

# MATTRESS FIRM

Representative Photo



## OFFERING MEMORANDUM

**MATTRESS FIRM®**  
Save Money. Sleep Happy.™

113 Cypress Gardens Blvd – Winter Haven, FL 33880

# Confidentiality and Disclaimer

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# Investment Highlights

## LOCATION

### REAL ESTATE FUNDAMENTALS

- ✓ Prime Retail Location | National Tenants Include: Walmart, Taco Bell, Burger King, Applebee's, Dollar General, Starbucks, Panera, Chick-fil-A, Outback, Red Lobster, Chipotle, Publix, McDonald's, and CVS
- ✓ Excellent Surrounding Area Demographics | Roughly 100,000 People Living Within a 5-Mile Radius
- ✓ Located in Florida | Income Tax Free State
- ✓ Winter Haven Senior High School | Located Less Than One Mile Northwest of the Subject Property | Total Enrollment of ~2,250 Students

## LEASE

### LEASE STRUCTURE

- ✓ Corporate Tenant
- ✓ Double Net (NN) Lease with Minimal Landlord Responsibilities
- ✓ 8 Years Remaining on 11-Year Base Lease Term
- ✓ Two (2) Tenant Renewal Periods of Five (5) Years Each

## TENANT

### TENANT & CONCEPT

- ✓ Largest Footprint in the United States Among All Multi-Brand Mattress Retailers | 2,500+ Company-Operated Stores Across 49 States
- ✓ Long Term Operational History | Founded in 1986 in Houston, TX
- ✓ Strong Growth Outlook | Same Store Sales Expected to Increase by ~8% By the End of 2020
- ✓ Part of the Steinhoff International Holdings N.V. Family | Operates More than 12,000 Retail Stores across 30 Countries



# Financial Analysis & Investment Summary

PURCHASE PRICE: \$2,368,000 | CAP RATE: 6.25% | RENT: \$148,000

## PROPERTY DESCRIPTION

Property	Mattress Firm
Property Address	113 Cypress Gardens Blvd
City, State ZIP	Winter Haven, FL 33880
Building Size (SF)	4,000
Lot Size (Acres)	+/- 0.44
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,368,000
CAP Rate	6.25%
Annual Rent	\$148,000

## LEASE SUMMARY

Property Type	Net Lease Mattress Store
Tenant	Mattress Firm, Inc.
Lease Term	11 Years
Lease Commencement	January 6, 2016
Lease Expiration	July 31, 2027
Lease Term Remaining	8+ Years
Lease Type	Double-Net (NN)
Roof & Structure	Landlord Responsible
Options to Renew	Two (2), Five (5) Year Options
Rental Increases	\$39.76 PSF in Option 1; \$42.49 PSF in Option 2

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent
Current Rent	\$148,000	\$12,333
Year 4	\$148,000	\$12,333
Year 5	\$148,000	\$12,333
Year 6	\$148,000	\$12,333
Year 7	\$148,000	\$12,333
Year 8	\$148,000	\$12,333
Year 9	\$148,000	\$12,333
Year 10	\$148,000	\$12,333
Year 11	\$148,000	\$12,333

## Investment Summary

Marcus & Millichap is pleased to present the exclusive listing for a Mattress Firm located at 113 Cypress Gardens Blvd in Winter Haven, FL. The property consists of 4,000 square feet of building space and is situated on approximately 0.44 acres of land. The property is subject to an 11-year double-net (NN) lease with more than 8 years remaining on the initial term, which requires zero landlord responsibility. The lease calls for an annual rent of \$148,000, with rental increases occurring in each of the two (2), five (5)-year option periods.





# Concept Overview



With over 2,500 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.

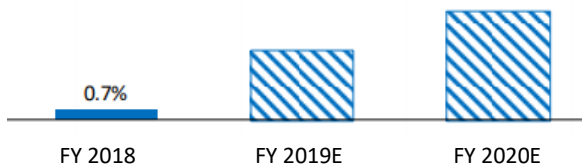
The company, through its brands including Mattress Firm, Sleepy's and Sleep Train, offers a broad selection of both traditional and specialty mattresses, bedding accessories and other related products from leading manufacturers, including Serta, Simmons and Hampton & Rhodes.

