

ABSOLUTE NET (NNN) VASA FITNESS

West Valley City, UT

JAMESCAPITAL
ADVISORS



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Marketing Package

Vasa Fitness

3420 S 5600 West, West Valley City, UT 84120

PROPERTY INFO

Tenant	Vasa Fitness
Street Address	3420 S 5600 West
City	West Valley City
State	UT
Zip	84120
APN	14-26-476-040
GLA	42,540 SF
Lot Size	4.39 AC
Year Built	1983 / 2016

FINANCIAL SUMMARY

Purchase Price	\$8,308,369
Cap Rate	6.50%
Net Operating Income	\$540,043.97
Price / SF	\$195.31
Rent / SF	\$12.69
Lead Agent	Mike James
Phone Number	(424) 325-2606
Email	SUBMIT OFFER



FINANCIAL HIGHLIGHTS

Long-Term Absolute Net Lease

The property is subject to a long-term, Absolute Net lease with more than 12 years remaining and which holds the Tenant responsible for taxes, insurance and the repair & maintenance of all aspects of the building.

Corporate Guarantee from VASA Fitness, LLC

VASA Fitness operates 38 fitness facilities in 5 states with more under construction. VASA Fitness is backed by Silver Oak Services Partners, a leading lower-middle market private equity firm.

Low Rent in a Low-Vacancy, High-Competition Market

The Tenant is currently paying \$12.69 / SF, which is well below the estimated market rent for this area. Additionally, high competition for retail space has caused a low vacancy rate of approximately 4.2%.

2% Annual Rental Increases

The lease features rental increases of 2% annually, providing significant rental upside and a strong hedge against inflation through the base term and options. The average cap rate over the base term is 7.34%.

High-Quality, Low Cost Brand with Rapid Expansion

Memberships start as low as \$9.99 a month, providing members with a high-quality fitness experience at competitive pricing. VASA Fitness is expanding rapidly, more than doubling its unit count in the last 4 years.

E-Commerce Resistant Tenancy

VASA Fitness provides its customers with a clean, well-equipped fitness facility and supplements their experience with classes and personal instruction, all of which is resistant to an 'e-commerce' threat.

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The Offering

Vasa Fitness

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West Valley
Elementary
School

Rocky Mountain
Raceways

See Page 9
Redevelopment
Plan

Subject Property

VASA
FITNESS

Little Caesars

Healthy
Family
Nutrition

P&W Nails

SPIRIT
HALLOWEEN

Walmart

Chick-fil-A

Earl's Auto
Wash

Pizza
Hut



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Property Image

Vasa Fitness

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Property Image

Vasa Fitness

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LEASE SUMMARY

Lease Type	Absolute Net (NNN)
Type of Ownership	Fee Simple
Original Lease Term	15 Years
Commencement Date	October 1, 2015
Lease Expiration	July 5, 2031
Term Remaining	12.75 Years
Increases	2% Annual Increases
Options	Three, Five-Year Options
ROFR / ROFO	None

Real Estate Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Repairs & Maintenance	Tenant Responsibility
✔ Zero Landlord Responsibilities	
Lease Guarantor	Corporate
Company Name	VASA Fitness
Ownership	Private
Years in Business	22+
Number of Locations	36+



REAL ESTATE HIGHLIGHTS

Substantial Redevelopment Planned for this Intersection

The Hunter Town Center Plan includes plans to widen the intersection of 5600 W and 3500 S, and redevelop many of the existing commercial spaces. Please see page 9 for more information on the plan.

Primary Retail Corridor with Major National Retailers

This property is located in a primary retail area of West Valley City, with more than 700,000 SF of retail space located within a half-mile radius. Major retailers: Walmart Supercenter, Target, WinCo Foods, and more.

Rapidly Growing Area

West Valley City is a rapidly growing area of the Salt Lake City MSA, with more than 8% population growth since 2010 within a 1 mile radius of this property, and another 5% growth projected by 2023.

Infill Salt Lake City MSA Demographics

West Valley City is a suburb of booming Salt Lake City, the largest metropolitan area in the state of Utah with more than 1 million residents.

Excellent Visibility to High-Traffic Intersection

The property is located near the intersection of 5600 W and 3500 S, two major traffic arteries in West Valley City with combined traffic counts in excess of 58,000 vehicles per day at this intersection.

