



LA | FITNESS®

@ The Crossing at Katy Fulshear

... 26726 Farm to Market 1093, Richmond, TX 77406 ...



LISTED BY:

AUSTIN BLODGETT

Vice President

949.235.0621 | BRE #01958151

ab@realsource.com

SCOTT REID

Broker of Record

949.942.6585 | TX BRE #9009637

broker@parasellinc.com

In Association with Scott Reid & ParaSell, Inc.

REALSOURCE GROUP

... OFFERING MEMORANDUM ...



26726 Farm to Market 1093, Richmond, TX 77406

PRICE	CAP RATE	NOI
\$12,240,000	6.00%	\$734,450

TENANT: ¹	Fitness International, LLC
RENT COMMENCEMENT:	04/27/2020
LEASE EXPIRATION:	04/30/2035
LEASE TERM REMAINING:	14 Years
LEASE TYPE:	NN
ANNUAL RENT PSF:	\$19.83
PROPERTY TAXES:	Tenant Responsibility
INSURANCE:	Tenant Responsibility
COMMON AREA MAINTENANCE: ²	Tenant Responsibility
REPAIRS & MAINTENANCE:	Tenant Responsibility
ROOF & STRUCTURE:	Landlord Responsibility
RENTAL INCREASES:	\$1.00 PSF Every 5 Years
RENEWAL OPTIONS:	Three 5-Year Options
BUILDING SIZE:	37,030 SF
LOT SIZE:	4.14 Acres

1 - All lease provisions to be independently verified by Buyer during Due Diligence period.

2 - CAMs paid by Landlord and reimbursed by the Tenant, capped at 3% increase over prior year (non-cumulative). Tenant pays 7% of total annual CAMs as management (admin fee).



NOT A PART



NOT A PART

- **New Single-Tenant LA Fitness:**
 - Major recent capital raise from equity partners; Fitness International's current total liquidity is about \$730 million (Moody's) - *contact broker for details*
 - LA Fitness experienced no club closures as a result of the pandemic
 - Corporately guaranteed lease with the largest health club operator in the country (730+ locations)
 - NN lease with minimal landlord responsibilities
 - New construction (2020) with almost 14 years of firm term remaining
 - Low rent per square foot
- **Texas was One of the First States to Successfully Re-Open Gyms Since COVID-19:** They are operating at 100% capacity
- **Located in the Brand New Crossing at Katy Fulshear with Over 550,000 SF of Retail Over 80 Acres:** Co-tenants include Walmart, T.J.Maxx, Ross, PetSmart, Dollar Tree, Five Below, Wells Fargo, Chick-fil-A, Raising Cane's, Whataburger, Panda Express, KFC, Taco Bell, Express Oil Change, Xscape Theatres, and more
- **Multi-City Draw:** Property sits in Fort Bend County at the corner of the cities of Richmond, Fulshear, and Katy, bringing a maximum draw to this shopping center
- **Major New Master-Planned Communities within 1-Mile of Subject Property:** Cinco Ranch (15,000 homes, 20 schools, 63 parks), Cross Creek Ranch (6,000 homes, Fulshears #1 Selling Master-Planned Community in 2020), Fulshear Ranch (4,000 homes), & Westheimer Lakes (2,200 homes)
- **Explosive Population Growth:** With 1,474% growth since 2010, Fulshear is the fastest-growing city in Texas (Houston Chronicle, December 2020); Katy is currently growing at around 10% annually
- **High Traffic, Highway Visible Location:** Approximately 20,000 cars per day on FM 1093, which will soon become part of the Westpark Tollway; this will drastically increase traffic counts which the subject property is visible from
- **Extremely Affluent Demographics:** Average household income is approximately \$155,000 within a 1-mile radius, far above the national average
- **Brand New 850,000 Square Foot Amazon Distribution Center:** Located less than 10 miles from Subject Property (1,000+ new jobs, opening Summer 2021)
- **Greater Houston MSA Location:** 5th most populous MSA in the U.S. with over 7 million people
- **Texas is a Tax-Free State**



Major Re-Cap

Significant
Capital Raise



730+

Locations
Nationwide



14 Yrs

NN Lease Term
Remaining



100%

Capacity; Texas
Fully Re-Opened



\$155K

Average Household
Income within 1 Mile



5th

Most Populous
MSA in the U.S.



