



MATTRESS FIRM - LEASEHOLD INTEREST

HANOVER PARK, ILLINOIS (CHICAGO MSA)

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM



MATTRESS FIRM

\$1,250,000 | 9.00% CAP RATE

- » New 15-Year Corporate Net Lease
 - » 10% Rental Increases Every Five Years in Term and Options
 - » Corporate Guarantee
 - » Over 3,500 Locations and \$1.8 Billion in Annual Revenue
- » Excellent Outparcel Location in Densely Populated Area
 - » Population of 266,814 Within a Five-Mile Radius
 - » Menards is One of Hanover Park's Top 15 Employers
 - » Affluent and High-Traffic Location in Chicago MSA
 - » Average Household Income of \$93,893 Within a Five-Mile Radius
- » Hard-Corner Location Along Main Retail Corridor – 38,500 AADT
- » 2016 Construction

FILE PHOTO



Cushman and Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Illinois-licensed real estate broker Cushman & Wakefield, Inc.

TABLE OF CONTENTS



INVESTMENT OVERVIEW

AERIALS

SITE PLAN

TENANT SUMMARY

PROPERTY OVERVIEW

AREA OVERVIEW

LOCATION MAP

Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

MICHAEL T. YURAS, CCIM
Executive Managing Director
415.481.0788
michael.yuras@cushwake.com
CA RE License #01823291

SCOTT CROWLE
Senior Director
415.604.4288
scott.crowle@cushwake.com
CA RE License #01318288

**YURAS
AICALE
FORSYTH
CROWLE** | Leased Investment Team

www.YAFTeam.com

INVESTMENT SUMMARY

ADDRESS	7465 Barrington Road, Hanover Park, Illinois
PRICE	\$1,250,000
CAP RATE	9.00% return
NOI	\$112,520
TERM	15 years
RENT COMMENCEMENT	October 28, 2016
LEASE EXPIRATION	October 31, 2031
RENTAL INCREASES	10% rental increases every 5 years

TERM	MATTRESS FIRM RENT	GROUND RENT	NOI
Year 1 - Year 5	\$177,520	(\$65,000)	\$112,520
Year 6 - Year 10	\$195,280	(\$71,500)	\$123,780
Year 11 - Year 15	\$214,840	(\$78,650)	\$136,190
Option 1	\$236,360	(\$86,515)	\$149,845
Option 2	\$260,000	(\$95,167)	\$164,833

YEAR BUILT	2016
BUILDING SF	4,000 SF
PARCEL SIZE	±0.682 acres (± 29,708 SF)
LEASE TYPE	Net, with landlord responsible for roof and structure
GROUND LEASE TERM	50 years

LONG-TERM CORPORATE NET LEASE WITH SCHEDULED RENT INCREASES

- » Strong corporate guarantee
- » 15-year net lease with two, five-year option periods
- » 10% rental increases every five years, providing a hedge against inflation
- » Mattress Firm has a "B1" credit rating from Moody's, with over 3,500 locations nationwide and over \$1.8 billion in annual revenue

RARE LEASEHOLD INTEREST OPPORTUNITY

- » High yield investment with corporate guarantee
- » Property is 100% depreciable, providing increased cash flow

EXCELLENT LOCATION IN HANOVER PARK'S RETAIL CORRIDOR

- » Outparcel to Menards, one of Hanover Park's top employers
- » Excellent access and visibility from Barrington Road – 38,500 AADT
- » Population of 266,814 within a five-mile radius, and a higher-than-average household size within one-mile of the site, providing a large customer base
- » Near Stratford Square Mall, which is slated to undergo a \$30 million upgrade

CHICAGO MSA LOCATION WITH STRONG DEMOGRAPHICS

- » Average household income is \$93,893 within a five-mile radius
- » Chicago MSA houses numerous Fortune 500 corporate headquarters, including Boeing and McDonald's

2016 CONSTRUCTION

- » High-quality, built-to-suit construction
- » Features latest Mattress Firm brick-prototype
- » Recent construction, limiting near-term deferred maintenance or capital costs



at&t



Walmart



Westview Center



Walgreens

Barrington Road (38,500 AADT)

MATTRESS FIRM

East Irving Park Road (33,700 AADT)

Scharrington Square



Prairie Town Center



DOWNTOWN CHICAGO
(28 Miles)



Schaumburg
Muni Helistop

INDUSTRIAL PARKS

Atcher Park

Olde
Salem Park

FoxPark



Retail
Development

CVS
pharmacy



MENARDS
DISCOUNT
TIRE
Bank of America



MATTRESSFIRM

AutoZone
HARBOR FREIGHT TOOLS
Quality Tools at Ridiculously Low Prices



Westview Center

LA|FITNESS.
VCF VALUE CITY FURNITURE

searsoutlet
CHUCK E. CHEESE'S

DOLLAR TREE
BIG LOTS!