Newly Renovated Interior and Façade

The property, which previously was a grocery store, was recently completely renovated. Renovations included a pool, hardwood floors, astro-turf training areas, and much more. **Take the video tour [here](#).**

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Lease Summary

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RENT SCHEDULE

	PERIOD	ANNUAL RENT	MONTHLY RENT	INCREASE	RENT / SF	CAP RATE
7/5/2018 - 7/4/2019	Base Term	\$540,043.97	\$45,003.66	-	\$12.69	6.50%
7/5/2019 - 7/4/2020	Base Term	\$550,844.85	\$45,903.74	2.00%	\$12.95	6.63%
7/5/2020 - 7/4/2021	Base Term	\$561,861.75	\$46,821.81	2.00%	\$13.21	6.76%
7/5/2021 - 7/4/2022	Base Term	\$573,098.98	\$47,758.25	2.00%	\$13.47	6.90%
7/5/2022 - 7/4/2023	Base Term	\$584,560.96	\$48,713.41	2.00%	\$13.74	7.04%
7/5/2023 - 7/4/2024	Base Term	\$596,252.18	\$49,687.68	2.00%	\$14.02	7.18%
7/5/2024 - 7/4/2025	Base Term	\$608,177.22	\$50,681.44	2.00%	\$14.30	7.32%
7/5/2025 - 7/4/2026	Base Term	\$620,340.77	\$51,695.06	2.00%	\$14.58	7.47%
7/5/2026 - 7/4/2027	Base Term	\$632,747.58	\$52,728.97	2.00%	\$14.87	7.62%
7/5/2027 - 7/4/2028	Base Term	\$645,402.54	\$53,783.54	2.00%	\$15.17	7.77%
7/5/2028 - 7/4/2029	Base Term	\$658,310.59	\$54,859.22	2.00%	\$15.48	7.92%
7/5/2029 - 7/4/2030	Base Term	\$671,476.80	\$55,956.40	2.00%	\$15.78	8.08%
7/5/2030 - 7/4/2031	Base Term	\$684,906.33	\$57,075.53	2.00%	\$16.10	8.24%

ABOUT THE BRAND

VASA is passionate about fitness and changing lives! We currently have 38 locations and recently expanded from our home state, Utah, to Colorado and the Midwest. Clubs vary in size with a cluster of large, full-service clubs (45k square feet and over) and small, express clubs (15 – 25k square feet). The clubs provide a variety of services and amenities including personal training, child-care, group exercise classes, cardio cinemas, swimming pools and tanning.

The Company offers memberships at value price points that range from \$9.99 - \$19.99 per month, with terms that include both month-to-month and yearly contracts. Top of the line personal trainers keep you in shape, aerobic classes shake things up, and KidCare facilities keep the munchkins entertained!

VASA Fitness is backed by Silver Oak Services Partners (“Silver Oak”), a lower middle market private equity firm focused exclusively on service businesses.

LOCATIONS NATIONWIDE

38

NUMBER OF STATES

5

VASA FITNESS MEMBERS

300,000+



RECENT NEWS

October 2018 | Vasa Fitness Rapidly Expanding Across State Lines

VASA Fitness is opening two new locations in Arizona, that are set to open by the end of 2019, and one that is set to open Spring 2019. They have already started selling memberships for these locations and have opened the door to their first preview center in Chandler on October 1, 2018.

January 2016 | Crossroads Members Transition to Vasa Fitness Members

VASA Fitness acquired Crossroads members December 21, 2015. As part of the agreement, both Crossroads and VASA FITNESS were to notify members about the changes. We sent out an email to all the members for whom we had email addresses. Also, we placed posters at each Crossroad location so that if members went there, they'd know what was going on.

November 2014 - Announcing VASA Fitness

VASA Fitness, Utah's newest health and fitness club, officially opens 17 Utah locations from Bountiful to St. George. As a community-based health and fitness club, VASA offers Utah residents a large network of full amenity health clubs. VASA will also open a new Riverton, Utah location late in December.

