



PLANET FITNESS | RECENTLY RENOVATED

2554-2560 CROOKS RD., ROYAL OAK, MI 48073

30445 Northwestern Highway, Suite 275
Farmington Hills, MI 48334
248.254.3410
fortisnetlease.com

JOHN ESSHAKI
INVESTMENT ADVISOR
D: 248.419.3840
JESSHAKI@FORTISNETLEASE.COM

DISCLOSURE :

All materials and information received or derived from Fortis Net Lease (hereinafter collectively referred to as “FNL”), its directors, officers, agents, advisors, affiliates and/or any third party sources are provided without representation or warranty by FNL its directors, officers, agents, advisors, or affiliates as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, suitability, financial performance of the property, projected financial performance of the property for any party’s intended use or any and all other matters.

Neither FNL its directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party’s active conduct of its own due diligence to determine these and other matters of significance to such party. FNL will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

ALL PARTIES SHALL CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE:

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party.

All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. FNL makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. FNL does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by FNL in compliance with all applicable fair housing and equal opportunity laws.

EXCLUSIVELY LISTED BY:

JOHN ESSHAKI

INVESTMENT ADVISOR

D: 248.419.3840

JESSHAKI@FORTISNETLEASE.COM

INVESTMENT SUMMARY

List Price:	\$4,225,185
Current NOI:	\$285,200
Initial Cap Rate:	6.75%
Land Acreage:	1.71 Acres
Year Built	1955/ Renovated 2017
Building Size:	21,700 SF Leasable / Actual 24,980
Price PSF:	\$182.75
Lease Type:	Modified Net Lease
Lease Term:	15 years

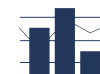
INVESTMENT OFFERING

Fortis Net Lease is pleased to present this Planet Fitness store located in Royal Oak, MI. The property is encumbered with a 15 Year Modified Net Lease, leaving minimal landlord responsibilities. The lease contains Three (5) Yr. Options to renew, each with a \$1.00 PSF rental rate increase. The lease has a 10 year guarantee by PF Michigan Group, LLC. The Northville-based franchise group, which owns 39 Planet Fitness gyms in Michigan and Ohio.

PF Michigan Group, is one of the nation's largest franchisees of Planet Fitness health clubs. PF has more than 1,000 units in 47 states, the District of Columbia, Puerto Rico, Canada, and the Dominican Republic. This Planet Fitness is highly visible and is strategically positioned in Royal Oak, MI. The five mile population from the site exceeds 327,000 residents and the one mile average household income exceeds \$78,900, making this location ideal for an Planet Fitness. This investment will offer a new owner continued success due to the financial strength and the proven profitability of the tenant, one of the nation's fitness organization's.



PRICE \$4,225,185



CAP RATE 6.75%



LEASE TYPE Modified Net Lease



TERM 15 years

INVESTMENT HIGHLIGHTS

- Generational Real Estate
- Brand New 15 Year Lease
- Minimal Landlord Responsibilities
- 15 Year Term | Three (5 Year) Options
- Franchisee Guaranteed Lease - 39 Unit Operator
- Building Recently Renovated (2017) | New Roof & Parking
- One Mile Household Income is \$98,000+
- Five Mile Population Exceeds 327,000
- 20,000 + Cars Per Day

FINANCIAL SUMMARY

INCOME		PER SF
Planet Fitness	\$347,200	\$17.36
Gross Income	\$347,200	\$17.36
EXPENSE		PER SF
Taxes	\$60,000	\$3.00
Insurance	\$2,000	\$0.10
Gross Expenses	\$62,000	\$3.10
NET OPERATING INCOME	\$285,200	\$14.26

PROPERTY SUMMARY

Year Built:	1955
Year Renovated:	2017
Lot Size:	1.71 Acres
Building Size:	21,700 Leasable SF
Roof Type:	New
Zoning:	Commercial B1
Construction Style:	Masonry
Parking Lot:	3.89/1000 SF
HVAC:	New
Actual Building Size:	24,980 SF