## Corporate Overview

Number of Locations	2,500+
Total Number of Employees	8,500
Headquarters	Houston, TX
Year Founded	1986
Parent Company	Steinhoff International Holdings, N.V.

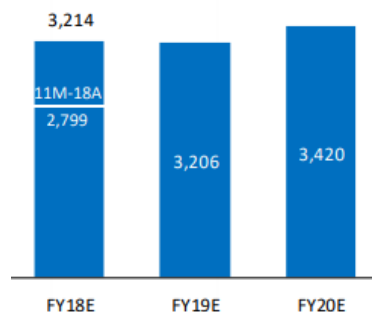


## Pro Forma Same Store Sales Growth

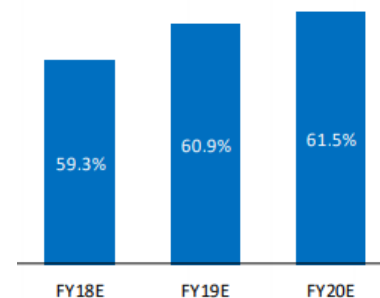


\*Same store sales growth of c.5% in FY19E and c.8% FY20E

## Pro Forma Revenue (\$M)



## Pro Forma Gross Margin (%)





# Concept Overview



## STEINHOFF

INTERNATIONAL HOLDINGS N.V.

Over more than 50 years, Steinhoff has developed into a global retailer that provides everyday products at affordable prices, serving customers at their convenience.

Steinhoff aims to be the number one retailer of choice by households for quality and value, and with more than 12,000 stores in over 30 countries we provide everyday products at discount prices.

Even though the group has an extensive global footprint, it specifically keeps the retail brands local – recognizing and celebrating the cultures of the countries in which they have made their mark. Brand loyalty is one of the most important factors to protect when providing a product or service, and in their world, they do both. Steinhoff continuously aim to provide their customers with products that are relevant to them.

From big box destination stores, store-in-store concepts, to focused specialty stores, our goal is to make shopping as easy and convenient as possible. Customers can view, experience and buy in ways that are most convenient to them. Shopping can be done in-store or online, with purchases being delivered to homes, or collected in-store via click-and-collect.

