



*NNN, Corporate Leased
Investment with 13+ Years of Firm-
Term Remaining in Tacoma, WA*



*Assumable Financing Available.
Inquire For Details.*

111 S 38TH ST TACOMA, WA 98418



24-HOUR FITNESS TACOMA, WA

The Verger Team is pleased to present a rare opportunity to acquire a Corporate Leased Single-Tenant NNN 24-Hour Fitness with over 13 years remaining on the lease.

In 2018, 24 Hour Fitness invested \$3M in tenant improvements and recently waived their one-time right to an early termination, solidifying their long-term commitment to the property and showcasing their confidence in the location.

Strategically located on S 38th St, Tacoma's primary retail corridor, the property is surrounded by national retailers like Costco, Target, and Walgreens. Its proximity to major highways, including Hwy 16 and I-5, ensures high visibility and ease of access, positioning this asset for long-term success.

PROPERTY DETAILS

ADDRESS	111 S 38th St Tacoma, WA 98418
NOI	\$769,524
BUILDING PRICE/SF	\$246.00
LEASE TYPE	NNN
RENT INCREASES	10% rent bumps every 5 years through 2038
RENEWAL OPTIONS	(2) 5-year options, (1) 4-year option
TENANT	24-Hour Fitness USA, Inc
RENTABLE SF	44,647 SF
YEAR BUILT/RENOVATED	2003/2018 with \$3M Tenant improvement package
PARKING SPACES	± 110 (2/1,000 SF)
PARCEL #	7470021611
OWNERSHIP	Fee Simple



\$10.99M
PRICE

7.00%
CAP RATE

13+ YRS
REMAINING TERM

INVESTMENT HIGHLIGHTS



Corporate-Guaranteed Lease

24 Hour Fitness USA, Inc., a premier fitness chain with over 300 clubs nationwide, guarantees the lease, providing investors with financial stability and security.



Recent Waiver of Termination Right

24 Hour Fitness had a once time option to terminate their lease in September of 2024. They waived this right highlighting their commitment to the location.



Extensive Tenant Improvements

24 Hour Fitness has been a valued tenant since 2018, and invested over \$3 million in tenant improvements, demonstrating their commitment to the location.



Built-in Inflation Protection

Future ownership will benefit from 10% rent increases every five years, offering a hedge against inflation and consistent rent growth through 2038.



Prime Location

Located in a densely populated area of Tacoma, benefiting from significant daily foot and vehicle traffic. Situated in a neighborhood with strong population growth and robust economic development.



Minimal Landlord Responsibility

Operating under a Triple Net (NNN) lease, 24 Hour Fitness assumes nearly all property expenses, including taxes, insurance, and maintenance. The landlord is responsible solely for the exterior walls and foundation, ensuring a low-maintenance investment.

VALUATION

\$10,990,000

PRICE

7.00%

CAP RATE

Analysis period: 09/01/2025 - 08/31/2026

CASH FLOW SUMMARY

Scheduled Revenue	Annual	Price/SF
Scheduled Base Rent	\$769,524	\$17.00
Total Effective Gross Revenue (EGR)	\$769,524	\$17.00
Operating Expenses		
Property Taxes		NNN
Insurance		NNN
CAM		NNN
Total Operating Expenses		
Net Operating Income	\$769,524	



RENT ROLL

LEASE TERM 03/01/2018 - 02/28/2038
 BUILDING SIZE 44,647 SF

RENT SUMMARY

Date	Monthly Base Rent	Annual Base Rent	Increase	Rent/SF/Yr	Cap Rate
9/1/2024	\$58,297	\$699,564		\$16.00	-
9/1/2025	\$64,127	\$769,524	10%	\$17.00	7.00%
3/1/2028	\$70,540	\$846,480	10%	\$19.00	7.70%
3/1/2033	\$77,594	\$931,128	10%	\$21.00	8.47%
Renewal Options	(2) 5-YEAR RENEWAL OPTIONS, (1) 4-Year Option				
3/1/2038	\$103,499	\$1,241,986	33%	\$28.00	11.30%
3/1/2043	\$113,849	\$1,366,184	10%	\$31.00	12.43%
3/1/2048	\$125,234	\$1,502,803	10%	\$34.00	13.67%



