

# TWO-TENANT FREESTANDING BUILDING

NNN Investment Opportunity

**AspenDental**  
**MATTRESSFIRM**



2202 SOUTH WS YOUNG DRIVE  
**KILLEEN TEXAS**

ACTUAL SITE

 Market  
Retail  
Partners

 **SRS**  
NATIONAL NET LEASE GROUP



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Rent Roll | Brand Profile









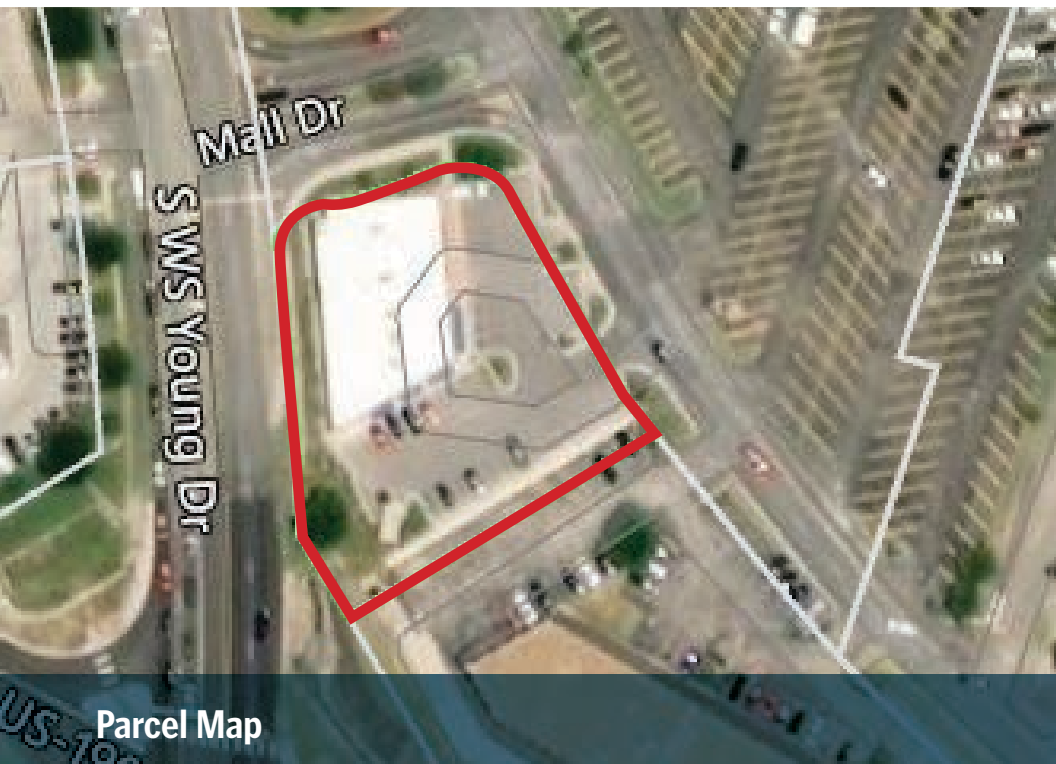
SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a two-tenant, NNN leased, freestanding, Aspen Dental & Mattress Firm investment property located in Killeen, Texas. Aspen Dental Management, Inc. currently has more than 4 years remaining in their current lease term with 3 (5-year) options to extend. The lease features a 10% rental increase at the beginning of each option period, growing NOI and hedging against inflation. The other tenant, Mattress Firm, Inc., recently agreed to exercise their first option term providing for an initial term through 2029, and has 1 additional (5-year) option period to extend. The lease features an increase of \$7.74 PSF/Yr in 2024 and a 10% rental increase at the beginning of the final option. The leases are corporate guaranteed and NNN with landlord responsibilities limited to roof and structure.

The subject property is strategically located along South WS Young Drive, a primary retail and commuter thoroughfare averaging 21,700 vehicles passing by daily. The site benefits from nearby direct on/off ramp access to Interstate 14 (83,000 VPD), the primary east/west freeway serving Killeen. The asset is ideally situated as an outparcel to Killeen Mall, a 557,000 SF regional mall anchored by Dillard's, JC Penney, and Burlington. Killeen Mall caters to a diverse and family-oriented market, featuring over 86 retail, dining, and entertainment options. In addition, the mall is positioned across from a 24-hour Walmart Supercenter and Lowe's Home Improvement, significantly increasing consumer draw to the immediate area and promoting crossover store exposure for the site. Positioned in the heart of an immense retail corridor, Aspen Dental & Mattress Firm is within close proximity to a variety of other national/credit tenants including The Home Depot, Ross Dress for Less, Sam's Club, Hobby Lobby, OfficeMax, Walgreens, Aldi, Best Buy, and more. Moreover, the property is surrounded by several apartment complexes including Village at Fox Creek (128 units), Grandon Manor (144 units), Keystone (212 units), and Ridgepoint (96 units), providing for a direct residential consumer base from which to draw. The 5-mile trade area is supported by nearly 188,000 residents and 41,000 daytime employees with an average household income of \$62,500.