LEASE SUMMARY

Tenant:	Planet Fitness
Lease Type:	Modified Net Lease
Primary Lease Term:	15 years
Annual Rent:	\$347,200
Rent PSF:	\$16.00
Insurance & CAM:	Insurance-Landlord / CAM-Tenant
Taxes:	Landlord / Tenant-Responsible Base Year 2015 (See Agent for details)
Roof, Structure & Parking:	Landlord
Lease Start Date:	July 1, 2017
Lease Expiration Date:	June 30, 2032
Lease Term Remaining:	14 years
Rent Bumps:	Every 5 years
Renewal Options:	3, Five Year Options
Lease Guarantor:	PF Michigan Group
Lease Guarantor Strength:	39 Stores and Growing
Tenant Website:	www.planetfitness.com



REVENUE:
\$429 MILLION



STORE COUNT:
1,500+

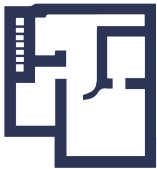


GUARANTOR:
PF MICHIGAN



TICKER:
PLNT

Tenant Name	Unit Size (sf)	Lease Start	Lease End	Annual Rent	% of GLA	Esc Date	Rent per sf/yr
Planet Fitness	21,700	July 1, 2017	June 30, 2032	\$347,200	108.5		\$16.00
						7/1/2022	\$17.00
						7/1/2027	\$18.00
Totals/Averages	21,700			\$347,200			\$16.00



TOTAL SF
21,700



TOTAL ANNUAL RENT
\$347,200



OCCUPANCY RATE
100%



AVERAGE RENT/SF
\$16.00



NUMBER OF TENANTS
1



OVERVIEW

Company:	Planet Fitness
Founded:	1992
Total Revenue:	\$429 Million
Net Income:	\$33 Million
Stock Symbol:	PLNT
Headquarters:	Hampton, NH
Website:	www.PlanetFitness.com

TENANT HIGHLIGHTS

- Planet Fitness is the largest fitness club franchise by number of members and locations
- Over 1,400 gyms and growing
- Publicly traded on the NYSE; ticker symbol: PLNT
- Planet Fitness markets itself as a "Judgement Free Zone" that caters to novice and casual gym users and is reported to be the nation's fastest growing fitness center franchise

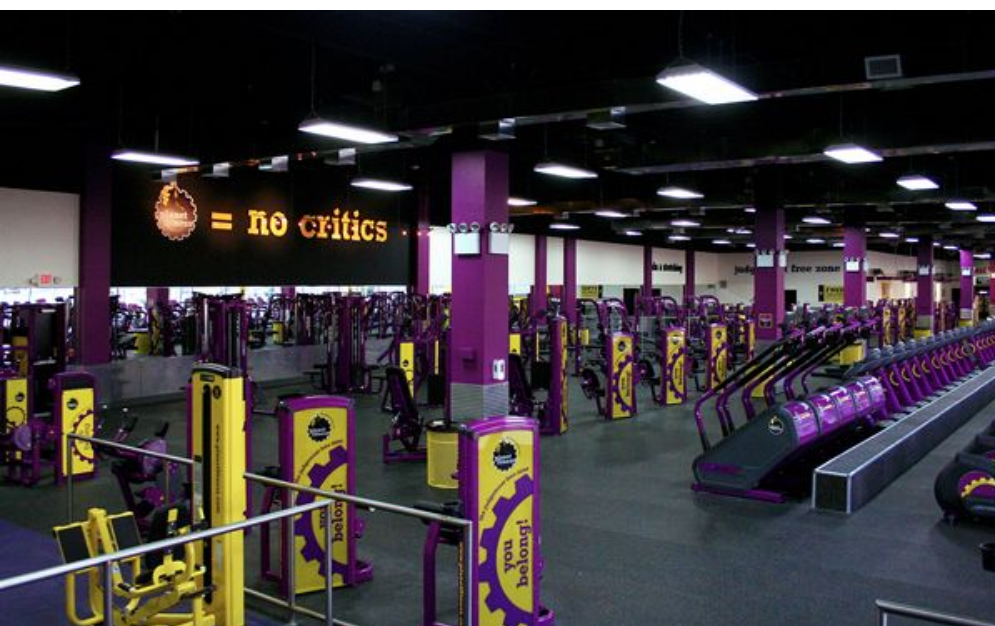
RENT SCHEDULE

YEARS	ANNUAL RENT	MONTHLY RENT	BUMP	YIELD
1-5	\$347,200	\$28,933	-	7.2%
6-10	\$368,900	\$30,741	6.25%	7.69%
11-15	\$390,600	\$32,550	5.88%	8.14%
Option 1	\$412,300	\$34,358	5.55%	8.59%
Option 2	\$434,000	\$36,166	5.10%	9.05%
Option 3	\$455,700	\$37,975	5.00%	9.50%

