



*Representative Photo*

## **Mattress Firm**

700 Winchester Ave, Ashland, KY 41101

OFFERING MEMORANDUM

**MATTHEWS** | RETAIL  
ADVISORS™

# CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Mattress Firm** located at **700 Winchester Ave, Ashland, KY 41101** (“**Property**”). It has been prepared by Matthews Retail Advisors . This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors . The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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## PRESENTED BY



**Calvin Short**  
**VP & Senior Director - STNL**

License No. 01927216  
O 949.432.4506  
M 310.567.3525  
calvin.short@matthews.com



**Chad Kurz**  
**SVP & National Director**

License No. 01911198  
O 310.919.5850  
M 562.480.2937  
chad.kurz@matthews.com

**Kyle Matthews**  
**Broker of Record**

License No. 77576



**MATTRESS FIRM**

**MATTRESS FIRM**





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## INVESTMENT HIGHLIGHTS

- Brand new 10-year lease with minimal landlord responsibilities
- High quality 2016 renovation includes new HVAC, roof, sealing and striping and exterior painting
- Attractive 10% fixed rental increases every 5 years
- 15-year roofing system limited warranty is to be conveyed with the property
- Hard-corner location with direct access to Winchester Ave, which sees 24,000+ vehicles per day
- Good frontage and visibility along the main thoroughfare serving the city of Ashland
- Strong mix of surrounding national retailers including Walmart, Dick's Sporting Goods, TJ Maxx, PetSmart, Kohl's, Kroger, CVS, McDonald's and Chick-Fil-A
- Trade area population of over 61,400 residents
- Largest U.S. specialty mattress retailer, which, together with its recent acquisition Sleepy's, reports pro-forma sales in excess of \$3.6 billion
- Over 3,600 retail locations in 48 states and substantial new store openings on the horizon

## EXECUTIVE SUMMARY

700 Winchester Ave  
Ashland, KY 41101

List Price . . . . .	\$1,857,143
Gross Leasable Area . . . . .	± 4,000 SF
CAP Rate - Current. . . . .	7.00%
Year Built . . . . .	2016
Lot Size . . . . .	± 0.13 Acres (5,662 SF)

## ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Increases	CAP Rate
Year 1 - 5	\$10,833.33	\$130,000.00		7.00%
Year 6 - 10	\$11,916.67	\$143,000.00	10%	7.70%
Option 1	\$13,110.00	\$157,320.00	10%	8.47%
Option 2	\$14,420.00	\$173,020.00	10%	9.32%



## TENANT SUMMARY

Tenant Trade Name	Mattress Firm
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Original Lease Term	10 Years
Lease Commencement Date	9/16/2016
Rent Commencement Date	12/23/2016*
Term Remaining on Lease	± 10 Years
Increases	10% Every Five (5) Years
Options	Two (2), Five (5) Year Options

\* Dates are estimates as the property is still under construction



Property Name	Mattress Firm
Company Trade Name	Mattress Firm Holding Corp. (NASDAQ: MFRM)
Ownership	Public
Credit Rating (S&P)	B+
No. of Locations	± 3,600
No. of Employees	± 10,552
Headquartered	Houston, Texas
Website	<a href="http://www.mattressfirm.com">www.mattressfirm.com</a>
Year Founded	1986

## TENANT OVERVIEW

The company set out to be a different kind of mattress retailer; focused on creating a unique shopping experience for the customer with a large selection of quality, brand name bedding products, competitive pricing and knowledgeable, well-trained associates. The bedding retailer operates or franchises more than 3,600 stores, primarily under the Mattress Firm name, in some 49 states. It sells conventional (Simmons) and specialty (Tempur Sealy) mattresses, which together account for most of its sales, in addition to other brands. The company also sells bed frames and bedding accessories. Since its founding in 1986, the chain has grown into the top U.S. bedding retailer.

## STRATEGY

Since its 2011 IPO, Mattress Firm has made multiple acquisitions to solidify its position as the nation's top mattress seller. Fast-growing Mattress Firm is doing its bit to further the consolidation of the mattress business through an active acquisition schedule, both of independent chains and its own franchisees. The retailer has extended its reach into new markets, including Hawaii, and consolidated its hold on existing ones, by snapping up other bedding companies. Indeed, in fiscal 2015 (ends January) alone, the company added about 800 locations.

