

CSRA Columbus OH Fitness, DST



PROPERTY OVERVIEW

3474 Sawmill Drive, Powell (Columbus), Ohio, 43065

100% leased to LA Fitness, the largest health club operator in the nation. Well located fitness facility in affluent suburb with little local competition.

- Approximately 53,206 rentable square feet
- Two story fitness facility
- Constructed in 2007 on approximately 7 acres

PROPERTY DETAILS

- **LEASE:** Existing 20.5-year lease expires December 28, 2027; includes two renewal options of 10 years each
- **STRUCTURE:** Triple net lease
- **RENTAL INCREASES:** 10% rent increases every 10 years during initial term; increased fixed rent each 10-year extension option
- **DESIRABLE LOCATION:** Affluent suburb of Columbus, the state capital, largest city in Ohio, and home to Ohio State University

ACQUISITION SUMMARY

SYNDICATION PRICE
\$18,777,000

EQUITY
\$7,277,000

DEBT
\$11,500,000

OFFERING DETAILS

INVESTMENT COST
\$18,777,000

EQUITY RAISE
\$7,277,000

CASH ON CASH RETURN
Year 1: 6%

OFFERING LOAN-TO-VALUE
61.24%
(62.84% with Disposition Fee)

FIXED INTEREST RATE
5.324%

LOAN
5-Year Term
30-Year Amortization

Investment Highlights

- 100% leased to Fitness & Sports Clubs, LLC, d.b.a. “LA Fitness,” through December 29, 2027.
- Rent will increase by 10% on December 29, 2017. Annual rent will increase 10% at the start of each 10-year option period.
- Triple net lease structure protects investor distributions from future inflation and expense increases.
- Limited competition – LA Fitness has very little competition from other fitness clubs in the immediate area.
- LA Fitness is ranked No. 1 in Club Industry’s “Top 100 Clubs” 2014 list, with more than 630 locations and 2013 estimated revenue of \$1.7 billion.
- The U.S. health club industry is large and growing, with total revenues of approximately \$22 billion in 2012. The industry has more than doubled in revenue and participation over the past 20 years and is one of the few sectors of the U.S. economy that grew throughout the past two recessions.
- Desirable location in an affluent suburb of Columbus – the state capital, largest city in Ohio and home of Ohio State University.
- Excellent local demographics with approximately 41,500 residents within a three-mile radius of the gym, and an average household income of \$152,605.



LA FITNESS - Largest health club operator in U.S.

LA Fitness is a privately owned American health club chain with more than 630 clubs in 32 states across the U.S. and Canada, making it the **largest health club operator in the U.S.** The company was formed in 1984 and is based in Irvine, California.

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*Representative interior pictures for illustrative purposes.

A teal-colored graphic with a semi-transparent image of a gym in the background. The text "GYM AMENITIES" is written in white, bold, uppercase letters at the top. Below it, a list of amenities is provided in white, uppercase letters, including Personal Training, Training Equipment, Athletic Courts, Basketball Court, Group Fitness, Spa, Sauna, Pool, and Kids Klub.

GYM AMENITIES

- Personal Training
- Training Equipment
- Athletic Courts
- Basketball Court
- Group Fitness
- Spa
- Sauna
- Pool
- Kids Klub



FITNESS CLUB INDUSTRY OVERVIEW

The U.S. health club industry is large and growing. The industry achieved total revenues of approximately \$22 billion in 2012, according to the International Health, Racquet & Sportsclub Association. As of 2012, it had grown to include approximately 50 million members and about 30,500 health clubs.

The health club industry is one of the few sectors of the U.S. economy that remained “remarkably resilient” during the past two recessions, according to the Gym, Health and Fitness Clubs

in the U.S.: Market Research Report (2013), by IBISWorld, a global business research firm. Increased leisure time and improvements in health and morale have kept the industry highly competitive, the report states.

The industry will not only remain resilient with growing demand from health-conscious consumers, but will also benefit from the mounting senior population becoming increasingly active, according to the December 2014 update of this same report.

ABOUT CAPITAL SQUARE REALTY ADVISORS, LLC (CSRA)

Capital Square is a real estate advisory company specializing in the creation and management of real estate investments. Capital Square uses the DST and other investment structures to fit the needs of its high net worth individual and institutional investors. Capital Square is also active in property and asset management, key elements in a successful real estate investment.

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Consider the Risks

An investment in the Interests involves substantial investment and tax risks, including, without limitation, the following risks:

- There are various risks associated with owning, financing, operating, and leasing commercial properties in Ohio.
- The Interests do not represent a diversified investment.
- Beneficial Owners must completely rely on the Master Tenant to collect the rent and operate, manage, lease, and maintain the Property.
- The Beneficial Owners have no voting rights with respect to the management or operations of the Trust or in connection with the sale of the property.
- There are various conflicts of interest among the Trust, the Sponsor, the Signatory Trustee, and their Affiliates.
- The Interests are illiquid.
- There are tax risks associated with an investment in the Interests.
- There are risks related to competition from properties similar to and near the property.
- There may be environmental risks related to the property.