Parcel Map

## Offering

PRICING	\$3,232,000
NET OPERATING INCOME	\$226,219
CAP RATE	7.00%
GUARANTIES	Corporate
TENANT	Mattress Firm, Inc. Aspen Dental Management, Inc.
LEASE TYPE	NNN
LANDLORD RESPONSIBILITIES	Roof & Structure

## Property Specifications

RENTABLE AREA	6,955 SF
LAND AREA	0.69 Acres
PROPERTY ADDRESS	2202 South WS Young Drive Killeen, TX 76543
YEAR BUILT	2013
PARCEL NUMBER	1012
OWNERSHIP	Fee Simple (Land & Building)



### **Two-Tenant Building | Corporate Guaranteed Leases | Scheduled Rental Increases**

- Opportunity to purchase a 0.69 acre parcel with a freestanding, two-tenant building occupied by both Aspen Dental and Mattress Firm
- Corporate guaranteed by Aspen Dental Management, Inc. and Mattress Firm, Inc.

#### **Aspen Dental:**

- Aspen Dental Management, Inc. currently has more than 4 years remaining in their current lease term with 3 (5-year) options to extend
- The lease features a 10% rental increase at the beginning of each option period, growing NOI and hedging against inflation

#### **Mattress Firm:**

- Mattress Firm, Inc., recently agreed to exercise their first option term providing for an initial term through 2029, and has 1 additional (5-year) option period to extend
- The lease features an increase of \$7.74 PSF/Yr in 2024 and a 10% rental increase at the beginning of the final option

### **Located Along South WS Young Drive | Quick Access to I-14 | Excellent Visibility & Access**

- Strategically located along South WS Young Drive, a primary retail and commuter thoroughfare averaging 21,700 vehicles passing by daily
- Nearby direct on/off ramp access to Interstate 14 (83,000 VPD), the primary east/west freeway serving Killeen
- Benefits from excellent visibility via significant highway frontage

### **Outparcel to Killeen Mall | Dense Retail Corridor | Strong National/Credit Tenant Presence**

- Ideally situated as an outparcel to Killeen Mall, a 557,000 SF regional mall anchored by Dillard's, JC Penney, and Burlington
- Killeen Mall caters to a diverse and family-oriented market, featuring over 86 retail, dining, and entertainment options
- The mall is positioned across from a 24-hour Walmart Supercenter and Lowe's Home Improvement, significantly increasing consumer draw to the immediate area and promoting crossover store exposure for the site
- Other national/credit tenants include The Home Depot, Ross Dress for Less, Sam's Club, Hobby Lobby, OfficeMax, Walgreens, Aldi, Best Buy, and more

### **Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area**

- Nearby apartment complexes include Village at Fox Creek (128 units), Grandon Manor (144 units), Keystone (212 units), and Ridgepoint (96 units)
- Provides a direct residential consumer base from which to draw
- Nearly 188,000 residents and 41,000 employees support the trade area
- \$62,500 average household income





### Location

Located in  
Killeen, Texas  
Bell County



### Access

South WS Young Drive  
1 Access Point



### Traffic Counts

South WS Young Drive  
21,700 Cars Per Day

U.S. Highway 190/Interstate 14  
83,000 Cars Per Day



### Improvements

There is approximately 6,850 SF  
of existing building area



### Parking

There are approximately  
36 parking spaces  
on the owned parcel.  
The parking ratio is  
approximately 5.26 stalls per  
1,000 SF of leasable area.