COMPANY BACKGROUND

Planet Fitness (PFIP LLC) is an American franchisor and operator of fitness centers based in Hampton, New Hampshire. The company reports that it has 1,500 clubs, making it one of the largest fitness club franchises by number of members and locations. There are locations across the United States as well as in other countries such as Canada, Puerto Rico, Dominican Republic, Panama, and Mexico. Planet Fitness was founded in 1992, in Dover, New Hampshire, when Michael and Marc Grondahl acquired a financially struggling gym and dramatically reduced prices to compete against better-known brands. This low-cost business model focuses on the needs of occasional or first-time health club members, rather than more experienced members. Planet Fitness has over 1,500 locations with an estimated 10 million members total. In 2016, over 90% of Planet Fitness locations were opened by existing franchise owners.

In October 2011, Planet Fitness reached an agreement with NBC to sponsor the network's reality show, The Biggest Loser beginning with the 2012 season. The contestants on the show worked out on Planet Fitness equipment and then at Planet Fitness gyms near their homes, working with Planet Fitness instructors. In March 2013, Planet Fitness partnered with 50 Cent to sell his energy drink "Street King". Since December 2014, Planet Fitness has been the official fitness sponsor of Dick Clark's New Year's Rockin' Eve on ABC. In October 2017, Planet Fitness and its members raised \$1 million which it donated to the non-profit Boys and Girls Clubs of America.



EXECUTIVE SUMMARY

PF MICHIGAN GROUP, LLC

EXECUTIVE SUMMARY (AS OF JUNE 30, 2017)

As of June 30, 2017, we owned and operated 30 Planet Fitness health clubs in Metro Detroit, Grand Rapids and Toledo, OH. These 30 locations form a part of two area development agreements covering Metro Detroit, Toledo, OH, and Grand Rapids, MI. Nearing the successful completion of its larger ADA, the company is currently engaged in discussions with Planet Fitness to extend and expand its development pipeline to allow for continued expansion in the three major DMA's it currently controls with a target of having 45 stores open by 2020. By successfully completing its ADA buildout requirement, PF Michigan Group will secure a contractual first right of refusal on the buildout of any new stores in Metro Detroit, Grand Rapids, and Toledo.

New Stores. We opened two stores in Q2 2017: Wyoming, MI (Grand Rapids area) in April and Royal Oak, MI (Metro Detroit) in June. The Wyoming, MI store is our fourth unit in the Grand Rapids market and is strategically positioned between our three existing stores in the market, all of which are performing at or above our group averages. The store in Royal Oak, MI is the 30th in our portfolio and our 22nd Metro-Detroit location. Situated in a very densely populated area with excellent access and visibility, we expect the store to meet or exceed company averages.

Store Remodels & Re-equip. During the 2nd quarter, we earmarked and funded \$2.3 million toward a re-equip and remodel plan which involved the replacement of strength equipment at Sterling Heights (Ryan Rd – Store #5) and Dearborn (Store #6) and cardio equipment in Southfield (Store #7), Taylor (Store #8), Sylvania (Store #9), and Shelby/Utica (Store #10). We also added miscellaneous fitness equipment at other stores to keep store standards and offerings in line with our latest prototype and to maintain consistency across our portfolio. We have also embarked on upgrades and improvements to our Black Card areas, including the replacement of tanning units and the addition of HydroMassage at certain older stores. With respect to remodeling and re-equipping, our company goal is to keep the stores looking new in order to counter the gym industry's tendency to push off capital improvements and even repairs and maintenance. Applied consistently, we believe that this proactive approach will continue to differentiate Planet Fitness and PF Michigan Group from our competition, and it will help to drive positive same store sales increases.

