

OFFERING MEMORANDUM.



Mattress Firm & Eyeglass World Fort Walton Beach, FL

TheMaffiaTeam

\$4,687,000
6.40% CAP Rate

- ◆ Two-Tenant Retail Building
 - ◆ 2013 Construction
- ◆ Outparcel to Lowe's Home Improvement
- ◆ Nearby Retailers include Walmart, Winn-Dixie & Sam's Club
- ◆ Close Proximity to Major Employers
 - ◆ Fort Walton Beach Medical Center
 - ◆ Northwest Florida State College
- ◆ Located on High-Traffic 4-lane Beal Parkway
 - ◆ 51,000 AADT



 / Beal Pkwy (51,000 AADT)

**Newmark
Cornish & Carey**
Leased Investment Group

This property is listed in conjunction with Florida-licensed real estate broker Newmark Southern Region, LLC.

www.maffiateam.com



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Newmark Cornish & Carey (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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Property Information

Location

The property is located at 778 Beal Parkway NW in Fort Walton Beach, Florida.

Lot Size

Approximately 1.05 acre, or 45,378 square feet.

Improvements

Construction completed in 2013 of an approximately 9,000 square foot retail building demised into an approximately 4,500 square foot suite for **Mattress Firm** and an approximately 4,500 square foot suite for **Eyeglass World**. There is ample parking available on site.

Leases

Leased to **Mattress Firm, Inc.** for 11 years from July 8, 2013 to August 31, 2024, at an initial annual rent of \$164,925. There are three five-year options to renew. The rent increases by 10% every five years throughout the initial term and option periods. The lease is net, with the tenant responsible for its prorata share of taxes, insurance, and common area maintenance except for roof and structure. The tenant is also responsible for a 10% management fee on common area maintenance expenses.

Leased to **National Vision, Inc., dba Eyeglass World**, for 7 years from September 20, 2013 to September 30, 2020, at an annual rent of \$135,000. There is one initial three-year option to renew with a 5% increase in the rent, followed by a five-year option to renew with a 8.25% increase in the rent, and another five-year option to renew with a 10% increase in the rent. The lease is net, with the tenant responsible for its prorata share of taxes, insurance, and all common area maintenance except for roof and structure. The tenant is also responsible for a 10% management fee on common area maintenance expenses.

Annual Rent

\$299,925

Price: \$4,687,000 (6.40% Return)

Note

The above income is an estimate and does not provide for all potential costs and expenses (i.e., maintenance, repair, etc.) that may be required of the owner. Any reserves set forth herein are merely estimates and not based on any experience, physical inspection, or prior knowledge. All prospective purchasers are strongly advised to make an independent investigation to determine their estimate of costs and expenses prior to entering into an agreement to purchase.



Rent Roll

Tenant	Sq. Ft.	Monthly Rent PSF	Annual Rent PSF	Annual Rent	Term	Rent Commence. Date	Lease Expiration Date	Rental Increase Date(s)	Rental Increase Amount(s)	Options
Mattress Firm	4,500	\$3.05	\$36.65	\$164,925	11 yrs.	7/8/2013	08/31/24	8/1/2018 8/1/2023	\$181,417 \$199,559	3 @ 5 yrs. Opt. 1: \$199,559 Opt. 2: \$219,515 Opt. 3: \$241,467
Eyeglass World	4,500	\$2.50	\$30.00	\$135,000	7 yrs.	9/20/2013	9/30/2020	N/A	N/A	1 @ 3 years + 2 @ 5 years Opt. 1: \$141,750 Opt. 2: \$153,450 Opt. 3: \$168,795

Leased	9,000	100%
Vacant	0	0%
TOTAL	9,000	100%



Tenant Information



Since its founding in 1986, **Mattress Firm** has grown to become the largest and most successful specialty bedding company in the United States. The company operates and franchises more than 3,600 stores

through its brands including Mattress Firm, Sleepy's, and Sleep Train across 49 states with 80 distribution centers.

Mattress Firm, Inc. is an operating subsidiary of the parent company **Mattress Firm Holding Corporation**, which was acquired by **Steinhoff International Holdings N.V.** for \$3.8 billion as of September 16, 2016. This acquisition will now give Steinhoff International a strong foothold in the U.S. furniture market.

Steinhoff International Holdings is an integrated retailer that manufactures, sources and retails furniture, household goods and general merchandise in Europe, Africa and Australasia. Steinhoff's vertically integrated business model is based upon a strategy of sourcing and manufacturing products at low cost and distributing them to its value-conscious customer base through its extensive retail footprint.