### Parcel

Parcel Number: 1012  
Acres: 0.69  
Square Feet: 30,013 SF



### Year Built

2013



### Zoning

B-5: Business District





Lowe's

OfficeMax  
Kohl's  
expect great things  
SKECHERS  
Guitar Center  
Rainbow Party City  
Cato

IN-N-OUT  
BURGER

ELLISON  
HIGH SCHOOL

McDonald's

Walmart  
Supercenter

GNC

DOLLAR  
TREE  
HOBBY LOBBY  
TSC TRACTOR  
SUPPLY CO

INTERSTATE 14/U.S. HIGHWAY 190

DODGE  
RAM

CHEVROLET

Panera  
BREAD

golden  
corral  
Burger & Grill

Walgreens

Wendy's

SALLY  
BEAUTY SUPPLY

83,000  
CARS PER DAY

COURTYARD  
BY MARRIOTT

SOUTH W'S YOUNG DRIVE

21,700  
CARS PER DAY

AspenDental  
MATTRESS FIRM















SOUTH W S YOUNG DRIVE

KILLEEN MALL

AspenDental<sup>®</sup>  
**MATTRESSFIRM<sup>®</sup>**

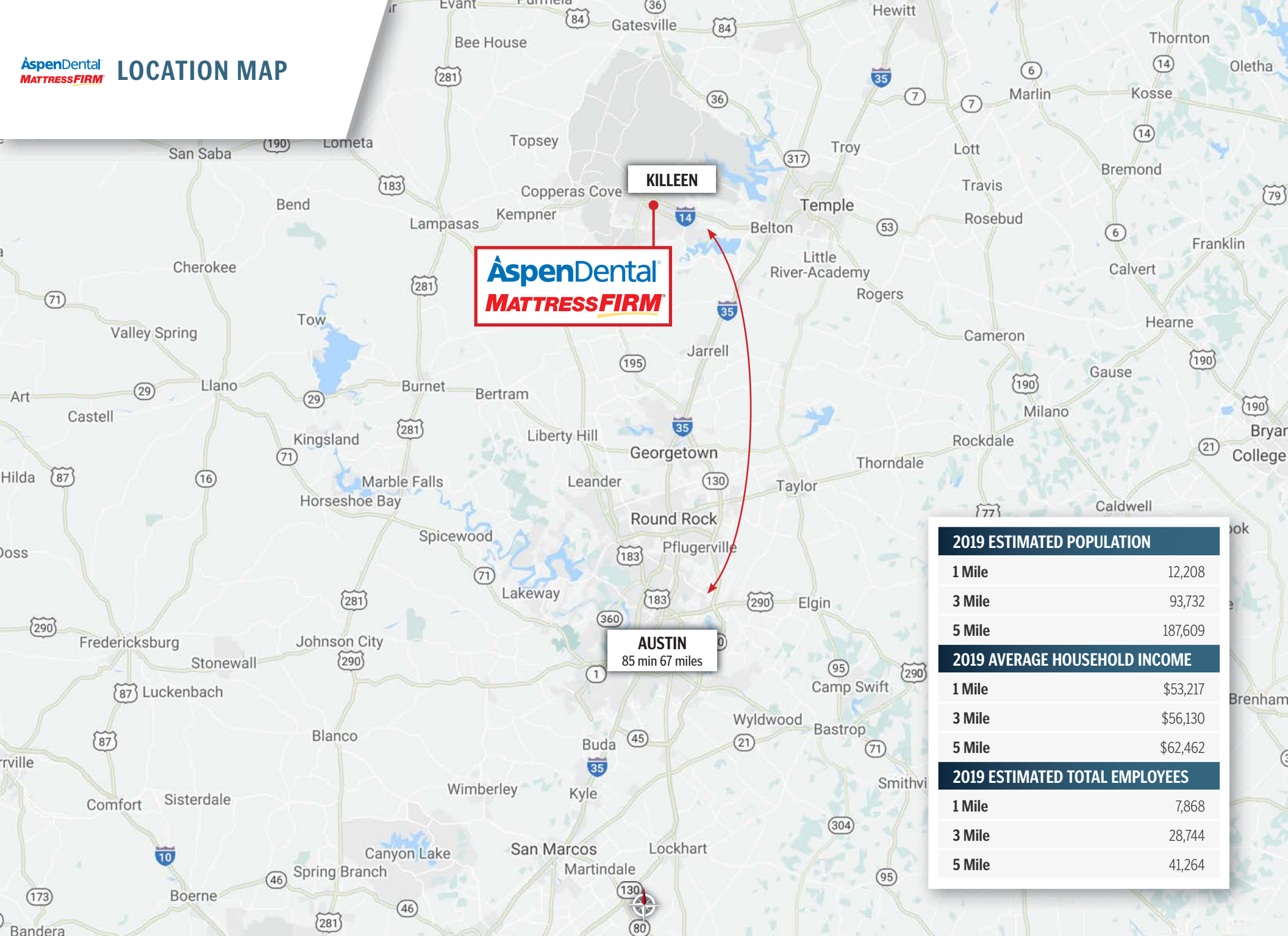
ANGEL NAILS

21,700  
CARS PER DAY









#### 2019 ESTIMATED POPULATION

1 Mile	12,208
3 Mile	93,732
5 Mile	187,609

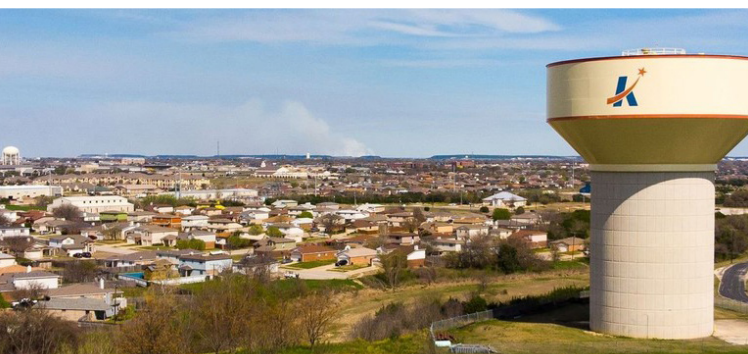
#### 2019 AVERAGE HOUSEHOLD INCOME

1 Mile	\$53,217
3 Mile	\$56,130
5 Mile	\$62,462

#### 2019 ESTIMATED TOTAL EMPLOYEES

1 Mile	7,868
3 Mile	28,744
5 Mile	41,264





## Killeen, Texas

Killeen is located in Bell County. The City was founded on May 15, 1882 by the Santa Fe Railroad and named in honor of a civil employee of the railroad, Frank P. Killeen. Killeen is situated along Interstate 14 that intersects Interstate 35 approximately 17 miles east of the City and U.S. Highways 281 and 183 approximately 30 miles to the west of the City. Waco, Texas is located 65 miles to the north and Austin is 70 miles to the south of the City, which encompasses an area of 55.868 square miles. The City of Killeen had a population of 151,144 as of July 1, 2019.

