

# SLEEP NUMBER

3200 CRAIN HIGHWAY, WALDORF, MARYLAND

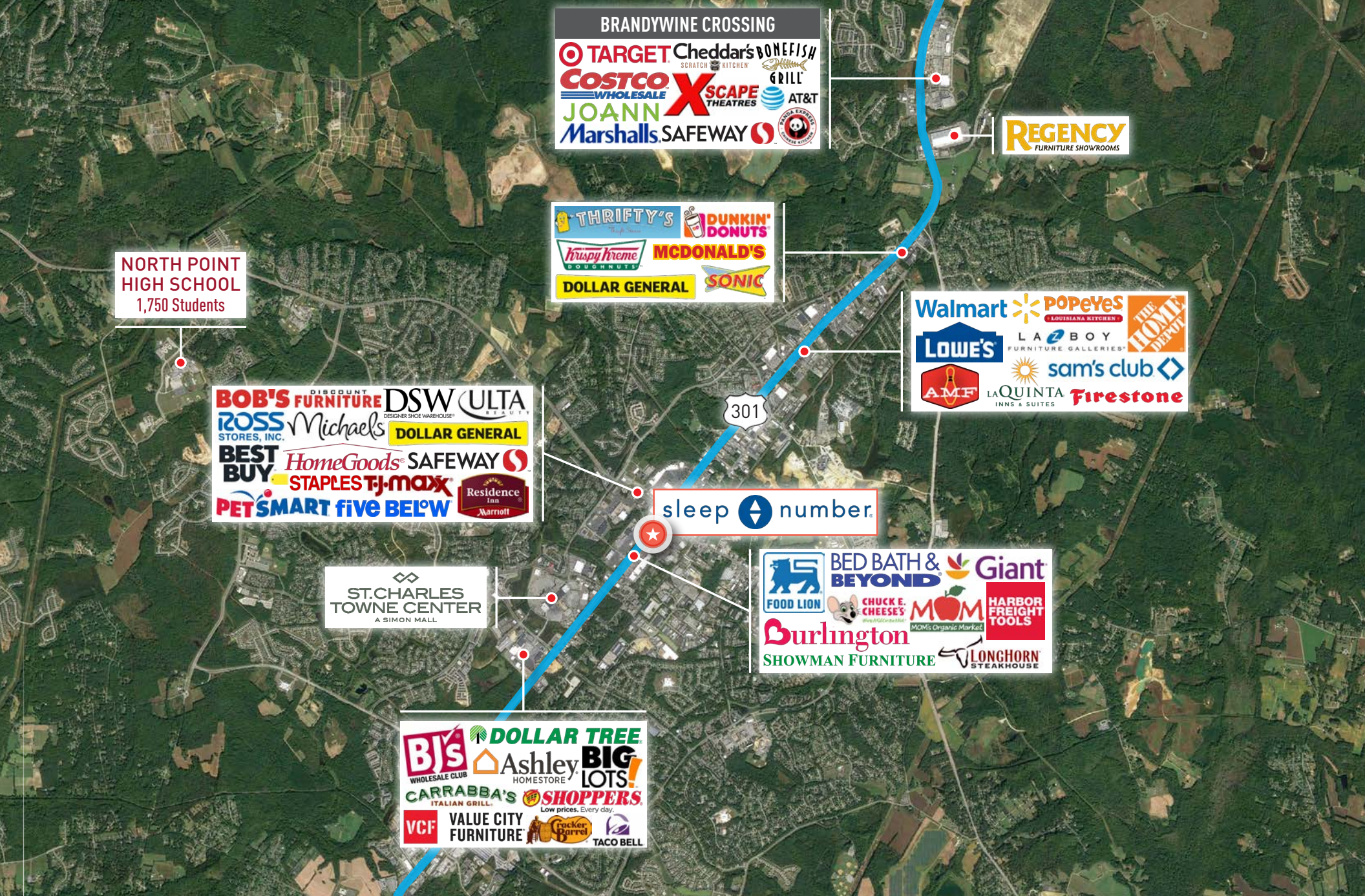


CONSTRUCTION PHOTO  
AS OF 1/30/2021

OFFERING MEMORANDUM

Marcus & Millichap





BRANDYWINE CROSSING

TARGET Cheddar's BONEFISH  
COSTCO WHOLESALE X SCAPE THEATRES AT&T  
JOANN Marshalls SAFEWAY

REGENCY  
FURNITURE SHOWROOMS

NORTH POINT  
HIGH SCHOOL  
1,750 Students

THRIFTY'S Dunkin' DONUTS  
Krispy Kreme MCDONALD'S  
DOLLAR GENERAL SONIC

Walmart POPEYES THE HOME DEPOT  
LOWE'S LA BOY  
AMF sam's club  
LAQUINTA INNS & SUITES Firestone

BOB'S FURNITURE DISCOUNT DSW ULTA  
ROSS STORES, INC. Michaels DOLLAR GENERAL  
BEST BUY HomeGoods SAFEWAY  
PET SMART five BELOW STAPLES TJ-maxx  
Residence Inn Marriott

sleep  number.