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About the Brand

Vasa Fitness

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HUNTER TOWN CENTER REDEVELOPMENT PLAN

On October 22nd, 2017, West Valley City leadership enacted an ordinance adopting the Hunter Town Center Plan, an expansion on an earlier plan to improve the areas surrounding the intersection of 3500 South and 5600 West. The Hunter Town Center Plan has the following key characteristics:

Mountain View Corridor

Construction of major North – South highway on the land directly behind the shopping center, with traffic counts estimated to be 151,000+ vehicles per day by 2030.

Widening of Roads

Widening of both roads at the intersection, taking 3500 S. from two lanes to 7 lanes and 5600 W. from 6 lanes to 7 lanes.

Improve Access to Center

Creation of quadrant “L” access in the various quadrants to provide access across retailers and through the area.

Possibility of a “Traditional Main Street”

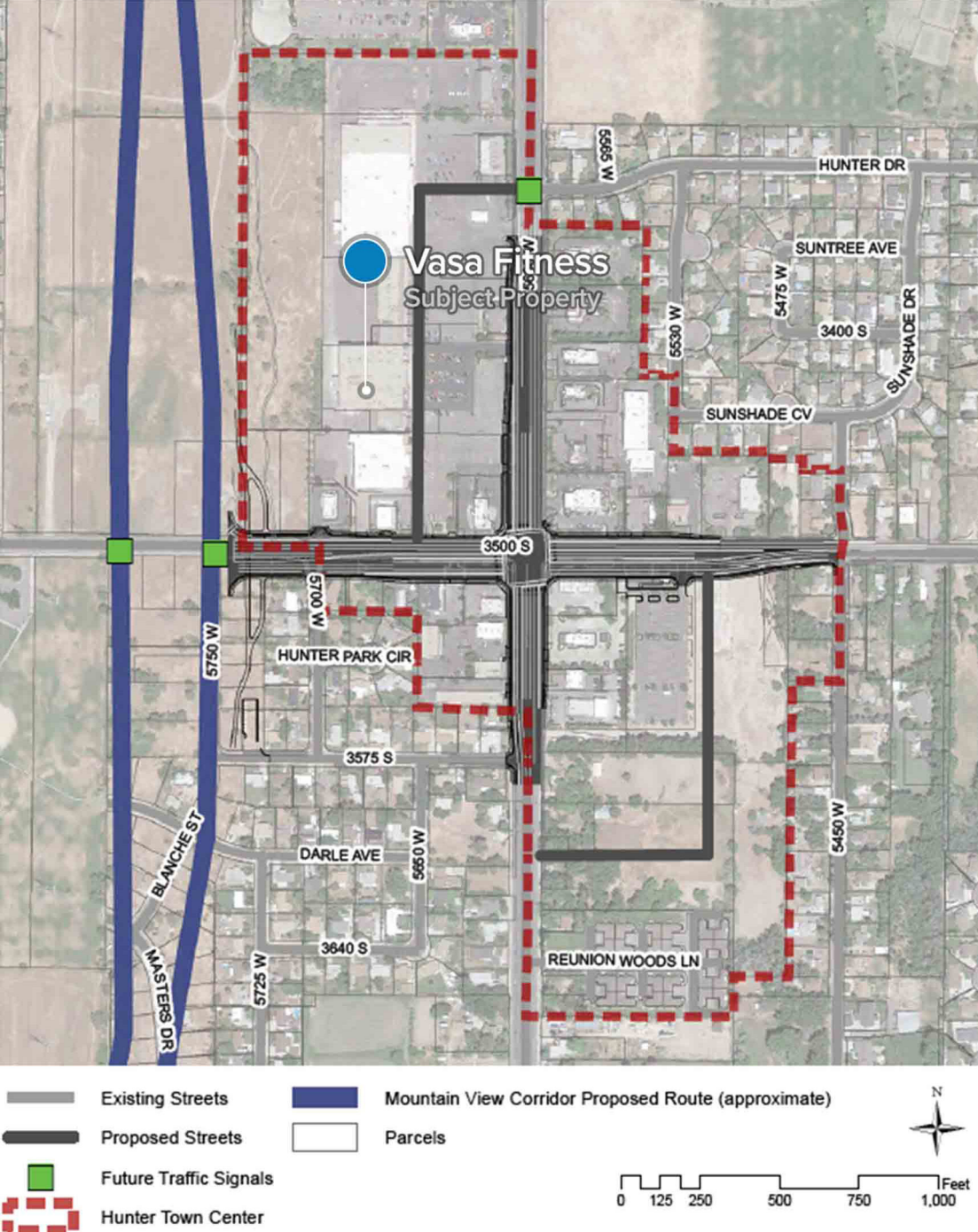
The plan will also explore the creation of a “Main Street” style development with retail and mixed uses through this area.

