

OFFERING MEMORANDUM



Mattress Firm Austin, TX

TheMaffiaTeam



\$3,156,000

6.00% CAP Rate

- New 10 Year Corporate Net Lease
 - 10% Rental Escalations Every Five Years
- 2016 Construction
- Dense Infill Retail Location in Austin
- Excellent Placement & Visibility Along Highly Trafficked Intersection
 - Combined Traffic Count of 150,613 Vehicles Per Day
- Directly Across from Lakeline Mall
 - 1.1 Million Square Foot Super-Regional Shopping Center
- Robust Demographics within Three Mile Radius
 - Population of 56,530
 - Average Household Income of \$93,879
- Austin is one of the Fastest Growing Markets in the U.S.

ACTUAL SITE

This property is listed in conjunction with Texas-licensed real estate broker Jones Lang LaSalle.

www.maffiateam.com

Disclaimer

The Maffia Team 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.

Table of Contents

PROPERTY INFORMATION	1
TENANT INFORMATION	2
SITE PLAN	3
AERIALS	4
ABOUT THE AREA	7
DEMOGRAPHICS	9

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Property Information

Location

The property is located at 13915 U.S. Highway 183 in Austin, Texas.

Lot Size

Approximately 1.01 acres, or 44,131 square feet.

Improvements

Construction was completed December 2016 of an approximately 5,569 square foot retail building for **Mattress Firm**.

Parking

There are approximately 35 parking spaces available on site.

Lease

Leased to **Mattress Firm, Inc.** for ten years from December 2016 to December 2026 at an initial annual rent of \$189,346. There are two five-year options to renew the lease. The annual rent will increase by 10% every five years during the initial term and at the start of each option period. The lease is net, with the tenant responsible for real estate taxes, insurance, and maintenance, excluding the roof and structure.

Net Operating Income

Years	Annual Rent	Return
1-5	\$189,346	6.00%
6-10	\$208,281	6.60%
11-15 (Option 1)	\$229,109	7.26%
16-20 (Option 2)	\$251,997	7.99%

Price: \$3,156,000 (6.00% Return)

Financing

The property will be delivered free and clear of permanent financing.



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.

