

ACROSS FROM



MATTRESSFIRM®

SINGLE TENANT NET LEASED (FEE SIMPLE)

Mattress Firm (NASDAQ: MFRM) - Credit Tenant

4576 South Power Road, Gilbert, AZ 85296



Colliers
INTERNATIONAL

PROPERTY OVERVIEW

We are pleased to offer to qualified investors an opportunity to purchase a single tenant net leased investment fully occupied by Mattress Firm (NASDAQ: MFRM) with approximately 8.8 years remaining on the initial term. This recently constructed 2016 building offers investors attractive long term cash flow with a 10% rental increase in year 2021 and similar increases in each of the two, five (5) year option periods. Located as an outparcel to Ashley Furniture Warehouse at the intersection of Loop 202 and Power Road - one of the most dominant retail hubs in the submarket - the subject property benefits from the regional draw of the adjacent 700,000 SF regional power center anchored by Super Target, Walmart Supercenter, Ross Dress for Less, Cost Plus World Market, and Michael's. This is an excellent opportunity to acquire a recently constructed building (2016), fully leased to a credit tenant (NASDAQ: MFRM), that provides long term income with a hedge against inflation (10% rental increases), with minimal landlord responsibilities - roof and structure only.



PRICING DETAILS

List Price	\$5,185,000
NOI	\$350,000
CAP Rate	6.75%
Taxes	NNN
Insurance	NNN
CAM	NNN
HVAC and Parking Lot	Tenant Responsible

LEASE ABSTRACT

Tenant Trade Name	Mattress Firm
Lease Start	April 16, 2016
Lease Expiration	March 31, 2027
Lease Term	11 Years
Term Remaining On Lease	8.8 Years
Base Rent	\$350,000
Rental Adjustments	4/1/2021 - \$385,000
Option Periods	2 - 5 Year Options 9% Increase Each Option 4/1/2027: \$420,000 4/1/2032: \$455,000
Lease Type	NN Lease
Roof & Structure	Landlord Responsible*
*Roof Warranty	

INVESTMENT HIGHLIGHTS

- Mattress Firm (NASDAQ: MFRM) - Credit Tenant - Corporate Backed Store
- Approximately 8.8 Years Remaining - Two, Five (5) Year Options Remaining
- 10% Rental Increase in Year 2021 - 9% Rental Increases in Each Option Period
- NN Lease - Roof & Structure Only - Recently Constructed Building (2016)
- Located at the Intersection of Loop 202 & S. Power Rd.
- Approximately 30,000 VPD on Power Road & 55,000 VPD on Loop 202
- Outparcel to Ashley Furniture Warehouse
- Adjacent to a Vestar Owned 700,000 SF Power Center - Regional Draw
- Anchored by Super Target, Walmart Supercenter, Ross Dress for Less, Cost Plus World Market
- Nearby Retailers include Chick-fil-A, Starbucks, PetSmart, Michaels, Party City, Shell
- Gilbert - The Most Prosperous City of its Size in the U.S. - Economic Innovation Group
- One of the Most Attractive Retail Submarkets in Western U.S.
- Free and Clear of Existing Debt





Walmart
Supercenter

Party City
NOBODY HAS MORE PARTY FOR LESS

Carl's Jr.

CHASE

Shell

PETSMART

Pier 1 imports

ROSS
DRESS FOR LESS

TARGET

WORLD MARKET
Unique, authentic and cheap alternatives

Michaels

Dollar Tree

Chick-fil-A

Applebee's

TEXAS ROADHOUSE

american
Furniture Warehouse
LIFESTYLE FURNITURE

202

STATE LAND

SANTAN FWY. 55,000 VPD

S. POWER RD. 30,000 VPD

MATTRESSFIRM

GameStop
POWER TO THE PLAYERS

STARBUCKS
COFFEE

Sweet Tomatoes
salads • soups • bakery

CHIPOTLE
MEXICAN GRILL

T-Mobile

Village Inn

E. NUNNELEY RD.

PARCEL DETAILS

APN	Building Size	Land Size
304-39-958	10,000 SF	60,408 SF (1.39 AC)

TENANT OVERVIEW

With more than 3,500 company-operated and franchised stores across 49 states, Mattress Firm has the largest geographic footprint in the United States among multi-brand mattress retailers. Founded in 1986, Houston-based Mattress Firm is the nation's leading specialty bedding retailer with over \$3.5 billion in pro forma sales in 2015. In September 2016, the company was acquired by Steinhoff International for \$3.8 billion, and Mattress Firm now operates as a subsidiary of Steinhoff.

MATTRESSFIRM

The company, through its brands including Mattress Firm, Sleepy's and Sleep Train, offers a broad selection of both traditional and specialty mattresses, bedding accessories and other related products from leading manufacturers, including Serta, Simmons and Hampton & Rhodes.

The #1 Mattress Specialty Retailer



Significant Scale Pro Forma for February 2016 Sleepy's Acquisition

\$3.8+ bn

Fiscal 2016 projected sales of approximately \$3.825-\$3.875 billion

3,500+

Over 3,500 locations...

