

SINGLE TENANT NNN

Investment Opportunity

**MATTRESS
FIRM**

SHOWROOM AND CLEARANCE/ DISTRIBUTION HUB STORE



4480 US-89

FLAGSTAFF ARIZONA

ACTUAL SITE



EXCLUSIVELY MARKETING BY

MATTRESSFIRM®

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SRS Real Estate Partners-West, LLC is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NNN leased, corporate guaranteed, Mattress Firm investment property located in Flagstaff, AZ. The tenant, Mattress Firm, Inc., recently extended their lease, providing for 10 years of firm lease term with 1 (5-year) option to extend, demonstrating their commitment to the site. The lease features a 10% rental increase in 2025 and at the beginning of the option period, steadily growing NOI. The lease is NNN with landlord responsibilities limited to roof and structure. Approximately 5,600 SF of the building area is used for a traditional retail store and showroom, and the remaining balance functions as distribution for the northern Arizona market.

Mattress Firm is strategically located at the signalized intersection of N. Cummings Street and U.S. Highway 89, averaging a combined 26,600 vehicles passing by daily. The site is less than 1 mile north of Interstate 40 (66,400 VPD), a major west/east thoroughfare for the state of Arizona. Mattress Firm is an outparcel to Flagstaff Mall, a 347,000+ square foot mall anchored by Dillard's and a new Hobby Lobby and Planet Fitness, thereby benefiting from crossover traffic. The building is ideally positioned in a dense retail corridor and is within close proximity to The Marketplace (268,000 SF), a shopping center anchored by The Home Depot, Marshalls, Best Buy, Petco, and Harkins Theatres, and the Flagstaff Auto Center, which includes the brand new Mercedes-Benz of Flagstaff dealership. Other nearby national/credit tenants include Safeway, OfficeMax, CVS, Aaron's, and more, increasing consumer draw and traffic to the trade area. Additionally, Flagstaff has a strong science and technology corridor with employers including Flagstaff Medical Center, W.L. Gore Technologies, and the U.S. Geological Survey Astrology Science Center. Further, the site is less than 5 miles from Northern Arizona University (29,000 students enrolled), providing a strong customer base to draw from. The 5-mile trade area is supported by a population of more than 58,000 residents and 35,000 employees. The 3-mile subject area boasts an average household income of \$89,659.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Pricing	\$3,363,000
Net Operating Income	\$235,440
Cap Rate	7.00%
Guaranty	Corporate
Tenant	Mattress Firm, Inc.
Lease Type	NNN
Landlord Responsibilities	Roof and Structure
Sales Reporting	No

PROPERTY SPECIFICATIONS

Rentable Area	12,000 SF
Land Area	0.99 Acres
Property Address	4480 US-89, Flagstaff, AZ 86004
Year Built / Remodeled	1991 / 2012
Parcel Number	113-27-005E & 113-27-005G
Ownership	Fee Simple (Land & Building Ownership)

Corporate Guaranteed Lease | Recent Lease Extension | Rental Increases | Showroom and Distribution Hub Store

- Mattress Firm Inc. corporate guaranteed lease
- The tenant recently extended their lease, providing for 10 years of firm lease term with 1 (5-year) options to extend
- Features a 10% rental increase in 2025 and at the beginning of the option period
- The lease was affirmed and remained open during Mattress Firm's restructuring in 2018
- Approximately 5,600 SF of the building area is used for a traditional retail store and showroom, and the remaining balance functions as distribution for the northern Arizona market

NNN Lease | Fee Simple Ownership | Limited Landlord Responsibilities

- Tenant pays for CAM, taxes, and insurance
- Landlord responsibilities limited to roof and structure

High Barriers To Entry For New Development | Limited Competition

- Flagstaff sits in the heart of the Coconino National Forest, creating high barriers to entry for new development
- Rare investment opportunity in the robust Flagstaff market
- There is only one other Mattress Firm store in Flagstaff
- This store provides inventory to service a very underserved trade area

