

OUTPARCEL TO WHOLE FOODS

SINGLE TENANT NNN INVESTMENT OPPORTUNITY

sleep  number



215 N Pottstown Pike | Exton, Pennsylvania

PHILADELPHIA MSA

ACTUAL SITE



EXCLUSIVELY PRESENTED BY



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Brand Profile

PROPERTY PHOTO



INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NNN leased, corporate guaranteed, Sleep Number investment property located in Exton, PA (Philadelphia MSA). The tenant, Select Comfort Retail Corporation dba Sleep Number, recently executed a brand new 10 year lease with 2 (5-year) option periods to extend. The lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period. Rare corporate guarantee by Sleep Number Corporation, the over-arching corporate entity for the Sleep Number brand. Sleep Number usually uses a wholly-owned subsidiary to guarantee store-level leases. The Corporate entity provides further security and stronger financial backing than a typical Sleep Number lease. The lease is NNN with landlord responsibilities limited to structure of the building. Sleep Number is relocating to this location from within the Exton Square mall, providing more convenient access to customers. This location is projected for a July 3rd, 2020 grand opening and will feature brand new, high quality construction.

Sleep Number is strategically located along N. Pottstown Pike, averaging 35,800 vehicles passing by daily. The site benefits from excellent visibility via significant street frontage along N. Pottstown Pike. Sleep Number profits from nearby access to U.S. Highway 30 (62,800 VPD), a major east/west cross-country commuter thoroughfare traveling through Exton and the greater Philadelphia MSA. The property is ideally positioned as an outparcel to a brand new, state-of-the-art Whole Foods (55,000 SF), significantly increasing consumer draw to the immediate trade area and promoting crossover store exposure for the site. Sleep Number is also adjacent to Exton Square Mall, a 1,088,000 SF shopping mall anchored by Macy's and Boscov's. Other shopping centers include Main Street at Exton (759,957 SF), Whiteland Towne Center (359,673 SF), Fairfield Place Shopping Center (307,612 SF), and Festival at Exton Shopping Center (152,123 SF). Additionally, the Exton retail corridor is home to a variety of national/credit tenants including Target, Walmart Supercenter, Dollar Tree, Aldi, and more, further increasing exposure and crossover synergy for the asset. Directly adjacent to the subject property is Hanover Exton Square, a newly constructed luxury apartment complex containing 342 units. Other nearby high-end apartment complexes include Exton Crossing Apartment Homes (405 units), Whiteland West Apartments (377 units), Chaddwell Apartments (324 units), and Thomas Meeting Apartments (278 units), providing a direct residential consumer base from which to draw. The 5-mile trade area is supported by more than 101,000 residents and 81,000 daytime employees with an affluent average household income of \$139,000.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Pricing	\$4,615,000
Net Operating Income	\$300,000
Cap Rate	6.50%
Guaranty	Corporate
Tenant	Select Comfort Retail Corporation (d.b.a. Sleep Number)
Lease Type	NNN
Landlord Responsibilities	Structure

PROPERTY SPECIFICATIONS

Rentable Area	4,000 SF
Land Area	0.45 Acres
Property Address	215 N. Pottstown Pike Exton, PA 19341
Year Built	July 2020
Parcel Number	41-005-0057.0000
Ownership	Fee Simple (Land & Building)



Brand New 10-Year Lease | Scheduled Rental Increases | Rare Sleep Number Corporate Guarantee

- Rare corporate guarantee by Sleep Number Corporation (NASDAQ: SNBR), the over-arching corporate entity for the Sleep Number brand
- Corporate entity provides further security and stronger financial backing than a typical Sleep Number lease
- Recently executed brand new 10 year lease with 2 (5-year) option periods to extend
- The lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period

NNN Leased | Limited Landlord Responsibilities | Business Relocation | Fee Simple Ownership | Brand New 2020 Construction

- Tenant pays for CAM, taxes, and insurance
- Landlord responsibilities limited to structure of the building
- Ideal, low management investment for a passive investor
- Sleep Number is relocating to this location from within the Exton Square mall, providing more convenient access to customers
- Projected for a July 3rd, 2020 grand opening and will feature brand new, high quality construction

Located Along N. Pottstown Pike | U.S. Highway 30 | Excellent Visibility & Access | Philadelphia MSA