PLANET FITNESS

2554-2560 CROOKS RD., ROYAL OAK, MI 48073

 FORTIS NET LEASE™



PLANET FITNESS

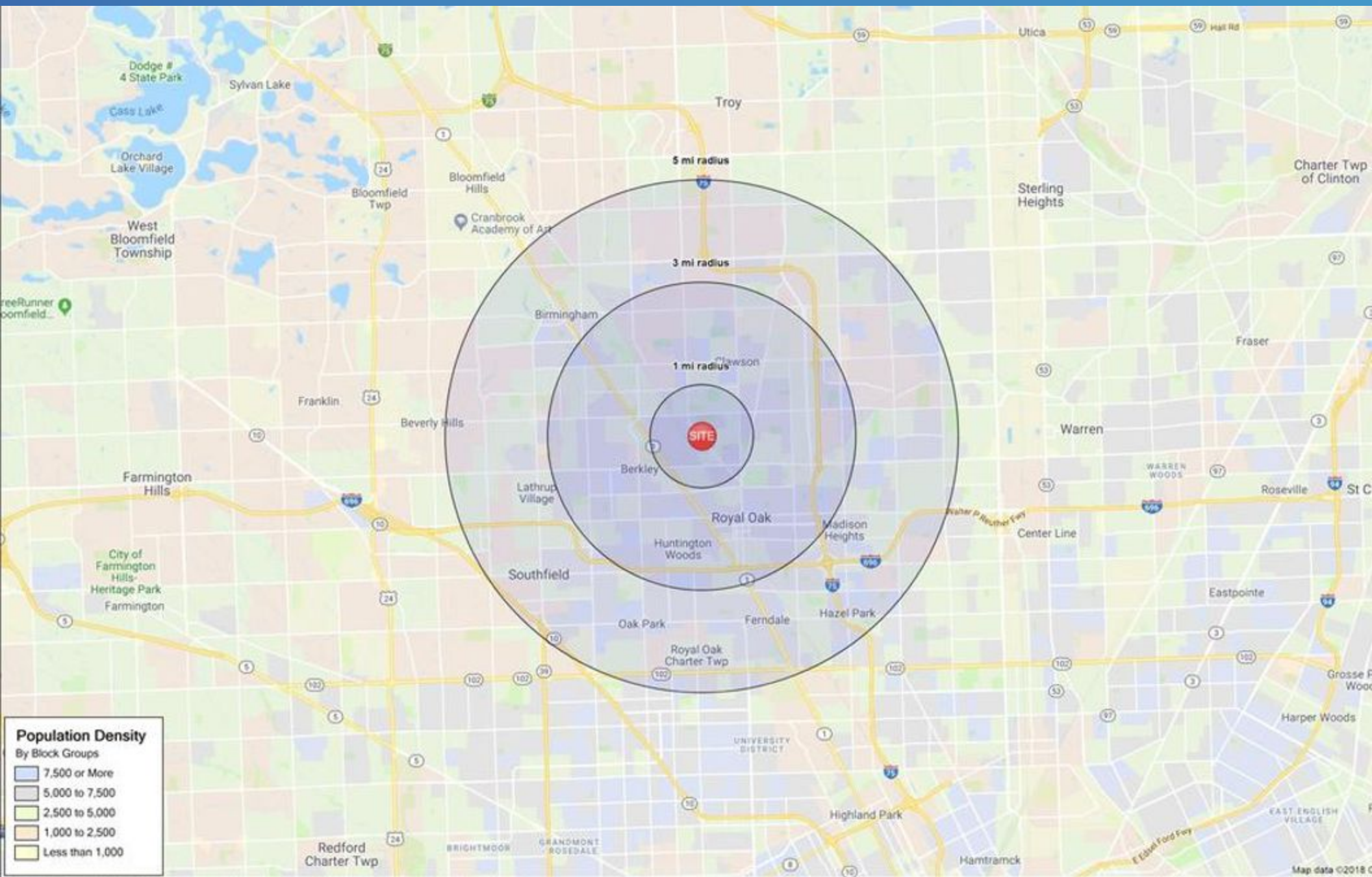
2554-2560 CROOKS RD., ROYAL OAK, MI 48073