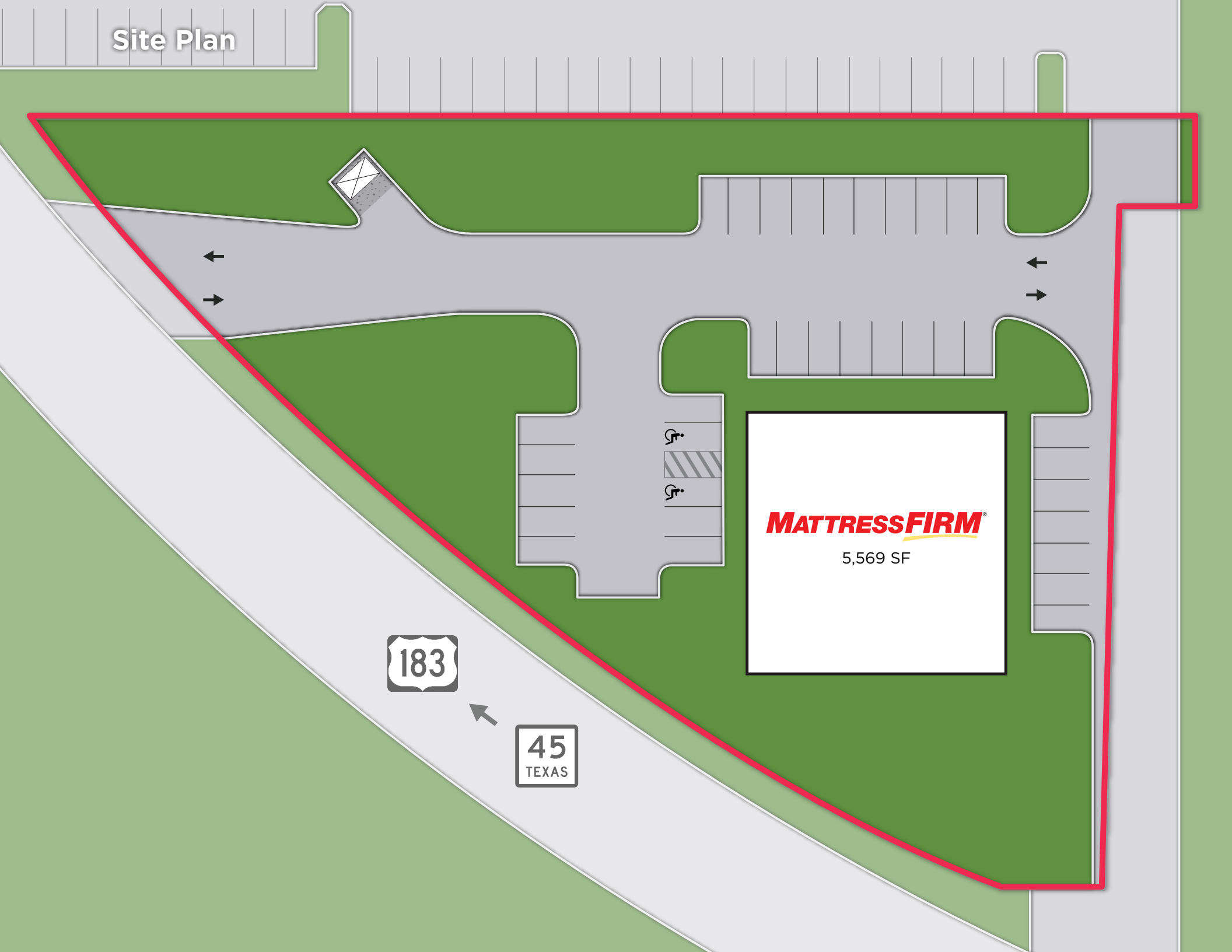
Steinhoff International Holdings is an integrated retailer that manufactures, sources and retails furniture, household goods and general merchandise in Europe, Africa and Australasia. Steinhoff's vertically integrated business model is based upon a strategy of sourcing and manufacturing products at low 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.

Site Plan



MATTRESS FIRM

5,569 SF

183

45
TEXAS

Aerial | Southwest View



Spicewood Estates

Anderson Mill Estates

Estates of Brentwood

LAKELINE PLAZA

BED BATH & BEYOND
PET SMART
Party City
Total Wine & MORE
T.J. MAXX
Applegate's
ROSS DRESS FOR LESS
OLD NAVY
five BELOW
chili's
maui's
ROOMS TO GO
BEST BUY
OfficeMax

Spicewood Elementary

Anderson Mill Elementary

Grisham Middle School

Westwood High School

Residential Condos (135 Units)

282,328 SF Office Space

+/- 1.4 Million SF Office Space

183 / (115,790 AADT)

45 TEXAS / (34,823 AADT)

MATTRESS FIRM

MEGA FURNITURE

Research Blvd

Aerial | West View



Aerial | West View

Lake Travis

Twin Creeks Country Club

Grandview Hills

Cedar Park High School

Cedar Park Middle School

Austin Community College

LAKELINE PLAZA

LAKELINE MALL

Purple Sage Elementary

Grisham Middle School

Residential Condos (135 Units)

282,328 SF Office Space

183 / (115,790 AADT)

Research Blvd

CHASE

IHOP

Schlitzsky's

Lowe's Home Improvement Warehouse

Walmart Supercenter

MATTRESS FIRM

chair king BACKYARD STORE
FACTORY MATTRESS

Once upon a child
MEGA FURNITURE
STRAIT COMPANY

THE HOME DEPOT

Target
HomeGoods
MATTRESS FIRM
ULTA BEAUTY
The EGG & I
at&t
BB&T
SUBWAY
Cici's Pizza
Panera Bread
Sally Beauty
Blaze

