



**MATTRESS FIRM**

3170 Middle Country Road • Lake Grove, NY 11755

## NON-ENDORSEMENT AND DISCLAIMER NOTICE

### **Confidentiality and Disclaimer**

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2018 Marcus & Millichap. All rights reserved.

### **Non-Endorsement Notice**

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.  
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

MATTRESS FIRM  
Lake Grove, NY  
ACT ID ZAA0280894

## NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

Marcus & Millichap

## SECTION

**INVESTMENT OVERVIEW****01**

Offering Summary

Location Overview

Regional and Local Map

Aerial Photo

**FINANCIAL ANALYSIS****02**

Acquisition Financing

**MARKET OVERVIEW****03**

Market Analysis

Demographic Analysis

# INVESTMENT OVERVIEW





## EXECUTIVE SUMMARY

## OFFERING SUMMARY

Price	\$2,000,000
Net Operating Income	\$194,700
Capitalization Rate – Current	9.74%
Price / SF	\$200.00
Rent / SF	\$19.47
Lease Type	NNN
Gross Leasable Area	10,000 SF
Year Built / Renovated	1992
Lot Size	0.75 acre(s)

## FINANCING

Down Payment	All Cash
Net Cash Flow	9.74% / \$194,700
Cash on Cash Return	9.74%
Total Return	9.74% / \$194,700

## MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES*
State University Stony Brook	2,400
University Medical Center	1,980
Symbol Technologies Delaware	1,800
Alphabet Holding Company Inc	1,500
SCOPE Inc	1,100
Three Village Central Schl Dst	1,077
Transfirst Holdings Corp	1,000
Cmp	970
Natures Bounty	800
Natures Bounty Inc	800
Macys	750
SUNY ADMINISTRATION	658

## DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	10,785	94,452	226,615
2010 Census Pop	10,803	94,185	226,340
2018 Estimate HH	3,678	31,667	73,335
2010 Census HH	3,659	31,254	72,439
Median HH Income	\$109,423	\$104,804	\$104,385
Per Capita Income	\$46,622	\$45,367	\$44,083
Average HH Income	\$136,634	\$134,312	\$134,247

\* # of Employees based on 5 mile radius



## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present a single tenant net leased Mattress Firm located in Lake Grove (Suffolk County) New York. Mattress Firm is situated on a 0.75 acre lot with proximity to various shopping malls occupied by numerous national retail tenants. Mattress Firm is directly adjacent to DSW Plaza at Lake Grove and across the street from Lake Grove Shopping Center and Smith Haven Mall (1,400,000 SF). The free standing Mattress Firm has been operating in this location since the mid 1990s and has 4 plus years remaining with 2- Five year options. This site is positioned on a highly trafficked T-section at Middle Country Road and New Moriches Road. Tenant has been in same location for nearly 25 years.

This offering provides an investor the opportunity to purchase a NNN single-tenant asset with minimal landlord responsibilities in an affluent market experiencing dynamic population growth. Given its sound fundamental real estate attributes, this Mattress Firm location presents an excellent opportunity for an investor seeking a stable, high-quality, retail asset for a long-term hold strategy within a low-velocity, high income submarket.

Within a 5-mile radius of Lake Grove, the average household income is \$128,787 among the 227,342 individuals who resides within a 5-mile radius of the subject property.

The asking price of \$2,000,000 represents a 9.74 percent cap rate.

## INVESTMENT HIGHLIGHTS

- Corporate Guarantee (3,300+ Locations)
- 60,000+ Vehicles Daily - High Traffic Counts
- Destination Retail Hub Surrounded by National Retailers
- Proximity to Numerous Large Retail Shopping Centers
- \$128,000+ Average Household Income within 5-Mile Radius
- Tenant in Same Location for Nearly 25 Years



# Mattress Firm, Inc.



**CREDIT RATING:**  
**N.A.**

[www.fdreports.com](http://www.fdreports.com) | [www.creditintell.com](http://www.creditintell.com) | December 31, 2017

## General Information

Address	5815 Gulf Freeway , Houston, Texas, 77023, United States
Website	<a href="http://www.mattressfirm.com">www.mattressfirm.com</a>

## Key Personnel

Chief Financial Officer	Alexander S Weiss
President & CEO	John Eck

## Store Base

Store Count	N.A.
TTM Sales	N.A.

