

# MATTRESS FIRM<sup>®</sup>

6125 SOUTH WESTEDGE AVENUE, PORTAGE, MICHIGAN (KALAMAZOO-PORTAGE MSA)





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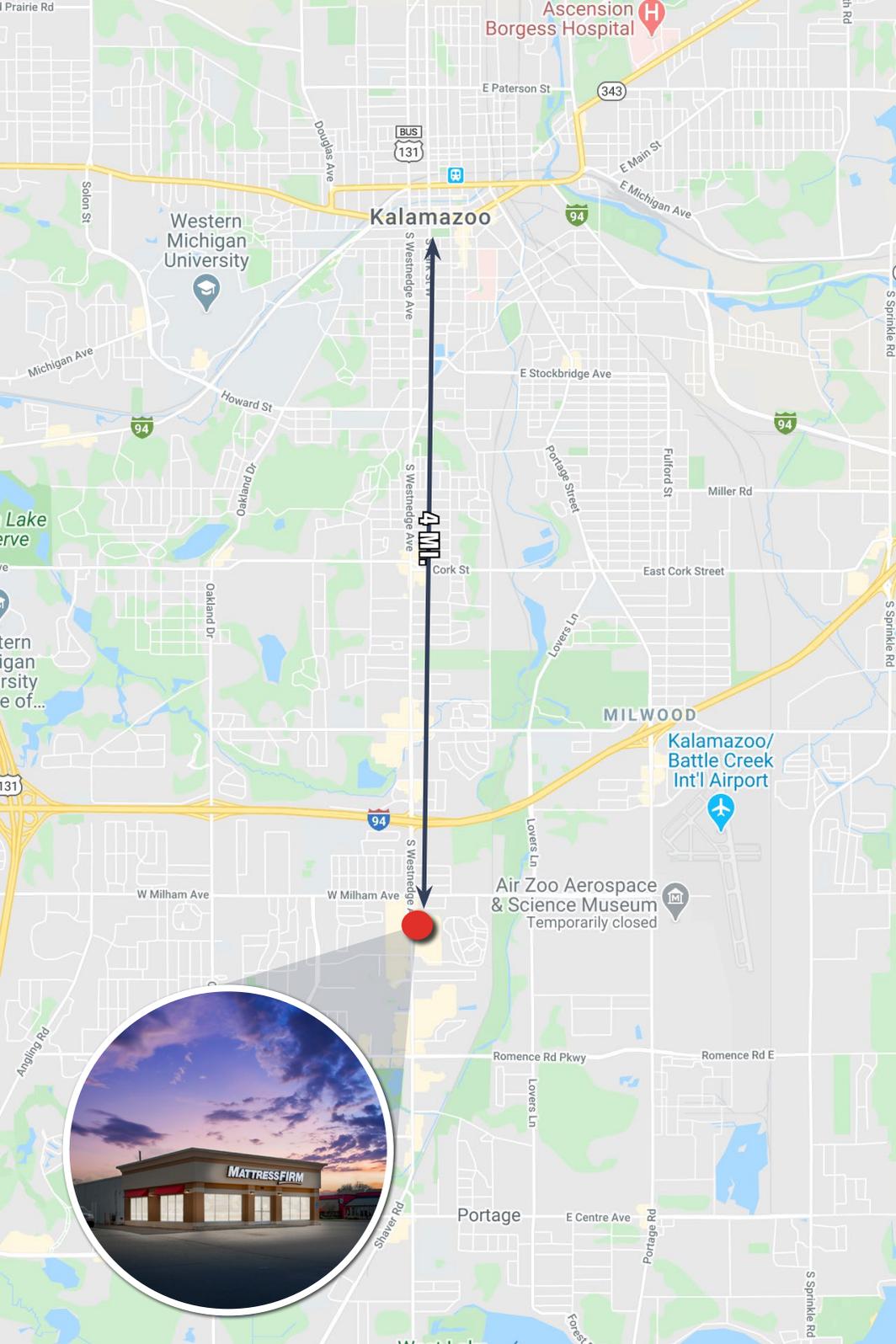