Barrington Road (38,500 AADT)

East Irving Park Road (33,700 AADT)

Checkers
BURGERS • FRIES • COLAS

Little Caesars

jiffylube



Walgreens



Oakfield Shopping Center



INDUSTRIAL PARK

Woodland Heights Shopping Center



Tefft Middle School
(850+ students)



Parkwood Elementary School
(425 students)

Market Square Shopping Center



Westview Center



Walgreens

East Irving Park Road (33,700 AADT)

Barrington Road (38,500 AADT)

MATTRESS FIRM

Ranger Park



INDUSTRIAL
PARK



Greenbrook Plaza



Hanover Highlands
Elementary School
(400+ students)



Lavelle Field

East Irving Park Road (33,700 AADT)

Hanover Park -
Metra's Milwaukee West Line
(1,400 passengers/day)

Hanover Park -
Park District Community

Hanover Square



Laurel Hill
Elementary School
(500+ students)



Barrington Road (38,500 AADT)

MATTRESS FIRM



Westview Center



SITE PLAN

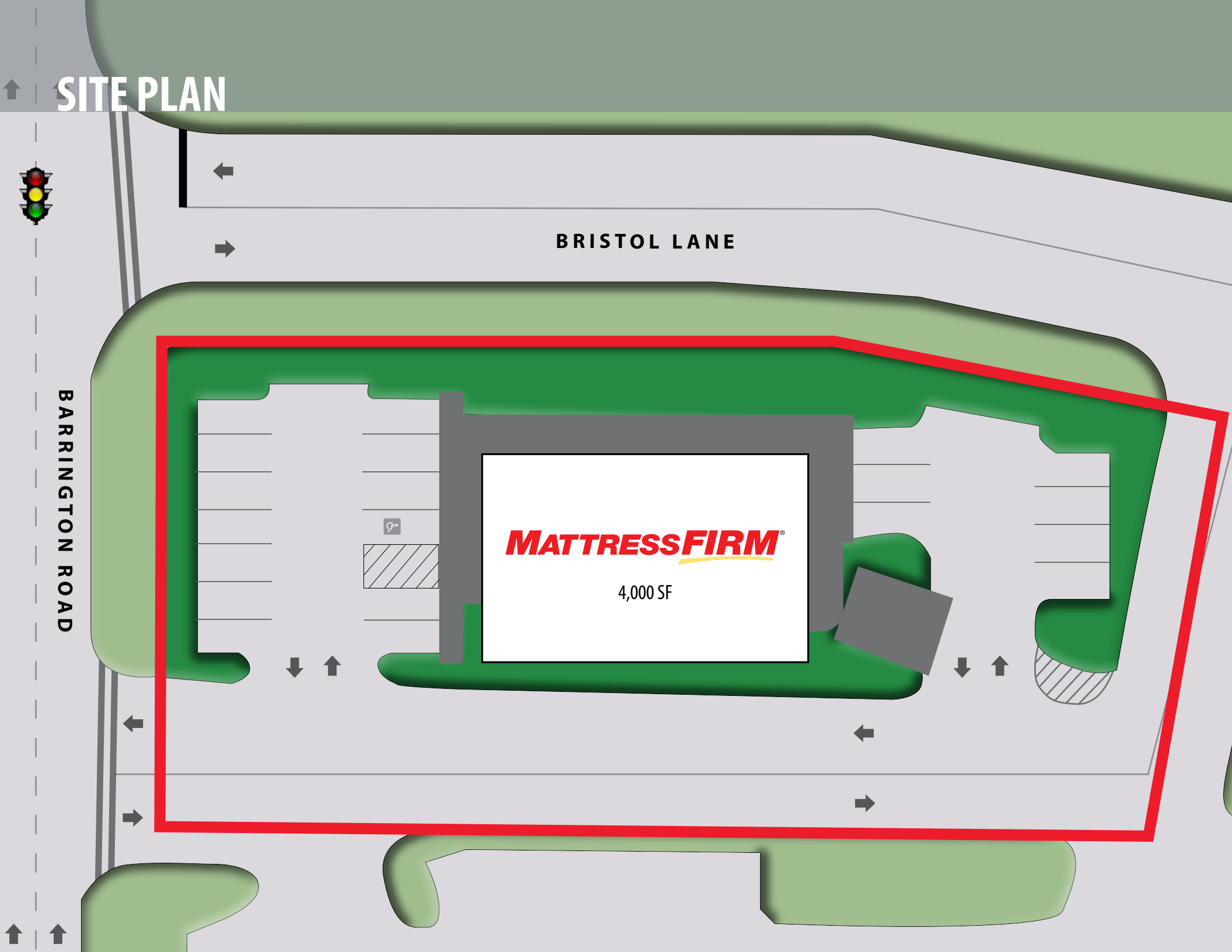


BRISTOL LANE

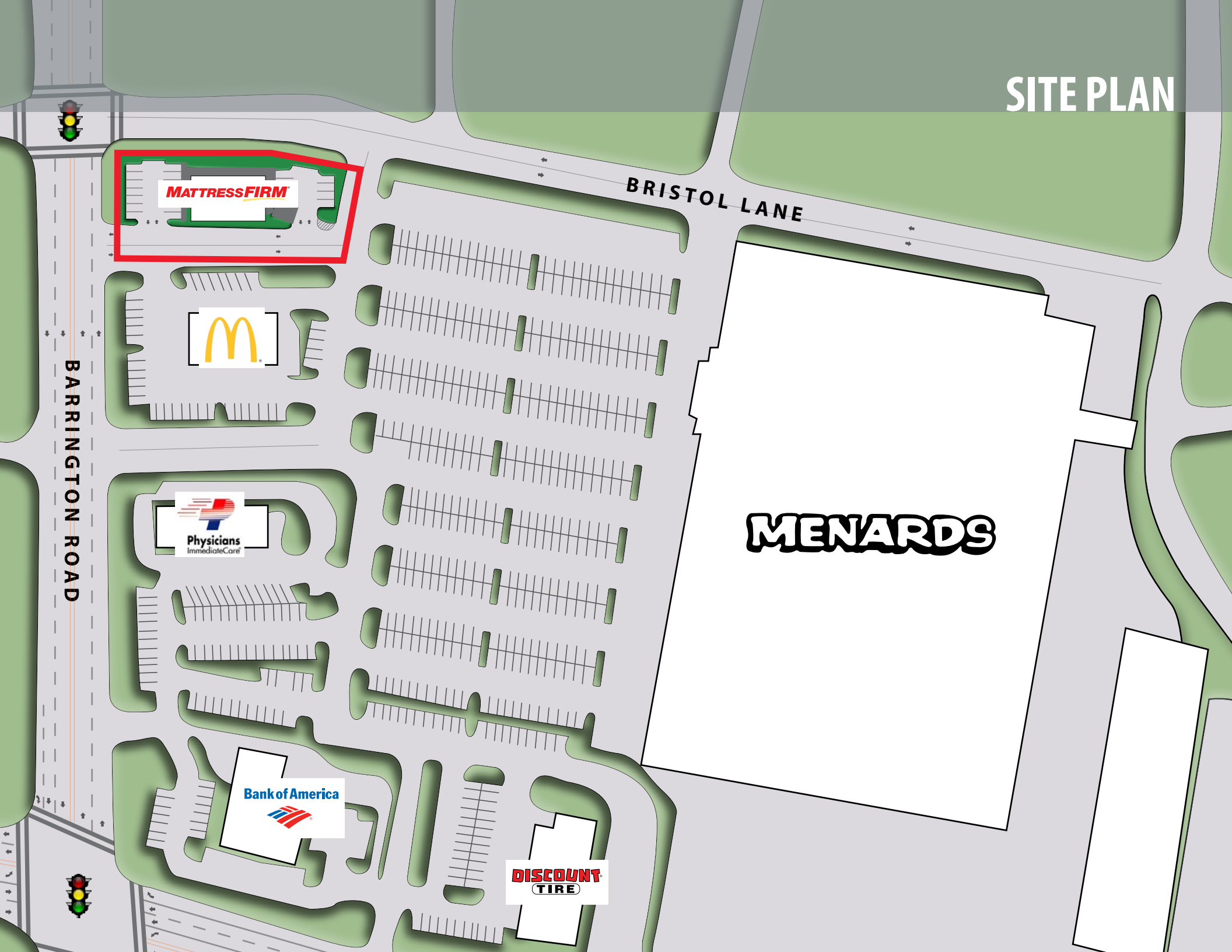
BARRINGTON ROAD

MATTRESSFIRM®

4,000 SF



SITE PLAN



MATTRESS FIRM



Bank of America

**DISCOUNT
TIRE**

BRISTOL LANE

BARRINGTON ROAD

MENARDS

TENANT SUMMARY



Mattress Firm is a specialty retailer of mattresses and related products and accessories. The company was founded in 1986 and is headquartered in Houston, Texas. Mattress Firm has grown to become the largest and most successful bedding company in the U.S. Mattress Firm recently announced its plans to buy out another competitor, Sleepy's, for \$780 million, bringing their store count to over 3,500 locations. Mattress Firm was recently upgraded by Moody's to "B1" from "B2" on July 13, 2015.