The City of Killeen is situated within the geographic center of Texas and is positioned within 180 miles of every major population center located in the State. Being strategically located along Interstate 14 near the junction of Interstate 35 is an economic advantage and continues to attract growth and development into the area. The Killeen economy is very dependent on the nearby Fort Hood and the soldiers and their families. Fort Hood is the area's major employer. The military base is one of the largest in the country. Killeen's leading fields of employment include government, educational services, construction, healthcare, accommodation and food services, and finance and insurance.

The Killeen-Fort Hood Regional Airport is centrally located in the heart of Texas, adjacent to Fort Hood. It offers direct, non-stop air access to Dallas Fort Worth and Houston airports. Killeen, TX is located on US Highway 190/Interstate 14 in the heart of the Grand Central Texas Region. Interstate 14 is a six-lane divided Interstate that connects the east side of Copperas Cove to Interstate 35, a NAFTA corridor from Mexico to Canada. The designation of Interstate 14 is part of an overall transportation plan to connect "Forts to Ports". The continued development of I14 will connect military installations to US Ports to improve the mobility of military equipment during deployments

The Killeen Downtown Historic District is listed in the National Register of Historic Places. The area is recognized for its historical and architectural significance to the City. Two large lakes, Lake Belton and Lake Stillhouse Hollow, are located near the City. These lakes offer excellent fishing, camping, and water sports with 168 miles of shoreline. Several churches also contribute to the area's historic significance.