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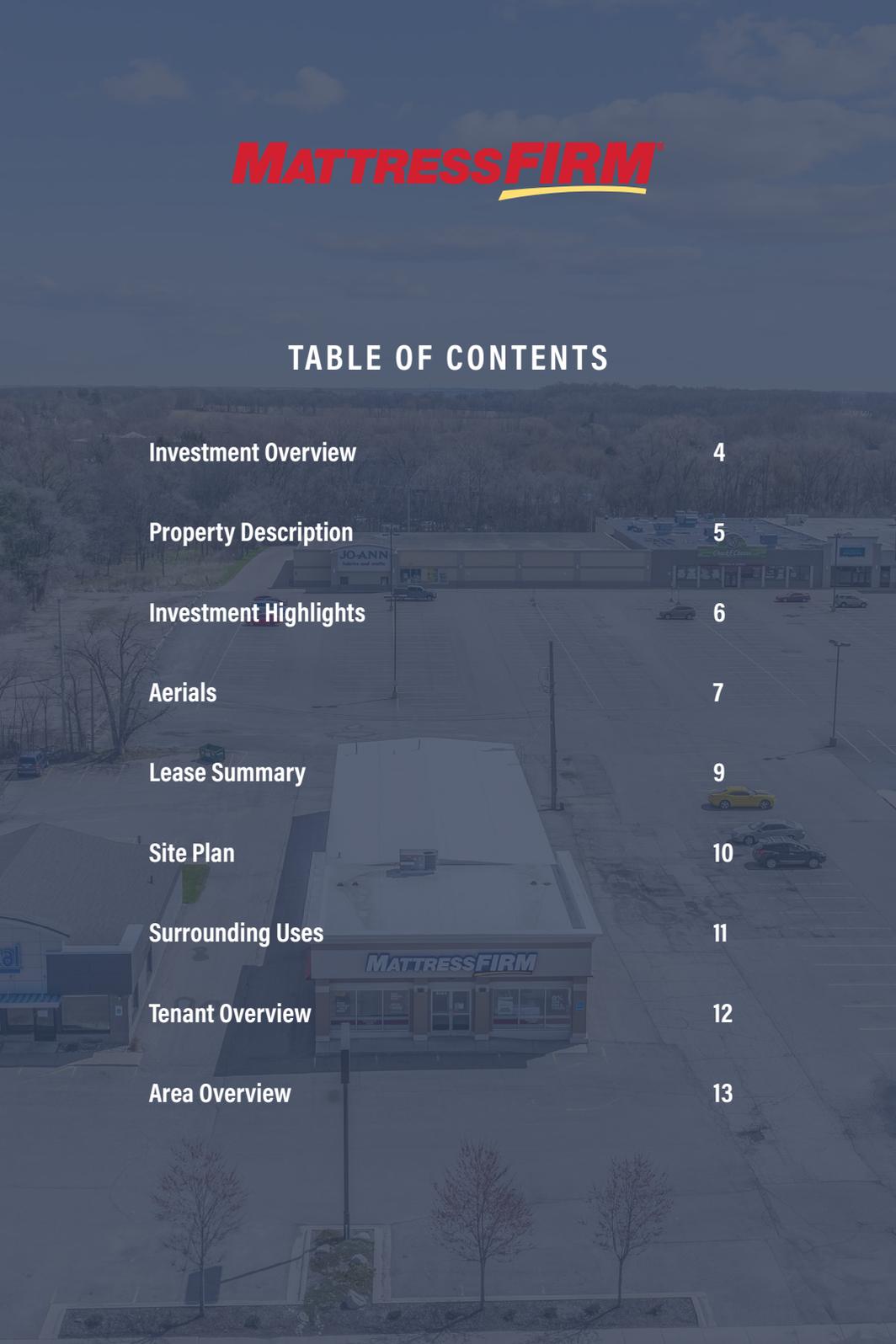
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# MATTRESSFIRM

