



OFFERING MEMORANDUM

PRESERVE WEST CAPITAL

Crunch Fitness
Buford, GA | Atlanta MSA

This property is listed in conjunction with Georgia-licensed real estate broker Delta Commercial.



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Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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PROPERTY HIGHLIGHTS



- New 15-Year NNN Lease to Crunch Fitness
 - No Landlord Maintenance Responsibilities
 - Scheduled Rental Escalations Every 5 Years
- Brand New 2023 Construction
- Largest Crunch Fitness Franchisee in the Southeast
 - 40+ Locations Across GA, FL, NC and TX
- Ideally Situated within Primary Retail and Commercial Corridor
 - Buford Drive and I-985 – 155,400 Combined AADT
- In Close Proximity to the Mall of Georgia
 - Spanning over 1.8 Million S.F. with 200+ Stores
 - Draws Millions of Consumers to Trade Area – Nearly One-Third of Visitors from Outside Immediate Area

- Near Exchange at Gwinnett – 64 Acre Mixed Use Development
 - 500 Multifamily Residential Units; Four-Story 123-Room Hotel; and 337,000 S.F. of Retail, Restaurant, and Office Space
- Robust, Affluent Demographics in Surrounding Area
 - Total Daytime Population of 140,631 within a 5-Mile Radius
 - Average Household Income of \$126,559 within a 1-Mile Radius
- Buford is a Rapidly Growing Atlanta MSA Suburb
 - Population Growth of 33% from 2010-2022 within 5 Mile Radius
- Atlanta-Sandy Springs-Roswell MSA – 10th Largest MSA in U.S.
 - Population of 6+ Million
 - GDP in Excess of \$425 Billion
- Approximately 35 Minute Drive from Downtown Atlanta



PRICE

\$7,746,000

6.50% CAP Rate

Location

The property is located at 3740 Buford Drive (Highway 20) in Buford, Georgia.

Improvements

Construction is scheduled for completion in early 2023 of a 24,800 square foot building for **Crunch Fitness**.

- Ground Level Space | 19,000 square feet
- Mezzanine | 5,800 square feet

Lease

Leased to **CR Fitness Buford, LLC** for 15 years from April 2023 through April 2038 at an initial annual rent of \$503,500. There are three (3) five-year options to renew the lease. Rent is to increase by 2% every five years during the initial lease term and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance including its pro rata share of common area maintenance expenses.

The lease is guaranteed by **CR Fitness Holdings, LLC**, the parent company of the lease entity.

Annual Rent

Year	Annual Rent	Return
1-5	\$503,500	6.50%
6-10	\$513,570	6.63%
11-15	\$523,841	6.76%
16-20 (Option 1)	\$534,318	6.90%
21-25 (Option 2)	\$545,005	7.04%
26-30 (Option 3)	\$555,905	7.18%

Financing

This property will be delivered free and clear of permanent financing.



Crunch Fitness, headquartered in New York City, was founded in 1989 as a fitness studio by Doug Levine. There are now more than 400 franchised and corporate owned Crunch Fitness locations across 34 states and 5 countries, and they recently reached the milestone of signing their 2 millionth member. The company has two primary categories of gyms: Crunch Signature and Crunch Fitness. Fusing fitness with entertainment to make serious exercise fun, both clubs offer top-quality cardio and strength training equipment, a dedicated group fitness studio, red light therapy, childcare, cycling studio, saunas, spacious locker rooms, a wellness spa with hydrotherapy, tanning capsules and more.

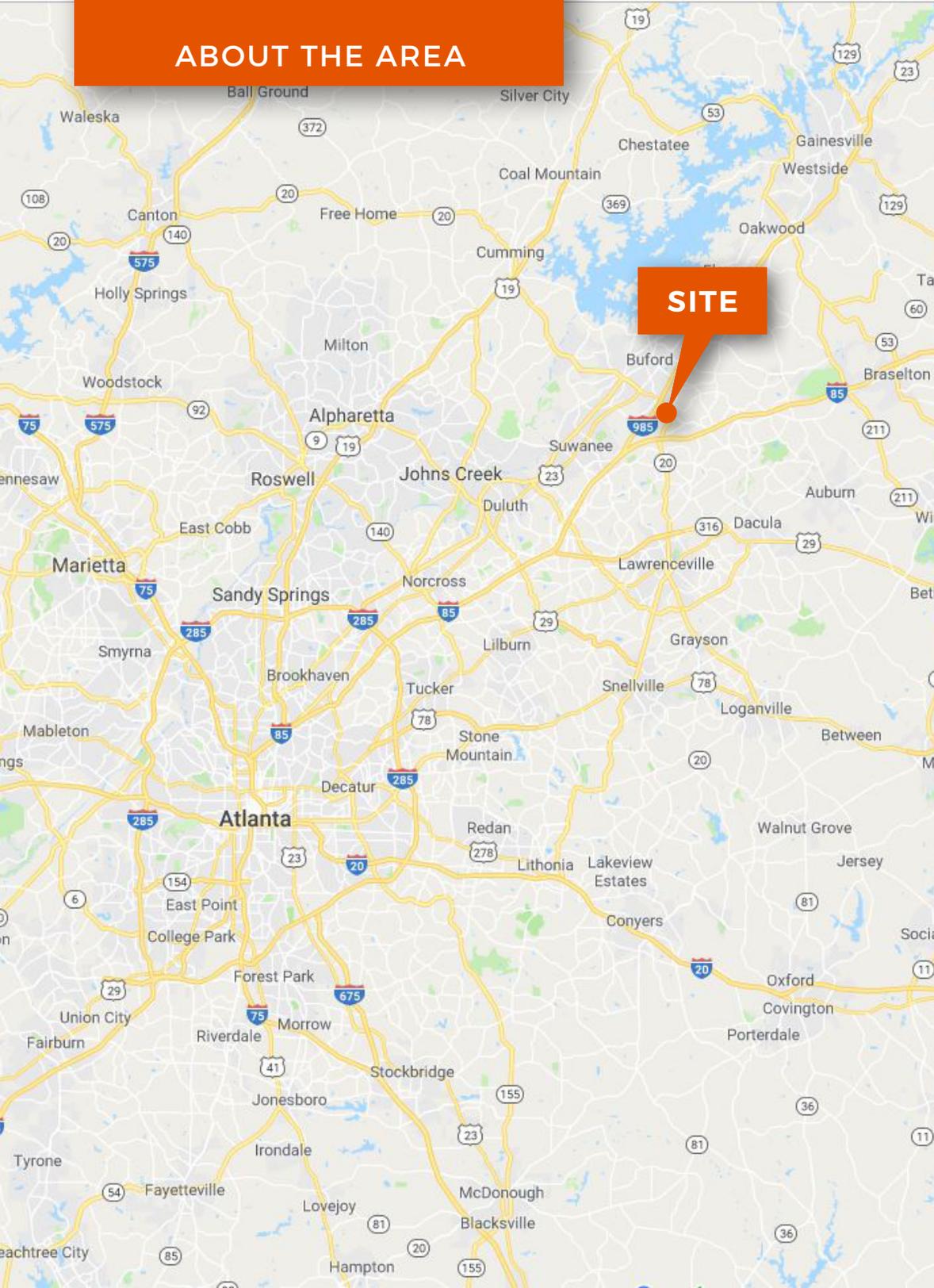
In July 2019, Crunch Fitness management partnered with private-equity firm **TPG Growth** to acquire it from Angelo, Gordon & Co. LP. TPG Growth is the middle market and growth equity platform of private equity firm TPG Inc. (AUM: \$100+ billion), which owns Life Time, Chanhassen, Minnesota.

