



**BRAND NEW CONSTRUCTION
NEW NNN GROUND LEASE
IN SOUTHERN CALIFORNIA**

**877 E HOSPITALITY LN
SAN BERNARDINO, CA 92408**



Marcus & Millichap
NNN DEAL GROUP
OFFERING MEMORANDUM

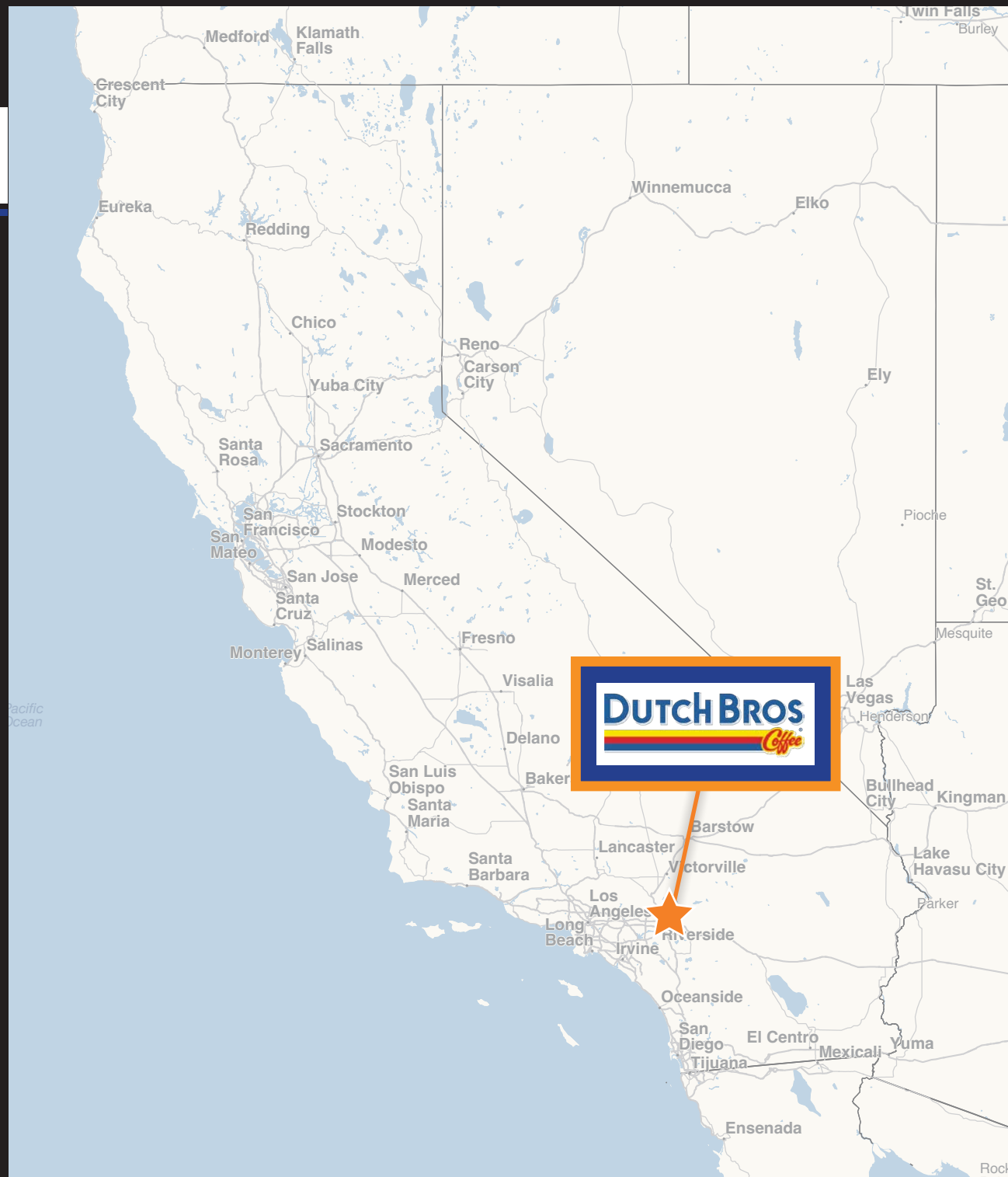
REPRESENTATIVE PHOTO

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Marcus & Millichap
 NNN DEAL GROUP