 FORTIS NET LEASE™



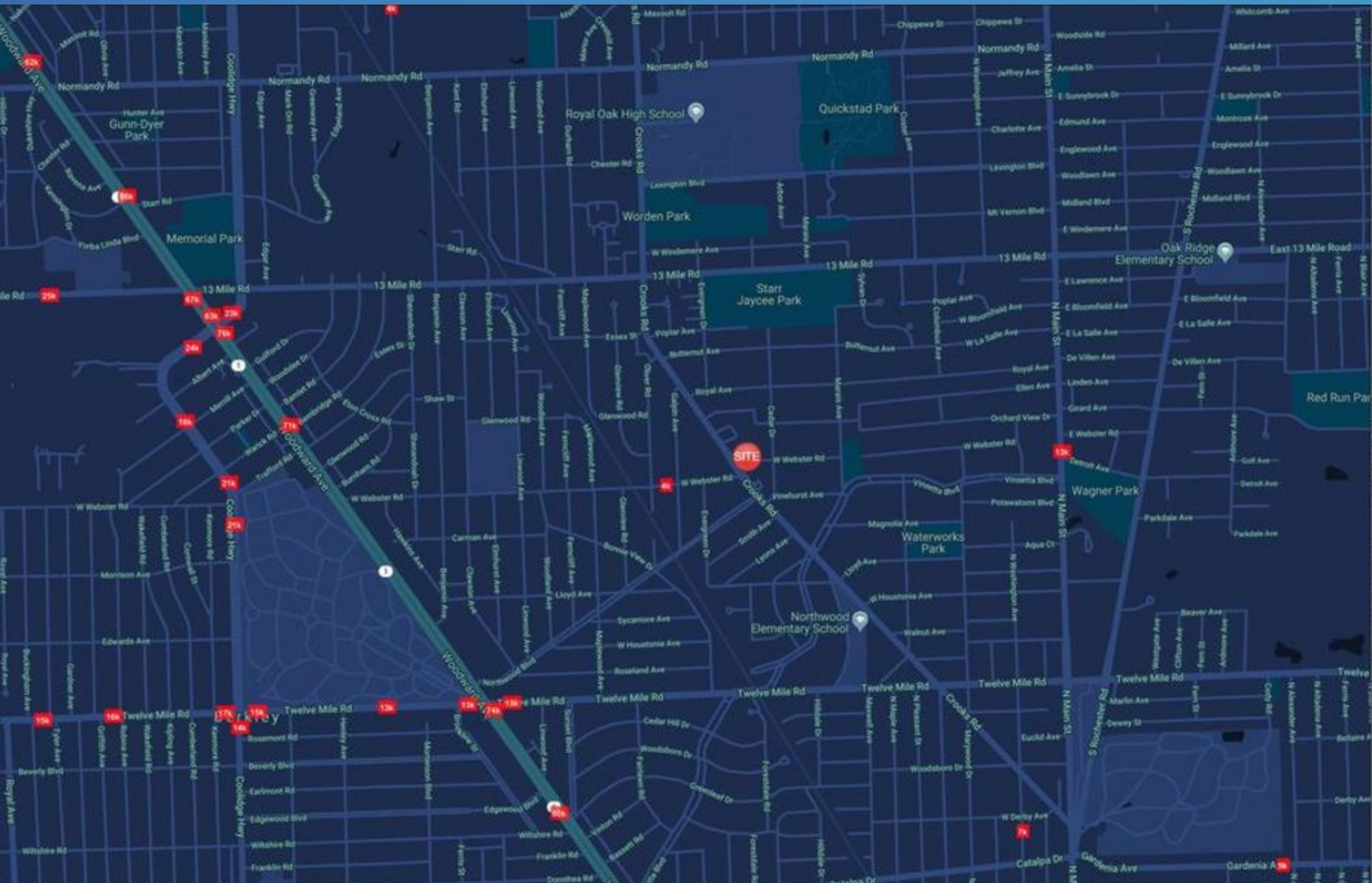
PLANET FITNESS

2554-2560 CROOKS RD., ROYAL OAK, MI 48073



PLANET FITNESS

2554-2560 CROOKS RD., ROYAL OAK, MI 48073



PLANET FITNESS

2554-2560 CROOKS RD., ROYAL OAK, MI 48073

 **FORTIS** NET LEASE™



PLANET FITNESS

2554-2560 CROOKS RD., ROYAL OAK, MI 48073

 FORTIS NET LEASE™



Planet Fitness

Imagery ©2019, DigitalGlobe, U.S. Geological Survey, USDA Farm Service Agency

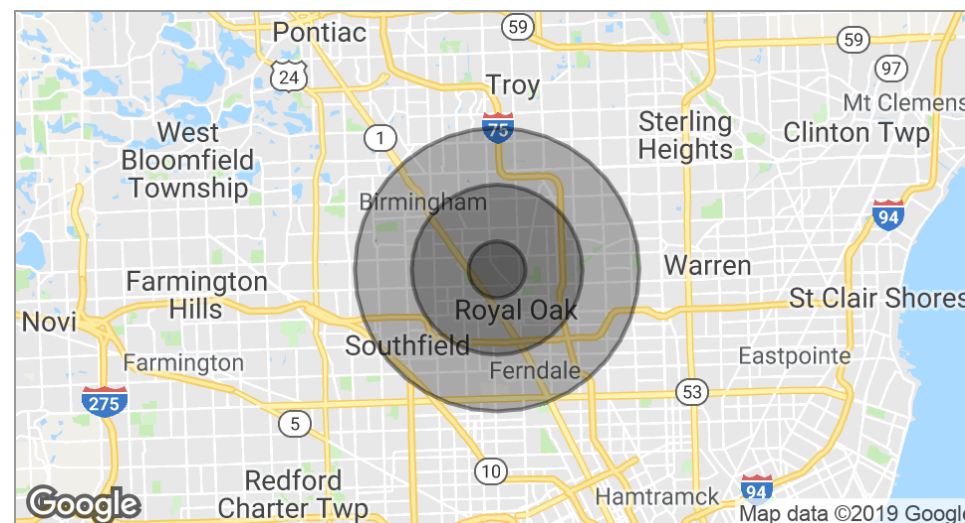


Royal Oak is a city in Oakland County of the U.S. state of Michigan. It is a suburb of Detroit, being only a few miles away from the city. It is the 8th-largest municipality in Oakland County and the 27th-largest municipality in Michigan by population. Royal Oak developed initially as a suburb after Detroit boomed as a major industrial city. People began to move to the suburbs for newer housing, especially after World War II. It had a compact, traditional street-side shopping district, which runs along Main Street and Washington Avenue downtown.

During the 2000s, this area was redeveloped with numerous new businesses, and is now considered a trendy, upscale, urban-chic district, featuring restaurants, shopping, and entertainment. Several mixed-use high-rise developments have