Strong Demographics In 5-mile Trade Area | Healthy Incomes

- More than 58,700 residents and over 35,000 employees support the trade area
- \$87,545 average household income

Signalized, Hard Corner Intersection | Interstate 40 (66,400 VPD)

- Strategically located at the signalized intersection of N. Cummings Street and U.S. Highway 89, averaging a combined 26,600 vehicles passing by daily
- Less than 1 mile north of Interstate 40 (66,400 VPD), a major west/east thoroughfare for the state of Arizona

Outparcel to Flagstaff Mall (347,000 SF) | Dense Retail Corridor

- The site is an outparcel to Flagstaff Mall, a 347,000+ square foot mall anchored by Dillard's and a new Hobby Lobby and Planet Fitness
- Nearby The Marketplace (268,000 SF) - Anchored by The Home Depot, Marshalls, Best Buy, Petco, and Harkins Theatres
- Close proximity to Flagstaff Auto Center - Dealerships include the brand new Mercedes-Benz of Flagstaff, Flagstaff Subaru, and Planet Chrysler Dodge Jeep Ram of Flagstaff
- Other nearby national/credit tenants include Safeway, OfficeMax, CVS, Aaron's, and more
- Increases consumer draw and traffic to the trade area

Northern Arizona State University | Science & Technology Corridor

- Less than 5 miles from Northern Arizona University (29,000 students enrolled)
- Flagstaff has a strong science and technology corridor with employers including Flagstaff Medical Center, W.L. Gore Technologies, and the U.S. Geological Survey Astrology Science Center
- Provides a growing customer base to draw from

PROPERTY OVERVIEW



Location



Flagstaff, AZ
Coconino County

Parking



There are approximately 30 parking spaces on the owned parcel.
The parking ratio is approximately 2.50 stalls per 1,000 SF of leasable area.

Access



N. Cummings Street: 1 Access Point

Parcel



Parcel Number: 113-27-005E & 113-27-005G
Acres: 0.99
Square Feet: 43,266 SF

Traffic Counts



U.S. Highway 89: 26,600 Vehicles Per Day
Interstate 40: 66,400 Vehicles Per Day

Construction



Year Built: 1991 (2012 Remodel)