## Steinhoff At A Glance



APPROXIMATELY **12 000** RETAIL OUTLETS



**9 million m<sup>2</sup>** RETAIL SPACE

**2.5 million m<sup>2</sup>** WAREHOUSE SPACE

**4 million m<sup>2</sup>** PROPERTY PORTFOLIO



**26** MANUFACTURING FACILITIES



**150 000** CONTAINERS SHIPPED ANNUALLY



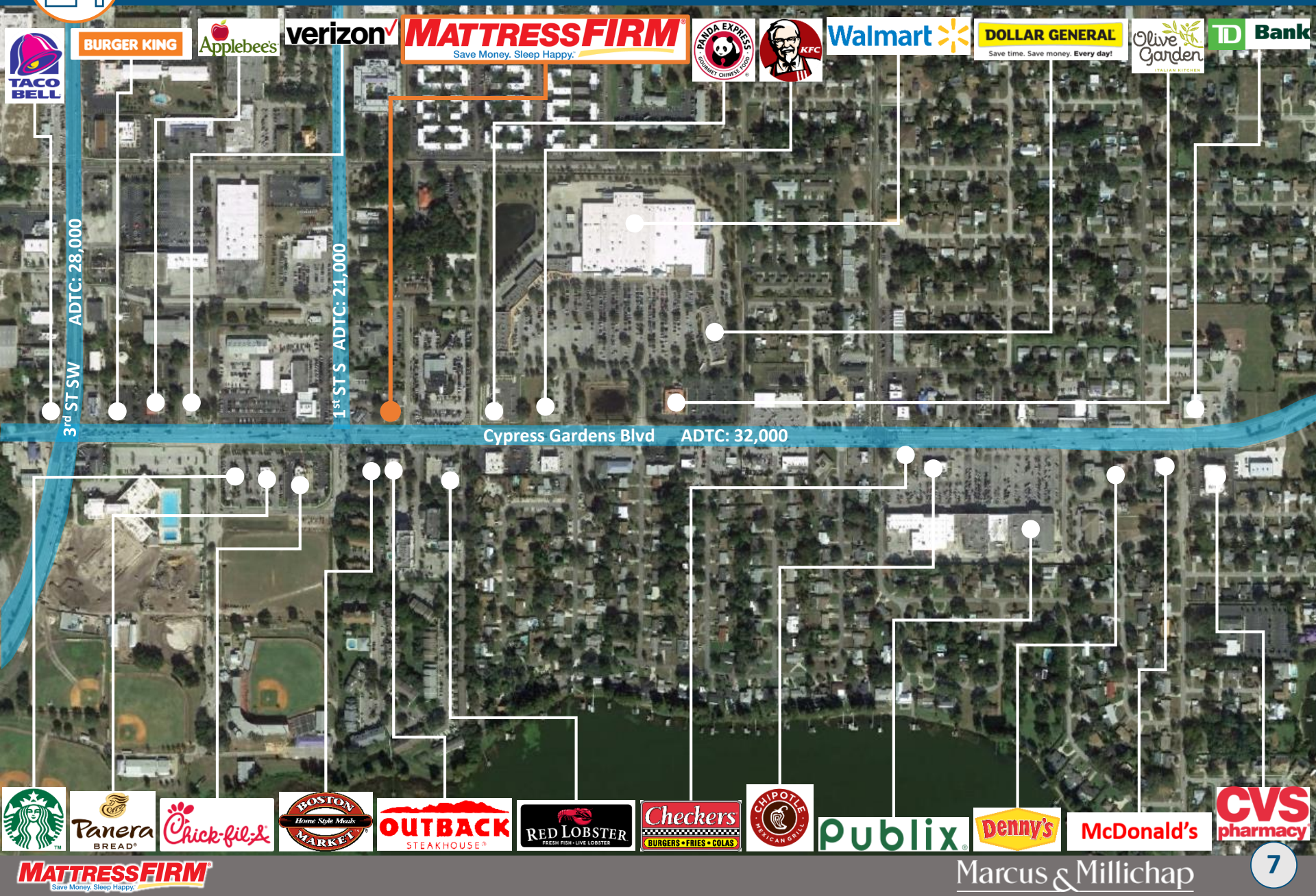
APPROXIMATELY **130 000** EMPLOYEES







# Surrounding Area





# Location Overview

This subject Mattress Firm property is located at 113 Cypress Gardens Blvd in Winter Haven, FL. Winter Haven is a city located in central Florida between Orlando and Tampa.

