

MATTRESS FIRM

EXCLUSIVE NET LEASE OFFERING



OFFERING MEMORANDUM

MATTRESSFIRM®
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13490 South 200 West
Draper, UT 84020

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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.

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Investment Highlights

PRICE: \$3,036,960 | CAP: 6.25% | RENT: \$189,810

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About the Investment

- ✓ Long-Term, Original 11-Year Double Net (NN) Lease
- ✓ Roof Warranty in Effect Until 2034
- ✓ Approximately 7.7 Years Remaining
- ✓ Three (3) Years of Additional Lease Term Added in 2018
- ✓ One (1) Year of Additional Lease Term Added in 2020
- ✓ Rental Increases Occurring in Base Term & Each Renewal Option
- ✓ Two (2), Five (5)-Year Tenant Renewal Options
- ✓ Corporate Tenant | Corporate Guaranty

About the Location

- ✓ Dense Retail Corridor | Walgreens, Ikea, Ashely Home Store, Harmons, Hampton Inn & Suites, Homewood Suites, Towneplace Suites, Burger King, McDonald's, and Many More
- ✓ Strong Demographics | Population Exceeds 181,200 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 50,300 and 208,700 Vehicles Per Day Along Bangerter Highway and Interstate 15
- ✓ EBAY Offices Located Less than One-Mile Away | Over 1,800 Employees at this Location
- ✓ Draper Headquarters - Utah National Guard Located Less than One-Mile Away

About the Tenant / Brand

- ✓ Mattress Firm is Headquartered in Houston, Texas
- ✓ Founded in 1986
- ✓ Acquired by Steinhoff International Holdings for \$3.8 Billion in 2016
- ✓ Nearly 2,500 Stores in 49 States | Still Expanding
- ✓ Revenue of \$2.54 Billion (2020)
- ✓ Over 10,000 Employees
- ✓ Brand Produces High Quality Mattresses at Affordable Prices

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Representative Photo



Representative Photo



Financial Analysis

PRICE: \$3,036,960 | CAP: 6.25% | RENT: \$189,810

**MATTRESS
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PROPERTY DESCRIPTION

Concept	Mattress Firm
Street Address	13490 South 200 West
City, State ZIP	Draper, UT 84020
Year Built / Renovated	2014
Building Size Estimated (SF)	+/- 4,995
Lot Size Estimated (Acres)	+/- 0.45
Type of Ownership	Fee Simple

THE OFFERING

Price	\$3,036,960
CAP Rate	6.25%
Annual Rent	\$189,810

LEASE SUMMARY

Property Type	Net Leased Retail
Tenant / Guarantor	Mattress Firm, Inc. / Mattress Holding Corp.
Original Lease Term	11 Years
Lease Expiration	June 30, 2029
Lease Term Remaining	7.7 Years
Lease Type	Double Net (NN)
Landlord Responsibilities	Roof & Structure
Rental Increases	Varying (See Rent Schedule)
Renewal Options Remaining	Two (2), Five (5)-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
7/1/2021 - 6/30/2022	\$189,810	\$15,818	-
7/1/2022 - 6/30/2023	\$189,810	\$15,818	-
7/1/2023 - 6/30/2024	\$189,810	\$15,818	-
7/1/2024 - 6/30/2025	\$189,810	\$15,818	-
7/1/2025 - 6/30/2026	\$213,786	\$17,816	12.63%
7/1/2026 - 6/30/2027	\$213,786	\$17,816	-
7/1/2027 - 6/30/2028	\$213,786	\$17,816	-
7/1/2028 - 6/30/2029	\$213,786	\$17,816	-
Option 1	\$229,670	\$19,139	7.43%
Option 2	\$252,647	\$21,054	10.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Mattress Firm located at 13490 South 200 West in Draper, Utah. The site consists of roughly 4,995 rentable square feet of building space on estimated 0.45-acre parcel of land. This Mattress Firm is subject to a 11-year double-net (NN) lease, which added four (4) total years of additional lease term in 2018 and 2020. The current annual rent is \$189,810 and is scheduled to increase in the base term and at the start of each of the two (2), five (5)-year renewal options (see rent schedule).