48

...in 48 states with 75 distribution centers





Steinhoff holds retailing activities in 30 countries, counting 12,000 retail outlets belonging to 40 different brands, and employing about 130,000 employees. 60% of the company's revenue, and 2/3 of its benefits, are made in Europe. Steinhoff expanded into the United States market on August 7, 2016. Steinhoff's South African brands include HiFi Corp, Pennypinchers, Timbercity, Pep, Ackermans, Shoe City, Incredible Connection, and Unitrans. In the UK, Steinhoff owns the high street brands Cargo, Harveys Furniture, Bensons for Beds, Sleepmaster and Pep&Co



9 Million RETAIL SPACE

2.5 Million WAREHOUSE SPACE

4 Million PROPERTY PORTFOLIO



Approximately 12 000 Retail Outlets



26 Manufacturing Facilities



Approximately 130 000 Employees



Gilbert Gateway Towne Center



GILBERT GATEWAY TOWNE CENTER

Gilbert Gateway Towne Center has amassed a brilliant collection of boutiques, national retail anchors, unique eateries and traditional restaurants. For a quick bite, a special occasion, a gallon of milk, or an afternoon of retail therapy, the towne center delivers.





MSA OVERVIEW

Phoenix's retail sector continues to steadily improve. Overall, strong tenant demand — bolstered by positive job and population growth — has enabled absorption to outpace supply additions, a trend that continued in the first half of 2018.

The market's strong demographic trends bode well for retail demand moving forward. Phoenix's population is growing at nearly three times the national rate and job growth continues to consistently outpace the national average. Furthermore, the metro's single-family housing market is finally back on firm footing — home prices increased by about 7% last year and are well positioned to return to prerecession levels.

In addition to strong job and wage growth, Phoenix's population has expanded at a faster rate than has its retail inventory. In fact, Phoenix only has about 43 SF of retail space per capita, which is below the national average and one of the lowest concentrations of retail space among major metros in the Southwest. While construction did tick up in 2016 and 2017, net deliveries were still well below their historical average.

	PHOENIX	MARICOPA COUNTY	STATE OF AZ
1990	987,285	2,130,400	2,680,800
2000	1,321,045	3,072,149	5,130,632
2015	1,527,509	4,076,438	6,758,251
2020	1,648,800	4,506,800	7,346,800
2030	1,880,000	5,359,400	8,535,900

Source: Arizona Department of Administration, azstats.gov, 2013.

Phoenix-Metro Area Accounted for Nearly Three-Quarters of the State's 2.8 million Jobs Overall in Jan. 2018

The Phoenix MSA has 4.7 Million of the 7 Million Residents in Arizona

Phoenix's Unemployment Rate is Falling (at 4.5 percent in Jan. 2018) and Wages are Climbing

Housing Affordability – Nearly 60% of Homes Sold in 4Q 2017 were Affordable to the U.S. Median Income of \$68,000

Arizona is One of the Fastest Growing State's in the U.S

1.6% Increase in Population (2016 – 2017) – The U.S. Grew by 0.7% Percent

Gross Sales from Tourism in Ariz. Increased by 4.6% (Dec. 2016 - Dec. 2017)

Arizona – Top 5 State for Franchising – International Franchise Association

The Average Retail Rent Increased by 3.0% to \$1.89 PSF Monthly from 2016 - 2017

Retail Vacancy Rate Remained Roughly Flat at 8.8%

GILBERT, AZ

With attractive demographics, award-winning amenities, strategically identified business incentives and high-profile developments, Gilbert offers immediate, attainable economic opportunity for industry-leading companies. With a median age of 32.5 and 77.6% of the population under the age of 50, Gilbert provides an abundant pipeline of workers to support the growth of business and industry. Gilbert-based businesses have access to a specialized and educated workforce with over 255,000 residents. In addition, employers have access to a workforce of 1.6 million individuals within a 30 minute commute.

Gilbert boasts one of the highest median incomes in the state of Arizona at \$80,000+ and a population of three persons per household. From 2009 to December 2014, Gilbert led the Phoenix Metro Area with 9,468 issued single family permits, making Gilbert the fastest growing city in Arizona and among the Nation's Fastest Growing Communities. Gilbert has a focus on attracting, retaining and growing jobs within STEM occupations (Science, Technology, Engineers and Math). From 2010 – 2015, Gilbert has seen a 14% growth in STEM workforce, outpacing the Phoenix metropolitan area, as a whole.

WITHIN A 30-MINUTE COMMUTE FROM GILBERT

70% of the Phoenix Metro's high tech workforce

60% of the Phoenix Metro's healthcare workforce

73% of the Phoenix Metro's engineering workforce

67% of the Phoenix Metro's advanced business services workforce





Population	1-MILE	3-MILE	5-MILE
Estimated Population (2018)	3,244	67,084	214,645
Projected Population (2023)	3,534	73,348	232,334
Households	1-MILE	3-MILE	5-MILE
Estimated Households (2018)	1,117	22,053	75,193
Projected Households (2023)	1,219	24,150	81,469

Neighborhood
67,084 Residents
Within a 3-Mile Radius





Income	1-MILE	3-MILE	5-MILE
Avg. Household Income (2018)	\$67,801	\$99,144	\$99,157
Median Household Income (2018)	\$63,930	\$84,832	\$81,440
Business Facts	1-MILE	3-MILE	5-MILE
Total # of Businesses (2018)	276	1,424	7,202
Total # of Employees (2018)	2,366	11,690	60,821

Strong Demographics

\$99,144

**Average Household Income
Within a 3-Mile Radius**



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