



MESQUITE | TEXAS
OFFERING MEMORANDUM

Marcus & Millichap
NNN FITNESS



PROPERTY AERIAL

Marcus & Millichap
NNN FITNESS

36,874 SF
BUILDING AREA

±181
PARKING SPACES

4.08 AC
LOT SIZE

Retro Fitness

INVESTMENT OVERVIEW

\$3,687,400
Purchase Price

7.50%
Cap Rate

8 Years
Term Remaining

OFFERING DETAILS

ADDRESS	2524 N Galloway Ave, Mesquite, TX
GLA	36,874 SF
LOT SIZE	4.08 AC
YEAR BUILT / RENOVATED	1991 / 2022
TENANT	Lift RF Texas, LLC



[Click to View
Google Map](#)



[Click to View
Street View](#)

LEASE DETAILS

LEASE COMMENCEMENT DATE	2/1/2022
LEASE EXPIRATION	1/31/2033
LANDLORD OBLIGATIONS	Roof & Structure
PRICE PSF	\$100/SF
AVG RENT PSF	\$7.50
INCREASES	Structured
OPTIONS	(3) 5 Year
PARKING	±181
NOI	\$276,555

RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	RENT PSF
2/1/2023 - 1/31/2028	\$276,555	\$7.50
2/1/2028 - 1/31/2033	\$294,992	\$8.00
OPTION 1	\$294,992	\$8.00
OPTION 2	\$313,429	\$8.50
OPTION 3	\$331,866	\$9.00



BLACKROCK
Backed



LOW
Rent PSF




\$276,555
NOI


INVESTMENT HIGHLIGHTS

Marcus & Millichap
NNN FITNESS

 **300K+**
Combined
Nearby VPD

 **2.6M**
DFW MSA
Population

 **\$7.50/SF**
Low Rent

 **\$75K**
Average HHI
(1-Mile)



GROWING REGIONAL FITNESS CONCEPT

Retro Fitness is an expanding fitness center concept, boasting a network of 200 locations nationwide with a 20+ year track record in the industry. Known for its affordable, high-value fitness model, Retro Fitness attracts a broad member base through cutting-edge amenities, group classes, personal training, and wellness amenities. With new visionary leadership and strategic acquisitions, including multiple YouFit locations in the Dallas-Fort Worth area, the brand is positioned for accelerated growth.



EXCELLENT RETAIL TRADE AREA

The subject property is located just one mile from Town East Mall with retailers like Macy's, Dicks Sporting Goods, Bed Bath and Beyond, Home Depot, and many more. The location is surrounded by dense residential neighborhoods with a population of 91,509 within 3 miles. This freestanding full-service health club is ideally located on a large 4.08 Acre lot providing substantial parking and easy access.



STRONG REAL ESTATE FUNDAMENTALS

Situated in a high-traffic commercial corridor of Mesquite, the property benefits from excellent visibility and accessibility. It is located near major intersections and highways, including I-30 and LBJ Freeway (I-635), enhancing its appeal for retail and service businesses. The investment's NNN lease benefits from the Retro Fitness Franchisee Guarantee with 8 years remaining in the term and low \$100 price per square foot.



TENANT SUMMARY

Retro Fitness

Retro Fitness, for nearly 20 years, has been providing members with a time-less approach to exercise, health, and fitness. **With 200 health clubs open or in development, Retro Fitness is one of the fastest growing High Value-Low Price franchises in the United States.** With a new executive leadership team led by former Starbucks executive, Andrew Alfano, Retro Fitness provides investors and franchisees with a full suite of services including real estate site selection, training, in-club support, marketing services, and operations to deliver a turnkey and operational solution.

Retro Fitness is an attractive fitness destination for consumers because of its inclusive community, state-of-the-art equipment, group fitness classes, personal training, and Zen Den amenities like massage chairs and tanning. Retro Fitness' brand initiatives allow them to take the fitness journey with consumers inside and outside of the four walls of the club. They have added video segments in mental health, healthy cooking, nutrition, and at home workouts which includes the Retro Fitness Cobra, our at home cycle initiative.