## GEOGRAPHIC REACH

Houston-based Mattress Firm boasts more than 3,600 stores in 49 states. Its largest markets include Florida, home to about 280 stores, Illinois and North Carolina, both with more than 100 locations. The company operates 70 distribution centers, the largest of which are in Texas, Florida, and Georgia.



**MATTRESS FIRM<sup>®</sup>**

# Property Overview

## THE OFFERING

Property Name . . . . . Mattress Firm  
Property Address . . . . . 700 Winchester Ave  
Ashland, KY 41101  
Assessor's Parcel Number . . . . . 030-05-04-009.00  
Zoning . . . . . B-2

## SITE DESCRIPTION

Number of Stories . . . . . One  
Year Built . . . . . 2016  
Gross Leasable Area (GLA) . . . . . ± 4,000 SF  
Lot Size . . . . . ± 0.13 Acres (5,662 SF)  
Type of Ownership . . . . . Fee Simple  
Parking . . . . . ± 11 Surface Spaces  
Parking Ratio . . . . . 2.75 : 1,000 SF  
Landscaping . . . . . Professional  
Topography . . . . . Generally Level

## CONSTRUCTION

Foundation . . . . . Concrete Slab  
Framing . . . . . Wood  
Exterior . . . . . Brick  
Parking Surface . . . . . Asphalt  
Roof . . . . . Flat