	1 MILE	3 MILES	5 MILES
2019 Estimated Population	12,208	93,732	187,609
2024 Projected Population	12,824	98,992	201,615
2010 Census Population	11,277	85,363	161,602
Projected Annual Growth 2019 to 2024	0.99%	1.10%	1.45%
Historical Annual Growth 2010 to 2019	1.00%	0.94%	1.72%
2019 Estimated Households	5,158	36,623	66,300
2024 Projected Households	5,431	38,607	71,143
2010 Census Households	4,737	33,534	57,682
Projected Annual Growth 2019 to 2024	1.04%	1.06%	1.42%
Historical Annual Growth 2010 to 2019	1.08%	0.89%	1.61%
2019 Estimated White	42.52%	41.06%	43.61%
2019 Estimated Black or African American	32.98%	34.02%	33.11%
2019 Estimated Asian or Pacific Islander	4.55%	4.35%	4.05%
2019 Estimated American Indian or Native Alaskan	0.75%	0.80%	0.83%
2019 Estimated Other Races	8.94%	9.42%	8.63%
2019 Estimated Hispanic	25.66%	26.52%	25.38%
2019 Estimated Average Household Income	\$53,217	\$56,130	\$62,462
2019 Estimated Median Household Income	\$43,015	\$44,384	\$50,940
2019 Estimated Per Capita Income	\$22,203	\$21,860	\$22,752
2019 Estimated Total Businesses	601	2,843	3,954
2019 Estimated Total Employees	7,868	28,744	41,264





Suite #	Tenant Name	Size SF	Pro					Pro Rata (\$)	Rental Increases					Lease Start Date	Lease End Date	Options Remaining			
			Rata (SF)	Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr		Increase Date	Inc.	Rent Monthly	Rent \$/SF/Mo	Rent Annual				Rent \$/SF/Yr		
01	Mattress Firm (Corporate Guaranty)	3,650	53%	\$8,292	\$2.27	\$99,499	\$27.26	44%	Jun-24	28.0%	\$10,646	\$2.92	\$127,750	\$35.00	Jun-14	May-29	1 (5-Year) Opt 2: \$38.50 PSF/Yr		
02	Aspen Dental (Corporate Guaranty)	3,200	47%	\$10,560	\$3.30	\$126,720	\$39.60	56%	-	-	-	-	-	-	Jun-14	May-24	3 (5-Year) Opt 1: \$43.56 PSF/Yr Opt 2: \$47.92 PSF/Yr Opt 3: \$52.71 PSF/Yr		
Total Occupied		6,850	100%	\$18,852	\$2.75	\$226,219	\$33.02	100%											
Total Vacant		0	0%	\$0		\$0		0%											
Total / Wtd. Avg:		6,850	100%	\$18,852	\$2.75	\$226,219	\$33.02	100%											

## Notes

1) (Mattress Firm) Base rent for the period commencing April 1, 2020 and expiring June 30, 2020 shall be abated and deemed forgiven. Tenant shall pay all additional rents due under the Lease during such period.

## PRICING SUMMARY

Price:	\$3,232,000
Price/SF:	\$472
Net Operating Income:	\$226,219
Cap Rate:	7.00%

## OPERATING CASH FLOW

## IN PLACE

Potential Rental Revenue:	\$226,219
Potential Reimbursement Revenue:	(NNN)
Effective Gross Revenue (EGR):	\$226,219
Less Expenses:	(NNN)
Net Operating Income:	\$226,219





**Mattress Firm**

**Company Type:** Subsidiary  
**Parent:** Steinhoff International  
**2018 Employees:** 123,054  
**2018 Revenue:** \$12.83 Billion  
**2018 Assets:** \$18.99 Billion  
**2018 Equity:** \$604.4 Million

**MATTRESSFIRM®**

Since 1986, Mattress Firm has provided their customers with an expertly curated collection of quality mattresses from the best brands. Today, with more than 2,500 neighborhood stores, their experts help more than three million people a year find the right solution for their sleep needs at the best value. Their selection of mattresses and bedding accessories include leading brands such as Serta, Simmons, tulo, Sleepy's, Chattam & Wells and Purple. It was founded in July 4, 1986 and headquartered in Houston, Texas.



**Aspen Dental**

**aspental.com**  
**Company Type:** Private  
**Locations:** 800

**AspenDental®**

Aspen Dental-branded practices are committed to breaking down the barriers to better dental care, better smiles and better lives by making dentistry easier for patients. With close to 800 offices in 42 states, Aspen Dental practices provide a wide range of general dentistry and denture-related services and offer patient-friendly programs and services that help thousands of people every day get the dental care they need, including convenient locations, onsite labs, extended hours, and acceptance of most dental insurance. An unaffiliated company called Aspen Dental Management, Inc. provides administrative and business support services to Aspen Dental branded dental practices.





SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.

275+

RETAIL  
PROFESSIONALS

25+

OFFICES

#1

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

2100+

RETAIL  
TRANSACTIONS  
in 2019  
company wide

485

PROPERTIES  
SOLD  
in 2019  
NNLG

\$1.5B

TRANSACTION  
VALUE  
in 2019  
NNLG

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

\*Statistics are for 2019