109%

Increase in Population
Since 2000 within 1 Mile



20k CPD

on FM 1093 with
Visibility to Property



80

Acre
Development



550k

Square Feet
of Retail



21k

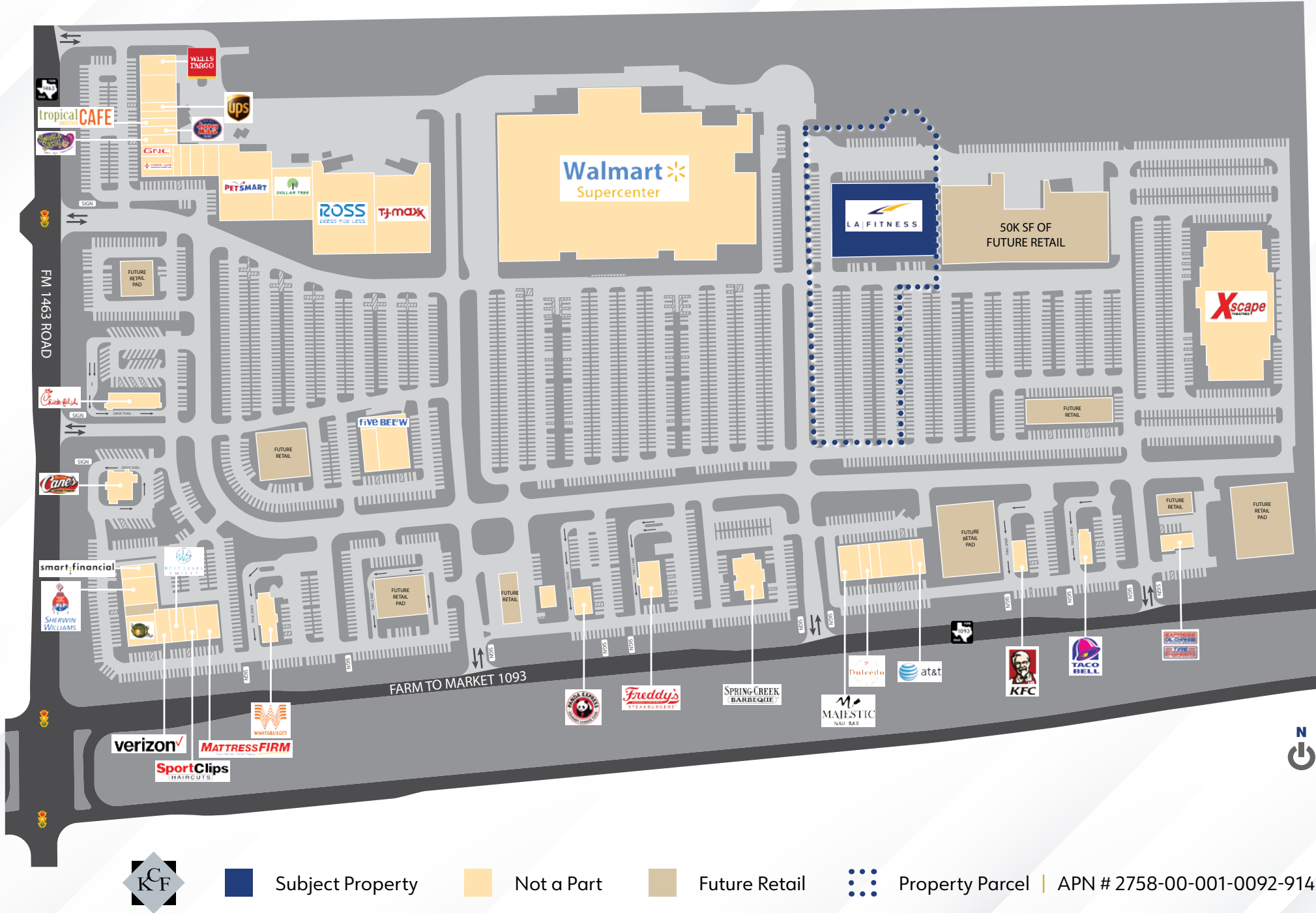
New
Homes



95%

Leased Up in
Retail Center







DEMOGRAPHICS

	Population	AHHI
1-Mile Radius	9,841	\$154,586
3-Mile Radius	78,413	\$167,323
5-Mile Radius	149,981	\$164,651



FUTURE RETAIL
(Several National
Tenants Are Reviewing)