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## NET LEASE OPPORTUNITY IN PORTAGE, MICHIGAN

CBRE's Net Lease Property Group is pleased to exclusively offer for sale the 5,652-square-foot freestanding Mattress Firm situated on 0.48 acres in Portage, Michigan—a principal city of the Kalamazoo–Portage, MI Metropolitan Statistical Area (population: 340,318). Mattress Firm's net lease features  $\pm 6$  years of primary term remaining with two 5-year renewal options. Additionally, there is a 38% rent increase at the commencement of the first option (2026) that will substantially increase the yield on the offering.

Located 4 miles south of downtown Kalamazoo, Mattress Firm is positioned with excellent access and visibility along South Westnedge Avenue, where it is a half-mile from the on-ramp to Interstate 94 (88,246 VPD). The site is strategically located adjacent to Chili's Grill & Bar and RX Optical and across from Jimmy John's, Noodles and Company and Chick-fil-A. Mattress Firm is also an outparcel to a Big Lots-anchored shopping center that is further occupied by JOANN, Chuck E. Cheese, Moe's and Antique Kitchen. The property is 3 miles west of the Kalamazoo/Battlecreek International Airport with flights operated by Delta Airlines, United Airlines and American Airlines.

Mattress Firm is directly across from the 343,189-square-foot Southland Shopping Center which is anchored by Fresh Thyme, Kohl's, ABC Warehouse, Barnes & Noble, T.J. Maxx and Petco. The center is also home to Tuesday Morning, Maurices, Carter's, Old Navy, Office Depot, Ulta, Five Below, Five Guys, Lane Bryant and David's Bridal, among others. Less than a half-mile south of the property is The Crossroads—a 769,801-square-foot shopping mall that is anchored by Macy's, Burlington and JCPenney and is further tenanted by Gap, Claire's, Chico's, Famous Footwear, The Children's Place, Aldo, Aeropostale, Journey's, Pandora, rue21, Forever 21, American Eagle, Build-A-Bear Workshop and House of Hoops.

Less than 5 miles from the site, Stryker Corporation is currently undergoing a \$109 million expansion that will yield a 253,000-square-foot addition to its current facility at 3800 East Centre Avenue. The expansion will multiply the medical technology company's capacity and is expected to bring in over 260 new jobs by 2025. Upon completion in late 2020, Stryker will begin a 12-year tax abatement period with the city of Portage. Additionally, "Project Spartan" is being constructed on 37 acres along Portage Road between Kenco Logistics and Stryker. The project will include a distribution center and warehouse, which will create over 900 jobs and increase traffic volume by about 2,000 vehicles per day. FedEx Ground has confirmed that it will occupy the space when it is complete in July 2021.

Mattress Firm benefits from its position within Portage's primary retail and commercial corridor with 6.7 MSF of retail, 2.9 MSF of office, 7.3 MSF of industrial and 7,560 multifamily units within a 3-mile radius. Major traffic drivers within the immediate vicinity include Aldi, Hobby Lobby, Dick's Sporting Goods, Goodwill, Michaels, Sam's Club, Target, Home Depot, Best Buy, Fleet Farm, Planet Fitness, Bed Bath & Beyond, Celebration Cinema, Bob's Discount Furniture, Guitar Center, Dollar Tree, Party City, GameStop, UPS, a Buick/GMC dealership, Walgreens, Aaron's, Pep Boys, Wendy's, Smoothie King, Bob Evans, Red Robin and AT&T, along with a multitude of others.

In total, the property benefits from dynamic demographics with a population of 55,892 and an average household income of \$83,225 within a 3-mile radius.

**Mattress Firm** Portage, MI



# MATTRESSFIRM

## PROPERTY DESCRIPTION



PRICE  
**\$1,902,279**



CAP RATE  
**8.25%**



NOI  
**\$156,938**

### PROPERTY SUMMARY

<b>ADDRESS:</b>	6125 South Westnedge Avenue, Portage, MI 49002
<b>TENANT:</b>	Mattress Firm, Inc.
<b>GUARANTOR:</b>	Mattress Holding Corp.
<b>BUILDING SIZE:</b>	5,652 square feet
<b>PARCEL SIZE:</b>	0.48 acres
<b>PARKING:</b>	11 spaces
<b>YEAR BUILT/RENOVATED:</b>	1969/2015