Steinhoff has a primary listing on the Frankfurt Stock Exchange and a secondary listing on the Johannesburg Stock Exchange. Steinhoff reported revenue and operating profit for the 12 months ended June 30, 2016, of \$14.5 billion and \$1.6 billion respectively.

For more information about Mattress Firm, visit www.mattressfirm.com.

For more information about Steinhoff International Holdings, visit www.steinhoffinternational.com.



With more than 800 locations in 44 states, the District of Columbia, and Puerto Rico, tenant **National Vision, Inc.**, is the fourth-largest optical retailer in the

United States. The company's retail divisions include America's Best Contacts & Eyeglasses, Eyeglass World, Vision Centers inside select Walmart, Vista Optical inside Fred Meyer and Optical Centers on select military bases. National Vision has plans to open over 75 new locations annually.

National Vision's lab network consists of three domestic locations (St. Cloud, Minnesota; Lawrenceville, Georgia; and Salt Lake City, Utah) and two international locations in China and Mexico. This lab network has been identified as one of the most efficient and effective in the industry.

For more information, visit www.eyeglassworld.com.

Site Plan

CARMEL DRIVE

BEAL PARKWAY



MidSouth Bank

MATTRESS FIRM 4,500 SF	EYE GLASS WORLD 4,500 SF
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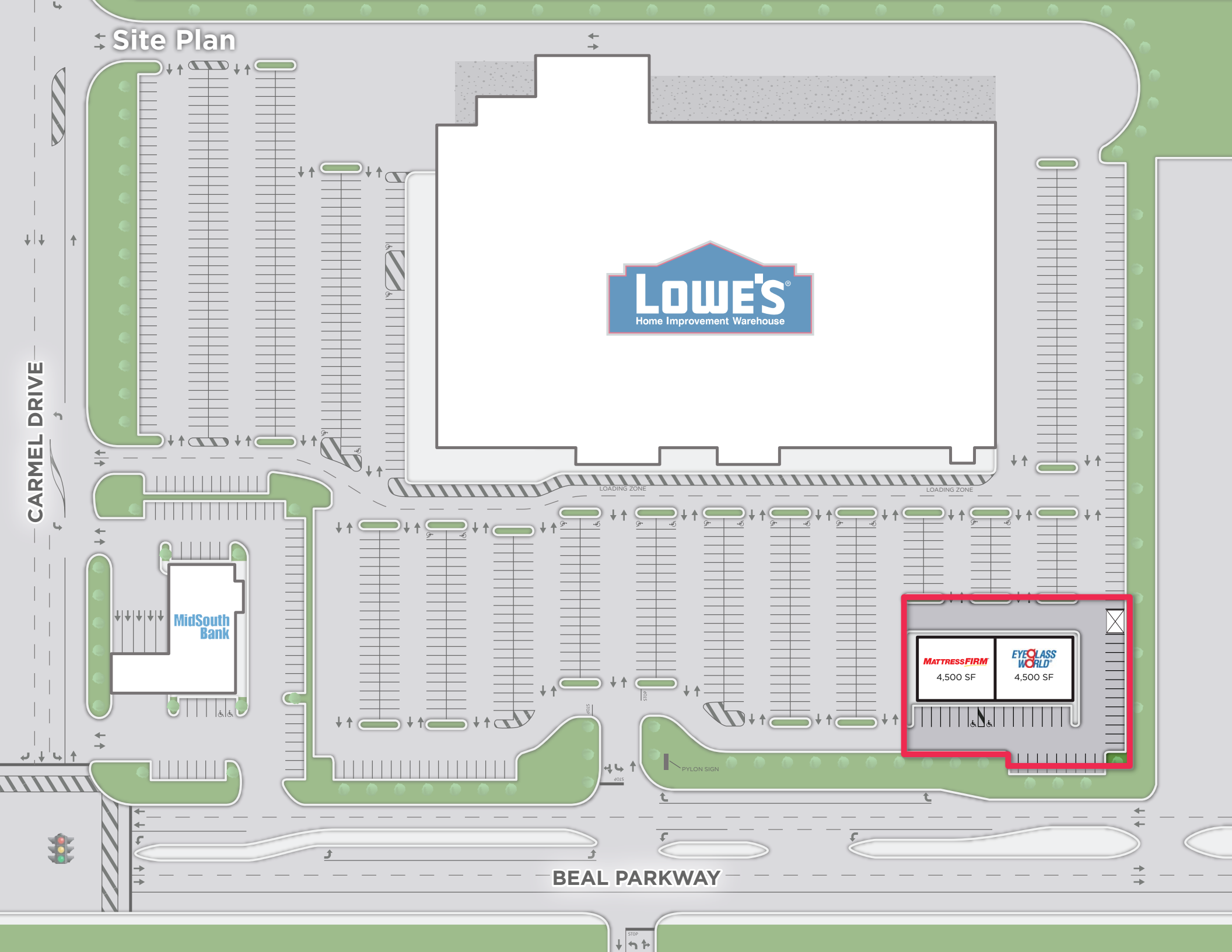
LOADING ZONE