- Situated along Pottstown Pike, a major retail and commuter thoroughfare averaging 35,800 vehicles passing daily
- Nearby access to U.S. Highway 30 (62,800 VPD), a major east/west cross-country commuter highway
- Within the Philadelphia MSA and approximately 33 miles from downtown Philadelphia via U.S. Highway 30
- The site benefits from excellent visibility via significant street frontage along N. Pottstown Pike

Outparcel to Brand New Whole Foods | Exton Square Mall | Dense Retail Corridor | Strong National /Credit Tenants

- Outparcel to a brand new, state-of-the-art Whole Foods (55,000 SF), significantly increasing consumer draw to the immediate trade area and promoting crossover store exposure for the site
- Adjacent to Exton Square Mall, a 1,088,000 SF shopping mall anchored by Macy's and Boscov's
- Multiple shopping centers nearby, including: Main Street at Exton (759,957 SF), Whiteland Towne Center (359,673 SF), Fairfield Place Shopping Center (307,612 SF), and Festival at Exton Shopping Center (152,123 SF)
- Nearby national/credit tenants include Target, Walmart Supercenter, Dollar Tree, Aldi, and more

Luxury Apartment Units Within 1-Mile Radius (1,700+) | Direct Residential Consumer Base

- Multiple high-end apartment complexes within a 1-mile radius of the property, including: Hanover Exton Square (342 Units), Exton Crossing Apartment Homes (405 Units), Whiteland West Apartments (377 Units), Chaddwell Apartments (324 Units), and Thomas Meeting Apartments (278 Units).
- Provides a direct consumer base from which to draw

Strong Demographics in 5-Mile Trade Area | Six-Figure Incomes | Wealthiest County in Pennsylvania

- More than 101,000 residents and 81,000 employees support the trade area
- Affluent \$139,000 average household income
- Exton is located in the wealthiest county in Pennsylvania

PROPERTY OVERVIEW



Location

Exton, Pennsylvania
(Philadelphia MSA)
Chester County



Parking

There are approximately 17 parking spaces on the owned parcel.
The parking ratio is approximately 4.25 stalls per 1,000 SF of leasable area.