LEASE ABSTRACT

TENANT	24 Hour Fitness
GUARANTOR	24 Hour Fitness USA, Inc
COMMENCEMENT DATE	3/1/2018
CURRENT EXPIRATION DATE	2/28/2038
LEASE TYPE	NNN
INITIAL TERM	20 Years
OPTIONS	(2) 5-Year Options, (1) 4-Year Option
PERCENTAGE RENT	No
RIGHT OF FIRST REFUSAL	No
DOES TENANT REPORT SALES?	No
ADMINISTRATION FEE	Tenant agrees to pay Landlord 5% of the Annual Common Area Maintenance in the Form of an Administrative Fee.
CAM CAP	Annual Common Area Maintenance expenses cannot exceed 105% of the Previous Year.

TENANT OBLIGATIONS

COMMON AREA MAINTENANCE	Tenant is responsible for all Common Area Maintenance, including Security, Janitorial, Utility, HVAC Repair Replacement, Interior Walls, Roof Replacement/Repair, Landscaping, Parking Lot.
INSURANCE	Tenant must maintain, at Tenant's expense a General Liability Insurance, including Fire Coverage.
PROPERTY TAXES	Tenant is responsible for Property Taxes.
UTILITIES	Tenant is responsible for Utilities.

LANDLORD OBLIGATION

LANDLORD RESPONSIBILITIES	Landlord is responsible for Exterior Walls and Foundation.
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LOT MAP