LOCATIONS	3,500+	REVENUE	\$1.81B
FOUNDED	1986	HEADQUARTERS	Houston, TX



FILE PHOTO

LEASE ABSTRACT

TENANT	Mattress Firm, Inc.			
GUARANTOR	Mattress Holding Corp.			
ADDRESS	7465 Barrington Road, Hanover Park, Illinois			
RENT COMMENCEMENT	October 28, 2016			
RENT EXPIRATION	October 31, 2031			
RENEWAL OPTIONS	Two (2) five (5) year options			
RENTAL SCHEDULE	TERM	MATTRESS FIRM RENT	GROUND RENT	NOI
	Year 1 - Year 5	\$177,520	(\$65,000)	\$112,520
	Year 6 - Year 10	\$195,280	(\$71,500)	\$123,780
	Year 11 - Year 15	\$214,840	(\$78,650)	\$136,190
	Option 1	\$236,360	(\$86,515)	\$149,845
	Option 2	\$260,000	(\$95,167)	\$164,833
REAL ESTATE TAXES	Tenant shall pay to Landlord, as additional rent, all real estate taxes.			
INSURANCE	Tenant, at Tenant's sole cost and expense, shall obtain and maintain all-risk property insurance, commercial general liability insurance naming Landlord as additionally insured, and worker's compensation insurance.			
REPAIR & MAINTENANCE	Landlord shall carry special perils property insurance, naming Tenant as additionally insured, and Tenant shall pay Landlord for the cost of Landlord's insurance.			
UTILITIES	Tenant will perform the day to day maintenance of the exterior parking and landscaped areas and keep the premises neat and clean. Tenant shall make and pay for all repairs to the interior non-structural portions of the premises and all equipment and systems located within and serving the premises exclusively.			
