



MCKINNEY | TEXAS

OFFERING MEMORANDUM

Marcus & Millichap
NNN FITNESS



\$116K+

Average HHI 3-Mile



B/Stable

S&P Rating



180,000+

Combined VPD



7.8 Million

Dallas MSA Population

INVESTMENT OVERVIEW

\$10,692,000

Purchase Price

7.00%

Cap Rate

6.5 Yrs

Term Remaining

OFFERING DETAILS

ADDRESS	2875 S Central Expressway
CITY, STATE	McKinney, TX
TOTAL GLA	45,000 SF
LOT SIZE	5.09 AC
PARKING	±309 Spaces
YEAR BUILT	2005
TENANT	Fitness International LLC



[Click to View
Google Map](#)



[Click to View
Street View](#)



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LEASE DETAILS

RENT COMMENCEMENT	11/22/2016
LEASE EXPIRATION	11/30/2031
LEASE TYPE	NNN
NOI	\$748,440
RENT PSF	\$16.63
PRICE PSF	\$237.60
OPTIONS	(4) 5 Years
INCREASES	10% Every 5 Years

Corporate-Backed Security & Low Rent

Leased by Fitness International, LLC, the parent company of LA Fitness, with 728+ locations and an S&P 'B/Stable' rating. The existing lease has below-market rent of only \$16.63/SF.

Part of a Populous Corporate Center

This LA Fitness is situated within the McKinney Corporate Center Craig Ranch—a premier, master-planned business district in one of the fastest-growing cities in the U.S.

RENT SCHEDULE

LEASE YEARS	ANNUAL RENT
Current - 11/30/2026	\$748,440
12/1/2026-11/30/2031	\$823,284
Option 1	\$905,612
Option 2	\$996,173
Option 3	\$1,095,791
Option 4	\$1,205,370

Strategic Positioning with High Visibility

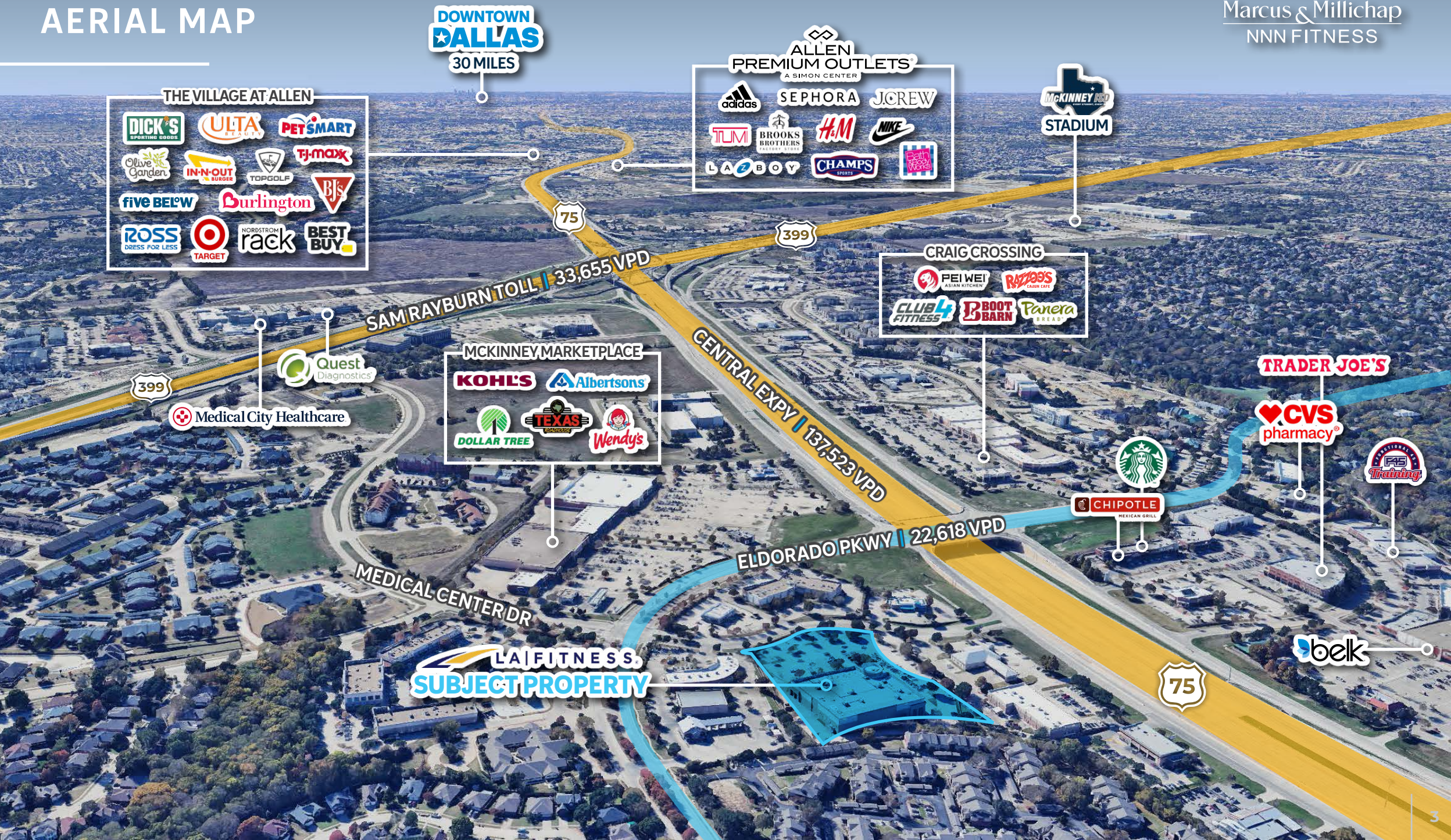
Situated near the intersection of South Central Expressway (US 75) and Eldorado Parkway, the property benefits from excellent freeway visibility, with traffic counts on the expressway approximately 180,000 vehicles per day.