CR Fitness Holdings, LLC, the guarantor of the lease, is Crunch Fitness' largest franchisee in the Southeast, operating over 40 locations in Florida, Georgia, North Carolina and Texas. The company is owned by a veteran management team with over 150 years of combined experience in the fitness industry. Stated one owner, "CR Fitness has doubled in growth over the last three to four years and we are looking to build fifteen to twenty new clubs per year." CR Fitness plans to own and operate 100 clubs by the year 2026.

Tenant financials will be provided to qualified buyers.



ABOUT THE AREA



Site Overview

The subject property is strategically situated with excellent access and visibility at the signalized intersection of Plunketts Road and Buford Drive/GA-20 (84,500 AADT) near its junction with I-985 (70,900 AADT) and approximately 3.5 miles from I-985's junction with I-85 (190,112 AADT). The site benefits from robust demographics with a population of 145,724 within a five-mile radius and a projected annual growth rate of 1.40% within three miles of the site through 2027. Average household income within one mile of the site exceeds \$126,559, and more than half the households within that radius earn greater than \$100,000 annually.

The property is prominently located within Buford's primary retail corridor adjacent to numerous major shopping centers and retail tenants. Approximately one mile from the site is the Mall of Georgia, a 1.83 million square foot super-regional shopping center featuring over 200 stores. The Mall of Georgia is the largest mall in the state of Georgia, anchored by Macy's, Belk, Dillard's, Von Maur, JCPenney, Dick's Sporting Goods, Barnes & Noble, Havertys Furniture, and Regal Cinemas. Other major shopping centers neighboring the property include Mill Creek Crossing, anchored by Walmart & Lowe's; Mall of Georgia Crossing, featuring Target, HomeGoods, TJ Maxx, and ULTA; the Marketplace at Millcreek, with tenants including Costco, Cost Plus World Market, PetSmart, Michaels, Marshalls, Dollar Tree, Five Below, and REI; Other major retail tenants in the surrounding area include Sam's Club, Planet Fitness, Home Depot, At Home, Tuesday Morning, and more.

Buford's new housing developments in the 2022 pipeline include Bryant Meadows, a 20-acre tract of 52 new single-family homes located just 3 miles from the site; Northmark, a new townhouse and single-family home development of 142 units; Lakecrest, a single-family home development encompassing 77 units; The Mabry, a build-to-rent community with 156 single-family homes; and The Margot, a 332-unit apartment community to begin construction in July. Toll Bros., D.R. Horton, and Taylor Morrison are also building in neighboring communities. Growth in the commercial sector includes a 1.4 million square foot logistics development on 80 acres with construction starting this summer.

DEMOGRAPHICS



3740 Buford Dr | Buford, GA 30519



2022 POPULATION
145,724



AVERAGE HOME VALUE
\$344,984



AVG. HOUSEHOLD INCOME
\$126,559

Population Summary

	1 Mile	3 Miles	5 Miles
2022 Total Population	2,963	55,569	145,724
2027 Total Population	3,175	59,579	154,552
2022-2027 Annual Rate	1.39%	1.40%	1.18%
2022 Total Daytime Population	6,570	59,835	140,631

Average Household Income

	1 Mile	3 Miles	5 Miles
2022	\$126,559	\$116,975	\$119,554
2027	\$147,122	\$138,154	\$139,989

Average Home Value

	1 Mile	3 Miles	5 Miles
2022	\$344,984	\$333,115	\$333,279
2027	\$364,984	\$356,295	\$356,005

Major Employers in Gwinnett County

of Employees

Gwinnett County Public Schools	21,396
Gwinnett County Government	5,676
Northside Hospital	5,165
Publix Super Markets, Inc.	3,863
Walmart	3,400
State of Georgia	2,555
United Parcel Service	2,200
Kroger	2,127
Primerica	1,800
Home Depot	970



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