Access

N. Pottstown Pike: 2 Access Points



Parcel

Parcel Number: 41-005-0057.0000
Acres: 0.45
Square Feet: 19,500 SF



Traffic Counts

N. Pottstown Pike: 35,800 Cars Per Day
U.S. Highway 30: 62,800 Cars Per Day



Construction

Year Built: July 2020



Improvements

There is approximately 4,000 SF of existing building area

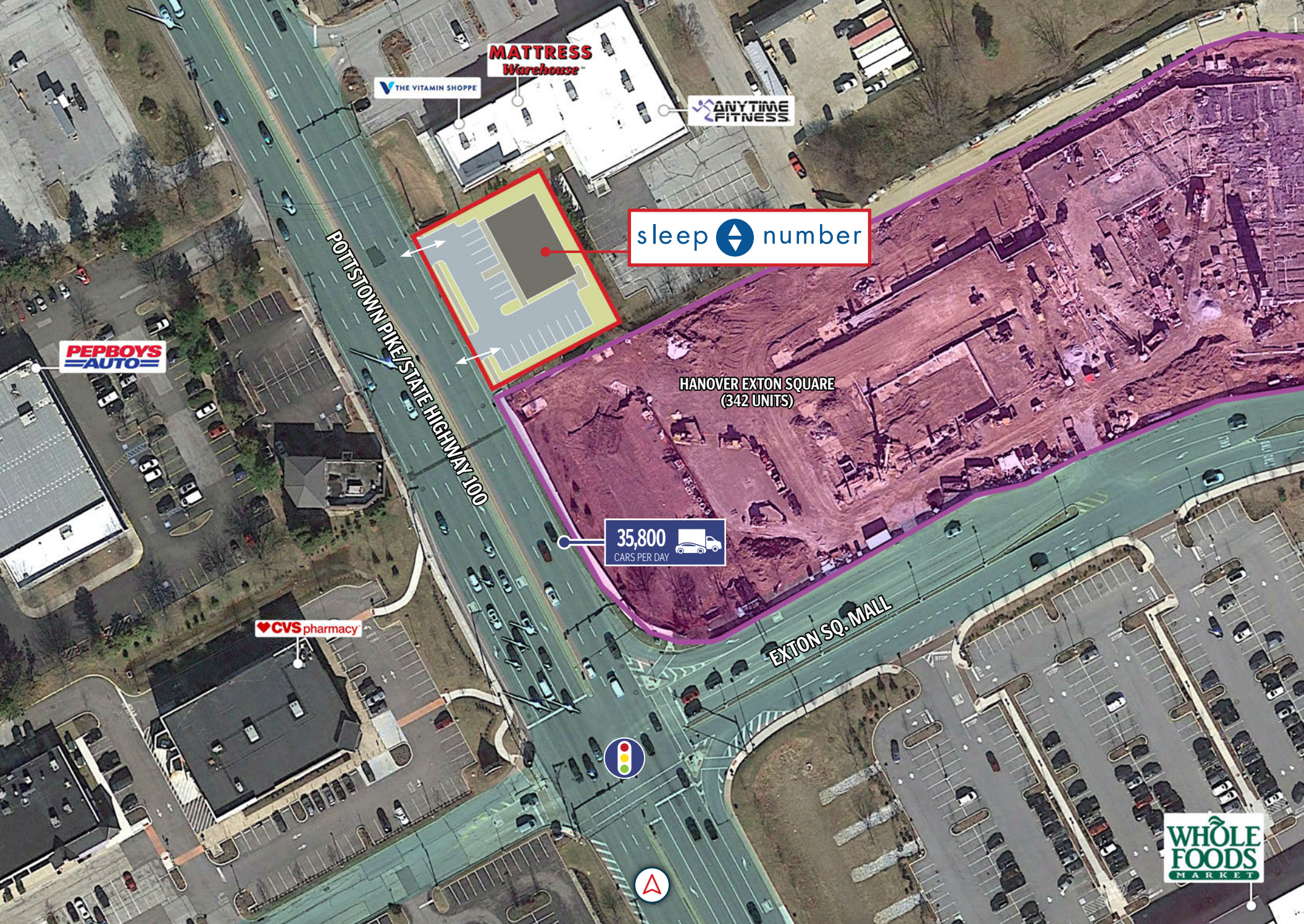


Zoning

TC: Town Center Mixed Use



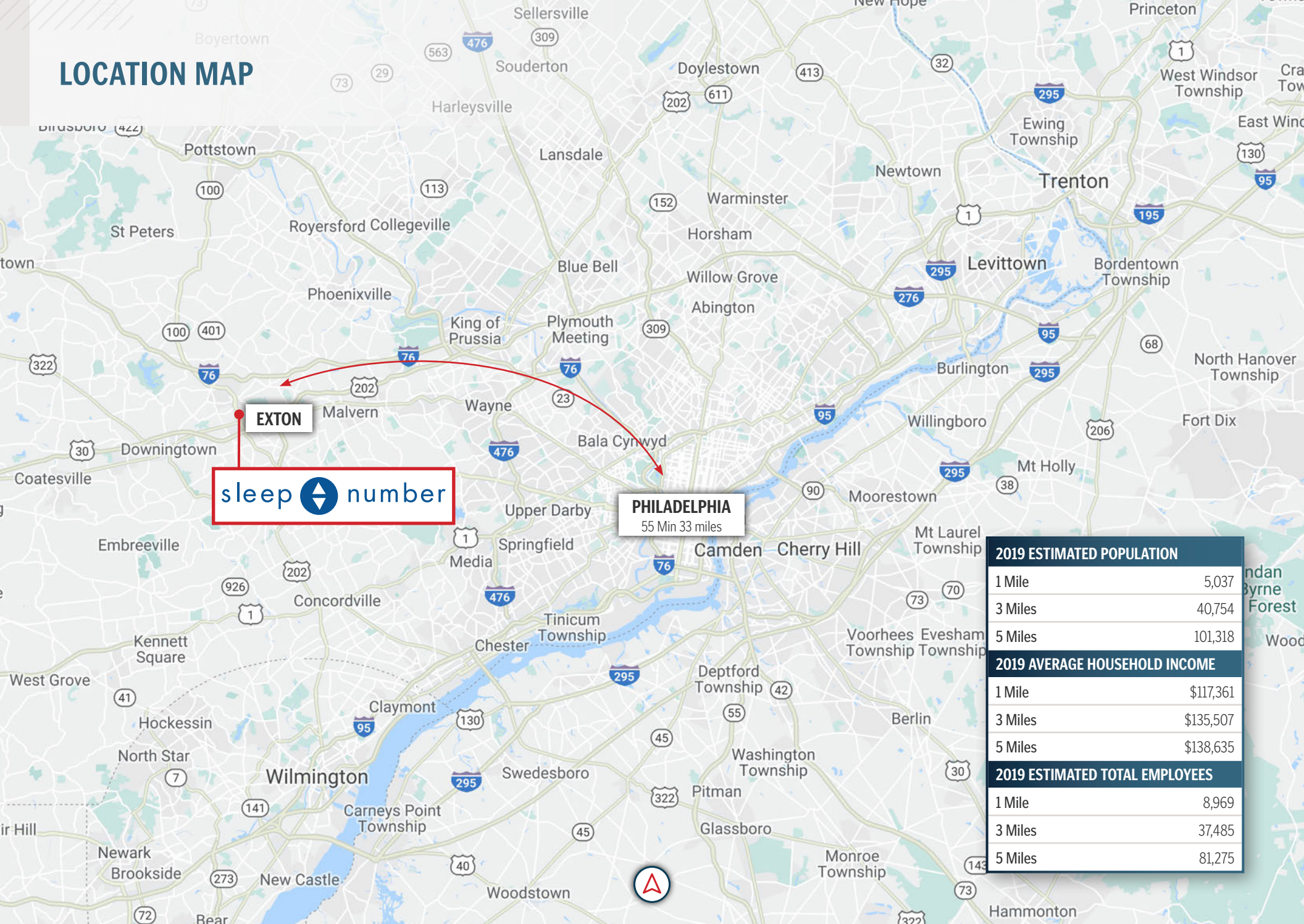








LOCATION MAP



2019 ESTIMATED POPULATION	
1 Mile	5,037
3 Miles	40,754
5 Miles	101,318
2019 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$117,361
3 Miles	\$135,507
5 Miles	\$138,635
2019 ESTIMATED TOTAL EMPLOYEES	
1 Mile	8,969
3 Miles	37,485
5 Miles	81,275



EXTON, PENNSYLVANIA

Exton is in the West Whiteland Township, Chester County, Pennsylvania. The largest industries in Exton, PA are Manufacturing, Professional, Scientific, Technical Services, and Retail Trade. The highest paying industries are Information, Professional, Scientific, Technical Services, Transportation/Warehousing, and Utilities.

The opening of the Exton Square Mall led to rapid growth in West Whiteland Township. Since the opening, many shopping centers and office parks have been built in the township.

The Exton Library, the main library of the Chester County Library System is accessible from the mall. The building was dedicated to honor Congressman Paul Dague in 1971.

The nearest major airport is New Castle Air National Guard Base. This airport has domestic flights from Wilmington, Delaware and is 28 miles from the center of Exton, PA.