## SURROUNDING RETAIL & POINTS OF INTEREST

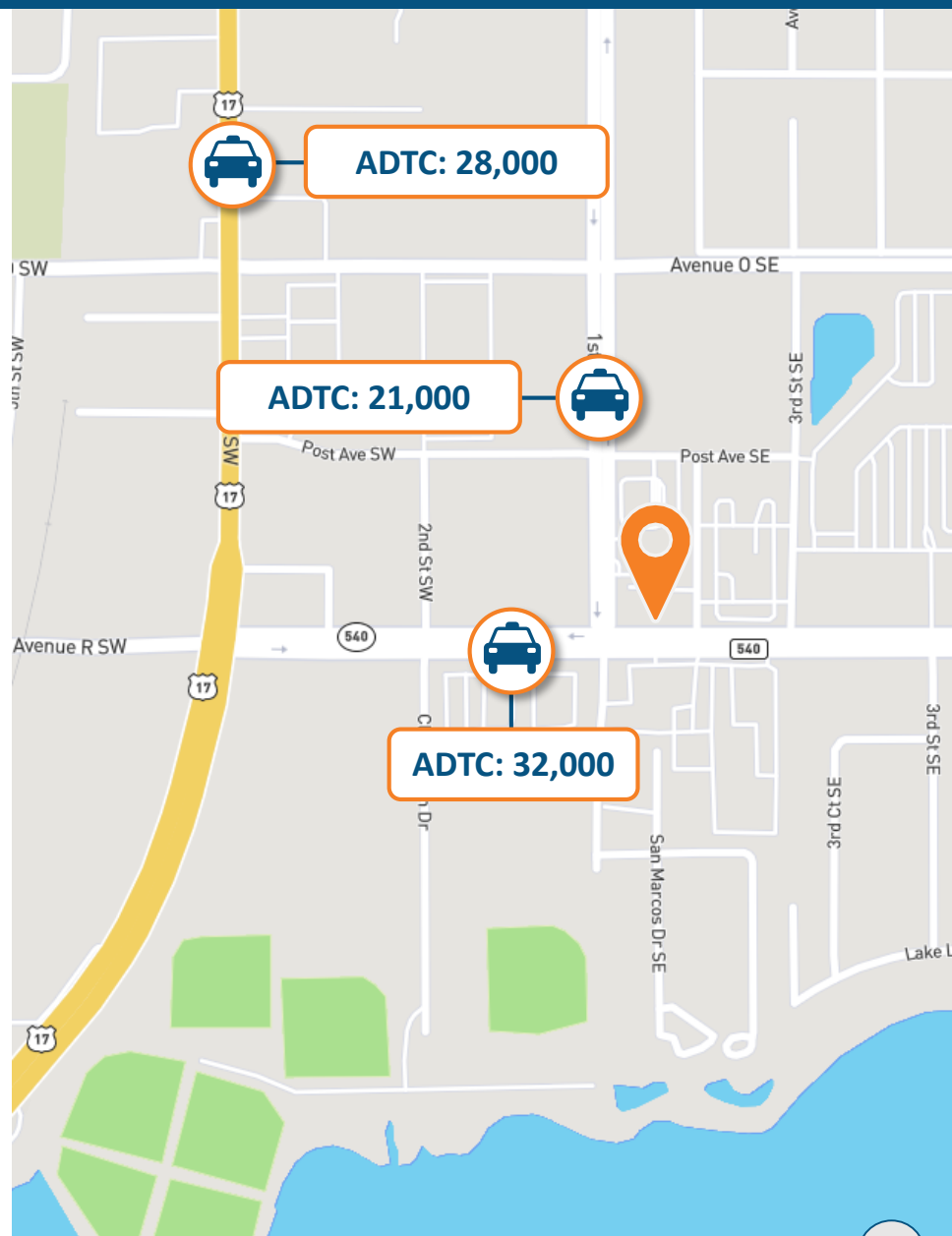
The subject property benefits from being located in an area with a very strong retail and restaurant presence. There are many nationally recognizable tenants in the area immediately surrounding the subject property, including: Walmart, Taco Bell, Burger King, Applebee's, Dollar General, Starbucks, Panera, Chick-fil-A, Outback, Red Lobster, Chipotle, Publix, McDonald's, and CVS. In addition to these numerous retail and restaurant concepts, the subject property benefits from its close proximity to the Chain O' Lakes Complex, which is a large sports facility featuring numerous attractions including a pool and several baseball fields. The subject property is also located less than one mile from Winter Haven Senior High School, which is one of the largest high schools in the area, with a total enrollment of approximately 2,500 students.

## TRAFFIC COUNTS & DEMOGRAPHICS

There are nearly 43,000 individuals that reside within a three-mile radius of the subject property and 100,000 that reside within a five-mile radius. This Mattress Firm is located along Cypress Gardens Blvd, which has an average daily traffic count of 32,000 vehicles. Nearby 3<sup>rd</sup> St and 1<sup>st</sup> St also bring a total of 28,000 and 21,000 vehicles, respectively, into the immediate area, on average, each day.