MAINTENANCE BY LANDLORD	Landlord shall repair all damage to the building or the exterior parking and landscaped areas of the premises caused by subsidence and maintain the roofing, exterior, and all structural portions of the building.			
RIGHT OF FIRST REFUSAL	None			

STEINHOFF ACQUISITION



Steinhoff is an integrated retailer that manufactures, sources, and retails furniture, household goods, and general merchandise in Europe, Africa, and Australasia. Steinhoff's vertically integrated business model is based upon a strategy of sourcing and manufacturing products at low cost and distributing them to its value-conscious customer base through its extensive retail footprint. Steinhoff's integrated retail divisions are comprised of:

- » Household goods comprising furniture and homeware retail businesses;
- » General merchandise focusing on clothing and footwear, accessories, and homeware; and
- » Automotive dealerships in South Africa, which provide vehicles, parts, insurance, accessories, and servicing.

Steinhoff has a primary listing on the Frankfurt Stock Exchange and a secondary listing on the Johannesburg Stock Exchange, and as of August 5, 2016 (the latest practicable date prior to publication of this Announcement) has a market capitalization of approximately €22 billion (\$24 billion). Steinhoff reported revenue and operating profit for the nine months ended March 31, 2016 of €9.9 billion (\$11 billion) and €1.1 billion (\$1.2 billion) respectively, and employs approximately 105,000 people.

