manufacturing
- Weatherford International

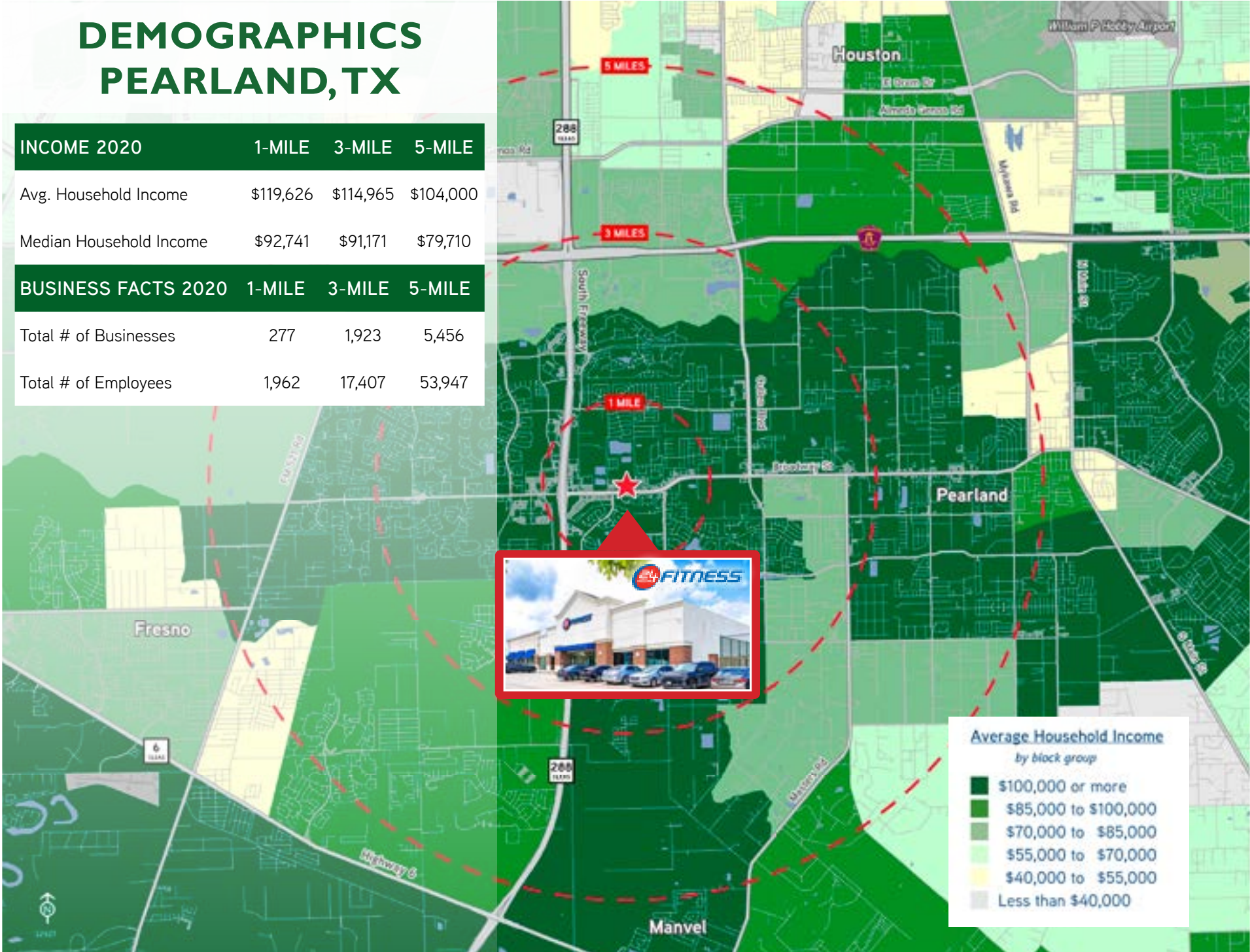
DEMOGRAPHICS PEARLAND, TX

POPULATION	1-MILE	3-MILE	5-MILE
Estimated Population (2020)	11,177	71,044	189,006
Projected Population (2025)	11,621	74,800	201,261
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Estimated Households (2020)	3,900	23,853	65,110
Projected Households (2025)	4,043	24,974	68,960



DEMOGRAPHICS PEARLAND, TX

INCOME 2020	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$119,626	\$114,965	\$104,000
Median Household Income	\$92,741	\$91,171	\$79,710
BUSINESS FACTS 2020	1-MILE	3-MILE	5-MILE
Total # of Businesses	277	1,923	5,456
Total # of Employees	1,962	17,407	53,947



This Offering Memorandum contains select information pertaining to the business and affairs of 24 Hour Fitness - Pearland, TX. It has been prepared by Colliers International. 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 Colliers International. 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 or 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 from Colliers, 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 Colliers International 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 24 Hour Fitness - Pearland, TX 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 Colliers International 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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