DEMOGRAPHICS	1 mile radius	3 mile radius	5 mile radius
<b>POPULATION:</b>	6,511	55,892	132,715
<b>AVERAGE HOUSEHOLD INCOME:</b>	\$57,128	\$83,225	\$77,933



# INVESTMENT HIGHLIGHTS



## MATTRESS FIRM, INC.

Founded in 1986, Mattress Firm, Inc. is the leading mattress store chain with the largest geographic footprint in the United States. The company employs over 8,500 individuals across the county and is headquartered in Houston, Texas. With over 2,500 neighborhood stores in 49 states, Mattress Firm curates a unique shopping experience for over three million customers a year. Their selection of mattresses includes premium brands such as Serta, Simmons, Tempur-Pedic, tulo, Sleepy's, Chattam & Wells and Purple. Additionally, Mattress Firm was acquired by Steinhoff International Holdings in 2016 for \$3.8B.



## NET LEASE

Mattress Firm's net lease features  $\pm 6$  years of primary term remaining with two 5-year renewal options. Additionally, there is a 38% rent increase at the commencement of the first option (2026) that will substantially increase the yield on the offering.



## EXCELLENT ACCESS & VISIBILITY

Located 4 miles south of downtown Kalamazoo, Mattress Firm is positioned with excellent access and visibility along South Westnedge Avenue, where it is a half-mile from the on-ramp to Interstate 94 (88,246 VPD).



## STRATEGIC LOCATION

The site is strategically located adjacent to Chili's Grill & Bar and RX Optical and across from Jimmy John's, Noodles and Company and Chick-fil-A. Mattress Firm is also an outparcel to a Big Lots-anchored shopping center that is further occupied by JOANN, Chuck E. Cheese, Moe's and Antique Kitchen. The property is 3 miles west of the Kalamazoo/Battlecreek International Airport with flights operated by Delta Airlines, United Airlines and American Airlines.



## PROXIMITY TO MAJOR POINTS OF INTEREST

Mattress Firm is directly across from the 343,189-square-foot Southland Shopping Center which is anchored by Fresh Thyme, Kohl's, ABC Warehouse, Barnes & Noble, T.J. Maxx and Petco. The center is also home to Tuesday Morning, Maurices, Carter's, Old Navy, Office Depot, Ulta, Five Below, Five Guys, Lane Bryant and David's Bridal, among others. Less than a half-mile south of the property is The Crossroads—a 769,801-square-foot shopping mall that is anchored by Macy's, Burlington and JCPenney and is further tenanted by Gap, Claire's, Chico's, Famous Footwear, The Children's Place, Aldo, Aeropostale, Journey's, Pandora, rue21, Forever 21, American Eagle, Build-A-Bear Workshop and House of Hoops.



## SIGNIFICANT INDUSTRIAL DEVELOPMENT

Less than 5 miles from the site, Stryker Corporation is currently undergoing a \$109 million expansion that will yield a 253,000-square-foot addition to its current facility at 3800 East Centre Avenue. The expansion will multiply the medical technology company's capacity and is expected to bring in over 260 new jobs by 2025. Upon completion in late 2020, Stryker will begin a 12-year tax abatement period with the city of Portage. Additionally, "Project Spartan" is being constructed on 37 acres along Portage Road between Kenco Logistics and Stryker. The project will include a distribution center and warehouse, which will create over 900 jobs and increase traffic volume by about 2,000 vehicles per day. FedEx Ground has confirmed that it will occupy the space when it is complete in July 2021.



## PRIMARY RETAIL & COMMERCIAL CORRIDOR

Mattress Firm benefits from its position within Portage's primary retail and commercial corridor with 6.7 MSF of retail, 2.9 MSF of office, 73 MSF of industrial and 7,560 multifamily units within a 3-mile radius. Major traffic drivers within the immediate vicinity include Aldi, Hobby Lobby, Dick's Sporting Goods, Goodwill, Michaels, Sam's Club, Target, Home Depot, Best Buy, Fleet Farm, Planet Fitness, Bed Bath & Beyond, Celebration Cinema, Bob's Discount Furniture, Guitar Center, Dollar Tree, Party City, GameStop, UPS, a Buick/GMC dealership, Walgreens, Aaron's, Pep Boys, Wendy's, Smoothie King, Bob Evans, Red Robin and AT&T, along with a multitude of others.