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COSTCO
WHOLESALE

Cane's
CHICKEN FINGERES

INTERSTATE
10

IN-N-OUT
BURGER

verizon
Jimmy John's

sam's club

Marriott
Residence Inn

BJ's
RESTAURANT
BREWHOUSE

FAIRFIELD
INN & SUITES
Marriott

curacao

24 FITNESS

Guitar Center

Hampton
Inn & Suites
108 Guest Suites

HOMWOOD
SUITES by Hilton

BEST BUY

Tasty Goody
CHINESE FAST FOOD

OneMain
Financial

SAJAD AND GO
Coming Soon
Entitled, planned
opening Q3 2025

DUTCH BROS
Coffee

Traffic Light
Coming Soon
Completion scheduled
November 2024





INVESTMENT SUMMARY

877 E HOSPITALITY LN, SAN BERNARDINO, CA 92408

PRICE: \$2,873,565

CAP: 4.35%

NOI: \$125,000

OVERVIEW

PRICE	\$2,873,565
GROSS LEASABLE AREA (GLA)	950 SF
LOT SIZE	1.53 Acres
NET OPERATING INCOME	\$125,000
YEAR BUILT	2024

LEASE ABSTRACT

LEASE START (ESTIMATE)	10/31/2024
LEASE EXPIRATION (ESTIMATE)	10/31/2039
LEASE TERM	15 Years
RENEWAL OPTIONS	3x5
INCREASES	10% Every 5 Years
LEASE TYPE	NNN GROUND
LANDLORD OBLIGATIONS	None At All

ANNUALIZED OPERATING DATA

BASE TERM	ANNUAL RENT
YEARS 1-5	\$125,000
YEARS 6-10	\$137,500
YEARS 11-15	\$151,250
OPTION 1	\$166,375
OPTION 2	\$183,012
OPTION 3	\$201,314

Marcus & Millichap



HARDT STREET

E BRIER DR

E CARNEGIE DR

E HOSPITALITY LN - 22,786 VPD

HARRIMAN PL

S TIPECANOE AVE

I-10 - 205,000 VPD

I-10 - 205,000 VPD

FRESENIUS KIDNEY CARE
Hanger
 CLINIC

HOME 2
 SUITES BY HILTON

Quick Quack
 CAR WASH
 Entitled,
 Coming Soon

DUTCH BROS
 Coffee

COMING SOON,
 SAC Health
 Medical Center

SUBWAY
 Panera BREAD
 Jamba Spectrum

Starbucks

Davita

SAN BERNARDINO
 COMMUNITY COLLEGE
 DISTRICT

Premier Professional
 Office Park and
 Government Buildings

Government
 Office

HOMEWOOD
 SUITES by Hilton

Guitar Center

COSTCO
 WHOLESALE

Cane's
 CRICKEN FINGER

Olive Garden
 ITALIAN CYPHER

SAJAD
 AND GO
 Coming Soon
 Q3 2025

verizon
 Jimmy John's

OUTBACK
 STEAKHOUSE

BUFFALO WILD WINGS

BEST BUY

Marriott Residence Inn

SUPERCUTS

CHUCK E. CHEESE

Lakeshore

sam's club

IN-N-OUT BURGER

chili's

PET SMART

ALDI

THE HOME DEPOT

PANDA EXPRESS
 AUTHENTIC CHINESE CUISINE

T Mobile

L A Z BOY

curacao **POKE BAR**

BJ's
 RESTAURANT BREWHOUSE

ESPORTA
 FITNESS

RED WING

24 FITNESS

FAIRFIELD
 INN & SUITES
 Marriott



INVESTMENT HIGHLIGHTS



BRAND NEW 15 YEAR NNN GROUND LEASE

Set to commence in October 2024



BRAND NEW 2024 CONSTRUCTION

Newly constructed built-to-suit building with large double stack drive-thru



ZERO LANDLORD RESPONSIBILITIES

Ideal for hands off investors, the tenant is responsible for all aspects of maintenance and property management



STRONG TENANT & CORPORATE GUARANTEE

Dutch Bros (NYSE:BROS) is one of the fastest growing brands in the quick service beverage industry, now with over 900 locations in 18 states



AMAZING SOUTHERN CALIFORNIA REAL ESTATE

Strategically located pad between two large destination retail power centers anchored by Costco, Sam's Club and Home Depot



EASY INTERSTATE ACCESS

Located at the intersection of two of Southern California's busiest interstates I-10 and I-215, with a combined 230,000 VPD