Concept Overview

MATTRESS FIRM

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With over 2,500 company-operated and franchised stores across 49 states, Mattress Firm has the largest geographic footprint in the United States among multi-brand mattress retailers. Founded in 1986, Houston-based Mattress Firm is the nation's leading specialty bedding retailer with over \$3.14 billion in sales in 2019. In September 2016, the company was acquired by Steinhoff International for \$3.8 billion, and Mattress Firm now operates as a subsidiary of Steinhoff.

The company, through its brands including Mattress Firm, Sleepy's and Sleep Train, offers a broad selection of both traditional and specialty mattresses, bedding accessories and other related products from leading manufacturers, including Serta, Simmons and Hampton & Rhodes.

Corporate Overview	
Number of Locations	2,500+
Total Number of Employees	10,000
Headquarters	Houston, TX
Year Founded	1986
Parent Company	Steinhoff International Holdings, N.V.



STEINHOFF
INTERNATIONAL HOLDINGS N.V.

Founded in 1964, Steinhoff International Holdings is a global holding company based out of Stellenbosch, South Africa. The company employs about 130,000 individuals and operates throughout Africa, Asia, Europe, Oceania and the United States. Mattress firm was acquired by Steinhoff in 2016 for \$3.8 billion.

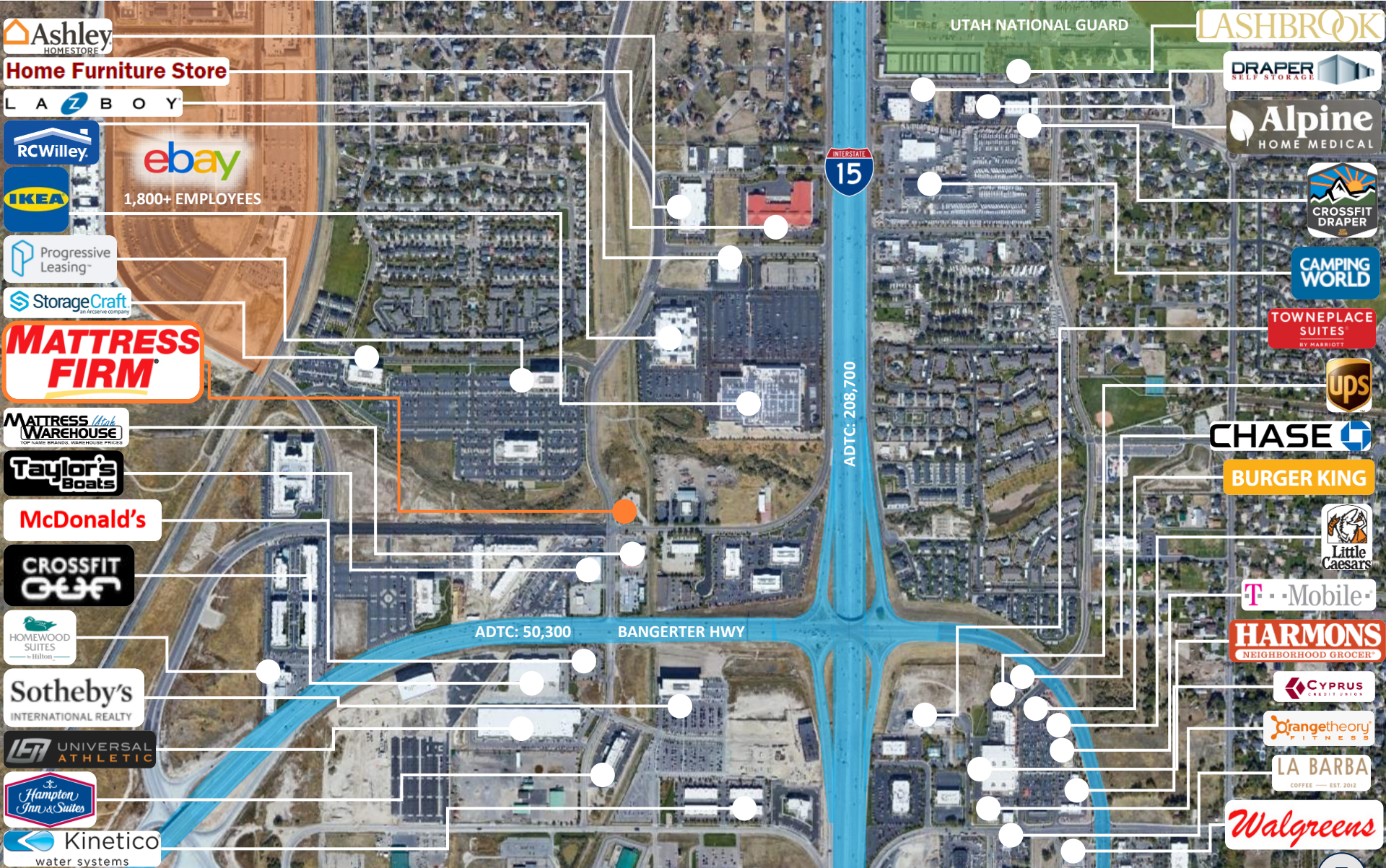
One of Steinhoff's main investment categories is household goods, such as Mattress Firm. Additional companies in this segment owned by Steinhoff include Conforma in Europe and Ackermans in Africa.