## Financial Markets

Stock Ticker	Private
Current Price	N.A. as of 7/18/19
52 Week High/Low	\$0.00 / \$0.00

## Credit Rating Chart Comparison Creditintell | F&D Reports

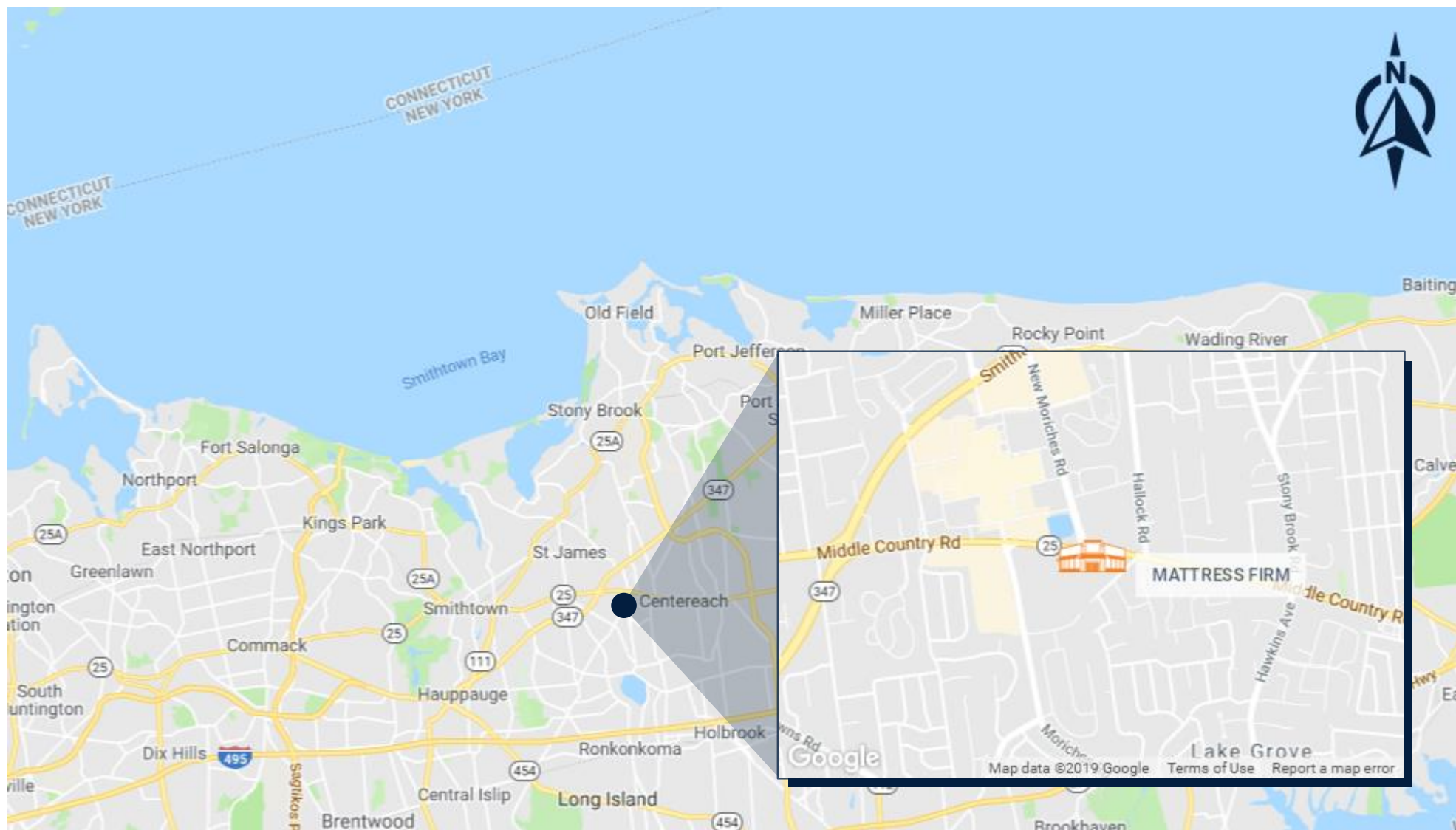
Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D

Fiscal Year Ended December 31, 2017



3170 Middle Country Road, Lake Grove, NY 11755











Marcus & Millichap closes  
more transactions than any  
other brokerage firm.