All residents of the Exton, entirely in West Whiteland Township, reside in the West Chester Area School District. Half of the CDP is zoned to Exton Elementary, located in Exton, while the other half is zoned to Mary C. Howse Elementary School. Half of the CDP is zoned to Fugett Middle School and West Chester East High School, while the other half is zoned to Peirce Middle School and West Chester Henderson High School.



PHILADELPHIA, PENNSYLVANIA

Philadelphia, known colloquially as Philly, is the largest city in the U.S. state and Commonwealth of Pennsylvania, and the sixth-most populous U.S. city, with a 2018 census-estimated population of 1,584,138. Since 1854, the city has been coterminous with Philadelphia County, the most populous county in Pennsylvania and the urban core of the eighth-largest U.S. metropolitan statistical area, with over 6 million residents as of 2017. Philadelphia is also the economic and cultural anchor of the greater Delaware Valley, located along the lower Delaware and Schuylkill Rivers, within the Northeast megalopolis.



The Philadelphia area's many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. As of 2019, the Philadelphia metropolitan area is estimated to produce a gross metropolitan product (GMP) of \$490 billion. Philadelphia is the center of economic activity in Pennsylvania and is home to five Fortune 1000 companies. The Philadelphia skyline is expanding, with a market of almost 81,900 commercial properties in 2016, including several nationally prominent skyscrapers.