Surrounding Area

MATTRESS FIRM



Marcus & Millichap

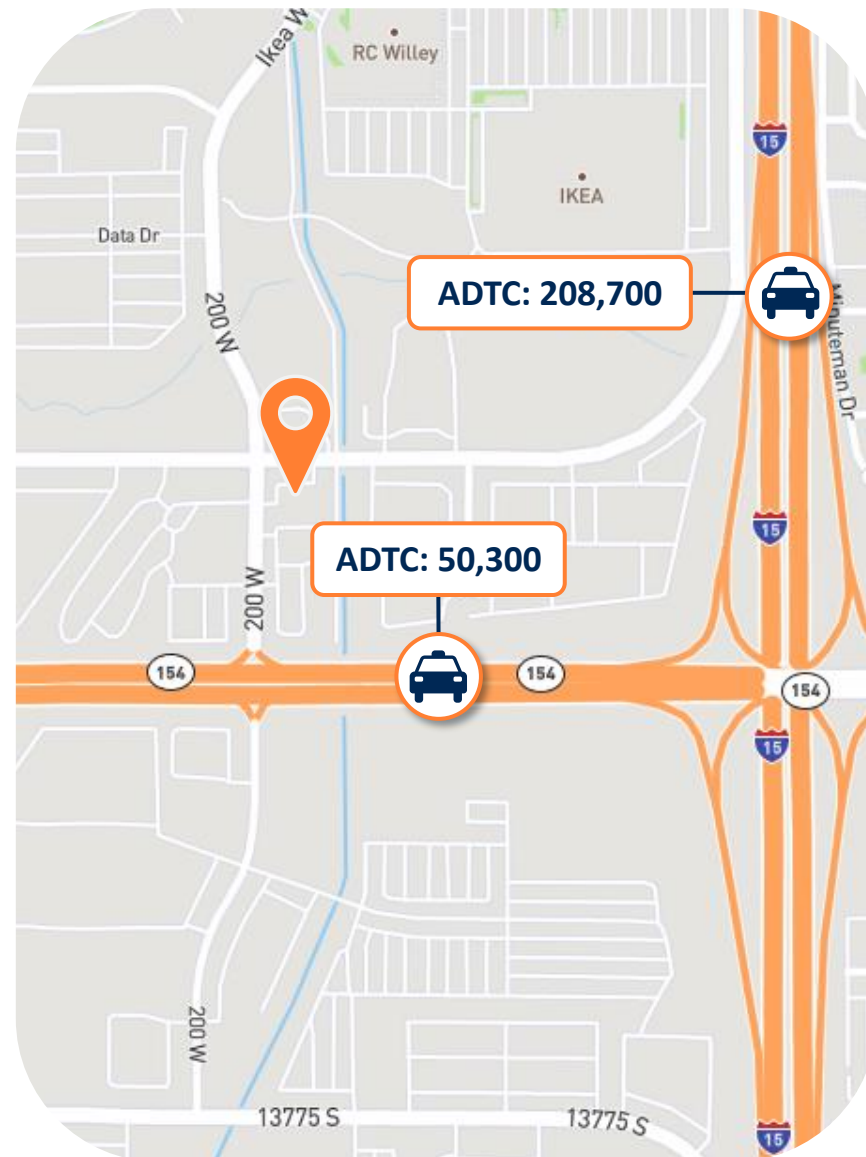


Location Overview

This Mattress Firm property is situated on South 200 West, which runs perpendicular to Bangerter Highway. Bangerter Highway boasts an average daily traffic count of over 50,300 vehicles per day. Bangerter Highway intersects with Interstate 15 less than half a mile from the subject property. Interstate 15 brings in an additional 208,700 vehicles to the immediate area daily. There are more than 71,500 individuals residing within a three-mile radius of the property and more than 181,200 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a very dense retail corridor consisting of national and local tenants, large company offices and shopping centers all within close proximity of this property. Major national tenants in the area include: Walgreens, Ikea, Ashely Home Store, Harmons, Hampton Inn & Suites, Homewood Suites, Towneplace Suites, Burger King, McDonald's, as well as many others. This Mattress Firm also benefits from its close proximity to Ebay's Salt Lake offices. These offices are on 36 acres, the 241,000-square-foot facility was designed to be gold LEED certified for energy efficiency and includes a fitness center, 400-seat auditorium and a full-service