

SINGLE TENANT ABSOLUTE NNN

Ground Lease Investment Opportunity



(NYSE: BROS)

New Construction with 15-Year Lease | Dense Submarket With \$150K+ HH Incomes | Dutch Bros Stock Gained 76% in 2024



3616 W. Ballast Point Boulevard

TAMPA FLORIDA

REPRESENTATIVE PHOTO



PRESENTED BY



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NATIONAL NET LEASE

Qualifying Broker: Patrick Nutt, SRS Real Estate Partners-SOFLO LLC | FL License No. BK3120739



OFFERING SUMMARY



OFFERING

Pricing	\$2,421,000
Net Operating Income	\$115,000
Cap Rate	4.75%

PROPERTY SPECIFICATIONS

Property Address	3616 W. Ballast Point Boulevard Tampa, Florida 33611
Rentable Area	950 SF
Land Area	0.57 AC
Year Built	2025
Tenant	Dutch Bros
Guaranty	Corporate (NYSE: BROS)
Lease Type	Absolute NNN (Ground Lease)
Landlord Responsibilities	None
Lease Term	15 Years
Increases	10% Every 5 Years
Options	3 (5-Year)
Rent Commencement	April 10, 2025
Lease Expiration	April 2040



DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2024 Population	18,274	78,806	143,348
2024 Households	8,563	35,304	64,129
2024 Average Household Income	\$125,310	\$155,814	\$157,859
2024 Median Age	40.1	39.5	37.2
2024 Total Businesses	656	3,321	12,455
2024 Total Employees	6,209	25,260	123,156



Tenant Name	Square Feet	LEASE TERM		RENTAL RATES				Options
		Lease Start	Lease End	Begin	Increase	Monthly	Annually	
Dutch Bros	950	April 2025	April 2040	Year 1	-	\$9,583	\$115,000	3 (5-Year)
				Year 6	10%	\$10,542	\$126,500	
				Year 11	10%	\$11,596	\$139,150	
10% Increases Beg. of Each Option								

Brand New 15-Year Lease | Scheduled Rental Increases | Options to Extend | Established Tenant | 2025 Construction

- The tenant recently signed a brand new 15-year lease with 3 (5-year) options to extend, demonstrating their long-term commitment to the site
- The lease features 10% rental increases every 5 years during the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- Dutch Bros is the third largest coffee chain in the US with over 950 locations throughout 18 states and a long-term goal of hitting 4,000+ stores
- 2025 construction which features high quality materials, distinct design elements, and high-level finishes

Absolute NNN Ground Lease | Land Ownership | Zero Landlord Responsibilities | No State Income Tax

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Investor benefits from leased fee interest (land ownership)
- Ideal, management-free investment for a passive investor in a state with no state income tax

Dense Demographics 5-Mile Trade Area | Six-Figure Incomes

- More than 143,000 residents and 123,000 employees support the trade area
- \$157,859 average household income

Fronting South Dale Mabry Highway | Drive-Thru Equipped | Surrounding Big Box Retailers

- Dutch Bros is strategically located at the signalized, hard corner intersection of South Dale Mabry Highway and West Ballast Point Blvd averaging 38,500 VPD
- The asset is equipped with a drive-thru, providing ease and convenience for customers
- Dale Mabry Highway is a dominant North/South retail thoroughfare serving the city of Tampa
- The immediate trade area is supported by surrounding retailers such as The Home Depot, Walmart Supercenter, Target, Publix, and more

Tampa - Desirable Location | Surrounding New Developments | Fast Growing Metro Population

- According to Forbes Magazine, Tampa is the #1 place to live in Florida (click [HERE](#) for full article)
- Tampa is the 3rd largest city in Florida and the 51st largest city in the United States, growing at a rate of 1.27% annually
- North Dale Mabry's \$1B Midtown development is home to the largest office deal in city history; Tampa's electric company, TECO, will move from its downtown headquarters in 2025 when a new 17-story tower in the Midtown development is complete (click [HERE](#) for more)
- According to US News & World Report, Tampa ranks 19th in the fastest growing places in the US (full article [HERE](#))