SUBJECT PROPERTY



**FUTURE
RETAIL PAD**



FARM TO MARKET 1093

20,000 CPD



DOWNTOWN HOUSTON

- 37-Minute Drive Time -



**OBRA D. TOMPKINS
HIGH SCHOOL**
- 3,750 STUDENTS -

**SEVEN LAKES
HIGH SCHOOL**
- 3,617 STUDENTS -

**STANLEY
ELEMENTARY SCHOOL**
- 1,057 STUDENTS -

SUBJECT PROPERTY
LA | FITNESS

WESTHEIMER LAKES
2,200 HOMES

CINCO RANCH

- 15K NEW HOMES, 20
SCHOOLS, 63 PARKS -



URGENT CARE
american family care
GNC
tropical CAFE

Walmart
Supercenter

TJ-maxx

ROSS
GOODS FOR LESS

FIVE BELOW

PET SMART

DOLLAR TREE

Chick-fil-A

Cane's

Wendy's

Freddie's
STEAKBURGER

SPRING CREEK
BARBECUE

KFC

TACO BELL

EXPRESS
LA CHAIRS

TIME ENGINEERS

Caliber Collision

Walgreens

petco

Academy
SPORTSWEAR

SPEC'S

THE HOME DEPOT

McDonald's

CVS pharmacy

Walmart

KOHL'S

ROSS
GOODS FOR LESS

BEST BUY

ULTA

Party City

five BELOW

Walmart

Total Wine
& MORE

PET SMART

FITNESS

WEB

ANYTIME FITNESS

MAJESTIC
NAIL BAR

Dulcedo

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**CROSS CREEK RANCH
& FULSHEAR RANCH**

- 10K NEW HOMES, EXPECTED
COMPLETION 2023 -



#1 Best Selling Communities in Fulshear

**JORDAN FARMS
AIRPORT**

amazon
Distribution Center

**HENRIKSEN
JET CENTER**

JORDAN HIGH SCHOOL

**CINCO RANCH
NORTHWEST**

**JAMES RANDOLPH
ELEMENTARY SCHOOL**
- 1,145 STUDENTS -

PET SUPPLIES PLUS

**FRED AND PATTI SHAFER
ELEMENTARY SCHOOL**
- 1,194 STUDENTS -

**CINCO RANCH
SOUTHWEST**

SHERWIN WILLIAMS
MATTRESS FIRM
smart financial
verizon
SportClips
HAIRCUTS



FM 1463 ROAD

10,000 CPD

URGENT CARE
american family care

GNC

tropical CAFE

Walmart
Supercenter

at&t

KFC

TACO BELL

EXPRESS OIL CHANGE

TIRE ENGINEERS

Xscape

MAJESTIC
NAIL BAR

Dulcedo

Spring Creek Barbecue

Freddy's
STEAKBURGERS

ROSS
FURNITURE HOME LIVING

DOLLAR TREE

PET SMART

CVS pharmacy

AutoZone

Wendys

goodwill

SUBJECT PROPERTY
LA|FITNESS

WESTHEIMER LAKES
2,200 HOMES

FUTURE RETAIL
(Several National
Tenants Are Reviewing)