Firestone

Bank of America

Sam's Club

34,823 AADT
45 TEXAS

Fazoli's

Chick-fil-A

Wendy's

Shell

verizon

+/- 1.4 Million SF Office Space



Aerial | South View

DOWNTOWN AUSTIN

Spicewood Estates

Spicewood Elementary

Anderson Mill Elementary

Westwood High School

Residential Condos (135 Units)

282,328 SF Office Space

+/- 1.4 Million SF Office Space

45 TEXAS / 620 ROAD / (34,823 AADT)

183 / (115,790 AADT)

Research Blvd

Lake Creek Pkwy

GATEWAY CENTERS

Balcones Country Club

Deerpark Middle School

Walgreens
Chuy's
CARRABBA'S
OUTBACK
IHOP
Academy Sports & Outdoors
DUNKIN' DONUTS
SONIC
CHASE

H-E-B
Papa Murphy's
YOGURTONE
Jim's
CHASE
gandull

Retro Fitness
Tuesday Morning
PET SUPPLIES "PLUS"
BURGER KING
Starbucks
Wendy's
LESIE'S
AutoZone
SHERWIN WILLIAMS
DISCOUNT TIRE
SUBWAY
COLDWELL BANKER

Walgreens
sears outlet
MAIN EVENT
Cheddar's
KFC
TEXAS ROADHOUSE
PEP BOYS
FedEx Office
EXXON
Jason's Deli
McDonald's

Burlington Coat Factory
Southwest
RBFCU
HOBBY LOBBY
PINBALLZ
DOLLAR TREE
Wendy's
7-Eleven
WELLS FARGO
PEP BOYS
FedEx Office
EXXON
Jason's Deli
McDonald's