# FINANCIAL ANALYSIS





## PROPERTY SUMMARY

THE OFFERING	
Property	Mattress Firm
Property Address	3170 Middle Country Road Lake Grove, NY 11755
Price	\$2,000,000
Capitalization Rate	9.74%
Price/SF	\$200.00

PROPERTY DESCRIPTION	
Year Built / Renovated	1992
Gross Leasable Area	10,000 SF
Zoning	N/A
Type of Ownership	Fee Simple
Lot Size	0.75 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Miscellaneous
Tenant	Mattress Firm
Rent Increases	10% Increases at Each Option
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Commencement	10/31/1995
Lease Expiration	11/30/2023
Lease Term	28
Term Remaining on Lease (Years)	4.2
Renewal Options	2 (5) Year Options
Landlord Responsibility	Roof, Structure, Exterior Walls
Tenant Responsibility	Taxes, Insurance, CAM
Right of First Refusal/Offer	No

## ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$194,700

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$194,700	\$16,225	\$19.47	9.74%
12/1/23 - 11/30/28	\$214,170	\$17,848	\$21.42	10.71%
12/1/28 - 11/30/33	\$235,587	\$19,632	\$23.56	11.78%



## NOTES



## MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,678  
debt and equity  
financings  
in 2018**



**National platform  
operating  
within the firm's  
brokerage  
offices**



**\$6.24 billion  
billion total  
national  
volume in 2018**



**Access to  
more capital  
sources than  
any other firm  
in the industry**

## WHY MMCC?

**Optimum financing solutions  
to enhance value**

**Our ability to enhance  
buyer pool by expanding  
finance options**

**Our ability to enhance  
seller control**

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**

# MARKET OVERVIEW



## LONG ISLAND OVERVIEW

Long Island is a suburban portion of the New York metropolitan area that consists of Nassau and Suffolk counties. Long Island Sound borders on the north, the Atlantic Ocean borders on the east and south, and the borough of Queens is to the west. The counties contain some of the wealthiest ZIP codes in the nation, raising the median income nearly \$40,000 above that of the U.S. Tourism is a large component of the economy with renowned facilities including Belmont Park in Elmont, which hosts the Belmont Stakes, the third jewel in the Triple Crown of thoroughbred racing, and Bethpage Golf Course.



### METRO HIGHLIGHTS



#### PROXIMITY TO MANHATTAN

Long Island residents live within commuting distance to Manhattan via subway, train, bus or an extensive network of interstates.



#### DIVERSIFYING ECONOMY

Health services, pharmaceuticals, tourism and hospitality account for a sizable portion of jobs as the economy becomes more service based.



#### INSTITUTIONS OF HIGHER EDUCATION

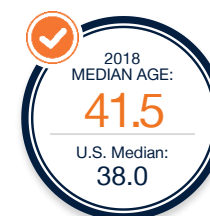
The many colleges and universities in the area include Stony Brook University, Farmingdale State College, Hofstra University, United States Merchant Marine Academy, New York Institute of Technology and Molloy College.



### ECONOMY

- Miles of sandy beaches along the Atlantic Ocean and Long Island Sound, numerous outdoor activities, and state parks and wildlife refuges contribute to the region's large tourism sector. Other attractions include museums, mansions, shopping and theaters.
- Long Island is home to renowned research facilities including the Brookhaven National Laboratory in Upton, Cold Spring Harbor Laboratory and the Feinstein Institute for Medical Research, which contribute to a large pharmaceutical industry.
- Major employers include Northwell Health, Catholic Health Services, Cablevision, Verizon, Stop & Shop, Long Island Rail Road, as well as state and local governments.