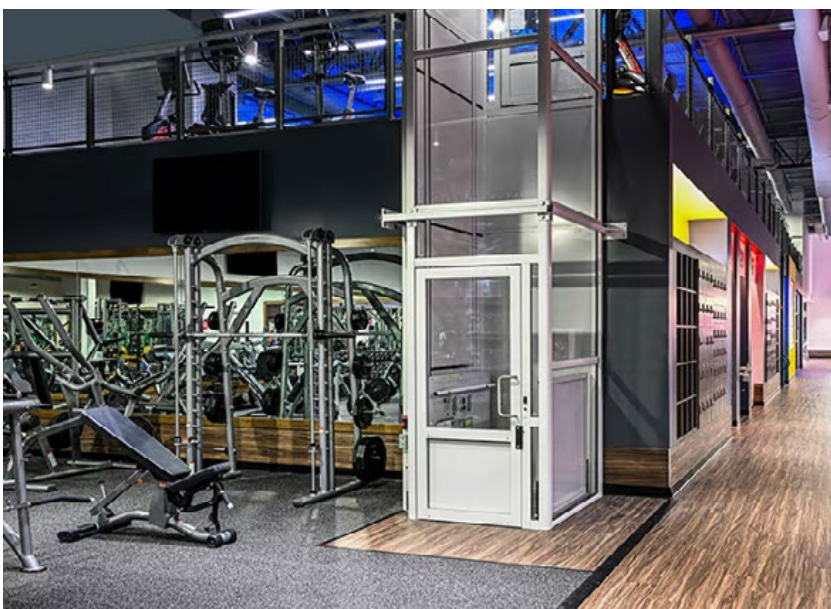
Retro Fitness recently purchased all You Fit locations in the Dallas-Fort Worth area as part of Project LIFT, a new company initiative to open 500 health clubs in 50 Black and brown communities across the country over the next five years. In addition to the Dallas location, Retro Fitness has also acquired You Fit gyms in Richardson, Garland and Mesquite.

www.retrofitness.com

 **HVLP**
Club Operator

 **20+ Yrs**
In the Industry

 **200+**
Locations



THE POWER BEHIND THE TENANT

Marcus & Millichap
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BlackRock is one of the world's largest asset management firms, overseeing trillions of dollars in assets across various investment strategies, including equities, fixed income, and alternatives. Founded in 1988, it has grown to become a global leader in financial services, with a strong focus on technology and sustainability in investment practices. The company is known for its influential role in shaping global markets and advising governments and institutions on financial and economic policies.

BlackRock, Inc. is the
Majority Shareholder of
Guarantor Lift RF FTX



\$150.30 Billion
Market Cap

Franchise Times
The News and Information Source for Franchising

BlackRock-backed Eastwood Capital to Open 70 Retro Fitness Gyms in Communities of Color

Laura Michaels Editor-in-chief of Franchise Times
May 13, 2022 Updated May 16, 2022

James Collins is the first franchisee to invest in Retro Fitness as part of Project Lift, with his Eastwood Capital Partners signing a deal to open up to 70 gyms in communities of color in the Dallas, Houston and Southeast Florida markets. Through Project Lift, Retro Fitness has a goal to open 500 gyms in 50 Black and brown communities over the next five years.

There's an opportunity, said Collins, to focus development in "Black and brown working class and middle-class communities" to help address what he noted is "one of the biggest social determinants of health"—access to health and wellness resources. The obesity rate in the United States reached 42.4 percent in 2018, according to the most recent Centers for Disease Control and Prevention data. Black and Hispanic populations exceed that national rate, at 49.6 percent and 44.8 percent, respectively, and the two groups each account for less than 13 percent of fitness club members.

"So by putting these accessible and affordable fitness locations in these communities, we hope to help improve these outcomes," said Collins, founding partner of Eastwood Capital. Retro Fitness, which describes itself as a high-value, low-price franchise, has 120-plus locations and membership

plans start at \$19.99.

Though his private equity firm is based in New York, Collins noted he's setting up a corporate headquarters in Houston to develop and support his Retro locations, with the aim of hiring from within the community there and at the gym level to also "do our small part to decrease the wage gap." The McKinsey Global Institute reported the median annual wage for Black workers is approximately 30 percent, or \$10,000, lower than that of white workers.