cafeteria. They employ over 1,800 employees at this location. Nearby is the Bangerter Crossing a shopping centers with tenants such Harmons, Little Caesars and Burger King. Additionally, the subject property is less than half a mile from Interstate 15. This interstate runs from north to south connecting the entire state.

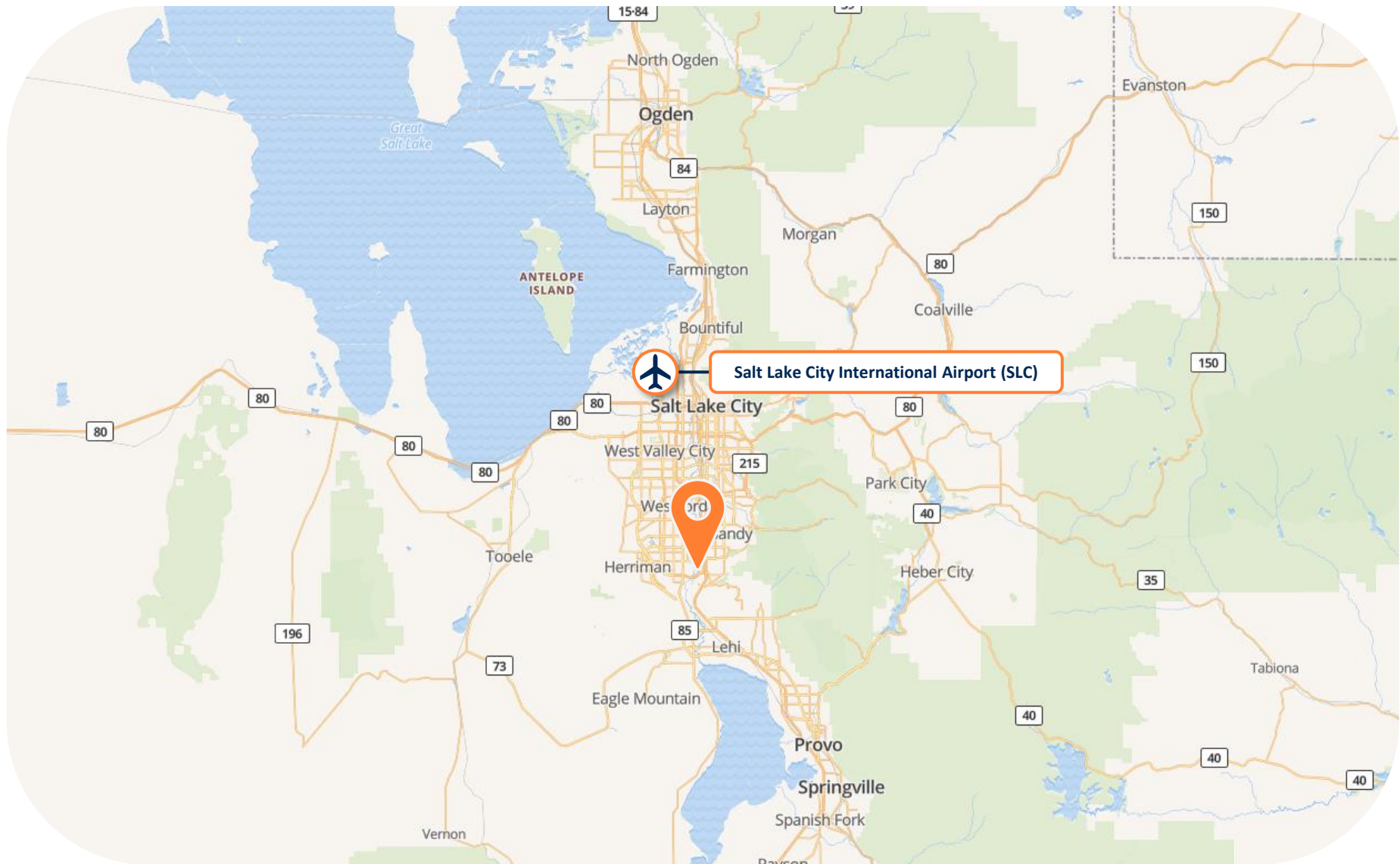
Draper is a city in Salt Lake and Utah counties in the U.S. state of Utah, located about 20 miles south of Salt Lake City along the Wasatch Front. Draper City is nestled in the far southeast corner of the Salt Lake Valley, with the Wasatch Mountain Range on the east and the Traverse Ridge Mountain on the south. At the Point of the Mountain, Draper is known for one of the most popular and best wind areas in the country for hang gliding and paragliding. Draper lies roughly midway between Salt Lake City and Provo. Draper is bordered by Riverton and Bluffdale to the west, South Jordan to the northwest, Sandy to the north, Alpine to the southeast, Highland to the south, and Lehi to the southwest. Draper is home to the tech call center of PGP Corporation, the call center of Musician's Friend, and the headquarters of 1-800 Contacts, Control4, and HealthEquity. Draper is also home to Utah's first IKEA, which opened in 2007.