FARM TO MARKET 1093

20,000 CPD

#1

POPULATION GROWTH

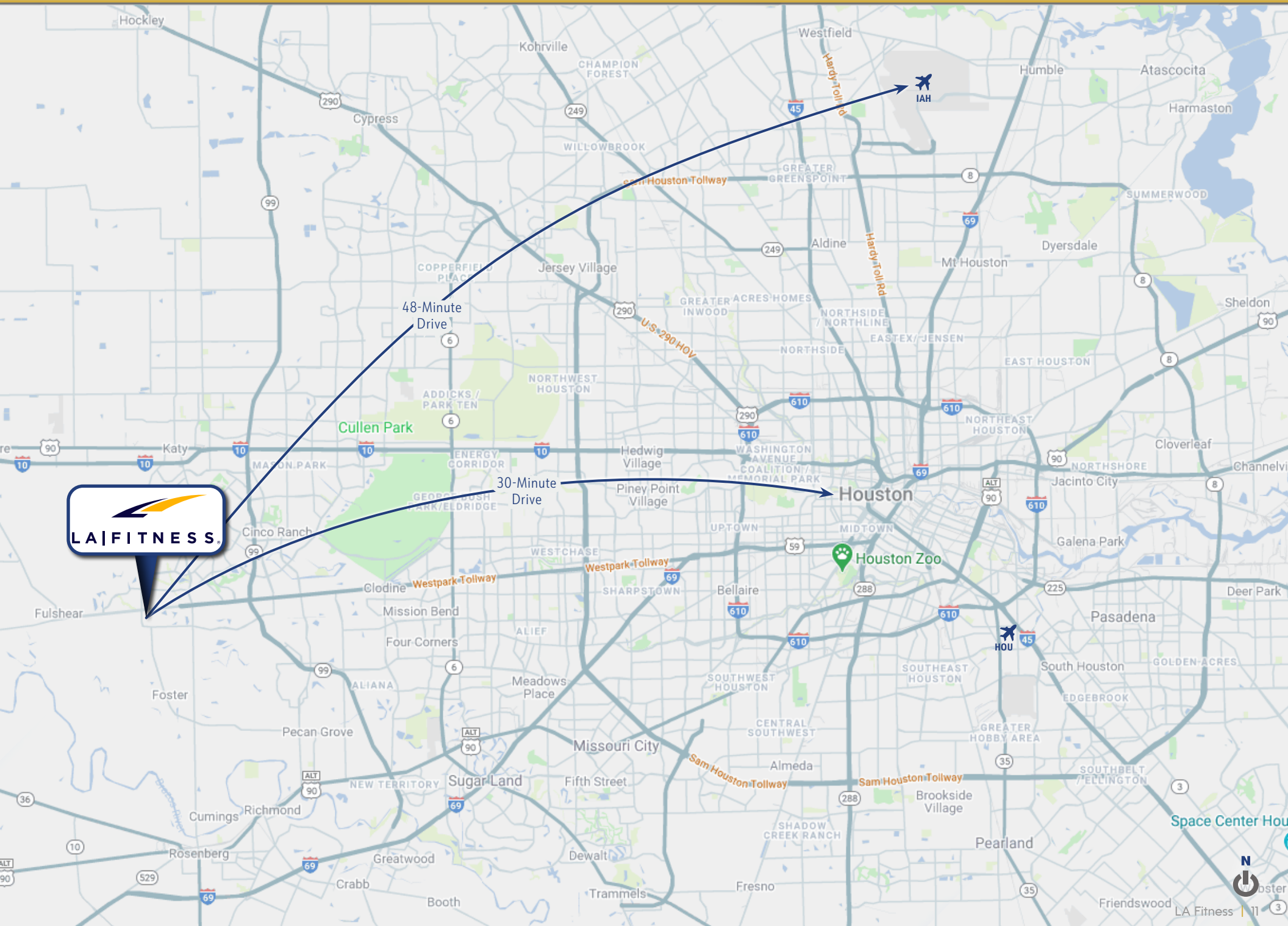
**FULSHEAR IS THE
FASTEST GROWING
CITY IN TEXAS**

\$50M
PROJECT UNDERWAY

**WESTPARK TOLLWAY
EXPANSION AND
EXTENSION UNDERWAY**








LA | FITNESS®

Fitness International LLC, known as LA Fitness, was founded in Los Angeles, California in 1984. They are the largest non-franchised fitness club operator in the United States operating gyms and expanding rapidly with numerous locations currently under construction in cities across the country. LA Fitness recently claimed the top spot on the Top

100 Clubs list for the 6th consecutive year; reliable industry sources reported that the company's 2018 revenue was \$2.09 billion (clubindustry.com).

The gyms are known for their large variety of amenities and highly trained staff. The locations offer HIIT training, cardio and strength equipment, personal training, indoor cycling, group exercise classes, indoor pool, spa, kids club, basketball courts, racquetball, cafes and juice bars. The company's tagline and goal is to encourage members to "Exercise Your Options." Setting itself apart from its competitors, the gyms offer a larger variety of group exercise classes as well as basketball leagues, racquetball tournaments, and competitive activities. The clubs latest prototypes are about 35,000 square feet and are open 7 days per week, with some locations open 24 hours.

LA Fitness' 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.


#1
Top 100 Health Clubs
Club Industry | 2019
730+
**Gym Locations
Nationwide**
\$2.09B
**Estimated
Annual Revenue**

Tenant Name:	LA Fitness
Locations:	730+
Company Type:	Private
Headquarters:	Irvine, CA
Founded:	1984
Website:	www.LAFitness.com

HOUSTON★CHRONICLE

Fulshear Fastest-Growing City in Texas, Census Reveals

Published Wednesday, December 30, 2020



Fulshear is officially the fastest-growing city in Texas, according to 2020 numbers of the U.S. Census (released Dec. 15). Fulshear ranked the #1 fastest-growing city in the state[...] This is the 2nd year Fulshear has earned the title, and the explosive growth in the area has only continued to increase. [...]