BRAND PROFILE



DUTCH BROS

dutchbros.com

Company Type: Public (NYSE: BROS)

Locations: 950+

2024 Employees: 24,000

2024 Revenue: \$1.2 Billion

2023 Net Income: \$1.72 Million

2023 Assets: \$1.76 Billion

2023 Equity: \$364.35 Million

Dutch Bros Coffee is a drive-thru coffee company dedicated to making a massive difference one cup at a time. Headquartered in Grants Pass, Oregon, where it was founded in 1992 by Dane and Travis Boersma, it's now sharing the "Dutch Luv" with more than 950 locations in 18 states. Dutch Bros serves specialty coffee, smoothies, freezes, teas, an exclusive Dutch Bros Rebel™ energy drink and nitrogen-infused cold brew coffee. Its rich, proprietary coffee blend is handcrafted from start to finish. In addition to its mission of speed, quality and service, Dutch Bros is committed to giving back to the communities it serves. Through its Dutch Bros Foundation and local operators and franchisees, the company donates several million dollars to causes across the country each year.

Source: prnewswire.com, finance.yahoo.com

Dutch Bros Stock Surges 76% in 2024: Will the Rally Continue in 2025?

Zacks Equity Research | December 27, 2024

Dutch Bros Inc. BROS has delivered an outstanding performance in 2024. The stock has surged an impressive 76.3%, significantly outpacing the industry's modest growth of 3.9%. The company benefited from a refined real estate strategy and improved site productivity. Additionally, the rollout of the mobile order platform received positive feedback and is driving operational benefits.

On Thursday, the stock closed at \$55.82, only 0.5% below its 52-week high but 119.2% above its 52-week low. In 2024, other industry players like Kura Sushi USA, Inc. KRUS and Chipotle Mexican Grill, Inc. CMG have gained 18.9% and 34.1%, respectively, while McDonald's Corporation MCD has declined 0.6%.

Technical indicators imply BROS' continued strong performance. The stock is trading above its 50-day moving average, signaling robust upward momentum and price stability. This technical strength underscores positive market sentiment and confidence in BROS' financial health and prospects.

Factors Aiding BROS

Innovation remains vital to Dutch Bros' growth strategy. The company's seasonal offerings, like the Cookie Butter Latte and Caramel Apple Rebel, alongside fan favorites, are

creating a buzz. Furthermore, initiatives such as limited-edition sticker drops and exclusive merchandise have strengthened customer loyalty and elevated the brand's unique identity in the competitive beverage market.

The Mobile Order and Pay rollout (covering 90% of its systemwide locations) has been another game-changer. Mobile-order customers have increased their visit frequency by about 5%, with this now representing 7% of the company's total sales mix. In some U.S. markets, this figure is more than double the overall system average. This growth, combined with paid advertising and effective market planning, has led to improved same-shop transaction performance.

Dutch Bros has significantly increased its paid advertising investments, focusing on new and mature markets to drive brand awareness. The impact has been especially notable in Texas, where unaided brand awareness has tripled. These campaigns have directly contributed to improved shop productivity and transaction growth, ensuring Dutch Bros stays ahead of the competition in emerging markets. On the other hand, increased digital spending in new and mature markets has boosted brand awareness and shop productivity.

The company's real-estate strategy and investment in new markets have been successful, enhancing new shop productivity. Dutch Bros has invested significantly in its development team and processes, positioning the company for continued growth. In 2025, the company plans to open at least 160 new shops with accelerated

growth expected in 2026. BROS remains confident in its long-term growth prospects, supported by strong revenues, innovation, advertising and an expanding mobile-order base.

BROS' 2025 Earnings & Revenue Growth Looks Impressive

In the past 60 days, the Zacks Consensus Estimate for 2024 and 2025 has witnessed upward revisions of 15.4% and 23.4% to 45 cents and 58 cents per share, respectively. The company's earnings in 2024 and 2025 are likely to witness growth of 50% and 29.2% year over year, respectively. On the other hand, the company's sales in 2024 and 2025 are expected to increase 30.2% and 21.7% year over year, respectively.