Walmart Supercenter
Chick-fil-A
verizon
Shell
Wendy's

CHRYSLER
Jeep
RAM

LOWE'S
Home Improvement Warehouse

CHASE
Schlotzsky's
IHOP

24 FITNESS
gandull
Little Caesars
TACO BELL
O'Reilly

extended STAY AMERICA
University

Olive Garden
McDonald's
CHRYSLER

Bank of America

Firestone

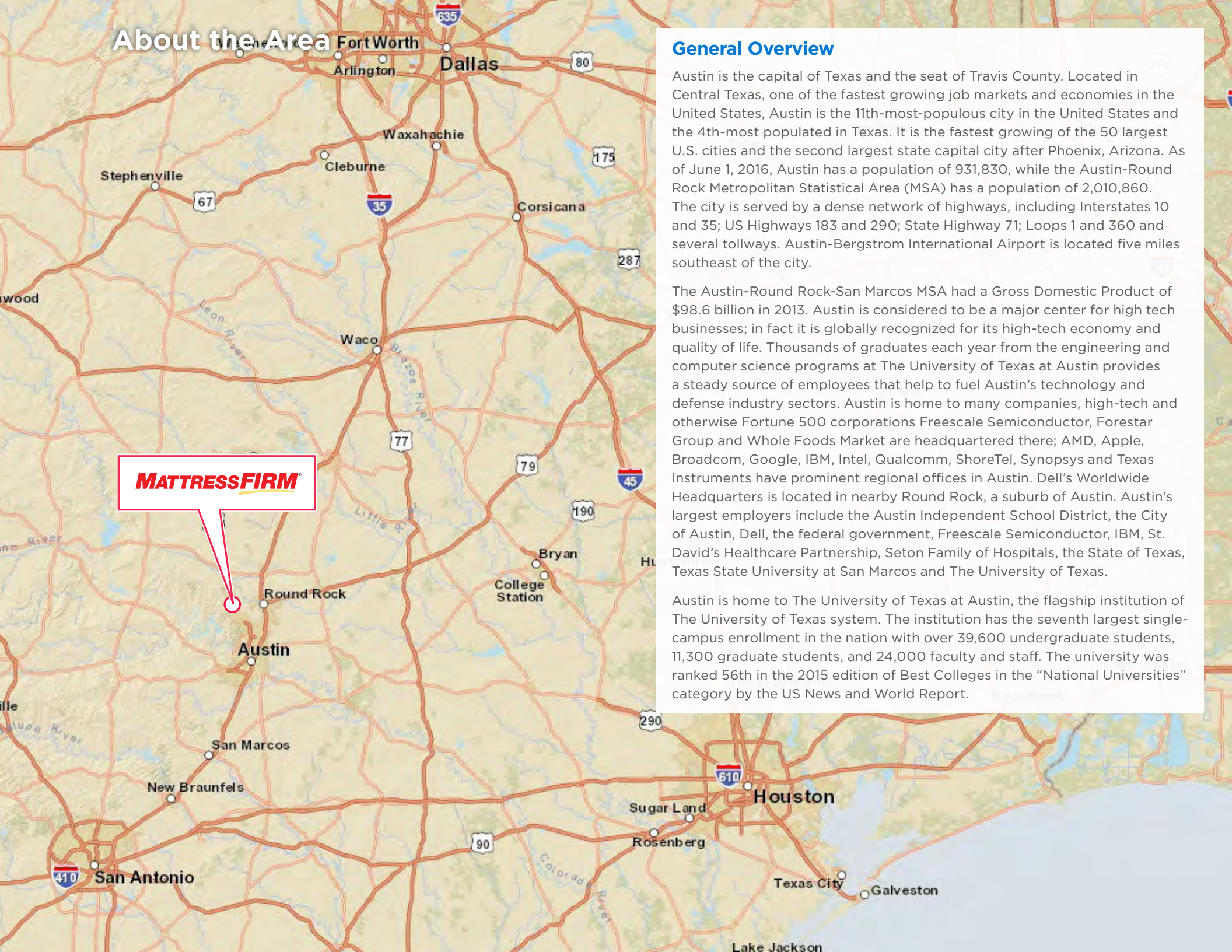
Sam's CLUB

chair king
BACKYARD STORE
Once upon a child
MEGA FURNITURE
FACTORY MATTRESS
STRAIT COMPANY

LAKELINE PLAZA
BED BATH & BEYOND
TJ-maxx
PET SMART
Party City
OLD NAVY
ROSS
DRESS FOR LESS
five BELOW
OfficeMax