## DYNAMIC DEMOGRAPHICS

The property benefits from dynamic demographics with a population of 55,892 and an average household income of \$83,225 within a 3-mile radius.

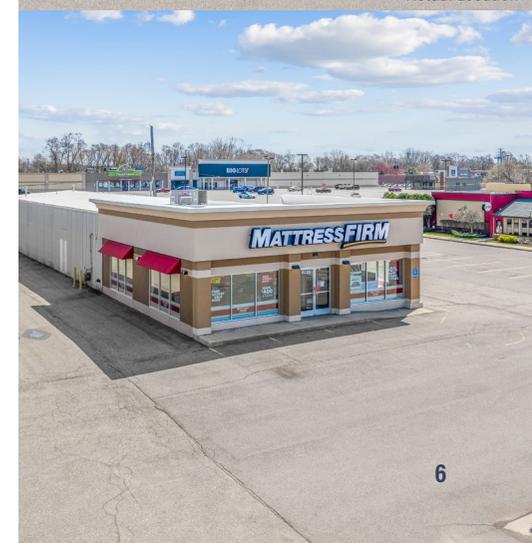


## KALAMAZOO-PORTAGE MSA ADVANTAGE

Situated in the southwest region of Michigan, the Kalamazoo-Portage Metropolitan Statistical Area (MSA population: 340,318) is anchored by the cities of Kalamazoo and Portage and is comprised of all of Kalamazoo and Van Buren counties. Portage is located between two major cities, Chicago (107 miles southwest) and Detroit (130 miles east). The majority of the area is located along the southwest bank of the Kalamazoo River, where the northeastern portion lies within the Kalamazoo Valley. The largest universities in the Kalamazoo-Portage region are Western Michigan University (enrollment: 22,562), Kalamazoo Valley Community College (enrollment: 8,316) and Kalamazoo College (enrollment: 1,467).



Actual Location





JOANN

CHUCK E. CHEESE'S

BIG LOTS!