Wrapping Up

Dutch Bros has demonstrated remarkable growth and operational strength, driven by strategic innovations, effective marketing and a well-executed real estate strategy. The company's focus on seasonal offerings, enhanced customer loyalty programs and the successful rollout of its mobile order platform have significantly boosted customer engagement and transaction frequency. Investments in paid advertising and market planning have amplified brand awareness, particularly in emerging markets, further improving shop productivity.

Source: YahooFinance
Read Full Article [HERE](#)

How Dutch Bros wins with customization, connection, and speed

Dutch Bros reported a 6.9% increase in same-store sales and 35% revenue growth for the fourth quarter

Joanna Fantozzi | February 13, 2025

While many in the restaurant industry are struggling to grapple with dwindling traffic caused by an uncertain consumer spending environment, Dutch Bros is experiencing no such lull, even outperforming major competitors. The Grants Pass, Ore.-based drive-thru coffee chain — which just passed its 1,000-store milestone earlier this month — reported a 6.9% increase in same-store sales and 35% revenue growth for the fourth quarter, ended Dec. 31.

Although much of Dutch Bros’ momentum can be attributed to store growth — with 151 stores opened in 2024 — CEO Christine Barone touted the company’s “emphasis on iced beverages, personalization, and speed,” as a large part of Dutch Bros’ continued success. Barone said customizable energy drinks have become a huge part of the company’s menu platform, as personalization becomes more important to customers.

Menu innovation (especially in iced beverages) remains a priority for the brand, and Barone said Dutch Bros will continue to improve store productivity to mitigate “mile-long lines,” especially with the growth of mobile order adoption, which has only been activated for one full quarter.

“We took our time in rolling out mobile order and really listened to feedback along the way both from our broistas and from our customers,” Barone said in an interview with Nation’s Restaurant News. “You’re not done when you’ve opened the shop. You have to keep listening and keep understanding, ‘How can we make this better?’ ... There’s always room for improvement.”



Since rolling out the new feature last fall, Dutch Bros customers have placed 5.4 million mobile orders, with a particular rush in the morning. The company hopes to continue to grow the morning daypart with the expansion of its (right now, fairly limited) food menu, as first reported last month.

“This initial test has been focused on understanding the optimal assortment and how an expanded food program interacts with our existing operations,” Barone said during Wednesday’s earnings call. “Although the test is small, initial signs are encouraging and point toward the viability of an expanded program ... Food makes up less than 2% of our total sales, and we are likely missing morning beverage transactions from would-be customers who are not satisfied with our current food offerings.” Barone emphasized that it’s important to test possible food options thoroughly before rolling out a national program in order to consider the changes to the broista job description, and make sure that the company’s employees would still be productive and satisfied.

Source: NRN
Read Full Article [HERE](#)

Retailers Embrace Efficiency with Smaller, Drive-Thru Only Formats

Starbucks, Take 5 Oil Change, 7 Brew, Wawa are just a few examples.

By Will Wamble | December 02, 2024

Recently there has been a proliferation of smaller prototype and drive-thru only format tenants in retail real estate. There are a wide range of retailers involved in this heightened trend including oil change companies, quick service restaurants (QSRs), and multiple coffee concepts, among others. Some specific brands include Starbucks, Take 5 Oil Change, 7 Brew, Wawa, Caribou Coffee, Scooter's, Salad and Go, Smalls Sliders, Jimmy John's, Checkers, Elliano's, Greenlane, Tim Hortons, and The Human Bean. Other QSRs like Chick-Fil-A, McDonald's, Chipotle, Taco Bell, and Portillo's have also recently experimented with drive-thru only models and buildings. Typically, the building size for this format is about 1,500 square feet (sf) or less.