Fulshear Mayor Aaron Groff cited new development as an impetus to the city's growth. To entice developers, the city created highly specific coordinated development ordinances.

The city's geographic location also makes it a desirable choice for workers in the energy industry. "It's a straight shot up (I-10) to get to the Energy Corridor," Groff noted. That easy commute has been bolstered by the recent FM 1093 road expansions, he said. [...article truncated...]

[Read More](#)

Houstonia.

Cross Creek Ranch Among Top Master Planned Communities in the U.S.

Published Wednesday, July 21, 2021



This month, real estate consulting firm Robert Charles Lesser & Co. (RCLCO) named three of Johnson Development's Houston-area locales in the country's 50 top-selling master-planned communities[...]

"We saw a surge in home sales last year that continued into this year...," said Larry Johnson, founder, chairman, and CEO of Johnson Development.

Fulshear's Cross Creek Ranch sold 282 homes in the first half of 2021, earning its #42 spot. The planned community will eventually have a total of 6,200 homes and plenty of outdoor space, with 45 miles of trails and 50 acres of lakes, parks, and open space, per the website. [...article truncated...]

[Read More](#)

RICHMOND, KATY, & FULSHEAR, TEXAS

- Communities located in the center of Fort Bend County
 - From April 1, 2010 to July 1, 2019, Fort Bend County grew in population by 38.8%, from 584,699 to 811,688, ranking as the 5th fastest growing county in the state
 - Fort Bend County accounts for over 5% of the greater Houston region's economy (~\$26.7 billion)
 - Fort Bend County is home to 13,000 businesses generating \$40 billion in total sales annually
- Katy is growing at a rate of over 3% annually; its population increased by 88.69% since 2010
 - Growth is projected to continue, fueled by Katy ISD, energy companies, corporations, & businesses
- The Katy area is larger in population than the City of Pittsburgh, PA and City of Cincinnati, OH

ECONOMY

- Employment in the Katy area continues to grow; the civilian employed population is 186,000 with projected growth to be over 227,000 by the year 2024 (20.3% increase)
- The Katy area has a low unemployment rate below 5%
- \$129,000 average household income in the Katy area; projected to increase to \$142,000 by 2024
- The strong income base translates to strong educational attainment above the national average, with over 47.7% of the population having a bachelor's / graduate degree
- The median property value in Katy, TX was \$197,300 (2019); the homeownership rate was 80.4%
- The largest industries in Katy are Healthcare & Social Assistance, Construction, and Manufacturing
- Fulshear is the fastest-growing city in Texas; 1,474% growth since 2010 (Houston Chronicle, Dec. 2020)

DEVELOPMENTS

- Texas Heritage Parkway** - \$55 million project connecting FM 1093 to I-10; construction is underway
 - Construction from just south of FM 1093 to Kingsland Blvd is 70% complete. Work on segment connecting the new road from Kingsland Blvd to I-10 is projected to be completed in October
- FM 1093** (under construction) - City is expanding the 4.2-mile stretch extending from FM 1463 to the Grand Parkway from a 2-lane into a 4-lane arterial with the toll terminating and transitioning into non-toll frontage road west of FM 723
- Cinco Ranch** - Residential communities totaling 8,092 acres; expecting ~14,000+ homes at build-out
 - Rated the #3 best suburb to live in Texas (Niche)
- Fulshear Ranch & Cross Creek Ranch** - Both projects are located west of the site and are projected to have ~10,000 new homes upon completion, of which 2,174 have been completed

375K

 Population
in Katy

20.3%

 Predicted Job
Growth Over 3 Yrs

\$129K

 Average
Household Income

#1

 Fastest Growing
City in Texas

RICHMOND, KATY & FULSHEAR



CINCO RANCH



CROSS CREEK RANCH


KATY

KATY, TX

GREATER HOUSTON MSA

MSA = 9,444 Square Miles

GEOGRAPHY

- The city of Houston falls into Harris County, which covers 1,778 square miles, enough space to fit the cities of Austin, Boston, Chicago, Dallas, New York City, and Seattle with room still to spare.
- At 665 square miles, the City of Houston is larger than the cities of Chicago, Dallas, Los Angeles, New York, Phoenix, and San Diego separately.