ALDI

HOBBY LOBBY

DICK'S SPORTING GOODS

SMOOTHIE KING

Rx Optical

Chili's

MATTRESS FIRM

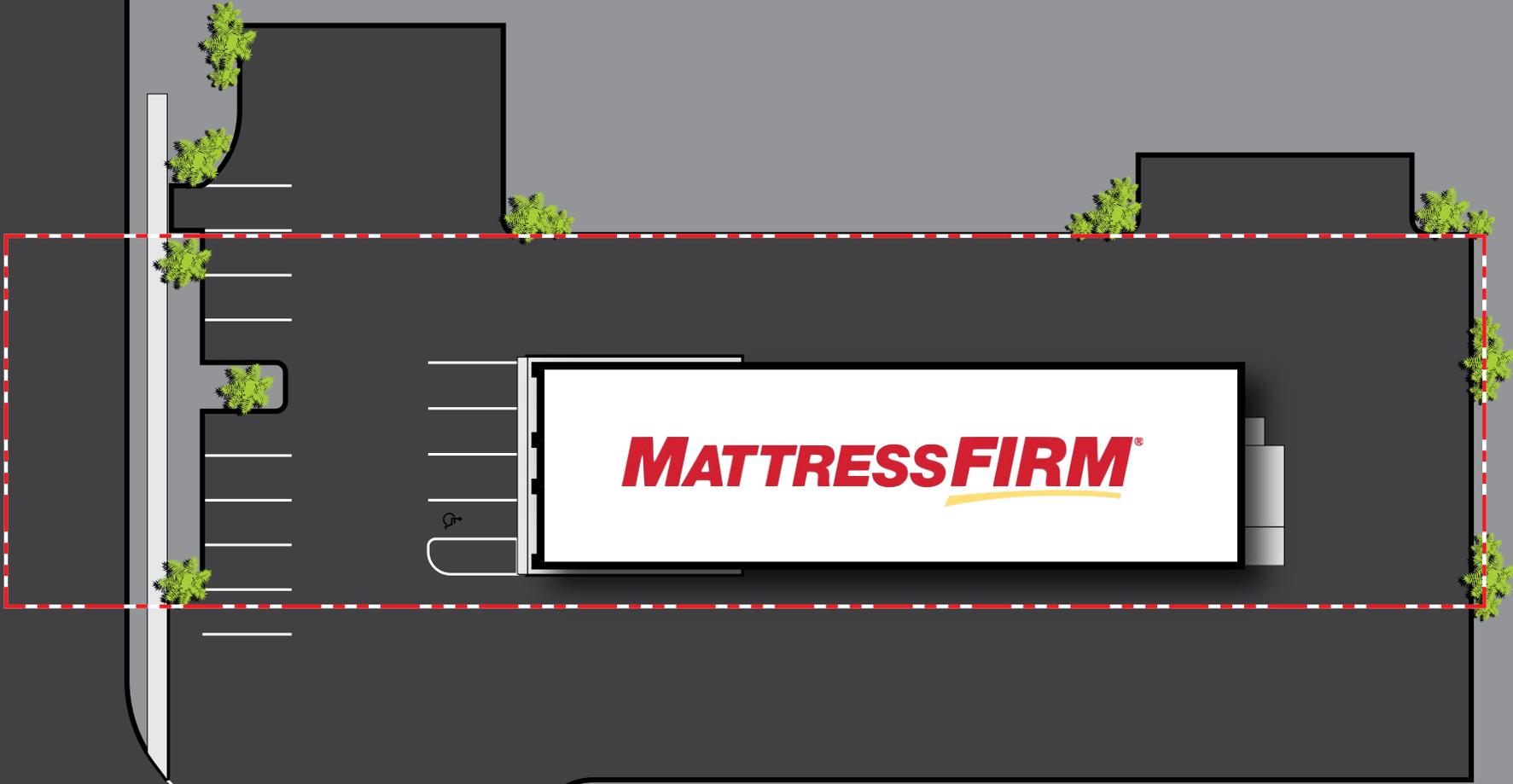
SOUTH WESTNEDGE AVENUE



## LEASE SUMMARY

<b>TENANT:</b>	Mattress Firm, Inc.
<b>GUARANTOR:</b>	Mattress Holding Corp.
<b>ORIGINAL LEASE TERM:</b>	11 years
<b>LEASE COMMENCEMENT:</b>	May 29, 2015
<b>LEASE EXPIRATION:</b>	May 31, 2026
<b>LEASE TERM REMAINING:</b>	±6 years
<b>LEASE TYPE:</b>	NN
<b>CURRENT RENT:</b>	\$156,938
<b>REMAINING OPTIONS:</b>	Two 5-year options
<b>OPTION RENT:</b>	<p><u>Option 1:</u>  Years 12-15:           \$217,069  Year 16:               \$238,781</p> <p><u>Option 2:</u>  Years 17-20:         \$238,781  Year 21:               \$262,631</p>
<b>OPTION RENT INCREASES:</b>	38% in Option 1; 10% every 5 years
<b>TAXES:</b>	Tenant shall be responsible to pay within a reasonable time after being invoiced directly by the taxing authority or by Landlord, as the case may be, any and all real estate taxes and assessments levied or assessed against the Property or which become payable during the Term.
<b>INSURANCE:</b>	<p>Tenant, at its sole cost and expense, shall obtain and maintain in effect the following policies of insurance: (i) all-risk property insurance against fire, theft, vandalism, malicious mischief, sprinkler leakage and such additional perils as now are or hereafter may be included in Special Form (All Risk) Coverage in general use in the State of Michigan, insuring Tenant's Property and (ii) a commercial general liability policy, including insurance naming Landlord as an additional insured, protecting against any and all claims for injury to persons or property occurring in or about the Property and protecting against assumed or contractual liability under the Lease with respect to the Property and the operations of Tenant and any subtenant of Tenant in, on or about the Property, with such policy to be in the minimum amount of \$1,000,000 combined single limit coverage with a general aggregate of such coverage not less than \$3,000,000. Tenant may satisfy its obligations to maintain commercial general liability insurance by obtaining a combination of primary liability and umbrella/excess liability policies, provided that Tenant's primary liability policy shall be in the minimum amount of \$1,000,000.</p> <p>Landlord shall carry, at Tenant's expense, Special Perils property coverage covering the Building and improvements located on the Property and the Premises on a full replacement cost basis and which policy shall include, without limitation, fire insurance with extended coverage and coverage for vandalism, burglary, malicious mischief, sprinkler damage, and water damage.</p> <p><b>*Tenant shall reimburse Landlord for the cost of Landlord's Insurance premiums within 30 days of Landlord's submission to Tenant.</b></p>
<b>REPAIRS &amp; MAINTENANCE:</b>	<p>Landlord shall, at its sole cost and expense, repair all damage to the Building or the exterior parking and landscaped areas of the Premises caused by subsidence or other structural or latent defects and maintain in good condition and repair the structural components of the roof (including any capital repairs to or replacement of the roof membrane but not including day-to-day maintenance or repair of the roof membrane, which day to day maintenance and repair of the roof membrane only shall be the responsibility of Tenant, at its sole cost and expense), and all structural portions of the Building (including without limitation the foundations, exterior walls, columns, and floor slab).</p> <p>Tenant shall, at its sole cost, perform the day to day repair and maintenance of the exterior parking and landscaped areas and keep the Premises neat and clean and in good condition and repair and shall make and pay for all repairs (and replacements of any non-structural portions of the Premises when necessary) to the non-structural portions of the Premises, non-capital repairs of the roof membranes, the exterior doors and plate glass and all equipment and systems (including, without limitation, all utility systems and HVAC systems), wherever located, serving the Premises exclusively,</p>

