

TRC | EQUINOX

EQUINOX SF:
41,000 SF

TOTAL REDEVELOPED IN CENTER:
58,000 SF

PRIMARY FEATURES:
Large, Significant Urban Site
3-Level Parking Garage
Long-term Ground Lease Entire Property

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Case Study: Equinox Fitness Centers

TENANT REPRESENTATION | REAL ESTATE DEVELOPMENT

OVERVIEW

Equinox Fitness Clubs retained The Retail Connection to find a prime high-impact location to open their first Texas operation. The result was a long-term ground lease of the former Park Place Motorcars site owned by The Hillcrest Foundation and located at the northwest corner of Avondale and Oak Lawn Avenue, just south of Highland Park.

The owners, represented by Venture Commercial leased the property to Equinox Fitness Clubs which operates 41 fitness centers in high profile markets such as New York City, Los Angeles and South Beach. Equinox now calls this Dallas site their “Flagship” location.

The site was originally slated to be a high-rise mixed-use development but for various reasons the plan never got off the ground.

Equinox viewed this site as a unique opportunity to serve a variety of markets in central Dallas. The Retail Connection’s research division proved the market was underserved and offered several opportunities for making this a prime location for an upscale fitness center.

The former automobile facility was completely rebuilt. The end result is a striking contrast to the original tenant but representative of the affluent and progressive surrounding marketplace and residential areas. Equinox brought in internationally acclaimed architects to create a very special look and feel. Within the 58,000 SF redevelopment, of which Equinox occupies approximately 41,000 SF, there is an additional 17,000 SF of upscale retail and restaurant space.

CHALLENGES | OPPORTUNITIES

One of the primary challenges of this transaction was locating a large enough space in an area with the demographics Equinox desired. This site is situated in an area defined by significant household incomes along a major thoroughfare and commands

remarkable street front presence in the Oaklawn market.

The site was originally slated to be a high-rise mixed-use development but for various reasons the plan never got off the ground. When the original re-development goals were unable to be realized, Equinox remained interested in the real estate which led them to involve The Related Companies (which purchased Equinox in 2006) in acquiring a long-term ground lease for the entire property even though Equinox only needed a portion of the space. Almost a year later, an equitable long-term deal was agreed to by both parties.

Equinox's plan for re-development required creativity and vision to succeed. One of the primary difficulties involved parking which is crucial to a fitness club's members. Thus, the inclusion of the three-level parking garage became a key factor for the success of the transaction.

RESULTS

This re-development was another step in the continuing revitalization of the area by upgrading a former vacant car dealership and service repair shop to an upscale, high-profile fitness facility with the opportunity for additional retail and dining. In addition, Equinox created approximately 100 new jobs for the area.