Improvements



There is approximately 12,000 SF of existing building area

Zoning



HC - Highway Commercial

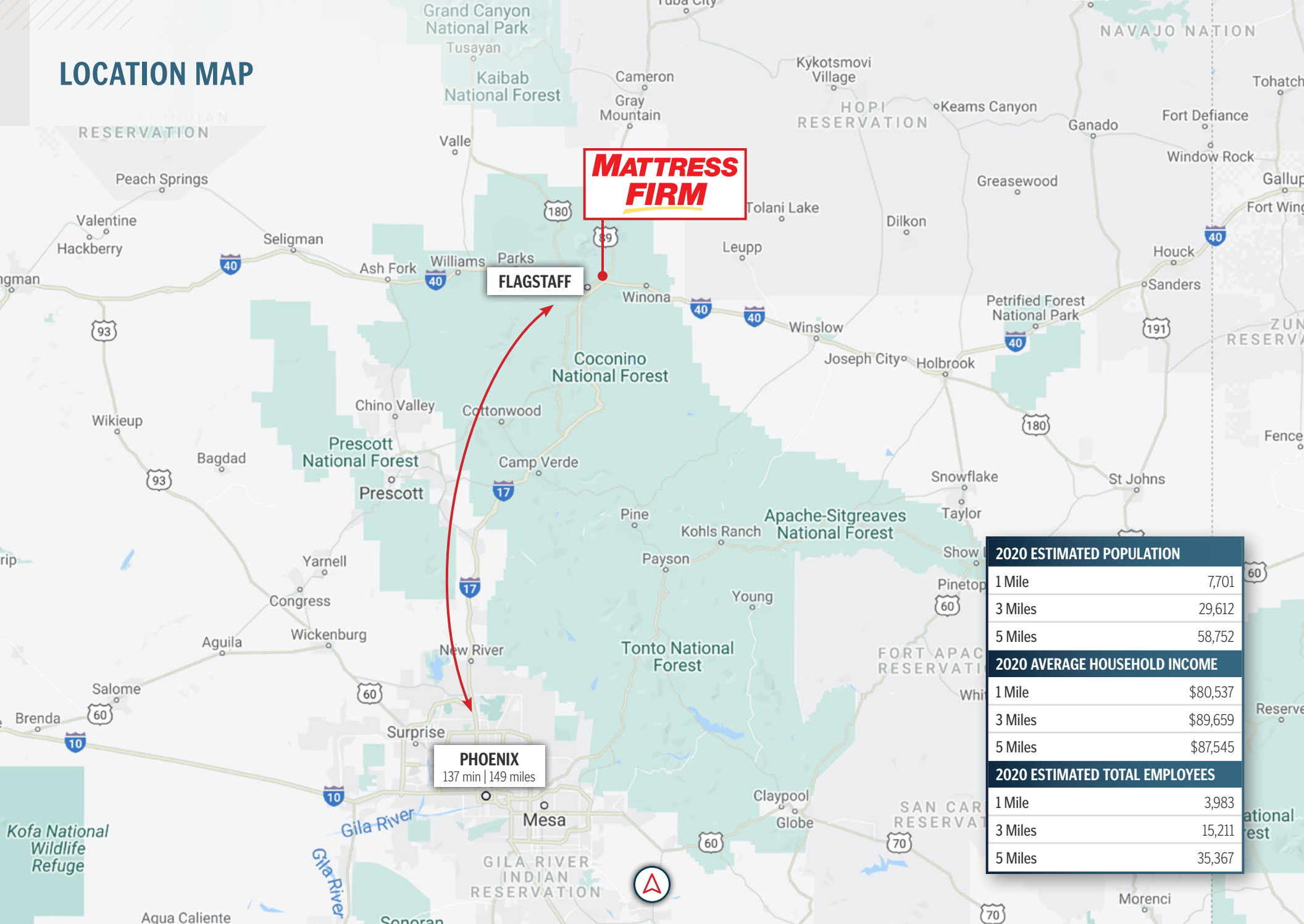








LOCATION MAP





FLAGSTAFF, ARIZONA

The city of Flagstaff, located in northern Arizona, is the county seat of Coconino County. It is served by two interstate highways, Interstate 17 which connects the city to Phoenix and Interstate 40 leading to Albuquerque, New Mexico. Surrounded by national forests and situated only 80 miles south of the Grand Canyon, Flagstaff sits at the foot of Arizona's highest mountain, the 12,634-foot tall Humphrey's Peak. The City of Flagstaff had a population of 77,215 as of July 1, 2020.

The largest industries in Flagstaff, AZ are Educational Services, Accommodation & Food Services, and Retail Trade, and the highest paying industries are Mining, Quarrying, & Oil & Gas Extraction, Manufacturing, and Transportation & Warehousing.

Flagstaff is a decidedly white-collar city, with fully of the workforce employed in white-collar jobs, well above the national average. Overall, Flagstaff is a city of professionals, sales and office workers, and service providers. There are especially a lot of people living in Flagstaff who work in office and administrative support, food service, and sales jobs.

Flagstaff is home to several attractions, starting with the Lowell Observatory, which welcomes visitors year-round for tours and telescope viewing. Winter at the Arizona Snowbowl means snow skiing and summer means scenic sky rides and disc golf. The Arboretum at Flagstaff is a 200-acre botanical garden and nature preserve offering visitors spectacular views and nature trail hikes through ponderosa pine forests. The Arizona Historical Society-Pioneer Museum explores the history of Flagstaff and northern Arizona. Coconino National Forest is the world's largest contiguous ponderosa pine forest and is home to a variety of wildlife. Annual events in Flagstaff include the Flagstaff Wool Festival, Independence Day Festival, the Coconino County Fair, and the Flagstaff Winterfest.

AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
POPULATION			
2020 Estimated Population	7,701	29,612	58,752
2025 Projected Population	8,334	31,114	61,693
2010 Census Population	6,287	26,627	50,455
Projected Annual Growth 2020 to 2025	1.59%	0.99%	0.98%
Historical Annual Growth 2010 to 2020	2.04%	1.02%	1.49%
HOUSEHOLDS & GROWTH			
2020 Estimated Households	2,958	10,973	19,578
2025 Projected Households	3,208	11,585	20,822
2010 Census Households	2,398	9,714	16,937
Projected Annual Growth 2020 to 2025	1.64%	1.09%	1.24%
Historical Annual Growth 2010 to 2020	2.09%	1.18%	1.40%
RACE & ETHNICITY			
2020 Estimated White	69.52%	72.45%	76.40%
2020 Estimated Black or African American	1.91%	1.71%	2.25%
2020 Estimated Asian or Pacific Islander	1.22%	1.63%	2.44%
2020 Estimated American Indian or Native Alaskan	18.31%	15.58%	11.98%
2020 Estimated Other Races	10.08%	11.74%	8.43%
2020 Estimated Hispanic	25.53%	25.31%	20.32%
INCOME			
2020 Estimated Average Household Income	\$80,537	\$89,659	\$87,545
2020 Estimated Median Household Income	\$62,815	\$65,922	\$63,492
2020 Estimated Per Capita Income	\$30,277	\$33,134	\$29,855
DAYTIME POPULATION			
2020 Estimated Total Businesses	309	1,309	2,721
2020 Estimated Total Employees	3,983	15,211	35,367



RENT ROLL



TENANT NAME	SQUARE FEET	LEASE TERM				RENTAL RATES					
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Mattress Firm, Inc.	12,000	Feb 2013	Feb 2030	Current	-	\$19,620	\$1.64	\$235,440	\$19.62	NNN	1 (5-Year)
(Corporate)				March 2025	10%	\$21,582	\$1.80	\$258,984	\$21.58		10% Incr. at the Beg. of the Opt.

(1) Exterior Area Expenses shall not increase by more than 5% on a non-cumulative basis over the amount payable for the previous lease year

(2) Tenant pays 10% cap admin fee on CAM (admin fee excludes taxes, utilities, and insurance)

FINANCIAL INFORMATION

Price	\$3,363,000
Net Operating Income	\$235,440
Cap Rate	7.00%
Lease Type	NNN

PROPERTY SPECIFICATIONS

Year Built	1991 (2012 Remodel)
Rentable Area	12,000 SF
Land Area	0.99 Acres
Address	4480 US-89, Flagstaff, AZ 86004



For financing options and loan quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com

BRAND PROFILE

MATTRESS FIRM®



MATTRESS FIRM

steinhoffinternational.com

Company Type: Subsidiary

Parent: Steinhoff International

2019 Employees: 110,000

2019 Revenue: \$11.99 Billion

2019 Assets: \$14.60 Billion

Since 1986, Mattress Firm has made it easy to get a great night's sleep by providing the customers an expertly curated collection of quality mattresses from the best brands. Today, with more than 2,500 neighborhood stores, Mattress Firm strive to become America's most trusted authority on sleep by placing the customer at the center of everything they do. Mattress Firm offers a broad selection of mattresses and bedding accessories from leading manufacturers and brand names, including leading brands such as Serta, Simmons, Tempur-Pedic, tufo, Sleepy's, Chattam & Wells and Purple. Committed to serving the communities, the Mattress Firm Foster Kids program, in partnership with the Ticket to Dream Foundation, hosts three collection drives a year in communities nationwide to help foster children get better sleep so they can shape a better future. The company is headquartered in Houston, Texas. Mattress Firm Holding Corp. operates as a subsidiary of Steinhoff International Holdings N.V. Parent: Steinhoff International.



275+

**RETAIL
PROFESSIONALS**

25+

OFFICES

#1

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

2K+

**RETAIL
TRANSACTIONS**
company-wide
in 2020

485

**NET LEASE
PROPERTIES SOLD**
in 2020

\$1.5B

**NET LEASE
TRANSACTION VALUE**
in 2020

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