LOCATION OVERVIEW



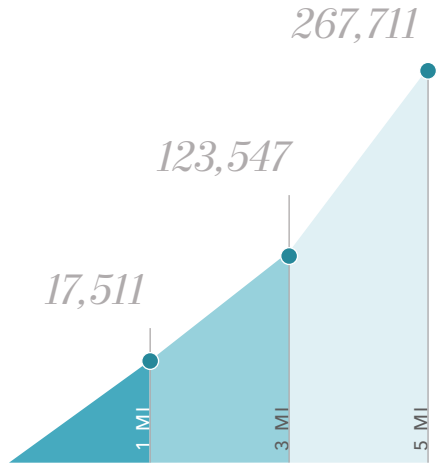
LOCATION OVERVIEW



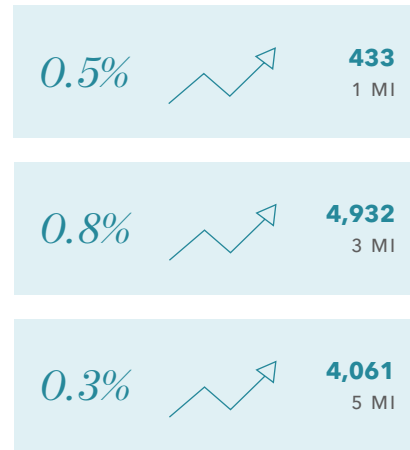
DEMOGRAPHICS

Data Source: ©2023, Sites USA

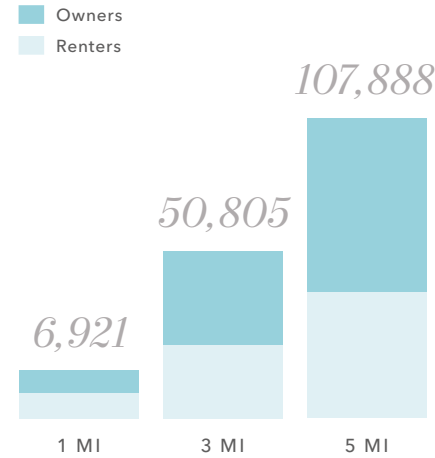
2024 POPULATION



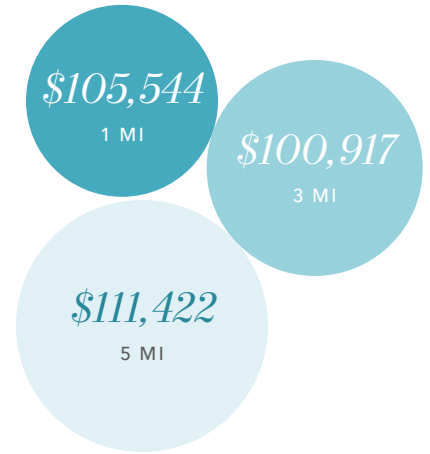
2024-2029 POP. GROWTH



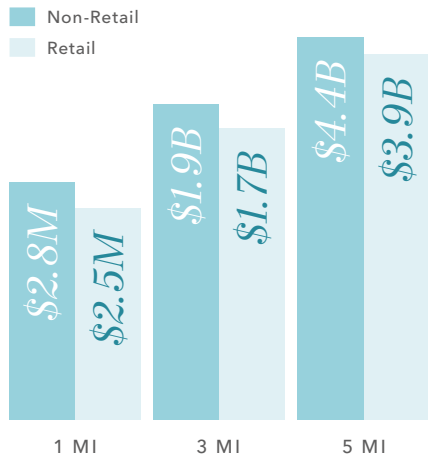
HOUSEHOLDS



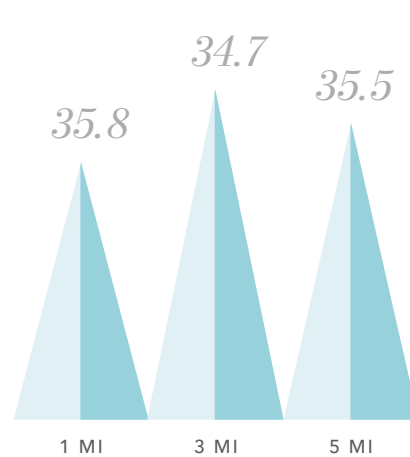