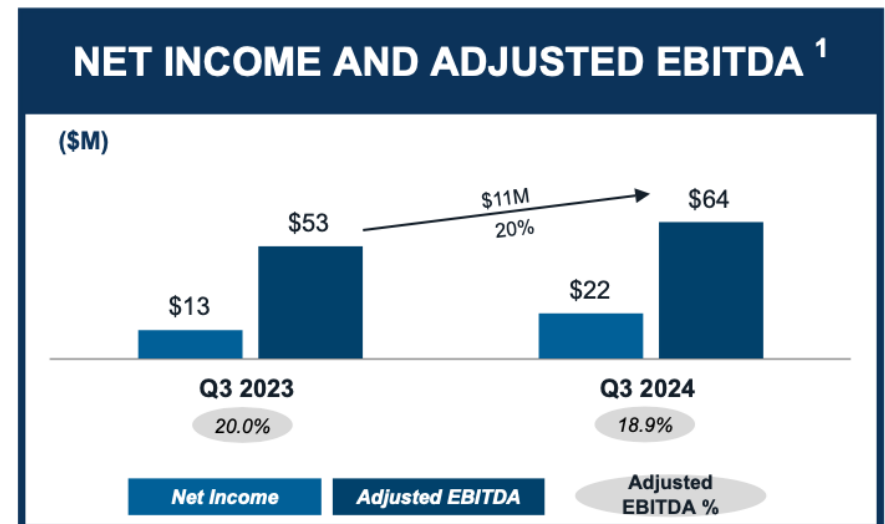
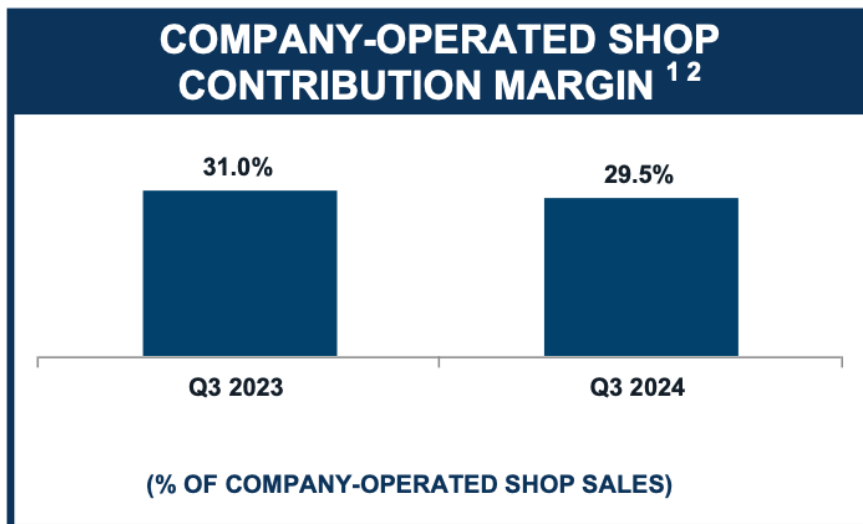
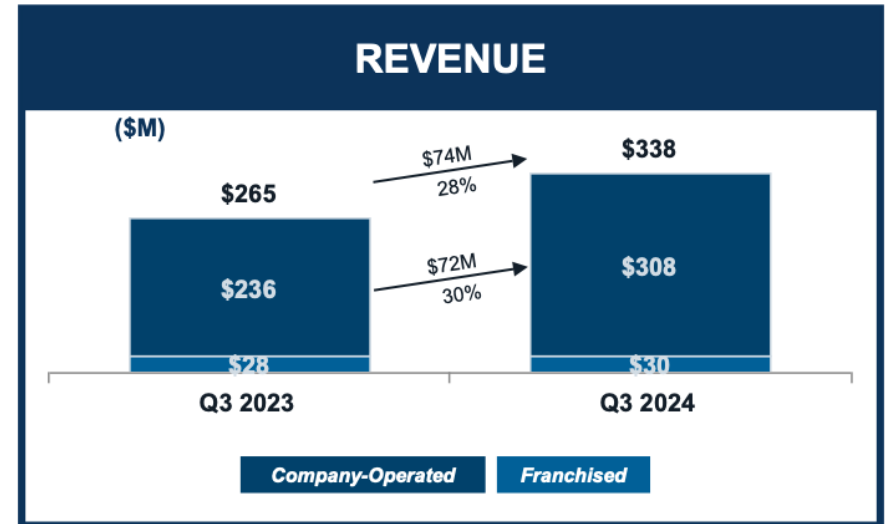
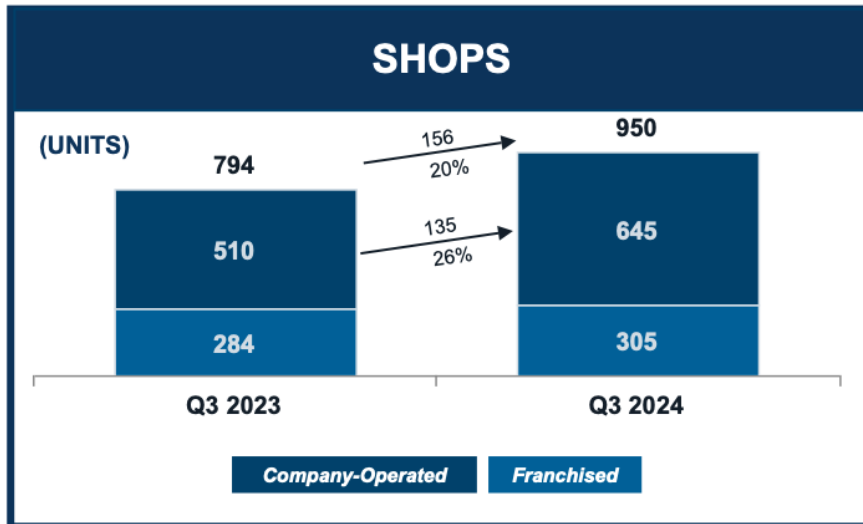
Drive-thru only buildings enable retailers to maximize operational efficiencies by reducing facilities management expenses and labor costs. They also allow for increased customer convenience and accommodate shifting consumer preferences by streamlining digital and mobile ordering. Building construction is less capital intensive for both landlords and tenants with a lot of these users starting to incorporate prefabricated buildings in their designs. The smaller building footprints allow operators to establish a presence in denser, infill markets which otherwise have high barriers to entry.