For more information visit www.steinhoffinternational.com

TICKER	FRANKFURT: "SNH"	# OF EMPLOYEES	105,000
REVENUE	\$11B	HEADQUARTERS	South Africa

ANALYSTS STUNNED BY 115% PREMIUM IN MATTRESS FIRM TAKEOVER BID

StreetInsider (Aug. 8, 2016): Mattress Firm Holding Corp., the nation's largest mattress retailer, announced that the Company and Steinhoff International Holdings N.V. (FRANKFURT: SNH) have entered into a definitive merger agreement under which Steinhoff will, subject to the successful consummation of a cash tender offer and satisfaction of other customary closing conditions, acquire Mattress Firm for \$64.00 per share in cash, which represents a premium of 115% over the Company's closing stock price of \$29.74 on Friday, August 5, 2016. This represents a total equity value of approximately \$2.4 billion and an enterprise value of approximately \$3.8 billion, including net debt. The merger agreement, which has been unanimously approved by the Mattress Firm board of directors and the management and supervisory boards of Steinhoff, will create the world's largest multi-brand mattress retail distribution network...

At the close of the transaction, Mattress Firm will operate as a subsidiary of Steinhoff from Mattress Firm's current headquarters in Houston, Texas. Both Steve Stagner, executive chairman and chairman of the board of Mattress Firm, and Ken Murphy, president and CEO of Mattress Firm, will remain in their positions with Mr. Stagner also joining Steinhoff's executive committee.

"The Mattress Firm board believes that the transaction provides significant value to our stockholders through the premium to our share price and the immediate liquidity at closing, while giving Mattress Firm an ideal partner with a proven track record in the complete mattress supply chain including the retail and manufacture of mattresses," said Mr. Stagner. "This expertise will complement our diverse selection of products provided by our valuable partners. Steinhoff's management team shares our vision for the growth and expansion of Mattress Firm and, as such, we believe they are the right long-term partner for our customers, employees, suppliers, and other stakeholders."

"Today's announcement marks an exciting new chapter for Mattress Firm that will open up future opportunities for our employees, our customers, and our business partners," said Mr. Murphy. "We remain focused on our long-term strategy to build a national chain under one banner in the U.S. and we will continue activating and unlocking the true power of all of the assets we have assembled to truly become the preferred choice for better sleep."

» [READ THE ENTIRE ARTICLE](#)

PROPERTY OVERVIEW

LOCATION

The property is located on the hard corner of Barrington Road and Bristol Lane, an intersection with access and visibility to 38,500 vehicles per day. The site is an outparcel to Menards, one of the area's top employers, and is located along Hanover Park's main retail corridor. Other major tenants nearby include Sam's Club, Walgreens, McDonald's, Bank of America, Target, Home Depot, and Ross Dress for Less, among many others. Stratford Square Mall, which is slated for a \$30 million-plus renovation, is less than five miles southeast of the site, and is anchored by Burlington Coat Factory, Macy's, Sears, and Caron's. It is expected to provide a sales tax boost for the village.

The property also benefits from its central location in the Chicago metropolitan statistical area (MSA), with 266,814 people living within a five-mile radius of the property--providing a large customer base for Mattress Firm. Less than a mile south of the site, Metra's Milwaukee West Line, which runs between Elgin, Illinois and Chicago, Illinois sees over 1,400 passengers a day from the Hanover Park stop. O'Hare International Airport is located 17 miles east. Downtown Chicago is only 45 minutes away by rail, and offers various sports and art attractions to Hanover Park residents.

ACCESS

Access from Barrington Road and Bristol Lane

TRAFFIC COUNTS

Barrington Road & Bristol Lane: 38,500 AADT
Irving Park Road: 33,700 AADT

PARKING

20 parking spaces, including one (1) handicap space

YEAR BUILT

2017

NEAREST AIRPORT

Chicago O'Hare International Airport (ORD)



FILE PHOTO



20
PARKING
STALLS



2016
YEAR BUILT



38K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
CHICAGO O'HARE
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Hanover Park is a village located in Cook and Dupage counties, housed under the Chicago metropolitan statistical area (MSA). The village is home to over 20 parks and two wildlife reserves, making it one of the finest, and most family friendly, recreational areas in the Chicago MSA, with ample opportunities to fish, boat, picnic, and bike. Hanover Park is also primly located near both O'Hare International Airport (17 miles northwest) and Downtown Chicago (45 minutes northwest by rail). And is located in the southwest portion of what is referred to as The Golden Corridor, an area around Jane Addams Memorial Tollway (Interstate 90) that has generated noteworthy economic profit for the communities within it.