### DEMOGRAPHICS



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Moody's Analytics; U.S. Census Bureau

Created on April 2018

POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	11,406	96,454	230,245
■ 2017 Estimate			
Total Population	10,839	94,541	227,342
■ 2010 Census			
Total Population	10,791	94,081	226,633
■ 2000 Census			
Total Population	9,079	91,865	220,096
■ Current Daytime Population			
2017 Estimate	10,437	79,822	253,384
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	3,937	32,659	75,505
■ 2017 Estimate			
Total Households	3,701	31,699	73,601
Average (Mean) Household Size	2.89	2.90	2.93
■ 2010 Census			
Total Households	3,657	31,210	72,556
■ 2000 Census			
Total Households	2,965	29,582	69,258
■ Occupied Units			
2022 Projection	3,937	32,659	75,505
2017 Estimate	3,805	32,469	75,520
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$150,000 or More	27.26%	26.17%	25.54%
\$100,000 - \$149,000	26.78%	24.39%	24.66%
\$75,000 - \$99,999	12.73%	13.65%	14.57%
\$50,000 - \$74,999	13.45%	12.87%	13.23%
\$35,000 - \$49,999	6.74%	7.19%	7.36%
Under \$35,000	13.04%	15.73%	14.63%
Average Household Income	\$131,576	\$128,766	\$128,767
Median Household Income	\$106,314	\$100,954	\$100,347
Per Capita Income	\$44,948	\$43,513	\$42,329

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$95,092	\$92,137	\$93,108
■ Consumer Expenditure Top 10 Categories			
Housing	\$29,133	\$28,108	\$28,373
Shelter	\$19,030	\$18,281	\$18,461
Transportation	\$12,707	\$12,365	\$12,553
Personal Insurance and Pensions	\$12,258	\$11,815	\$11,955
Food	\$9,273	\$8,901	\$8,999
Health Care	\$5,966	\$5,806	\$5,858
Utilities	\$5,129	\$5,022	\$5,063
Entertainment	\$3,647	\$3,488	\$3,539
Education	\$2,937	\$2,862	\$2,904
Apparel	\$2,582	\$2,421	\$2,450
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	10,839	94,541	227,342
Under 20	24.75%	24.86%	24.94%
20 to 34 Years	17.07%	17.38%	19.04%
35 to 39 Years	5.51%	5.51%	5.40%
40 to 49 Years	15.13%	14.79%	14.17%
50 to 64 Years	20.84%	21.54%	21.06%
Age 65+	16.68%	15.93%	15.38%
Median Age	42.01	41.76	40.51
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	7,470	64,531	151,732
Elementary (0-8)	0.90%	1.37%	1.55%
Some High School (9-11)	3.54%	4.09%	4.17%
High School Graduate (12)	26.32%	27.90%	28.38%
Some College (13-15)	17.17%	18.40%	19.07%
Associate Degree Only	11.40%	10.10%	9.82%
Bachelors Degree Only	21.99%	20.81%	19.98%
Graduate Degree	18.42%	16.60%	16.36%

Source: © 2017 Experian



### Population

In 2017, the population in your selected geography is 227,342. The population has changed by 3.29% since 2000. It is estimated that the population in your area will be 230,245.00 five years from now, which represents a change of 1.28% from the current year. The current population is 49.18% male and 50.82% female. The median age of the population in your area is 40.51, compare this to the US average which is 37.83. The population density in your area is 2,889.73 people per square mile.



### Households

There are currently 73,601 households in your selected geography. The number of households has changed by 6.27% since 2000. It is estimated that the number of households in your area will be 75,505 five years from now, which represents a change of 2.59% from the current year. The average household size in your area is 2.93 persons.



### Income

In 2017, the median household income for your selected geography is \$100,347, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 41.60% since 2000. It is estimated that the median household income in your area will be \$112,591 five years from now, which represents a change of 12.20% from the current year.

The current year per capita income in your area is \$42,329, compare this to the US average, which is \$30,982. The current year average household income in your area is \$128,767, compare this to the US average which is \$81,217.



### Race and Ethnicity

The current year racial makeup of your selected area is as follows: 85.34% White, 2.98% Black, 0.02% Native American and 6.99% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 11.16% of the current year population in your selected area. Compare this to the US average of 17.88%.



### Housing

The median housing value in your area was \$394,187 in 2017, compare this to the US average of \$193,953. In 2000, there were 58,051 owner occupied housing units in your area and there were 11,207 renter occupied housing units in your area. The median rent at the time was \$893.



### Employment

In 2017, there are 95,655 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 68.46% of employees are employed in white-collar occupations in this geography, and 31.58% are employed in blue-collar occupations. In 2017, unemployment in this area is 4.26%. In 2000, the average time traveled to work was 33.00 minutes.