ST. CHARLES  
TOWNE CENTER  
A SIMON MALL

BED BATH & BEYOND Giant  
FOOD LION CHUCK E. CHEESE'S MOM HARBOR FREIGHT TOOLS  
Burlington MOM'S Organic Markets  
SHOWMAN FURNITURE LONGHORN STEAKHOUSE

BJ'S WHOLESALE CLUB DOLLAR TREE  
Ashley HOMESTORE BIG LOTS!  
CARRABBA'S ITALIAN GRILL SHOPPERS  
VCF VALUE CITY FURNITURE Cocker Pottery TACO BELL

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# Executive Summary

3200 Crain Highway, Waldorf, MD 44057

## FINANCIAL SUMMARY

|               |                    |
|---------------|--------------------|
| <b>Price</b>  | <b>\$4,416,000</b> |
| Cap Rate      | 6.25%              |
| Building Size | 4,000 SF           |
| Net Cash Flow | 6.25% \$276,000    |
| Year Built    | 2021               |
| Lot Size      | .64 Acres          |

## LEASE SUMMARY

|                              |   |
|------------------------------|---|
| Lease Type                   | Triple-Net (NNN) Lease                                |
| Tenant                       | Select Comfort Retail Corporation DBA<br>Sleep Number |
| Guarantor                    | Corporate   |
| Roof & Structure             | Tenant Reimburses with CAM                            |
| Est. Lease Commencement Date | March 2021  |
| Est. Lease Expiration Date   | March 2031  |
| Lease Term                   | 10 Years  |
| Rental Increases             | 10% Every 5 Years                                     |
| Renewal Options              | 2, 5 Year Options                                     |

NOTE: Tenant's CAM Expense shall not increase more than three percent (3%) over the preceding calendar year, excluding any snow and ice removal charges.

## ANNUALIZED OPERATING DATA

| Lease Years | Annual Rent  | Cap Rate |
|-------------|--------------|----------|
| 1 - 5       | \$276,000.00 | 6.25%    |
| 6 - 10      | \$303,600.00 | 6.88%    |
| Options     | Annual Rent  | Cap Rate |
| Option 1    | \$333,960.00 | 7.56%    |
| Option 2    | \$367,356.00 | 8.32%    |

|                             |                        |
|-----------------------------|------------------------|
| <b>Base Rent</b>            | <b>\$276,000</b>       |
| <b>Net Operating Income</b> | <b>\$276,000</b>       |
| <b>Total Return</b>         | <b>6.25% \$276,000</b> |





BRANDYWINE CROSSING

TARGET Cheddar's BONEFISH SCRATCH KITCHEN COSTCO WHOLESALE XSCAPE THEATRES JOANN AT&T Marshalls SAFEWAY

BOB'S FURNITURE DOLLAR GENERAL PETSMART ULTA DAVID'S BRIDAL five BELOW STAPLES

Michaels ROSS STORES, INC.

LA FITNESS Party City

sweetFrog premium frozen yogurt chili's Loco Pasa

OUTBACK STEAKHOUSE MCDONALD'S

MISSION BBQ The American Way.

BEST BUY

Checkers BURGERS • FRIES • COLAS

SUNTRUST

COURTYARD Marriott

PNC BANK

jiffy lube

KIA

FOOD LION

sleep number

ME MedExpress URGENT CARE

55,220 CPD  
CRAIN HWY

SHOWMAN FURNITURE Market Pizza Hut Choba's AFRICAN KITCHEN & BAKERY

CHIPOTLE MEXICAN GRILL





ST. CHARLES  
TOWNE CENTER  
A SIMON MALL

TARGET

DSW TJ-maxx  
DESIGNER SHOE WAREHOUSE®  
HomeGoods®  
Bath & Body Works

GRILLE  
13

Walgreens

MOM'S  
MOM'S Organic Market  
LUCIANNA'S  
STEAKHOUSE

Giant

planet fitness  
CHUCK E. CHEESE'S  
Where Kids Learn to Play!