Chicago is an international hub for finance, commerce, industry, technology, telecommunications, and transportation: O'Hare International Airport is the second busiest airport in the world when measured by aircraft traffic; the region also has the largest number of U.S. highways and rail road freight. Chicago has the third-largest gross metropolitan product in the U.S.—about \$630.3 billion according to 2014–2016 estimates. The city has one of the world's largest and most diversified economies, with no single industry employing more than 14% of the workforce. In 2015, Chicago hosted over 52 million international and domestic visitors, a new record for the city, making it one of the top visited cities in the nation. Chicago's culture includes the visual arts, novels, film, theater, and music. It also has professional sports teams in each of the major professional leagues, all closely available to Hanover Park residents.

- » Over 1,000 commuters board the Metra station at Hanover Park every day, which has seen the fastest growth in the west line.
- » Hanover Park houses the Mallard Lake Forest Preserve and Hawk Hollow Preserve, which offer residents fishing piers, a dog exercise area, and a bike path, while being home to over 530 plant and 132 animal species.
- » The Golden Corridor houses the corporate headquarters of several Fortune 500 companies, including IBM, United Airlines, Motorola Solutions, Panasonic, Citicorp, and U.S. Robotics. The Chicago MSA is home to the corporate headquarters of 57 Fortune 1000 companies, including Boeing, McDonald's, Discover Financial Services, United Continental Holdings, Walgreens, and Aon, representing a diverse group of industries. The area is a major global financial center, and Chicago is home to the largest futures exchange in the world, the CME Group (Chicago Mercantile Exchange).
- » Chicago is the most populous city in the state of Illinois and the Midwest, with nearly 10 million people.
- » Chicago is a major transportation hub and an important component in global distribution, as it is the third-largest inter-modal port in the world after Hong Kong and Singapore.

MAJOR EMPLOYERS IN CHICAGO MSA	# OF EMPLOYEES
THE U.S. GOVERNMENT	51,700
CHICAGO PUBLIC SCHOOLS	43,783
CITY OF CHICAGO	39,675
JEWEL-OSCO	34,037
COOK COUNTY	25,482
ADVOCATE HEALTH CARE	25,279
UPS	19,000
STATE OF ILLINOIS	17,056
SBC COMMUNICATIONS	16,500
WALMART	16,350



DEMOGRAPHIC PROFILE

2016 SUMMARY	1 Mile	3 Miles	5 Miles
Population	20,587	129,238	266,814
Households	5,870	44,161	96,176
Families	4,718	32,929	68,917
Average Household Size	3.47	2.92	2.76
Owner Occupied Housing Units	4,696	35,246	74,468
Renter Occupied Housing Units	1,175	8,915	21,708
Median Age	34.0	36.3	37.9
Average Household Income	\$78,035	\$88,995	\$93,893

2021 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	20,777	130,833	270,556
Households	5,928	44,704	97,536
Families	4,748	33,212	69,590
Average Household Size	3.47	2.92	2.76
Owner Occupied Housing Units	4,734	35,572	75,252
Renter Occupied Housing Units	1,194	9,132	22,284
Median Age	35.5	37.4	39.0
Average Household Income	\$84,706	\$96,250	\$101,628



**YURAS
AICALE
FORSYTH
CROWLE**

Leased Investment Team

MATTRESSFIRM

**MATTRESSFIRM
GRAND
OPENING!**

NOW
OPEN

Grand
Opening
SALE

QUEEN
SET
\$188

TEMPUR
SOLD
HERE

MICHAEL T. YURAS, CCIM
Executive Managing Director
415.481.0788
michael.yuras@cushwake.com
CA RE License #01823291

SCOTT CROWLE
Senior Director
415.604.4288
scott.crowle@cushwake.com
CA RE License #01318288

Cushman and Wakefield Inc. LIC. # 00616335

www.YAFteam.com