Robust Population Growth

McKinney, Texas is considered one of the fastest-growing areas in the United States. It has experienced significant population growth and economic expansion, making it a desirable place to live and work.

AERIAL MAP

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DOWNTOWN
DALLAS

30 MILES

THE VILLAGE AT ALLEN



ALLEN
PREMIUM OUTLETS
A SIMON CENTER



McKINNEY RSD
STADIUM

CRAIG CROSSING



MCKINNEY MARKETPLACE



Medical City Healthcare



CENTRAL EXPY | 137,523 VPD

ELDORADO PKWY | 22,618 VPD

MEDICAL CENTER DR

LA FITNESS.
SUBJECT PROPERTY

TRADER JOE'S



SITE MAP

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NNN FITNESS



45,000 SF GLA :: 5.09 AC LOT SIZE :: 2005 YEAR BUILT



TENANT SUMMARY

LA Fitness | Fitness International LLC

Fitness International, LLC, known as LA Fitness, is the largest non-franchised fitness club operator in the United States and Canada. Founded in 1984 and headquartered in Irvine, Calif., LA Fitness is one of the fastest growing sports club chains with more than 728+ locations across the United States and Canada. RetailStat, LLC estimates the company has annual revenue of \$2.09 billion in 2023. LA Fitness was also ranked #1 out of 100 in Club Industry's Top 100 Health Clubs of 2019.

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. In 2022, they launched its Club Studio Fitness brand, which operates as a cutting-edge fitness experience that brings together boutique fitness classes and luxury amenities into one gym.

WWW.LAFITNESS.COM



40+ YRS
In the Industry



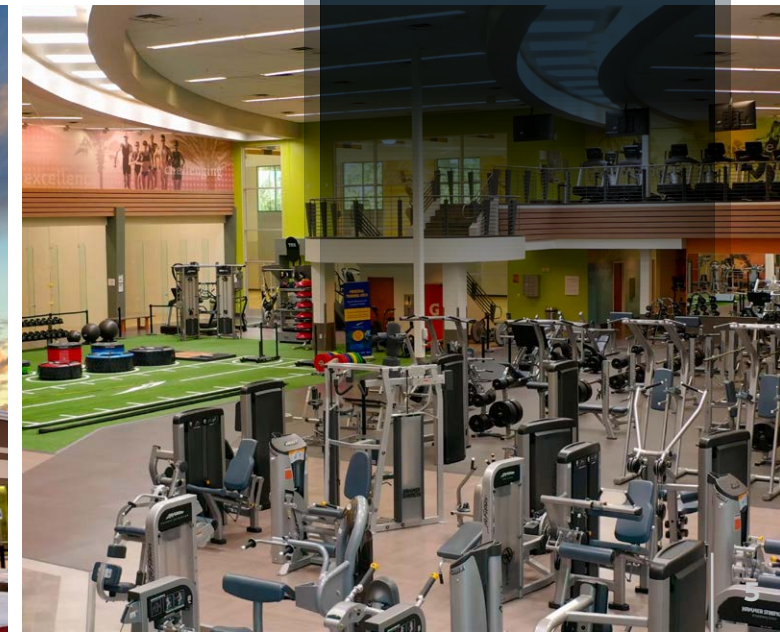
728+
Locations in
the U.S.



