



Planet Fitness - Timberstone Commons 6726 W. Sylvania Avenue, Sylvania, Ohio

Challenge

In July 2010, the Reichle | Klein Group's Duke Wheeler began a tenant representation assignment with Planet Fitness. The requirements for this franchisee involved finding 15,000 to 30,000 SF of retail space with ample parking. At first glance, this sounds like a rather easy task considering the large amount of mid-box space on the market. Over time, it was found that use restrictions and a rather large tenant improvement (TI) requirement would make securing a deal very challenging in our market. The franchisee had six locations in the Detroit market, so it wasn't an issue of having a new operator with little experience. Instead, the burden was centered on finding a property owner with a strong cash position who was willing to commit a large amount of capital to a privately held entity.

Quick Facts

- 22,185 SF
- Large tenant improvement requirement
- Franchise

Solution

Site tours were completed with the tenant and the site options were reduced to a manageable level. Much of the site search was focused on owners as much as the property. The owners had to be capable of meeting the tenant improvement requirement and have the right property in the right location. After an extensive search and failed attempts to secure one targeted site, an opportunity arose with a property coming out of receivership that was also on the earlier site search list. The tenant was reminded about the opportunity during several conference calls and even considered purchasing the retail strip center as an owner-user. Instead, an existing landlord of the franchisee was able to secure a purchase agreement for the plaza. With an owner in place that was comfortable with the Planet Fitness franchisee and deal structure, the lease was secured and construction is underway.

Results

The Reichle | Klein team provided ample market knowledge during the initial site tours with Planet Fitness and was able to focus on a targeted list of probable sites from the beginning. While the final location was not readily available for some time, the tenant rep team remained patient and provided timely support when needed. In the end, the tenant secured their first location in NW Ohio at terms acceptable to their strict guidelines. Planet Fitness is continuing the site search as the franchisee plans to add three to four additional locations with the assistance of Reichle | Klein.