POPULATION

- The Houston-Woodlands-Sugar Land MSA's population of 7,066,141 residents on July 1, 2019 ranks 5th among the nation's metropolitan areas.
- If metro Houston were a state, it would have the 15th largest population in the U.S. behind Arizona (7,278,717) and ahead of Massachusetts (6,892,503) and Tennessee (6,829,174).
- The City of Houston is the 4th most populous U.S. city, with a population of 2,320,268 on July 1, 2019. Houston added 1,695 residents from July 1, 2018 to July 1, 2019.

ECONOMY

- Metro Houston, a major corporate center, ranks 4th in the nation in Fortune 500 headquarters and 3rd in Fortune 1000
- 21 companies on the Forbes Global 2000 list are headquartered in Houston and have a combined total revenue of \$422.2 billion.
- The Texas Medical Center, which is the world's largest premier medical center, has an economic impact in excess of \$10 billion.
- Houston is the base of operations for the international oil and gas exploration and production industry as well as for many of the nation's largest international engineering & construction firms.
- As a hub for digital technology with more than 235,000 tech workers, Houston has the 12th largest tech sector in the U.S. (Computing Technology Industry Association).
- Houston is home to NASA's Johnson Space Center (JSC), the focal point of the nation's manned space flight program

Houston's Top Employers

- | | | |
|----------------------------------|---------------------|-----------------|
| » HCA Houston Healthcare | » Houston Methodist | » Shell Oil Co. |
| » UT MD Anderson Cancer Center | » Walmart | » Kroger |
| » Memorial Hermann Health System | » ExxonMobil | » H-E-B |

5th

Most Populous
MSA in the U.S.

4th

Most Populous
City in the U.S.

4th

Fortune 500
Corporate HQs

12th

Largest Tech
Sector in the U.S.



HOUSTON SKYLINE



NASA'S JOHNSON
SPACE CENTER



MEMORIAL HERMANN
HEALTH SYSTEM

GREATER
HOUSTON
MSA

Population

	1-MILE	3-MILE	5-MILE
2021 Estimated Population	9,841	78,413	149,981
2026 Projected Population	13,174	101,622	191,308
2010 Census Population	3,706	22,393	60,914
2000 Census Population	414	2,235	8,690
Projected Annual Growth 2021 to 2026	6.8%	5.9%	5.5%
Historical Annual Growth 2000 to 2021	108.5%	162.3%	77.4%
2021 Median Age	36	36	36

Households

2021 Estimated Households	3,249	25,576	48,829
2026 Projected Households	4,339	33,077	62,201
2010 Census Households	1,163	7,029	18,994
2000 Census Households	155	834	2,974
Projected Annual Growth 2021 to 2026	6.7%	5.9%	5.5%
Historical Annual Growth 2000 to 2021	95.1%	141.3%	73.4%

Household Income

2021 Estimated Average Household Income	\$154,586	\$167,323	\$164,651
2021 Estimated Median Household Income	\$143,715	\$144,203	\$140,985


150k

Estimated
Population
(5-MILE RADIUS)


95%

Household
Growth
(1-MILE RADIUS)


\$155k

Ave. Household
Income
(1-MILE RADIUS)

The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

Neither Owner nor Broker nor any of their respective officers, Agents or principals has made or will make any representations or warranties, express or implied, as to the accuracy or completeness of this Marketing Package or any of its contents, and no legal commitment or obligation shall arise by reason of the Marketing Package or its contents. Analysis and verification of the information contained in the Marketing Package is solely the responsibility of the prospective buyer, with the Property to be sold on an as is, where-is basis without any representations as to the physical, financial or environmental condition of the Property.

Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

This Marketing Package and its contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein called the Contents), are of a confidential nature. By accepting this Marketing Package, you unconditionally agree that you will hold and treat the Marketing Package and the Contents in the strictest confidence, that you will not photocopy or duplicate the Marketing Package or any part thereof, that you will not disclose the Marketing Package or any of the Contents to any other entity (except in the case of a principal, who shall be permitted to disclose to your employees, contractors, investors and outside advisors retained by you, or to third-party institutional lenders for financing sought by you, if necessary, in your opinion, to assist in your determination of whether or not to make a proposal) without the prior authorization of the Owner or Broker, and that you will not use the Marketing Package or any of the Contents in any fashion or manner detrimental to the interest of the Owner or Broker.

LISTED BY:
AUSTIN BLODGETT
Vice President

949.431.2735

ab@realsource.com

SCOTT REID
Broker of Record

949.942.6585 | TX BRE #9009637

broker@parasellinc.com

In Association with Scott Reid & ParaSell, Inc.