Philadelphia has more outdoor sculptures and murals than any other American city. Fairmount Park, when combined with the adjacent Wissahickon Valley Park in the same watershed, is one of the largest contiguous urban park areas in the United States.



Philadelphia is the center of economic activity in Pennsylvania with the headquarters of five Fortune 1000 companies located within city limits. Philadelphia's economic sectors include financial services, health care, biotechnology, information technology, trade and transportation, manufacturing, oil refining, food processing, and tourism. Financial activities account for the largest economic sector of the metropolitan area, which is also one of the largest health education and research centers in the United States.

AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2019 Estimated Population	5,037	40,754	101,318
2024 Projected Population	5,081	41,559	104,433
2010 Census Population	4,961	39,498	95,673
Projected Annual Growth 2019 to 2024	0.17%	0.39%	0.61%
Historical Annual Growth 2010 to 2019	0.16%	0.24%	0.53%
HOUSEHOLDS & GROWTH			
2019 Estimated Households	2,245	15,356	38,354
2024 Projected Households	2,260	15,635	39,498
2010 Census Households	2,242	14,956	36,340
Projected Annual Growth 2019 to 2024	0.13%	0.36%	0.59%
Historical Annual Growth 2010 to 2019	0.02%	0.20%	0.51%
RACE & ETHNICITY			
2019 Estimated White	67.60%	80.58%	82.86%
2019 Estimated Black or African American	4.41%	3.64%	3.93%
2019 Estimated Asian or Pacific Islander	24.66%	13.14%	10.71%
2019 Estimated American Indian or Native Alaskan	0.26%	0.15%	0.14%
2019 Estimated Other Races	0.95%	0.96%	1.47%
2019 Estimated Hispanic	2.82%	3.52%	4.74%
INCOME			
2019 Estimated Average Household Income	\$117,361	\$135,507	\$138,635
2019 Estimated Median Household Income	\$92,498	\$108,411	\$107,483
2019 Estimated Per Capita Income	\$50,052	\$51,176	\$52,512
DAYTIME POPULATION			
2019 Estimated Total Businesses	707	2,533	5,461
2019 Estimated Total Employees	8,969	37,485	81,275



RENT ROLL



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	OPTIONS	
Select Comfort Retail Corp. (dba Sleep Number)	4,000	7/1/2020	6/30/2030	Current	-	\$25,000	\$6.25	\$300,000	\$75.00	NNN	2 (5-Year)
(Corporate Guaranty)		(Est.)	(Est.)	6/1/2025	10%	\$27,500	\$6.88	\$330,000	\$82.50		10% Increase at Beg. of Each Option

Note: Tenant's CAM expense may not exceed \$1.25 PSF in Year 1. CAM expense increase capped at 3% each year thereafter.

FINANCIAL INFORMATION

Price	\$4,615,000
Net Operating Income	\$300,000
Cap Rate	6.50%
Lease Type	NNN

PROPERTY SPECIFICATIONS

Year Built	July 2020
Rentable Area	4,000 SF
Land Area	0.45 Acres
Address	215 N. Pottstown Pike Exton, PA 1934





SLEEP NUMBER CORPORATION

sleepnumber.com

Company Type: Public (NASDAQ: SNBR)

Locations: 610

2020 Employees: 4,395

2020 Revenue: \$1.70 B

2020 Net Income: \$\$81.85 M

2020 Assets: \$806.04 M

Sleep Number Corporation designs, manufactures, and markets a line of air bed mattresses. Sleep Number is proving the connection between quality sleep and health and wellbeing. The Company provides a variety of beds, bedding, pillows, mattress pads and layers, sheets, duvets, bed skirts, bases, furniture, bed accessories, and kids blankets. The company's 4,000 team members are improving lives with innovative sleep solutions. Sleep Number operates over 610 stores in 50 states.



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RETAIL
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#1

LARGEST REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated
to retail

2K+

RETAIL
TRANSACTIONS
company-wide
in 2019

485

NET LEASE
PROPERTIES SOLD
in 2019

\$1.5B

NET LEASE
TRANSACTION VALUE
in 2019

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