Local Map

**MATTRESS
FIRM**





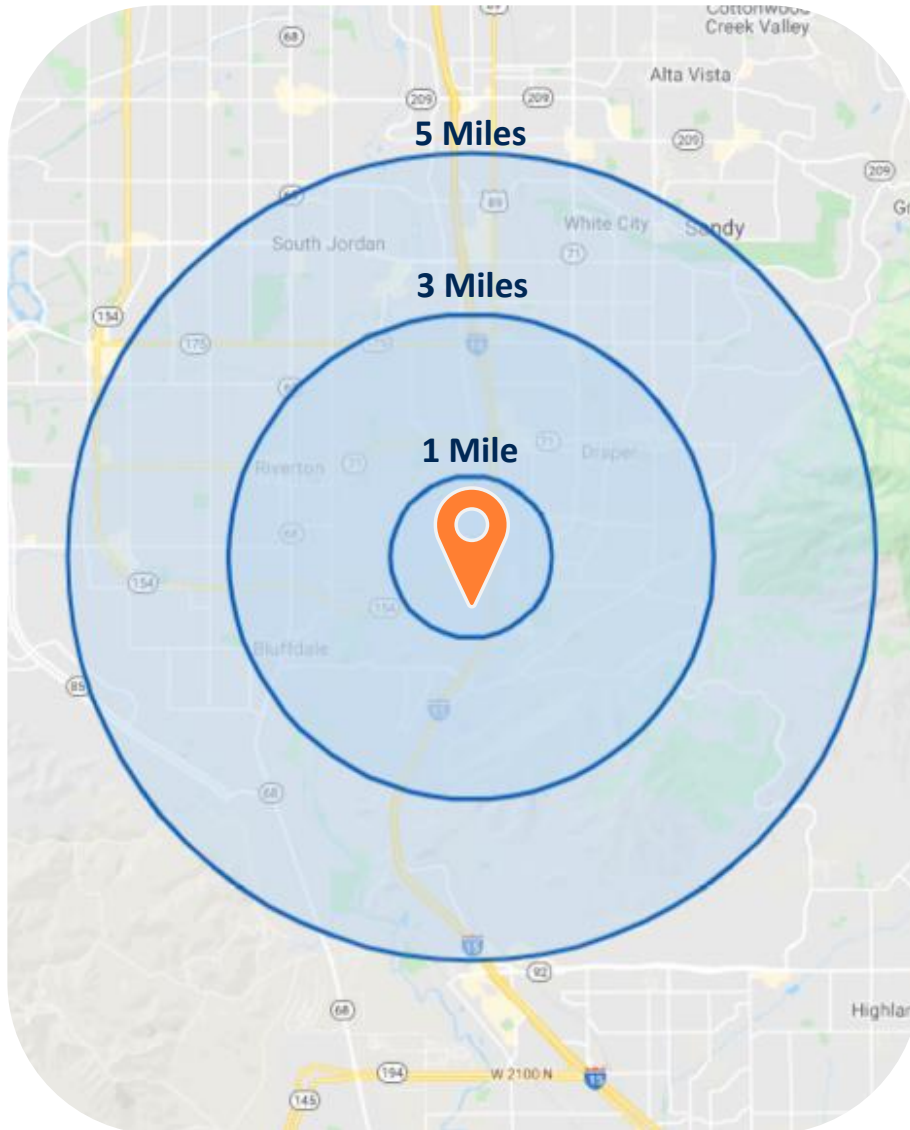
Regional Map

**MATTRESS
FIRM**





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	9,570	58,459	141,125
2021 Population	11,517	71,563	181,228
2026 Population Projection	12,016	75,577	193,432
Annual Growth 2010-2021	1.80%	2.00%	2.60%
Annual Growth 2021-2026	0.90%	1.10%	1.30%

POPULATION BY RACE (2021)

	1 Mile	3 Miles	5 Miles
White	9,855	65,499	166,067
Black	530	1,099	2,024
American Indian/Alaskan Native	293	533	1,212
Asian	371	2,163	5,993
Hawaiian & Pacific Islander	101	439	1,383
Two or More Races	368	1,830	4,549
Hispanic Origin	1,666	5,721	13,735

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	1,864	16,245	40,343
2021 Households	2,422	20,615	53,653
2026 Household Projection	2,583	21,921	57,561
Growth 2010-2021	2.60%	2.60%	3.10%
Growth 2021-2026	1.30%	1.30%	1.50%

AVERAGE HOUSEHOLD INCOME (2021)

1 Mile	3 Miles	5 Miles
\$120,871	\$134,109	\$132,993

MEDIAN HOUSEHOLD INCOME (2021)

1 Mile	3 Miles	5 Miles
\$99,042	\$113,604	\$112,794

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

	1 Mile	3 Miles	5 Miles
< \$25,000	89	971	2,906
\$25,000 - 50,000	285	1,817	4,573
\$50,000 - 75,000	435	3,111	7,424
\$75,000 - 100,000	418	2,770	7,997
\$100,000 - 125,000	310	3,010	7,672
\$125,000 - 150,000	273	2,335	6,129
\$150,000 - 200,000	343	3,448	8,973
\$200,000+	269	3,152	7,979



Market Overview

Salt Lake City, UT



Salt Lake City is emerging as Utah's next economic engine. It is a great place to work, live, and raise a family. It has both organic growth and an influx of new people. It has a joint perspective of new ideas and stability. It is young and dynamic. As Utah's Capital