Widening of Sidewalks

Plan to expand the width of sidewalks to encourage pedestrian traffic and make the street feel more spacious.

Unique Architecture & Landscaping

Plan to establish a Hunter Town Center style of architecture and landscaping distinctive to the area.



Learn more about the Hunter Town Center Development Plan

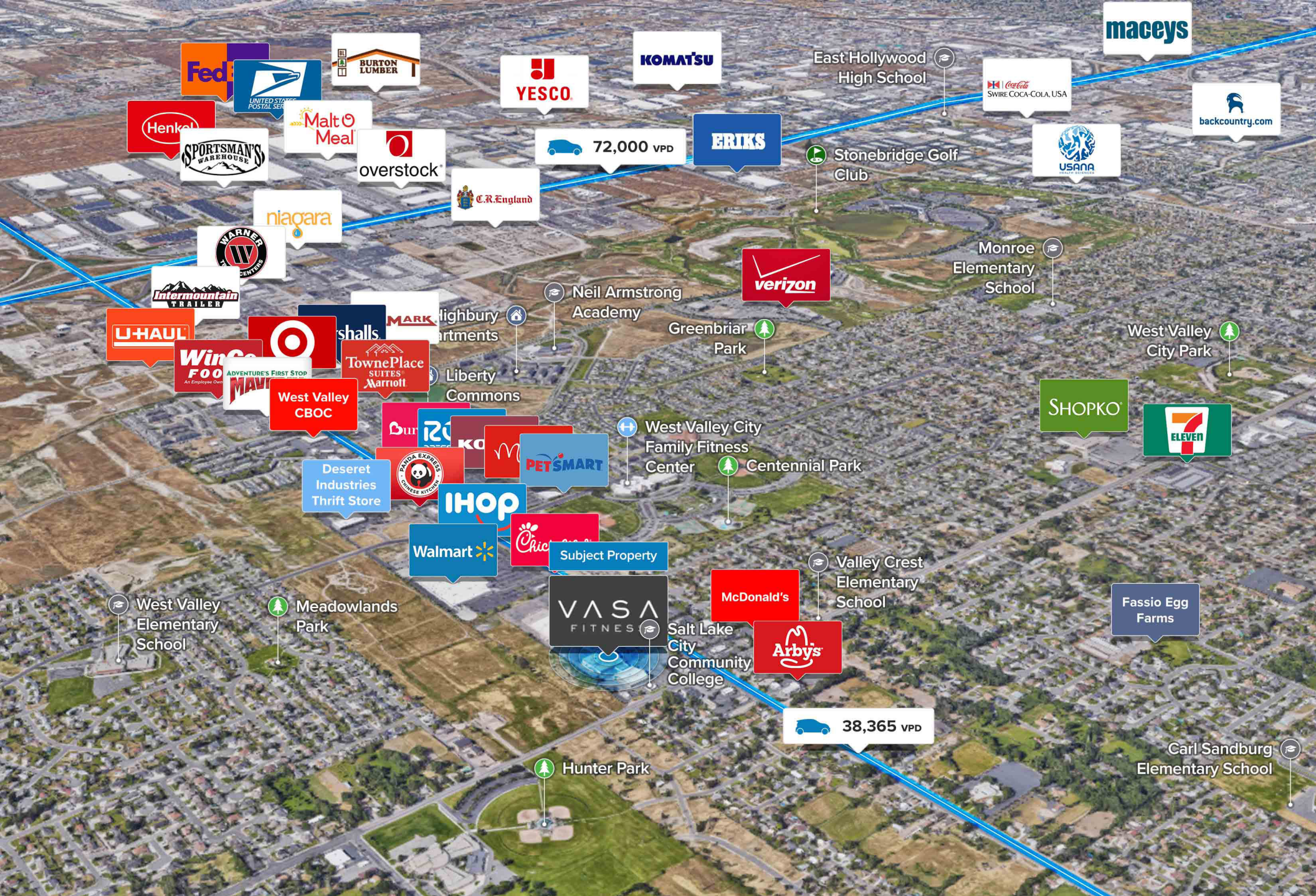
[DOWNLOAD PDF](#)