FIVE GUYS  
BURGERS and FRIES

ME MedExpress  
URGENT CARE

BANK OF AMERICA

55,220 CPD  
CRAIN HWY

CHIPOTLE  
MEXICAN GRILL

sleep number®

SHOWMAN FURNITURE  
Carpet & Floors Market  
Pizza Hut  
Choba's  
AFRICAN KITCHEN & BAKERY





INDUSTRIAL



Burlington



BED BATH & BEYOND



sleep  number

55,220 CPD  
CRAIN HWY



# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Lease with Corporate Guaranty**
- » 10% Rental Increases Every 5 Years
- » **89,630 Residents within a 5-Mile Radius - Growing Waldorf Trade Area in the Washington, DC MSA**
- » Excellent Visibility Along Waldorf's Highly-Trafficked Main Thoroughfare - 55,220+ Cars/Day Along Crain Highway
- » **Relocation Store from St. Charles Towne Center Mall** – Proven Business Model in the Area
- » **Average Household Income Exceeds \$114,000 within 5 Miles of the Subject Property**
- » Situated in Shopping Center Anchored by Bed Bath & Beyond, ALDI, and Burlington
- » **Located in Dense Retail Corridor with National Tenants - Target, Best Buy, PetSmart, Safeway, and More**
- » Less Than 1 Mile from St. Charles Towne Center



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

|                    |       |        |        |
|--------------------|-------|--------|--------|
| 2025 Projection    | 7,247 | 69,557 | 96,084 |
| 2020 Estimate      | 6,793 | 65,910 | 89,630 |
| Growth 2020 - 2025 | 6.69% | 5.53%  | 7.20%  |

### Households

|                    |       |        |        |
|--------------------|-------|--------|--------|
| 2025 Projection    | 2,643 | 24,554 | 33,765 |
| 2020 Estimate      | 2,455 | 23,114 | 31,275 |
| Growth 2020 - 2025 | 7.64% | 6.23%  | 7.96%  |

### Income

|                                    |           |           |           |
|------------------------------------|-----------|-----------|-----------|
| 2020 Est. Average Household Income | \$109,744 | \$107,550 | \$114,986 |
| 2020 Est. Median Household Income  | \$86,364  | \$87,537  | \$94,304  |
| 2020 Est. Per Capita Income        | \$39,685  | \$37,779  | \$40,174  |





# Tenant Overview


**Sleep Number**
**NASDAQ: SCSS**
**Plymouth, Minnesota**
**600+**
**[www.sleepnumber.com](http://www.sleepnumber.com)**

Company

Stock Symbol

Headquarters

Locations

Website

Founded in 1987 and based in Minneapolis, Sleep Number (publicly traded and U.S. based) designs, manufactures, markets and supports a line of adjustable-firmness mattresses featuring air-chamber technology, branded the SLEEP NUMBER® bed, as well as bases and bedding accessories. SLEEP NUMBER® products are sold through its approximately 600 company-owned stores located across the United States in the 4,500-10,000 SF range; select bedding retailers; direct marketing operations; and online at [www.sleepnumber.com](http://www.sleepnumber.com).