\$2.09 B
2023 Est.
Revenue

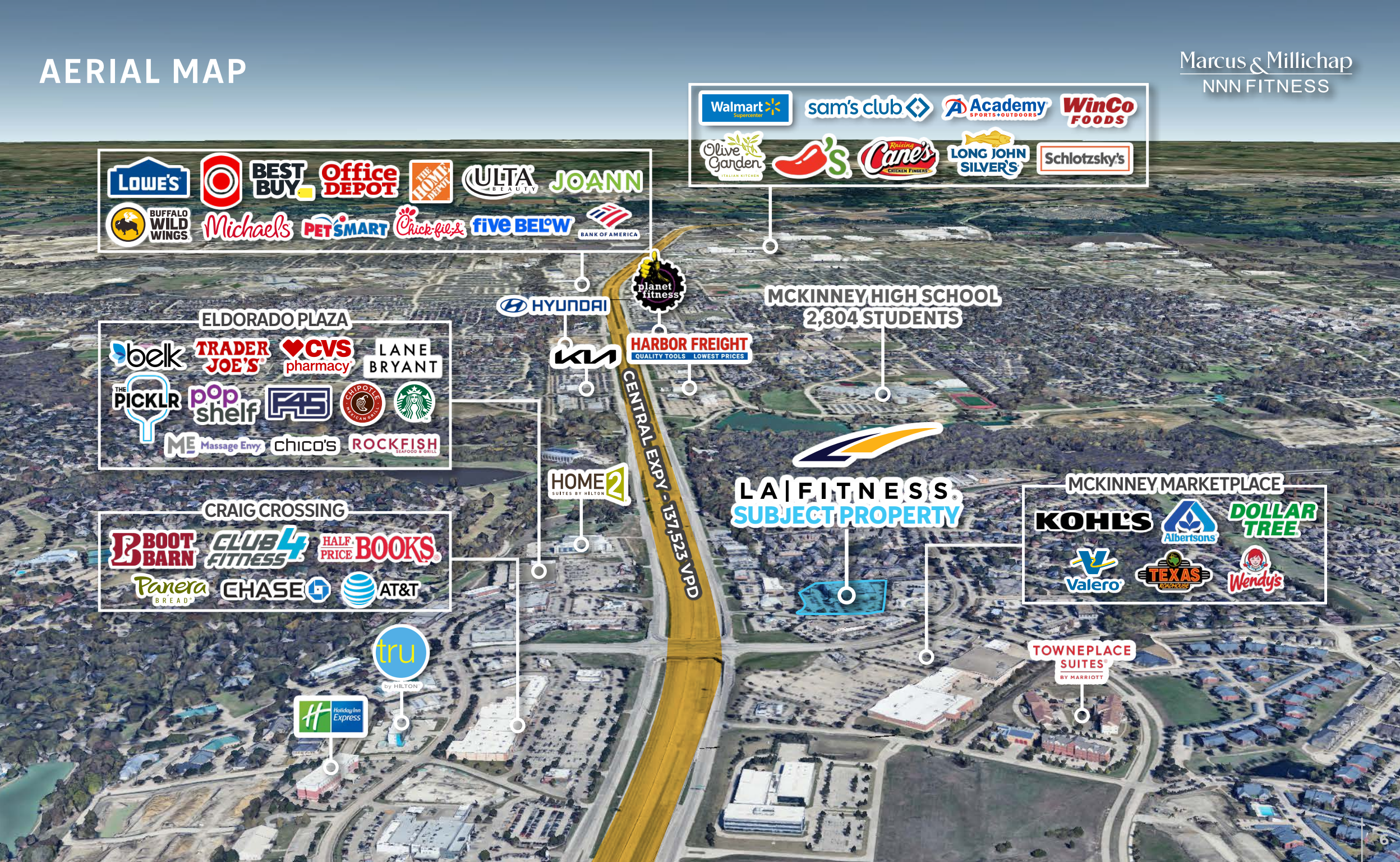


14,000+
Employees



AERIAL MAP

Marcus & Millichap
NNN FITNESS



Logos in the top-left section: Lowe's, Target, Best Buy, Office Depot, The Home Depot, Ulta Beauty, Joann, Buffalo Wild Wings, Michaels, PetSmart, Chick-fil-A, Five Below, and Bank of America.