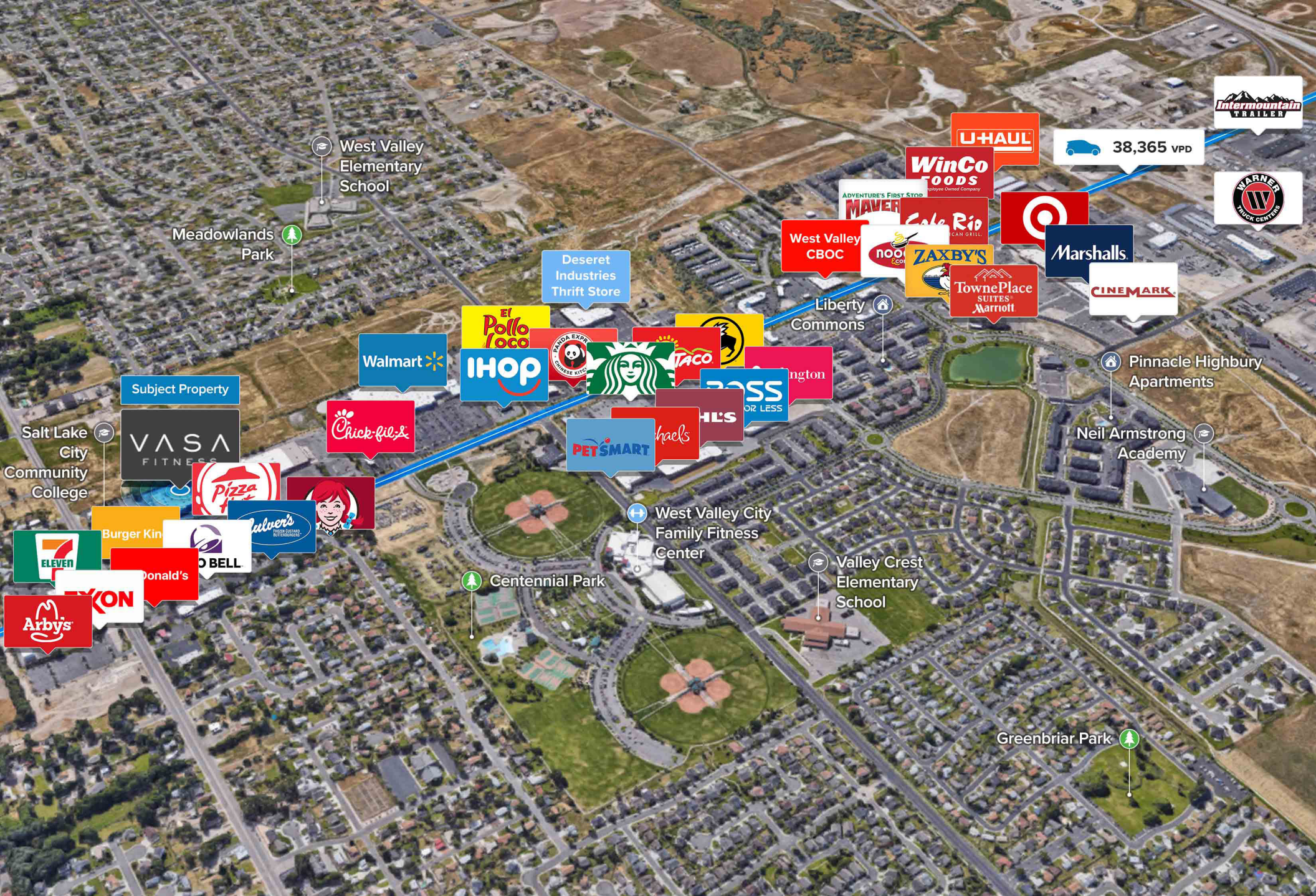
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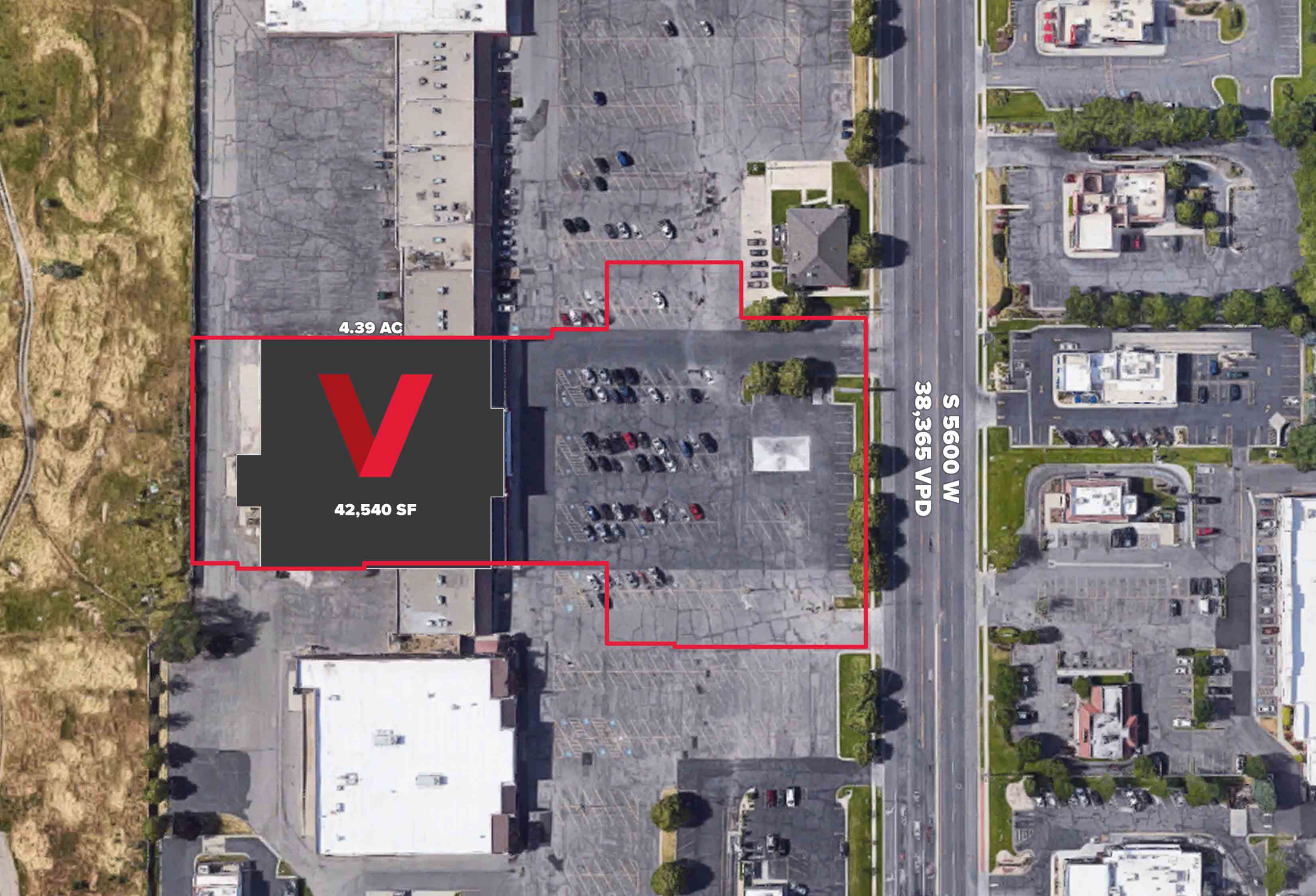
Hunter Town Center Redevelopment Plan