AVERAGE HH INCOME



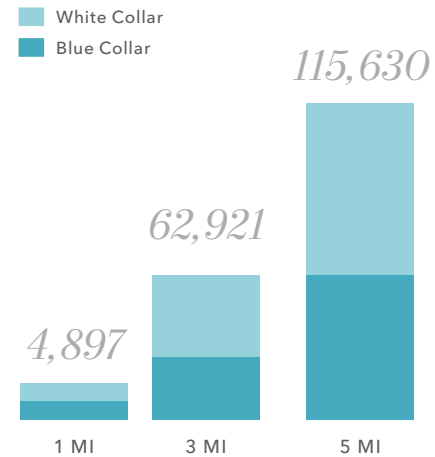
2024 CONSUMER SPENDING



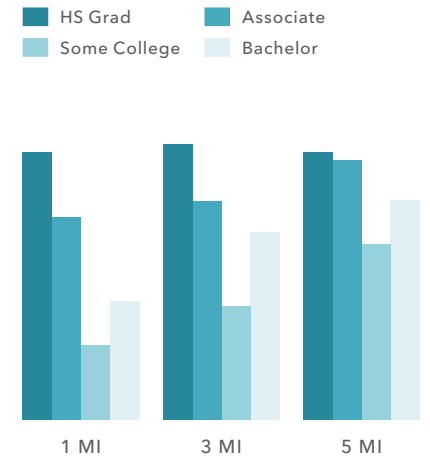
MEDIAN AGE

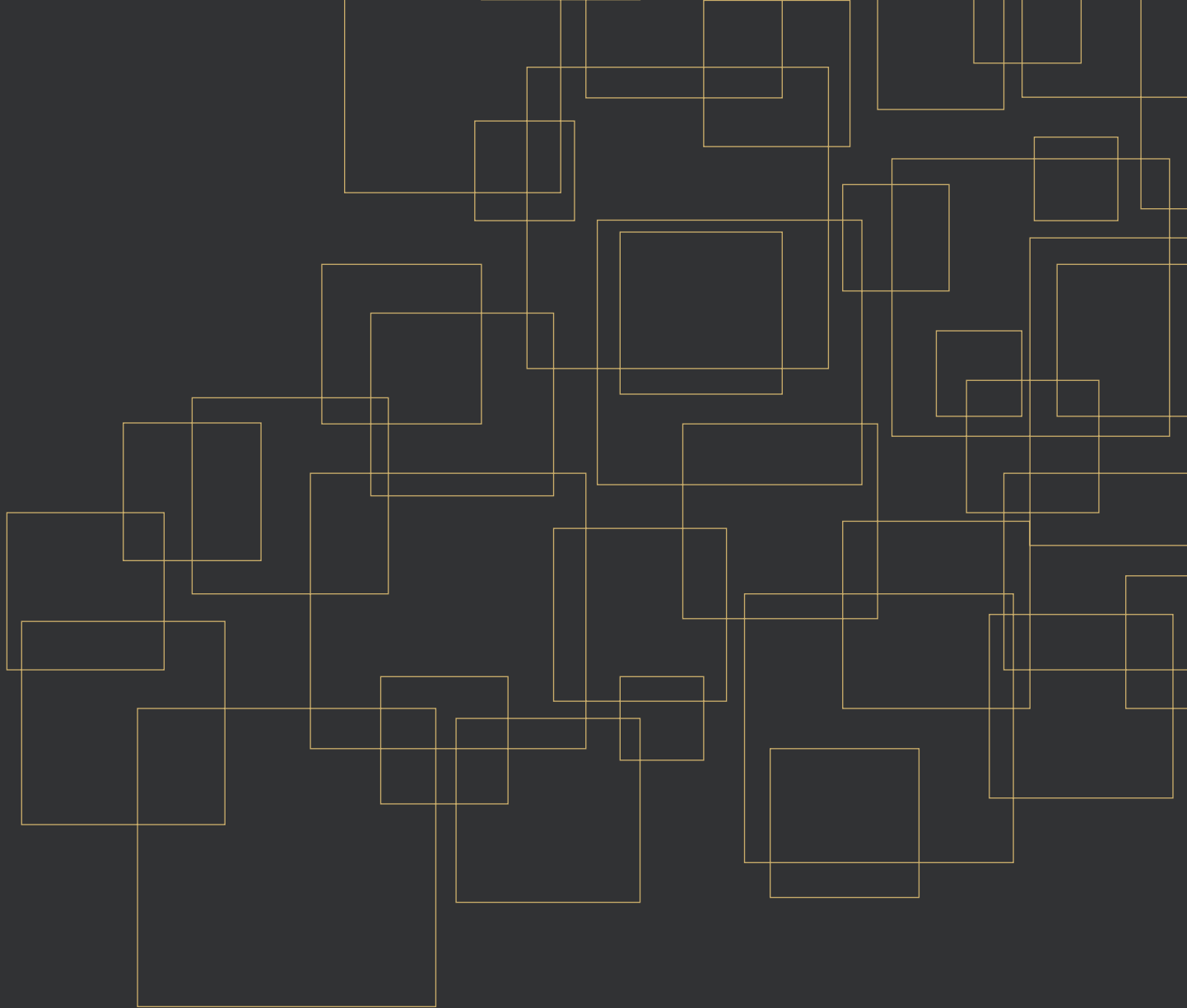


EMPLOYMENT



EDUCATION OVERVIEW





Exclusively listed by

KEVIN VERGER

Vice President

206.946.9425

kevin.verger@kidder.com

MAGGIE VERGER

Vice President

206.600.8500

maggie.verger@kidder.com

KIDDER.COM