## WINTER HAVEN, FL

The city of Winter Haven is located in Polk County, which sits in the center of the state of Florida roughly 40 miles southwest of Orlando and fifty miles east of Tampa. The city is known throughout the state and beyond for its 50 lakes encompassed in the within its borders, including its famous Chain of Lakes, and as a result the city bills itself as "The Chain of Lakes City". The lakes throughout the city are home to a wide array of wildlife, attracting tourists to see animals such as alligators, bald eagles, great blue herons, and more. In addition to this, the city is world-renowned amongst the bass fishing community and attracts a large number of bass fishermen each year. Once known as being a retirement city, the chamber of commerce has made significant strides to revitalize the city in recent year, transforming it into a renaissance city.





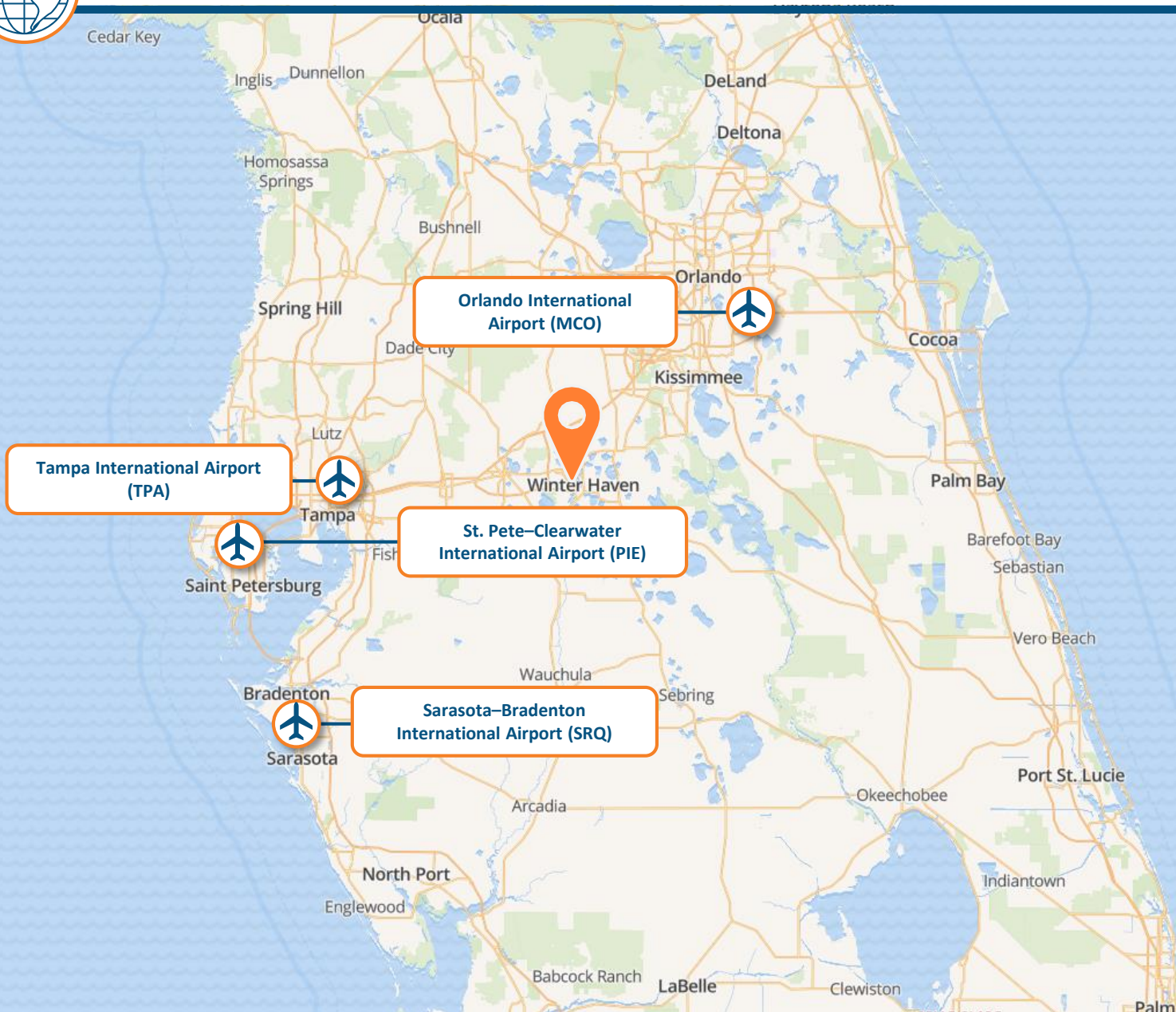


# Subject Property Photo





# Local Map



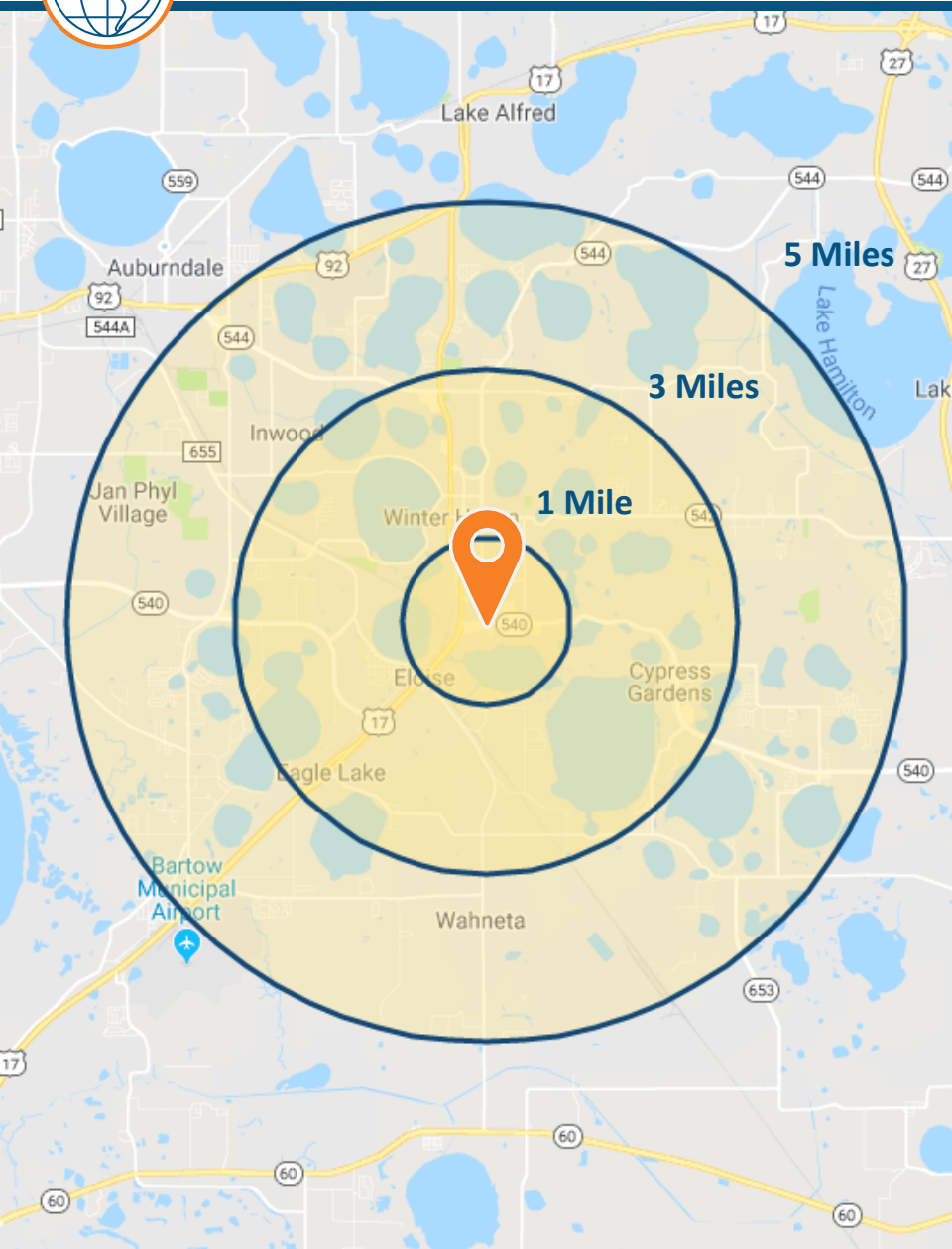








# Demographics



## DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
<b>POPULATION</b>			
2022 Projection	5,930	42,549	103,432
2017 Estimate	5,841	42,599	98,848
2010 Census	5,384	39,282	90,493
2000 Census	5,481	39,895	80,559
<b>INCOME</b>			
Average	\$60,796	\$63,058	\$61,686
Median	\$40,352	\$43,892	\$45,424
Per Capita	\$24,919	\$24,917	\$23,773
<b>HOUSEHOLDS</b>			
2022 Projection	2,393	16,853	40,095
2017 Estimate	2,365	16,702	37,919
2010 Census	2,178	15,432	34,777
2000 Census	2,416	16,468	32,080