city, Salt Lake has always been a place of acceptance. If you were different, you came to the city. And that is true almost anywhere — cities throughout the U.S. are melting pots whose diversity brings about inherent acceptance. The diversity of our backgrounds, experiences, and opinions makes Salt Lake a really great place to be. Silicon Slopes is not Silicon Valley—and it's not trying to be. But when you consider the urban cost of living with larger coast cities with mature tech centers, Salt Lake City's cost of living is considerably less – 49% less than San Francisco, 31% less than Los Angeles, 8% less than Denver, 44% less than Seattle, 18% lower than Dallas, and 57% less than New York City. And when it comes to a startup and business expenses, that difference means a lot. Salt Lake City's metropolitan area is home to over a million people, more than 20,000 businesses, and top-notch educational institutions and trade schools specializing in a myriad of fields and professions. It has one of the youngest populations in the country, with most of the population between the ages of 25 – 34. The community is unique in the sense that employees speak over 100 languages fluently. Salt Lake City's thriving key industries support the growth and development of a diverse workforce, and the employers provide pathways to meaningful careers. Information technology and gaming, Outdoor products, Life sciences, Healthcare, Finance, Logistics, manufacturing, and distribution. Together with educators and the private sector, local government is actively working to prepare the future generations to support the phenomenal growth.

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