macy's
REGAL CINEMAS
jcpenny
sears
W
GAP
rue21
Applebee's
Bucar

About the Area



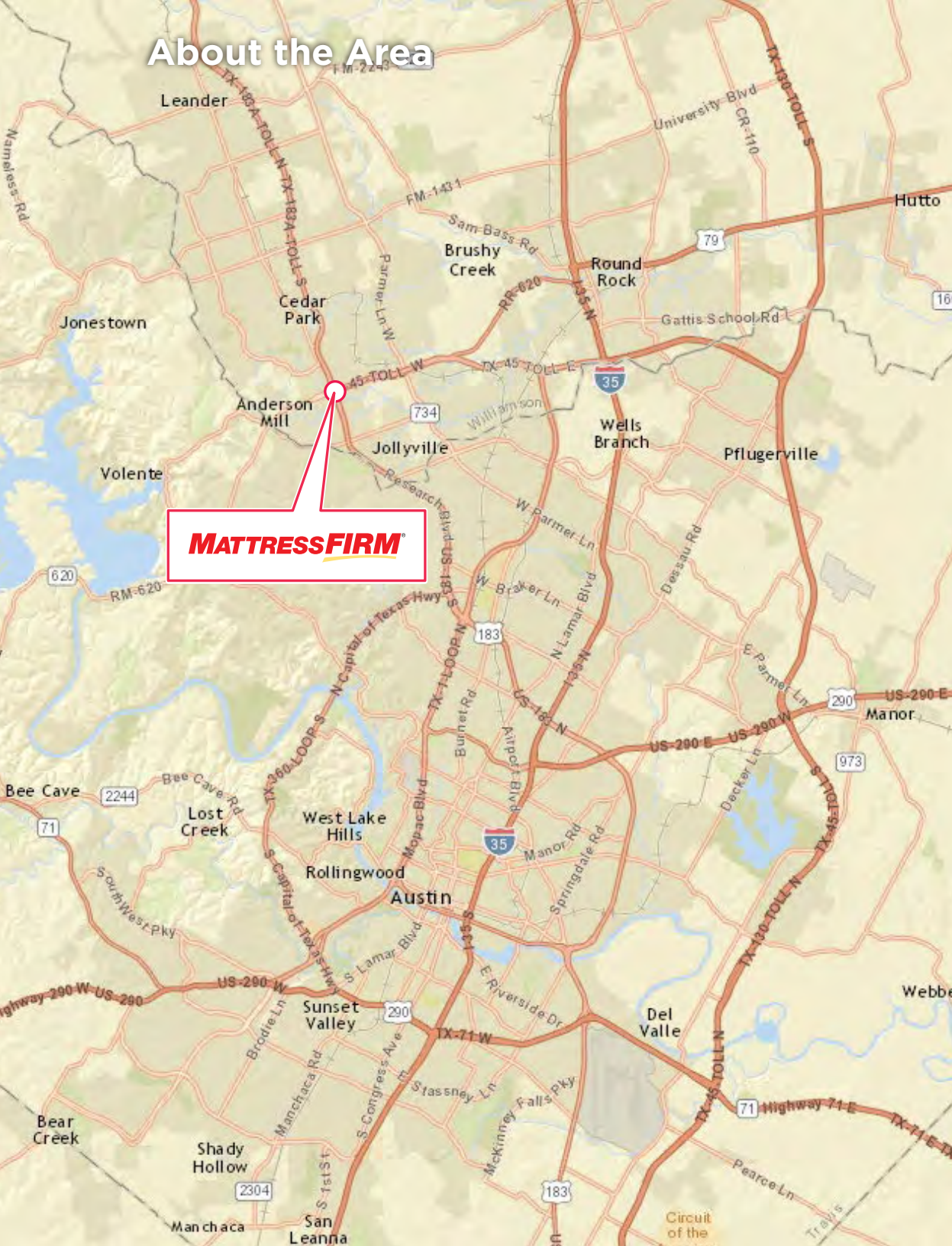
General Overview

Austin is the capital of Texas and the seat of Travis County. Located in Central Texas, one of the fastest growing job markets and economies in the United States, Austin is the 11th-most-populous city in the United States and the 4th-most populated in Texas. It is the fastest growing of the 50 largest U.S. cities and the second largest state capital city after Phoenix, Arizona. As of June 1, 2016, Austin has a population of 931,830, while the Austin-Round Rock Metropolitan Statistical Area (MSA) has a population of 2,010,860. The city is served by a dense network of highways, including Interstates 10 and 35; US Highways 183 and 290; State Highway 71; Loops 1 and 360 and several tollways. Austin-Bergstrom International Airport is located five miles southeast of the city.

The Austin-Round Rock-San Marcos MSA had a Gross Domestic Product of \$98.6 billion in 2013. Austin is considered to be a major center for high tech businesses; in fact it is globally recognized for its high-tech economy and quality of life. Thousands of graduates each year from the engineering and computer science programs at The University of Texas at Austin provides a steady source of employees that help to fuel Austin's technology and defense industry sectors. Austin is home to many companies, high-tech and otherwise Fortune 500 corporations. Freescale Semiconductor, Forestar Group and Whole Foods Market are headquartered there; AMD, Apple, Broadcom, Google, IBM, Intel, Qualcomm, ShoreTel, Synopsys and Texas Instruments have prominent regional offices in Austin. Dell's Worldwide Headquarters is located in nearby Round Rock, a suburb of Austin. Austin's largest employers include the Austin Independent School District, the City of Austin, Dell, the federal government, Freescale Semiconductor, IBM, St. David's Healthcare Partnership, Seton Family of Hospitals, the State of Texas, Texas State University at San Marcos and The University of Texas.