<b>HOUSING</b>			
2017	\$136,864	\$140,700	\$138,158
<b>EMPLOYMENT</b>			
2017 Daytime Population	11,500	54,621	95,882
2017 Unemployment	4.36%	4.66%	4.61%
2017 Median Time Traveled	26 Mins	25 Mins	26 Mins
<b>RACE &amp; ETHNICITY</b>			
White	65.01%	66.56%	68.82%
Native American	0.15%	0.09%	0.07%
African American	23.48%	22.37%	18.99%
Asian/Pacific Islander	2.76%	1.85%	2.10%



# Market Overview



**Orlando, FL**

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**Orlando** is a city in the state of Florida and is the county seat of Orange County. It is also the center of the Orlando metropolitan area, which had a population of 2,387,138, according to U.S. Census Bureau figures released in 2016. Orlando is one of the world's most visited tourist destinations, with over 68 million visitors in 2016. The two most significant tourist attractions include Walt Disney World and Universal Orlando Resort. Walt Disney World is the area's largest attraction with its many facets such as the Magic Kingdom, Epcot, Disney's Hollywood Studios, Disney's Animal Kingdom, Typhoon Lagoon, Blizzard Beach and Disney Springs. There are also many more tourist attractions located along International Drive, with one of these being the famous Orlando Eye. The city is also one of the busiest American cities for conferences and conventions, containing the Orange County Convention Center, the second-largest convention facility in the United States. According to a 2009 Pew Research Center study, Orlando ranks as the fourth-most popular American city based on where people want to live.

Orlando is also a prominent location for film, television and electronic gaming industries, aided by the presence of Universal Studios, Disney's Hollywood Studios, Full Sail University, UCF College of Arts and Humanities, the Florida Interactive Entertainment Academy, and other entertainment companies and schools. The U.S. modeling, simulation and training industry is also centered in the Orlando region, with a particularly strong presence in the Central Florida Research Park adjacent to University of Central Florida. There are also many golf courses that can be found throughout Orlando, including the Bay Hill Club and Lodge, which is home to the Arnold Palmer Invitational. Two professional sports teams reside in Orlando as well, including the Orlando Magic of the National Basketball Association, and the Orlando City Soccer Club of Major League Soccer.

## MAJOR EMPLOYERS

Employer	# of Employees
Sunshine Radiology LLC	2,824
Winter Heaven Hospital	992
Carpenter Components Florida	800
National Staffing Solutions	750
Polk County Florida	681
City of Winter Haven	506
Noble Worldwide FI Citrus SIs	500
Mid-Florida Medical Services Inc	452
Walmart	400
Baycare Education Services	300
Bond & Clinic PA	300
Gessler Clinic Professional Association	300
# Of Employees Based on a 5-Mile Radius	

Marcus & Millichap

# Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING



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