In addition to the above efficiencies, smaller building footprints help landowners maximize value of smaller parcels. For example, most traditional QSRs typically



require 1.25 to 1.5 acres while, a majority of the newer drive-thru only concepts can utilize three-fourths of an acre or less. This allows developers or landowners to optimize smaller parcels and, in some cases, they can accommodate an additional tenant. Landowners aren't sacrificing much on annual rents since retailers are willing to pay higher rents for smaller buildings in order to be in prime locations that might have otherwise been unattainable. These tenants are typically creditworthy and willing to sign long-term absolute net leases or ground leases. If the property owner intends to sell the property, this helps them to attain attractive cap rates when selling the stabilized properties to investors seeking passive income.

Source: [GLOBE STREET](#)
Read Full Article [HERE](#)



¹ See appendix for a reconciliation to the most directly comparable financial measure stated in accordance with GAAP

² See slide 7 for breakdown of company-operated shop contribution



2024 Estimated Population

1 Mile	18,274
3 Miles	78,806
5 Miles	143,348

2024 Average Household Income

1 Mile	\$125,310
3 Miles	\$155,814
5 Miles	\$157,859

2024 Estimated Total Employees

1 Mile	6,209
3 Miles	25,260
5 Miles	123,156

51,900
VEHICLES PER DAY

6,900
VEHICLES PER DAY

38,500
VEHICLES PER DAY





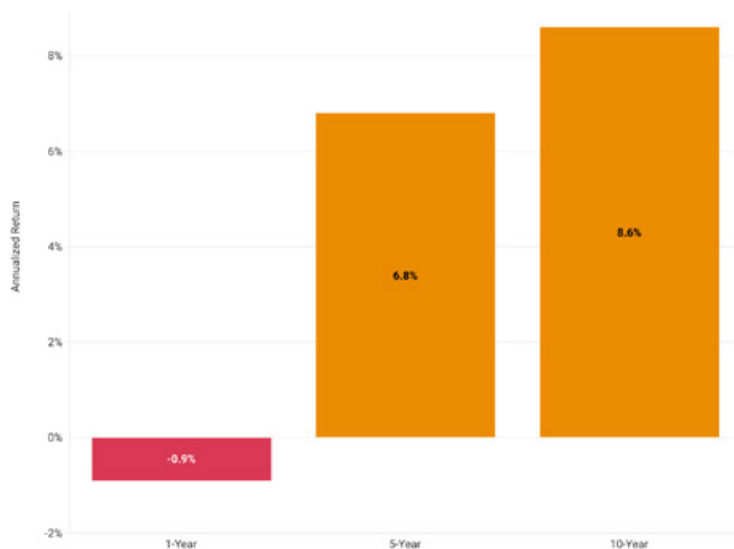
#4 TAMPA-ST. PETERSBURG

Though Tampa-St. Petersburg might fly under the radar compared to its neighbors—the colorful Miami and heavily touristed Orlando—the metro area is no slouch amid Florida’s formidable peers. Tampa’s sunny climate, year-round sports, no state income tax, and booming economy have created a longtime draw for workers and retirees alike, leading Money magazine to name Tampa the ninth best place to live in the United States in 2022. The metro area has proven a good place for real estate investment capital to live as well, with 10-year annualized total returns of 8.6 percent in NCREIF’s NPI. Tampa moved up 14 spots in Emerging Trends’ U.S. Markets to Watch over the past year, the most improved ranking among Florida’s major metro areas (and tied for highest upward movement in the state with Deltona/Daytona Beach and Gainesville); Tampa is also the first U.S. Market to Watch for homebuilding prospects.



TAMPA-ST. PETERSBURG TRAILING TOTAL RETURNS ANNUALIZED AS OF 2024 Q2

Source: NCREIF NPI Database, accessed 2024 Q3



Tampa models an enviable economy with strong growth, high-paying job drivers, and economic diversity. The MSA’s population grew 1.5 percent per year from 2013 to 2023, approximately 2.5 times the national pace. Similarly, Tampa’s job growth has nearly doubled the national pace over the 10 years ending August 2024. The metro area is driven by white-collar jobs, particularly in the financial services sector. The share of private office-using jobs is 39 percent higher in Tampa than in the United States overall, while financial services jobs’ share is 59 percent higher here. There are four noteworthy finance and insurance companies with over 5,000 jobs in the metro area. But despite this notably outsized industry cluster, Moody’s Analytics gives the area an industrial diversity score of 0.83 (U.S. = 1.0), which ranks fourth most diverse among the 390 ranked MSAs.

Housing affordability is perhaps Tampa’s greatest headwind, as Moody’s data on the cost of living puts Tampa’s relative costs at 111 percent of the national average. Homeowner’s insurance expense now ranks among the 10 highest

nationally. Rising costs might slow in-migration from the 50,000 to 70,000 the metro area saw each year from 2021 to 2023, which calculated to a top 10 rate per capita for metro areas with more than 1 million residents. Some relief will come from lower interest rates, while Tampa home prices have moderated a bit since their January 2024 peak. But with house prices up 66 percent in the four years ending July 2024, much of Tampa’s previous housing affordability has eroded, with little hope of returning in the near term. On the bright side, costs of doing business remain below national averages (95 percent of the national rate, per Moody’s), with costs considerably lower than U.S. averages for energy, state, and local taxes, and office rent.

Despite these outlined risks, local economic growth is expected to be conducive to outsized real estate returns. Continued in-migration, an attractive business climate, and job growth forecast at 2.3 times the nation’s five-year forecast set the stage for continued demand for Tampa real estate.

[Read Full Article Here](#)



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300+

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OFFICES

\$5B+

TRANSACTION
VALUE

company-wide
in 2024

600+

CAPITAL MARKETS
PROPERTIES

SOLD
in 2024

\$2.5B+

CAPITAL MARKETS
TRANSACTION

VALUE
in 2024

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