LOADING ZONE

PYLON SIGN

STOP

STOP



Aerial | Close Up View



MATTRESS FIRM
EYE GLASS WORLD

189 / Beal Pkwy (51,000 AADT)

Aerial | Northwest View

Northwest Florida
Regional Airport

Northwest Florida
Fairgrounds

Fort Walton Beach
Golf Club

Choctawhatchee
High School

Prior
Middle School

Fort Walton Beach
Medical Center



Lewis Turner Blvd



FOUNDED BY FIREMEN
H&R BLOCK



Beal Pkwy (51,000 AADT)



Carmel Dr



Aerial | South View

Silver Sands School



Fort Walton Beach Tennis Center

Liza Jackson Preparatory School

Cinco Bayou



WHITE SANDS BOWLING CENTER



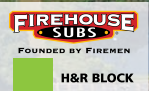
Beal Pkwy (57,000 AADT)
189



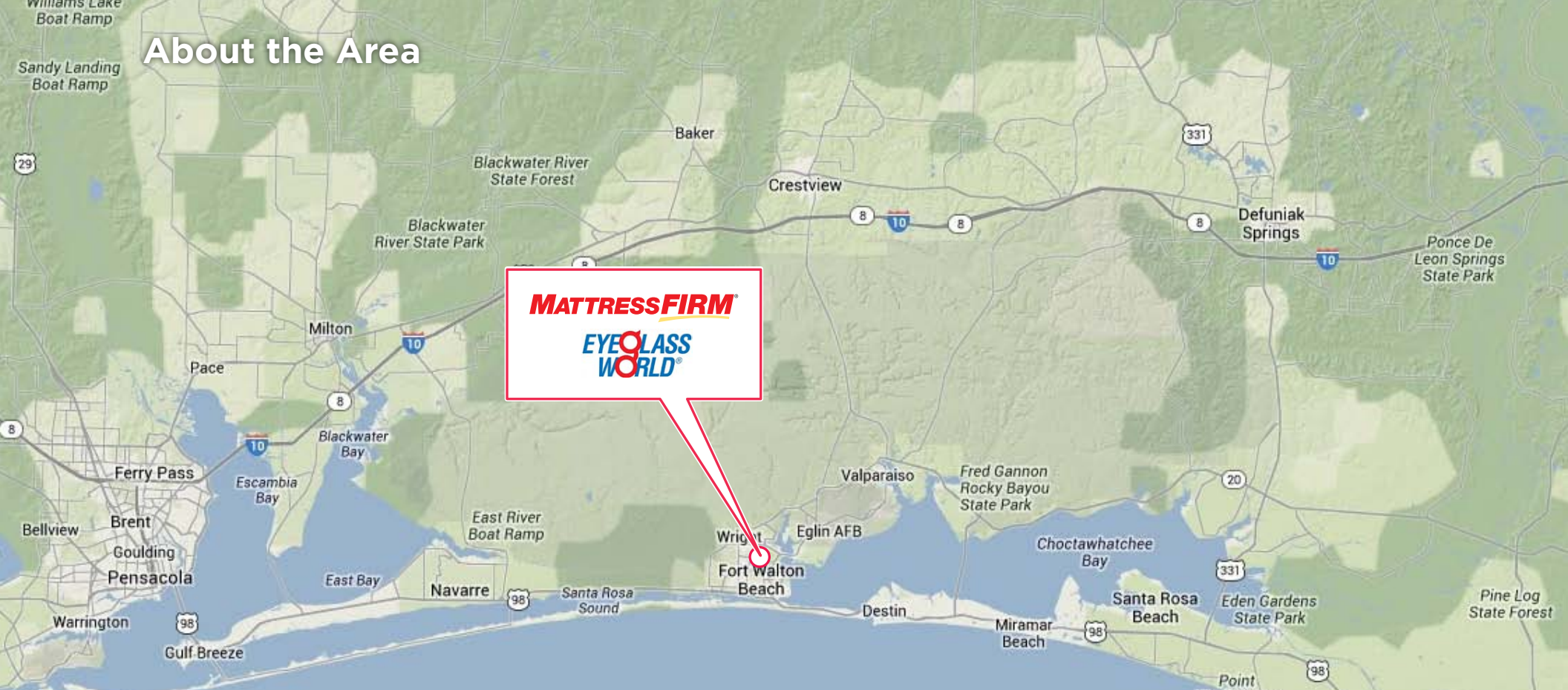
SUN PLAZA
REGAL CINEMAS
Office DEPOT
Petland
Publix