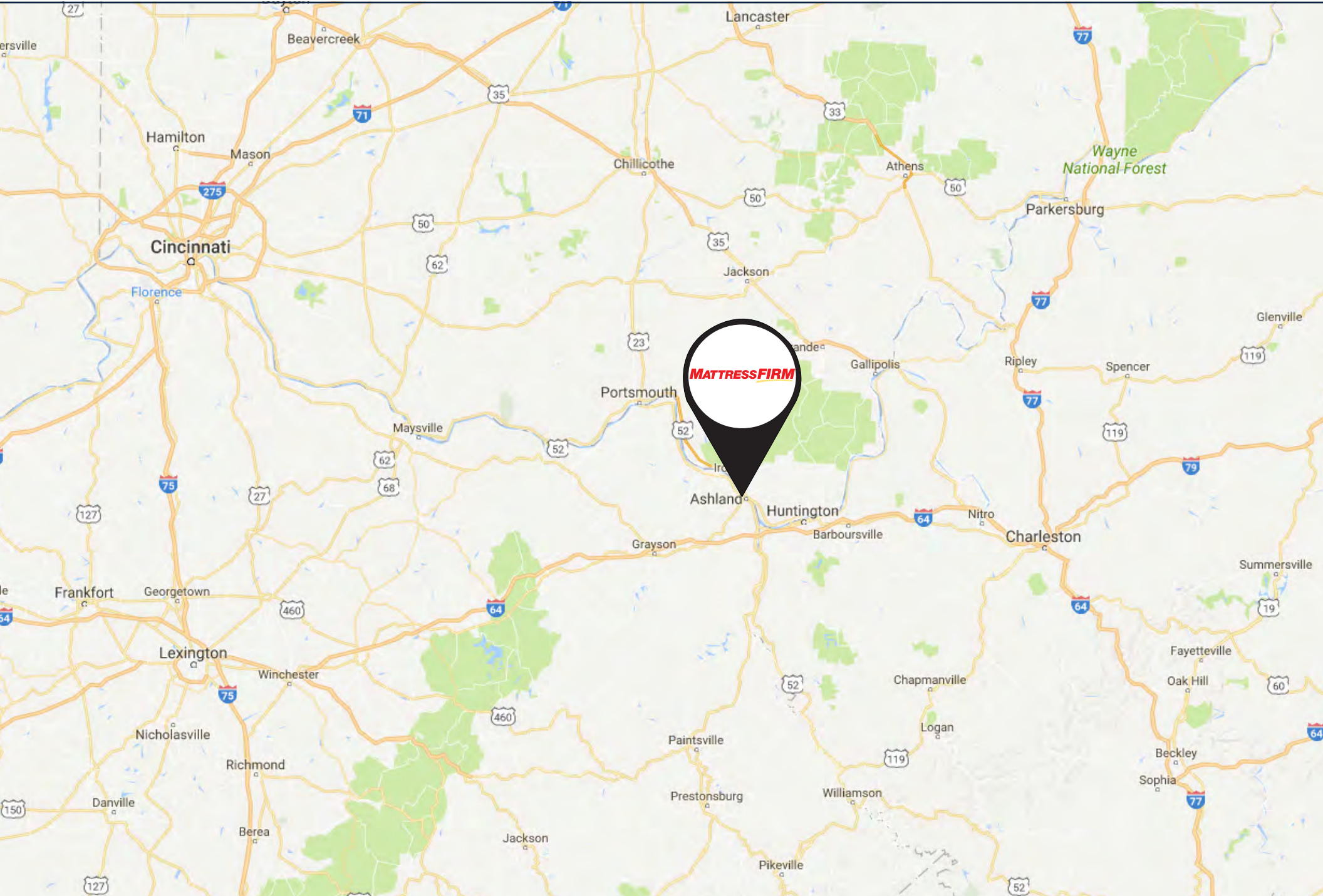


*Representative Photo*





# Regional Map



**MATTRESS FIRM<sup>®</sup>**

# Demographics Report

Population	1-Mile	3-Mile	5-Mile
2021 Projection	4,297	32,087	61,458
2016 Estimate	4,342	32,486	62,102
2010 Census	4,455	33,413	63,609
2000 Census	4,585	34,012	64,215
Households			
2021 Projection	1,969	13,679	25,142
2016 Estimate	1,981	13,839	25,381
2010 Census	2,022	14,234	25,978
Income			
\$0 - \$15,000	34.54%	18.47%	18.04%
\$15,000 - \$24,999	14.75%	13.77%	13.79%
\$25,000 - \$34,999	11.96%	12.56%	12.32%
\$35,000 - \$49,999	10.14%	14.25%	13.83%
\$50,000 - \$74,999	12.63%	15.10%	16.07%
\$75,000 - \$99,999	6.81%	9.52%	9.70%
\$100,000 - \$124,999	3.32%	6.32%	6.71%
\$125,000 - \$149,999	1.88%	3.66%	3.75%
\$150,000 - \$199,999	1.41%	2.63%	2.66%
\$200,000 - \$249,999	0.37%	1.21%	1.13%
\$250,000 - \$499,999	1.03%	1.68%	1.39%
\$500,000+	1.17%	0.84%	0.60%
2016 Est. Average Household Income	\$46,157	\$60,917	\$59,688
2016 Est. Median Household Income	\$25,590	\$40,473	\$41,333





## ASHLAND, KENTUCKY

Located upon the southern bank of the Ohio River, Ashland is a city that offers an ideal location to work and relax away from the rush of the big city. Surrounded by rolling foothills of the Appalachian Mountains, Ashland enchants residents and visitors with its small-town ambiance. The city's proximity to Carter Caves State Park, Greenbo Lake State Park, Yatesville Lake State Park and Ohio's Lake Vesuvius Recreational Area offers many outdoor recreational opportunities from boating and swimming to camping and hiking.

Ashland is a transport center for traffic between Ohio, the Great Lakes, Kentucky and points east of the Appalachians. With a diverse industrial base that includes chemicals, metal products and glass and glass products manufacturing, the city is home to major steel producer AK Steel, which was formed from ARMCO Steel Company L.P. AK Steel is one of the city's largest employers.

Kentucky's fourth largest hospital, King's Daughters Medical Center, is in the center of the city. This non-profit institution is Ashland's largest employer with 4,000 employees, offering numerous inpatient and outpatient services for the eastern Kentucky region. A low cost of living and a low crime rate make Ashland a perfect place to live.

## HUNTINGTON-ASHLAND, WV-KY-OH MSA

Combined with Huntington, West Virginia and Ironton, Ohio, Ashland forms the vibrant Huntington-Ashland, WV-KY-OH Metropolitan Statistical Area. As the largest MSA in West Virginia, the Huntington-Ashland metropolitan area comprises of seven counties across the states of West Virginia, Kentucky and Ohio. The area is referred to as the Tri-State region with the largest cities being Ashland, Huntington and Teays Valley.

## TOP EMPLOYERS - ASHLAND, KENTUCKY

1. King's Daughters Medical Center
2. Marathon Petroleum
3. Our Lady of Bellefonte Hospital
4. AK Steel
5. Boyd County Schools



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License No. 01927216  
O 949.432.4506  
M 310.567.3525  
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O 310.919.5850  
M 562.480.2937  
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