Logos in the top-right section: Walmart Supercenter, Sam's Club, Academy Sports+Outdoors, WinCo Foods, Olive Garden, Chili's, Cane's, Long John Silver's, and Schlotzsky's.

Logos in the middle-left section: Eldorado Plaza, Belk, Trader Joe's, CVS Pharmacy, Lane Bryant, The Pickler, Popshelf, F45, Chipotle, Starbucks, ME Massage Envy, Chico's, and Rockfish Seafood & Grill.

Logos in the bottom-left section: Craig Crossing, Boot Barn, Club Fitness, Half Price Books, Panera Bread, Chase, and AT&T.

HYUNDAI

HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

MCKINNEY HIGH SCHOOL
2,804 STUDENTS

HOME2
SUITES BY HILTON

LA FITNESS
SUBJECT PROPERTY

Logos in the middle-right section: McKinney Marketplace, Kohl's, Albertsons, Dollar Tree, Valero, Texas Roadhouse, and Wendy's.

TOWNEPLACE SUITES
BY MARRIOTT

tru
by HILTON

Holiday Inn Express

AFFLUENT AND RAPIDLY GROWING POPULATION

McKinney’s population has seen a 13.5% increase since 2020. The city boasts a median household income of \$120,273 and a median home value of \$439,500, indicating a prosperous and expanding community.

PRO-GROWTH DEVELOPMENT POLICIES

As part of the Dallas–Fort Worth metroplex, McKinney has embraced suburban expansion with mixed-use, single-family, and multifamily housing developments, contributing to the region’s affordability and growth.

PROPOSED EXPANSION OF MCKINNEY NATIONAL AIRPORT

A \$200 million bond proposal seeks to construct a 144,000-square-foot passenger terminal at McKinney National Airport. The expansion could create around 3,280 jobs and enhance regional connectivity.



DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2024 Population	9,287	83,040	215,953
2029 Projection	11,328	101,322	263,786



HOUSEHOLDS			
2024 Households	4,011	30,798	76,377
2029 Projection	4,906	37,665	93,579



HOUSEHOLD INCOME			
Avg. Household Income	\$87,715	\$116,704	\$132,590
Median Household Income	\$63,295	\$84,826	\$101,688



EDUCATION			
Some College, No Degree	2,122	15,728	39,696
Associate Degree	440	3,401	8,856
Bachelor’s Degree	1,752	17,158	48,577
Advanced Degree	816	8,245	25,937



EMPLOYMENT			
Civilian Employed	5,056	44,469	115,053
Civilian Unemployed	114	1,204	3,323
U.S. Armed Forces	10	11	32

EXTERIOR PHOTOS



INTERIOR PHOTOS



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Like all real estate transactions, this potential investment carries significant risks. Each buyer and Professional Advisors must request and carefully review all information and documents related to the property and tenant which the buyer deems material to their particular needs. While the tenant's past performance at this or other properties might be an important consideration, past performance is not a guarantee or necessarily a reliable indication of future performance. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be based on a tenant's projected sales with little or no record of actual performance or comparable rents for the area. Future performance and investment returns are never guaranteed. Tenants and guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of their lease. Cash flow may be interrupted in part or in whole due to market, economic, environmental, or other conditions. Regardless of tenant history and lease guarantees, every buyer is responsible for conducting their own investigation of all matters affecting the intrinsic value of the property and any lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property as well as the lease rates and other terms the buyer might be able to negotiate with potential replacement tenants, considering the location of the property, market rental rates, and the buyer's legal ability to make alternate use of the property.

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary. All potential buyers are admonished and advised to engage Professional Advisors on legal issues, tax, regulatory, financial and accounting matters, and for questions involving the property's physical condition or financial outlook.

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Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS: .

- A BROKER is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A SALES AGENT must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction.

The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Date

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