Austin is home to The University of Texas at Austin, the flagship institution of The University of Texas system. The institution has the seventh largest single-campus enrollment in the nation with over 39,600 undergraduate students, 11,300 graduate students, and 24,000 faculty and staff. The university was ranked 56th in the 2015 edition of Best Colleges in the "National Universities" category by the US News and World Report.

About the Area



Site Information

The subject property enjoys excellent visibility at the northeast corner of Texas Highway 183A and State Highway 45. The confluence of major highways near the property provides superb consumer draw to the immediate area, as the intersection collectively experiences an annual average daily traffic count of approximately 150,613 vehicles.

The property benefits from ease of accessibility and highly visible placement along an arterial in a rapidly growing retail corridor. It is strategically situated in proximity to a number of prominent retail centers, as it is just south of Walden Park, a shopping center anchored by Super Target with ULTA, Subway, Sally Beauty Supply, and others occupying the shops within the center. This particular Super Target is a high performing store, with estimated annual grocery sales of \$27.3 million. North of the Walden Park is Parkline Shopping Center, a 300,000 square foot shopping center anchored by The Home Depot and Kohl's. Wells Fargo Bank and Chipotle occupy the pad sites in the Parkline center. Directly north from the property is a new Sam's Club that opened its doors in April 2015, with Bank of America and various local retailers occupying the shops and pads. Just south, at the southeast corner of the intersection at State Highway 45 and Texas Highway 183A, is a shopping center that features a strong performing Walmart Supercenter (estimated annual sales of \$84.5 million) and Lowe's Home Improvement. Across from the property to the west is Lakeline Plaza, a regional power center anchored by Ross Dress for Less, Bed Bath & Beyond, T.J. Maxx and Best Buy.

The area is prone to drawing large amounts of foot traffic to the site due to the large number of retail centers and stores found in the area, along with the presence of Lakeline Mall, which is located across from the subject property. Lakeline Mall is a super-regional shopping mall encompassing over 1.1 million square feet. The mall features over 150 stores and services, with anchors such as Dillard's, J.C. Penney, and Macy's. Adjacent to Lakeline Mall is Lakeline Market, which is a 256,000 square foot regional shopping center anchored by a 118,200 square foot H-E-B Plus! Other tenants within Lakeline Market include Stein Mart, Alamo Drafthouse and Michaels, among others.

Furthermore, the site is supported by robust demographics, as there is a population of 56,530 with average household income of \$93,879 within a three mile radius.

Demographics



12915 N Hwy 183, Austin, TX 78717

	1 Mile	3 Miles	5 Miles
Population Summary			
2010 Total Population	4,922	83,583	173,943
2016 Total Population	6,147	93,903	199,838
2021 Total Population	7,199	105,441	225,725
2016-2021 Annual Rate	3.21%	2.34%	2.47%
Average Household Income			
2016	\$66,720	\$96,059	\$104,140
2021	\$72,560	\$102,274	\$111,039
Median Home Value			
2016	\$194,467	\$233,553	\$250,591
2021	\$212,246	\$239,097	\$252,946
Per Capita Income			
2016	\$29,835	\$38,939	\$41,470
2021	\$32,613	\$41,543	\$44,185

Top Employers - Austin, TX (Employing 6,000+)

Austin School Independent District
 City of Austin
 Dell
 Federal Government
 IBM Corp.
 Round Rock Independent School District
 Seton Healthcare Family
 St. David's Healthcare Partnership
 State of Texas
 University of Texas at Austin

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License

Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you,

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.





ACTUAL SITE

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