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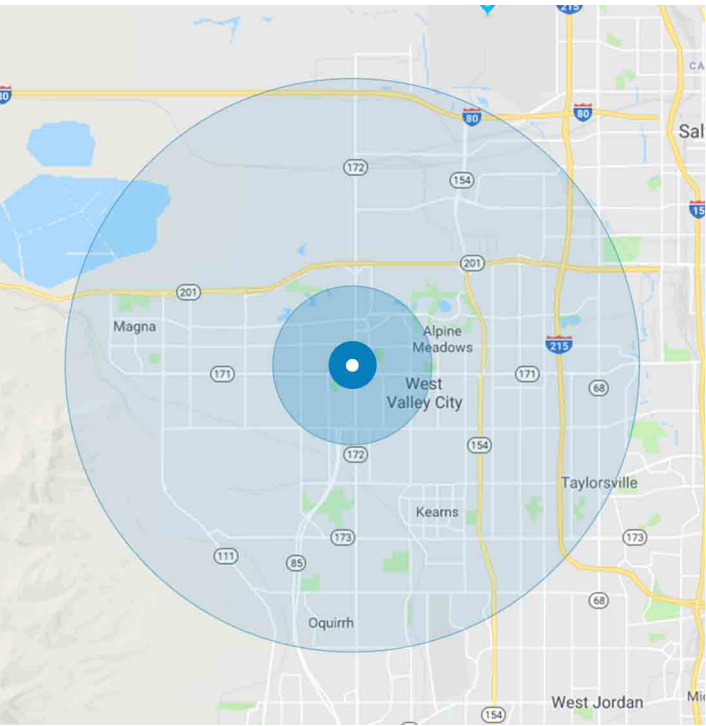


DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE	10 MILE
2023 Projection	19,015	118,779	253,093	752,523
2018 Estimate	18,056	113,245	240,942	715,002
2010 Census	16,643	107,104	225,796	661,849
Growth 2018 - 2023	5.31%	4.89%	5.04%	5.25%
Growth 2010 - 2018	8.49%	5.73%	6.71%	8.03%

Salt Lake City MSA

Just 10 miles from the heart of Salt Lake City, West Valley City is a thriving suburb with more than 136,000 residents, more than 113,000 of whom live within 3 miles of this property. The Salt Lake City metropolitan area has an estimated population of 1.14 million, while the city proper has a population estimated at 192,000. Salt Lake has 6.75% of Utah's total population and 18% of Salt Lake County's population.



HOUSEHOLDS

2023 Projection

2018 Estimate

2010 Census

Growth 2018 - 2023

Growth 2010 - 2018

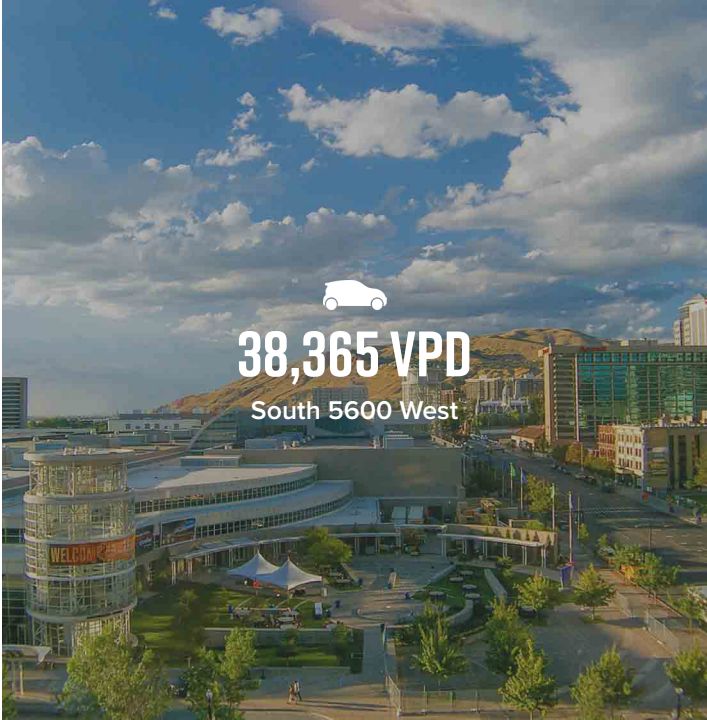
	1 MILE	3 MILE	5 MILE	10 MILE
2023 Projection	5,196	32,473	73,016	254,462
2018 Estimate	4,928	30,931	69,424	241,870
2010 Census	4,492	29,035	64,420	223,972
Growth 2018 - 2023	5.44%	4.99%	5.17%	5.21%
Growth 2010 - 2018	9.71%	6.53%	7.77%	7.99%

HOUSEHOLDS

Avg. HH Income

Med. HH Income

Avg. HH Income	\$76,845	\$70,660	\$71,150	\$74,172
Med. HH Income	\$70,711	\$61,865	\$61,761	\$59,729



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