**SOUTH WESTNEDGE AVENUE**



# SURROUNDING USES



# MATTRESSFIRM®

## TENANT OVERVIEW

Founded in 1986, Mattress Firm, Inc. is the leading mattress store chain with the largest geographic footprint in the United States. The company employs over 8,500 individuals across the country and is headquartered in Houston, Texas. With over 2,500 neighborhood stores in 49 states, Mattress Firm curates a unique shopping experience for over three million customers a year. Their selection of mattresses includes premium brands such as Serta, Simmons, Tempur-Pedic, tulo, Sleepy's, Chattam & Wells and Purple. Additionally, Mattress Firm was acquired by Steinhoff International Holdings in 2016 for \$3.8B.



## PARENT OVERVIEW

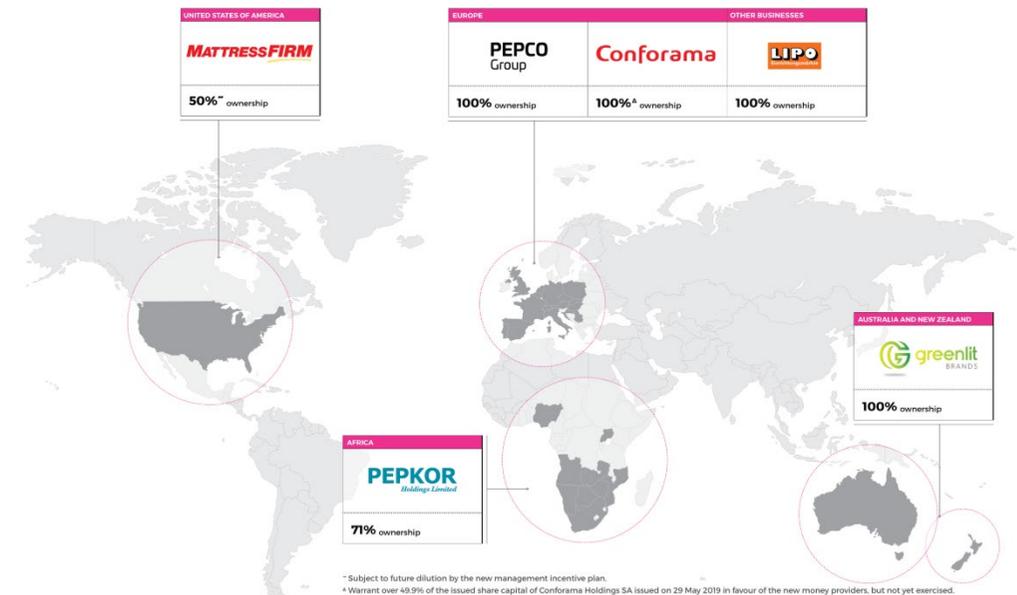
Steinhoff International is a South African global holding company that operates in the United States, Europe, Africa, Asia, Australia and New Zealand. Most of the company's investments are related to furniture and household goods. Founded in 1964, Steinhoff is headquartered in Stellenbosch, Western Cape, South Africa and employs roughly 130,000 individuals.