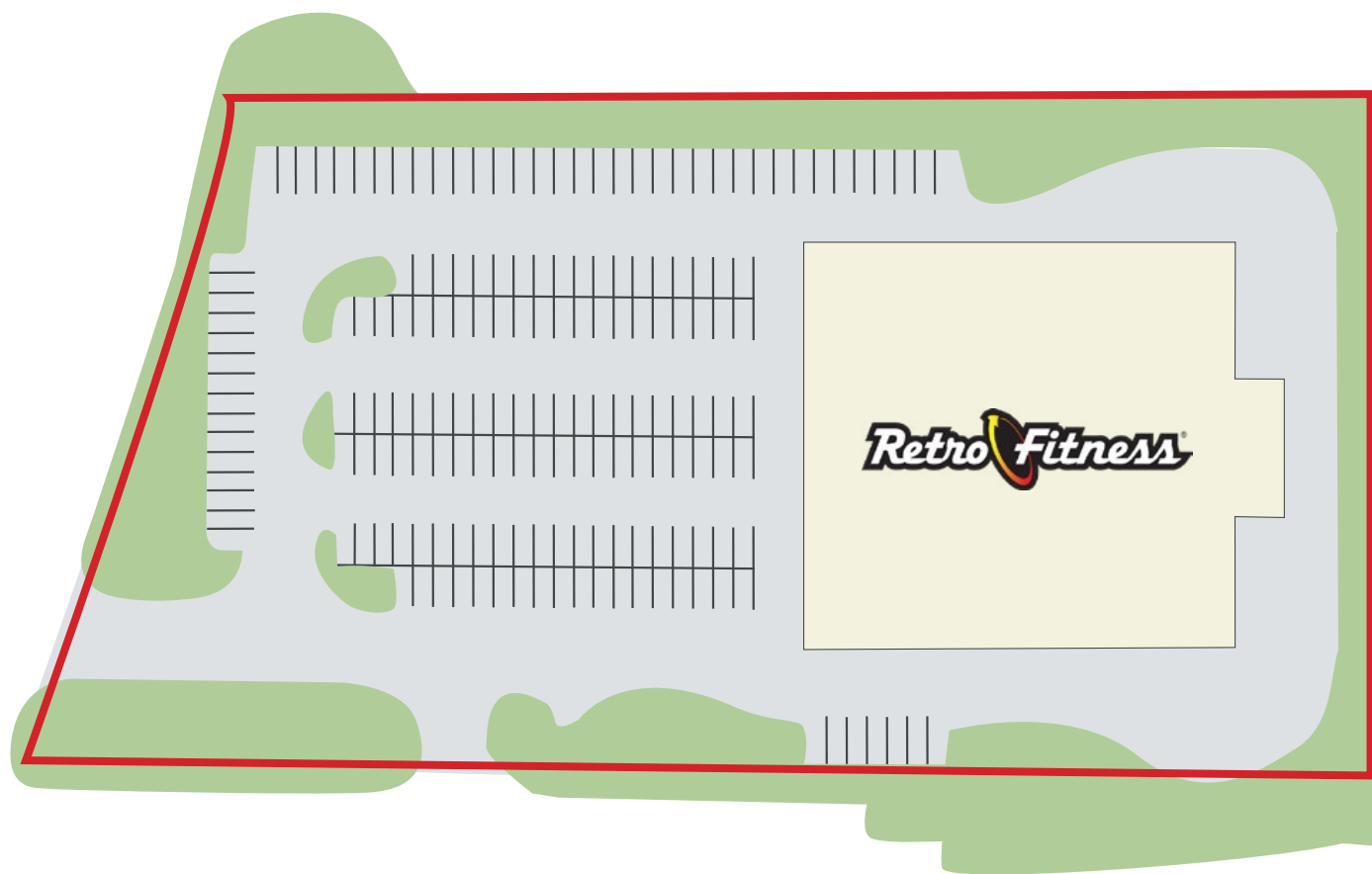
Collins, whose career includes stints at Roark Capital and Bain & Company, formed Eastwood Capital in 2012, investing his own money and raising funds on a deal-by-deal basis with a focus on middle market investments in consumer and business services. The agreement with Retro Fitness is his first deal with institutional backing, as Eastwood partnered with financial giant BlackRock through its BlackRock Impact Opportunities Fund. The new fund, which BlackRock announced May 11, has secured more than \$800 million in initial commitments toward a \$1 billion target and is investing in "businesses and projects owned, led by, or serving people of color, with a particular focus on Black, Latinx and Native American communities."

Eastwood Capital is among the fund's first three investments. The partnership, said Collins, arose through his relationship with Ladell Robbins, managing director of BlackRock Alternative Investors. "This type of deal ... is pretty much an ideal fit with what they're looking to achieve," said Collins.