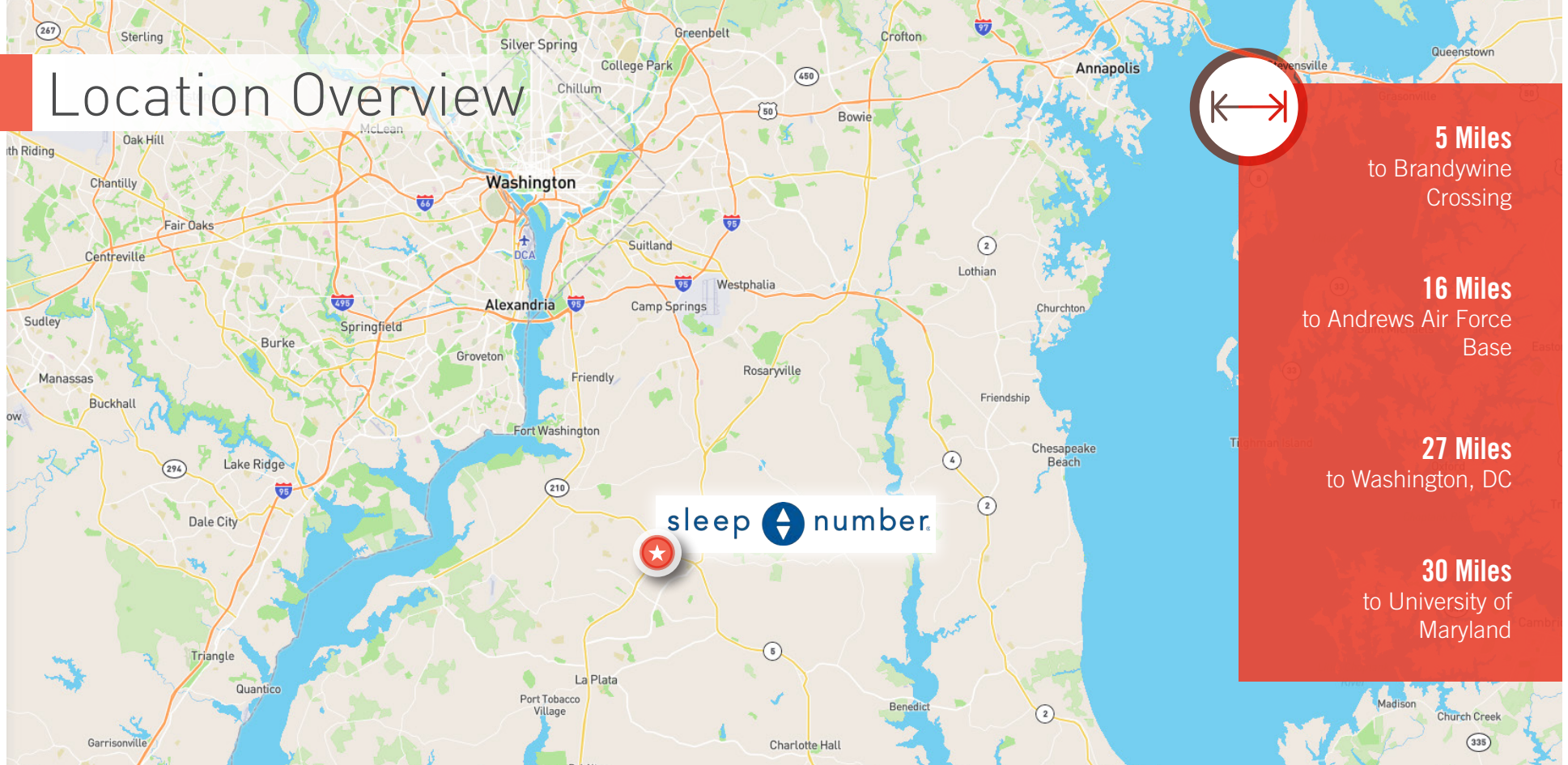
Sleep Number is comprised of over 4,300 team members who are dedicated to the company's mission of improving lives by individualizing sleep experiences.

Sleep science and data are the foundation of the company's innovations. Sleep Number's award-winning 360 smart beds benefit from proprietary SleepIQ® technology - learning from nearly 8 billion hours of highly accurate sleep data - to provide effortless comfort and individualized sleep health insights. Sleep Number has improved nearly 13 million lives through creating higher quality sleep.

As of September 26, 2020, the company's net sales grew 12% to a record \$531 million, with demand growth of 16%. For the third consecutive year, since transitioning to smart beds, the company's Q3 results reflect double-digit demand growth.



# Location Overview



Waldorf is an unincorporated community and census-designated place in Charles County, Maryland, situated 23 miles south-southeast of Washington, DC. Waldorf's population is estimated at 67,750 people. Waldorf is predominantly a bedroom community for many residents who commute to work in Washington, DC and other areas in the Washington metropolitan area. Commuters work primarily in federal, professional services, and healthcare industries.

The Washington metropolitan area is centered on Washington, DC and includes all of the federal district and parts of Maryland, Virginia, and West Virginia. The region is one of the most educated and affluent metropolitan areas in the United States. With an estimated 6.216 million people, it is the sixth-largest metropolitan area in

the country. As of November 2020, the Washington metro's unemployment rate was below the national average (5.8% vs. 6.4%).

Washington, DC is a thriving marketplace and commercial hub. More than 100 academic institutions operate programs and degrees in this region, which attracts and retains a talented workforce. In addition, the DC region is home to 400 international associations and 1,000 internationally owned companies. The region is home to 15 Fortune 500 companies, including Hilton Worldwide, Capitol One, Fannie Mae, Lockheed Martin, and Marriott International. Tourism is another thriving economic sector in the area. In 2019, the metro saw 24.6 million visitors, an increase of 3.4% from the year prior, with total spending over \$8.2 billion.



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