Steinhoff's investments include Mattress Firm in the United States; Pepco, Conforama and Lipo in Europe; Pepkor Holdings Limited in Africa; and Greenlit Brands in Australia and New Zealand.

## COMPANY OVERVIEW

<b>COMPANY NAME:</b>	Mattress Firm, Inc.
<b>HEADQUARTERS:</b>	Houston, TX
<b>YEAR FOUNDED:</b>	1986
<b>NUMBER OF STORES:</b>	2,500+
<b>NUMBER OF EMPLOYEES:</b>	8,500+
<b>ANNUAL CUSTOMERS:</b>	3M+

## STEINHOFF INTERNATIONAL'S HOLDINGS



## AREA OVERVIEW

### KALAMAZOO-PORTAGE MSA

Situated in the southwest region of Michigan, the Kalamazoo–Portage Metropolitan Statistical Area (MSA population: 340,318) is anchored by the cities of Kalamazoo and Portage and is comprised of all of Kalamazoo and Van Buren counties. The metro area is located between two major cities, Chicago and Detroit. The majority of the area is located along the southwest bank of the Kalamazoo River, where the northeastern portion lies within the Kalamazoo Valley. The largest universities in the Kalamazoo–Portage region are Western Michigan University (enrollment: 22,562), Kalamazoo Valley Community College (enrollment: 8,316) and Kalamazoo College (enrollment: 1,467).

### Economy

The Kalamazoo–Portage economy's largest industries are manufacturing, healthcare and retail trade. Western Michigan University (WMU), a primary driver of Kalamazoo's economy, provides a substantial source of jobs and benefits from being one of Michigan's most affordable public universities. In recent years, the university was awarded a US Department of Commerce grant to fund an expansion to the university's Business and Research Park, which could potentially attract up to \$50 million in new investments. The school's Business Technology and Research Park 1 features a 256-acre complex that is home to approximately 40 companies and offers over 850 jobs. The development of WMU's Business Technology and Research Park 2 began last year and also aims to support research, economic development and new opportunities for students. In conjunction with WMU's stabilizing presence, Kalamazoo also serves as a regional healthcare hub. As the U.S. population ages and health insurance coverage increases, Kalamazoo will benefit from increased demand for regionally produced medical devices and pharmaceuticals. The region is also home to the world headquarters for the Kellogg Company, Stryker Corporation and Whirlpool Corporation and has been selected by over 100 international companies.

### Transportation

Kalamazoo features a well-developed multimodal transportation system with rail service provided by Amtrak, freight service provided by Grand Elk Railroad and bus service provided by Metro Transit, Greyhound, Indian Trails, and the Kalamazoo trolley. In the southern portion of the city lies the Kalamazoo/Battle Creek International Airport, which added a \$36 million terminal in 2011. By roadway, Kalamazoo is served by 4 major highways: I-94, US-131, M-43, and M-96. Additionally, the city enjoys the Kal-Haven Trail, a rail trail for cyclists, runner, walkers, and snowmobilers that extends to downtown Kalamazoo.

### Education

Western Michigan University features 4 campuses within Kalamazoo (West Campus, East Campus, Parkview Campus and Oakland Drive Campus) along with other regional locations throughout Michigan and a few in Florida. Kalamazoo is also home to Davenport University (Enrollment: 7,594), and the Kalamazoo Area Mathematics and Science Center. The area is served by the Kalamazoo Public Schools System, where each graduate is offered the "Kalamazoo Promise", a scholarship for up to 100% of tuition and mandatory fee costs for 4 years at any public school or community college in Michigan.



# MATTRESS FIRM

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