[CLICK HERE TO VIEW FULL ARTICLE](#)

SITE MAP

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36,874 SF GLA ⋮ 4.08 AC LOT SIZE ⋮ 1991/2022 YEAR BUILT

INTERIOR PHOTOS



RETAIL AERIAL

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NEARBY DEVELOPMENTS

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SOLTERRA TEXAS stands as a fresh, masterfully planned community just 13 miles from downtown Dallas, making it a prime location with proximity to all the vibrant offerings of the city. It boasts easy access to I-30, I-635, I-20, and US 80, ensuring seamless navigation around the vibrant DFW metroplex. It's an ideal place to call home.



1,400 Acres
3,900 Homes
\$1.6B Buildout



AMENITIES

Fishing, sunning, swimming, jogging, and biking are just a few of the beautifully planned lifestyle enhancements that Solterra Texas has planned. A one-of-a-kind amenity center will also be ideal for the many events and gatherings that make up your life.



TALIA is a 612-acre master-planned community developed by The Nehemiah Company, set to bring approximately 2,500 new homes to Mesquite. Located along FM 2757 south of Interstate 20, the community will offer various lot sizes and is part of the Forney Independent School District. Amenities include pocket parks, over 30 miles of trails, a community lake, yoga lawn, hammock grove, amenity center, and a resort-style pool.



612 Acres
2,500 Homes
NATURE Focused

AMENITIES

Amenities include an Amenity Center, Fitness Center, Hammock Grove, Nature Trails, Parks, Pickleball, Yoga Lawn, and Harmony Event Park

MESQUITE, TEXAS

RECORD-BREAKING DEALS

In 2024, Mesquite secured **\$1.1 billion** in economic development deals, resulting in approximately **3,500 new jobs**. Notable agreements include partnerships with international clean energy companies Hexagon Purus and Hithium Tech USA.

SUBSTANTIAL POPULATION GAINS

The 2024 Economic Development Annual Report annual report includes statistics such as the growth of the City’s total valuation by Dallas Central Appraisal District from approximately \$13.5 billion in 2023 to **\$15.3 billion** in 2024, as well as sales tax performance, demographic data, real estate figures and new business announcements.

STRATEGIC LOCATION AND INFRASTRUCTURE

Located just 12 miles from downtown Dallas within the Dallas-Fort Worth Metroplex, Mesquite offers easy access to major highways and transportation networks, making it a strategic location for businesses and residents. The city continues to invest in infrastructure improvements, including transportation and utilities, to support its expanding population and business community.



#1 MARKET

DFW market is the most active in the U.S.