been constructed —mostly condo "lofts" with retail and office space on the lower levels. Points of interest include the Detroit Zoo, a major regional tourist attraction, the William Beaumont Hospital, the Royal Oak Music Theatre, the Main Art Theatre, the Baldwin Theatre, Mark Ridley's Comedy Castle, Emagine Theater, and shops, cafes, and restaurants. The main offices of Hour Detroit media, which publishes Metro Detroit's lifestyle magazine, are in the city. A corridor of Woodward, Royal Oak is one of the most highly traffic counted cities next to Detroit.



POPULATION	1 MILE	3 MILES	5 MILES
Total Population 2018	14,957	129,136	327,674
Total Population 2023	15,143	130,591	331,472
Population Growth Rate	1.24%	1.13%	1.16%
Average Age	41.6	39.9	40.2
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	7,212	59,042	141,892
Average HH Income	\$98,799	\$90,190	\$86,105
Consumer Spending (Thousands)	198,283	1,541,121	3,600,403





TOTAL SALES VOLUME

\$5.5B

PROPERTIES SOLD

2,500+

BROKER & BUYER REACH

345K

STATES SOLD IN

40

Click to Meet Team Fortis

30445 Northwestern Highway, Suite 275

Farmington Hills, MI 48334

248.254.3410

fortisnetlease.com

EXCLUSIVELY LISTED BY:

JOHN ESSHAKI

INVESTMENT ADVISOR

D: 248.419.3840

JESSHAKI@FORTISNETLEASE.COM