Carmel Dr



About the Area



General Overview

Fort Walton Beach is a city in southern Okaloosa County located between Pensacola and Panama City along North Florida's Gulf Coast. The neighboring communities of Fort Walton Beach include Mary Esther, Shalimar, Cinco Bayou, Wright, and Ocean City which together comprise the business and cultural center of the Emerald Coast. Okaloosa's major highways include State Road 189, State Road 85, and US 98.

As of 2013, the city has a population of 20,597. Fort Walton Beach is a principal city of the Fort Walton Beach-Crestview-Destin MSA designated by the Office of Management and Budget. As of the census of 2010, there were 180,822 people residing in Okaloosa County. Okaloosa's fastest-growing employment areas include construction, retail trade, accommodation and food services, professional/scientific/technical services, manufacturing, transportation and warehousing, and public administration.

The economy of Fort Walton Beach is primarily driven by tourism and military, as there are two major Air Force bases that border the city, Hurlburt Field, and Eglin AFB. Both bases are found within a seven mile radius from the subject property. At 724 square miles, Eglin AFB is one of the largest Air Force bases in the nation, making it home to many critical military exercises and tests.

About the Area



Site Information

The subject property is located along Beal Parkway approximately three miles northwest of downtown Fort Walton Beach. Beal Parkway is a heavily travelled, four lane retail corridor that experiences an annual average daily traffic count of approximately 51,000 vehicles in front of the site. Just south of the property slightly passed the cross street Carmel Drive is a shopping center co-anchored by a Walmart Supercenter and Sam's Club, with Advance Auto Parts outparcel. Chick-fil-A occupies the pad site across from the shopping center, which sits adjacent to a strip center tenanted by various local retailers. North of the property along the arterial is the grocery anchored center Oakmonte, which features Winn-Dixie as the anchor and also includes Kohl's. The shops building is occupied by national credit retailers such as H&R Block, Firehouse Subs, and Aaron's, among others. Across from Oakmonte at the southeast intersection of Beal Parkway and Racetrack Road is Walgreens.

The immediate area also boasts the presence of major medical and educational institutions in addition to the abundance of retailers. Two thirds of a mile north near the intersection of Beal Parkway and Mar Walt Drive is Fort Walton Beach Medical Center, a 257-bed hospital with a medical staff of over 200 physicians. It is the only acute care hospital in the Tri-County area that offers open heart surgery, an Advanced Primary Stroke Center, an Accredited Chest Pain Center and a Cancer Care Center. Less than two miles northwest of the subject property is Northwest Florida State College - Fort Walton Beach Campus which operates in conjunction with the University of West Florida. The university acts as a strong generator of business for Mattress Firm and Eyeglass World, as new and current students will require bedding products and will need to maintain their eye care needs.



Demographics



778 Beal Pkwy NW, Fort Walton Beach, FL 32547

	1 Mile	3 Miles	5 Miles
Population Summary			
2010 Total Population	11,738	49,802	68,326
2015 Total Population	12,013	51,165	70,284
2020 Total Population	12,732	54,470	74,896
2015-2020 Annual Rate	1.17%	1.26%	1.28%
Average Household Income			
2015	\$53,219	\$57,817	\$61,052
2020	\$59,841	\$64,741	\$68,007
Median Home Value			
2015	\$197,751	\$193,212	\$201,102
2020	\$230,952	\$228,213	\$237,135
Per Capita Income			
2015	\$23,750	\$24,787	\$26,243
2020	\$26,796	\$27,865	\$29,362

Top Employers - Fort Walton Beach	Employees
USAF - Eglin	19,754
USAF - Hurlburt	10,495
Okaloosa County School District	3,324
Okaloosa County	1,444
Jacobs Technology	1,000
Fort Walton Beach Medical Center	1,000
L-3 Cresview Aerospace	800
Lockheed Martin Corporation	800
InDyne Inc.	800
Northwest Florida State College	738



MATTRESS FIRM
EYE GLASS WORLD



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