30 MILLION SF

Currently under construction



7.9%

Vacancy Rate



50,000

Houses currently under construction

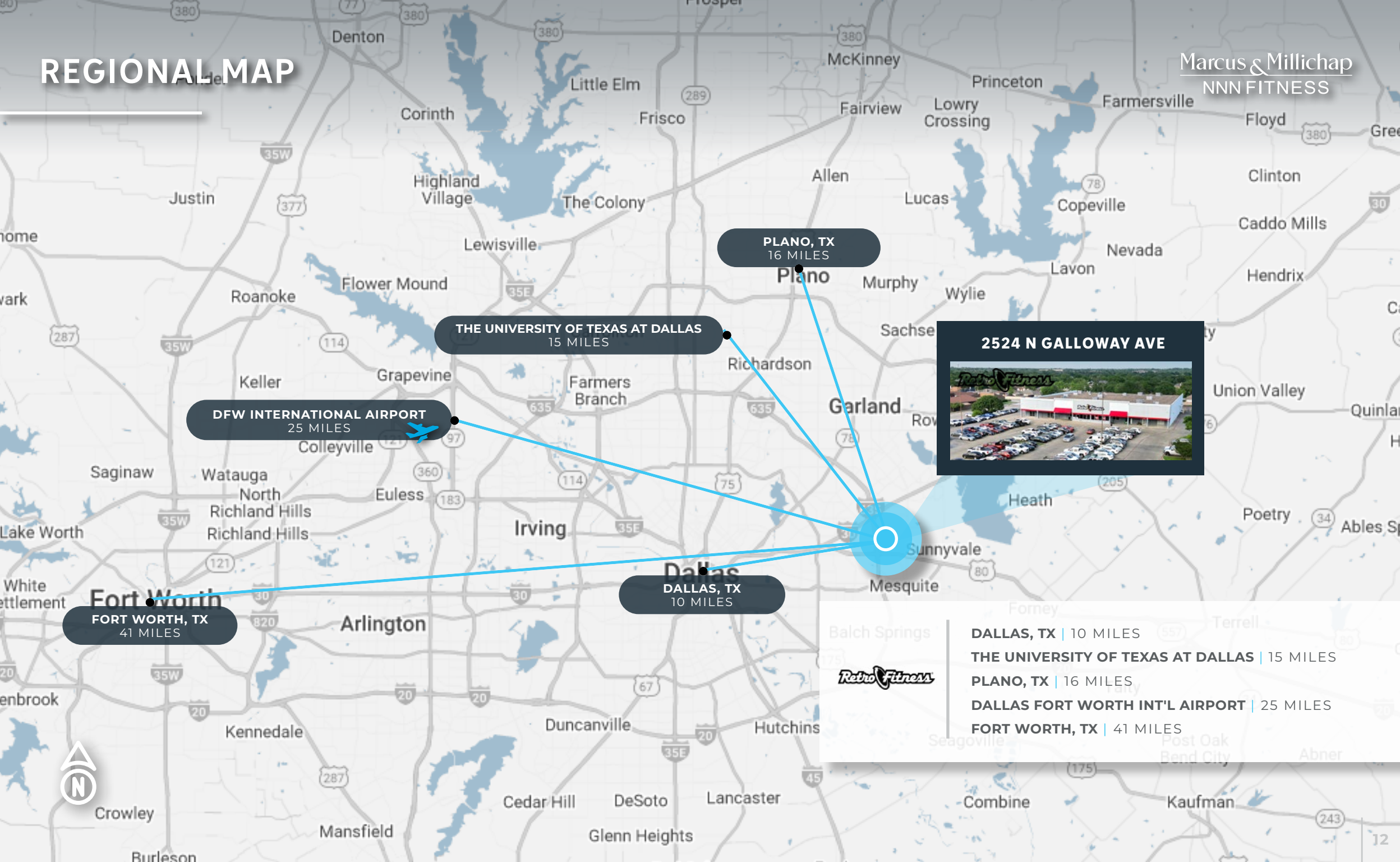


MARKET PRESENCE

Major Retailers including Amazon, Lowes, Walmart, and Goodyear all have a big presence in Mesquite

REGIONAL MAP

Marcus & Millichap
NNN FITNESS



2524 N GALLOWAY AVE



- DALLAS, TX | 10 MILES**
THE UNIVERSITY OF TEXAS AT DALLAS | 15 MILES
PLANO, TX | 16 MILES
DALLAS FORT WORTH INT'L AIRPORT | 25 MILES
FORT WORTH, TX | 41 MILES



LARGE CORPORATE BASE

The Metroplex is home to 23 Fortune 500 companies and many regional headquarters, drawing workers and residents. Dallas-Fort Worth is one of the nation's largest employment markets, with nearly 4.3 million jobs at the onset of 2024. The local labor force has doubled since 1993.

SUBSTANTIAL POPULATION GAINS

Dallas-Fort Worth was the fourth-fastest growing major metro over the past decade, a trend that is set to continue for the near future.

MAJOR DISTRIBUTION CENTER

The area's extensive network of rail and highways, along with the International Inland Port of Dallas and multiple airports, solidify its status as a national distribution hub.



DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2024 Population	15,588	93,610	282,060
2029 Projection	15,289	92,195	277,833



HOUSEHOLDS			
2024 Households	5,628	31,798	93,224
2029 Projection	5,499	31,232	91,604



HOUSEHOLD INCOME			
Avg. Household Income	\$74,958	\$74,376	\$70,721
Median Household Income	\$61,128	\$60,151	\$56,217



EDUCATION			
Some College, No Degree	2,852	18,329	52,641
Associate Degree	934	4,944	14,012
Bachelor's Degree	1,405	7,922	20,808
Advanced Degree	754	3,620	9,313



EMPLOYMENT			
Civilian Employed	8,122	47,592	140,454
Civilian Unemployed	399	1,918	5,484
U.S. Armed Forces	0	6	127



NON-ENDORSEMENT & DISCLAIMER NOTICE

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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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Marcus & Millichap
NNN FITNESS



MESQUITE | TEXAS

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7,546 Closed
Transactions in 2023

\$43.6B Total
Volume Closed in 2023

30 Transactions
Every Business Day

80+ Offices
Across the U.S. & Canada



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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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Regulated by the Texas Real Estate Commission

Buyer/Tenant/Seller/Landlord's Initials

Date

Information available at www.trec.texas.gov
IABS 1-0