ACTUAL SITE - UNDER CONSTRUCTION





Government Office

Medical Building



HOMWOOD SUITES by Hilton



Hampton Inn & Suites
108 Guest Suites

SAJAD AND GO
Coming Soon
Entitled, planned opening Q3 2025

Traffic Light
Coming Soon
Completion scheduled November 2024



E HOSPITALITY LN - 22,786 VPD



INDUSTRIAL AREA

INLAND CENTER MALL

Burlington WAREHOUSE

TRADER JOE'S WAREHOUSE

SAN BERNARDINO INTERNATIONAL AIRPORT

amazon SORT CENTER

amazon fulfillment CENTER

PEPSICO WAREHOUSE

KOHL'S E COMMERCE CENTER WAREHOUSE

FedEx Ship Center

Hertz KIA SUBARU TOYOTA NISSAN VW

TARGET

amazon WAREHOUSE

amazon fulfillment CENTER

HOMESWOOD SUITES by Hilton

DUTCH BROS Coffee

E HOSPITALITY LN - 22,786 VPD

I-10 - 205,000 VPD

Hampton Inn & Suites

COSTCO WHOLESALE

THE HOME DEPOT

curacao

sam's club

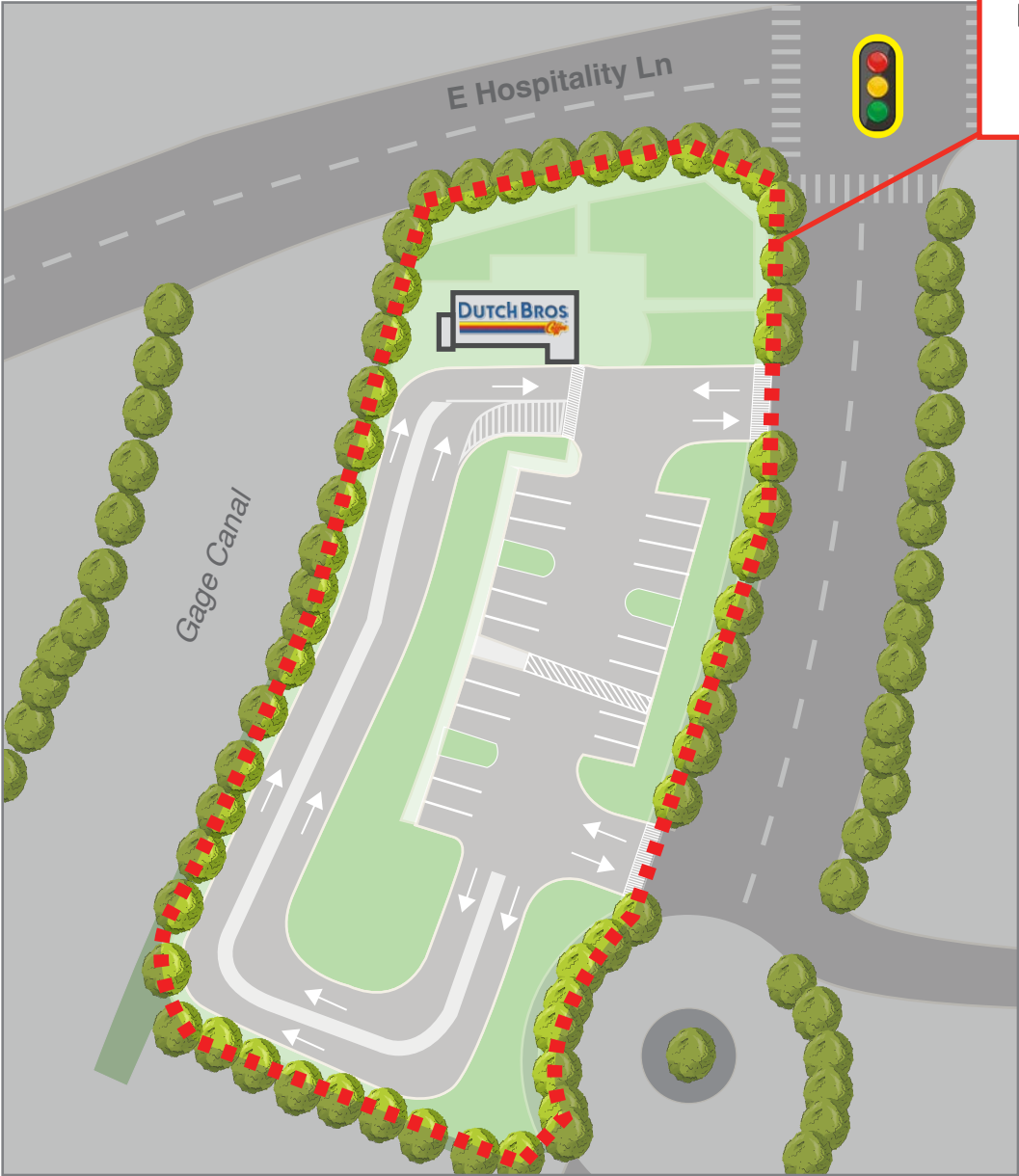
I-215

I-10

I-10

I-210 - 205,000 VPD

SITE PLAN



**UNIQUE OPPORTUNITY TO
ACQUIRE A LARGER DUTCH
BROS PARCEL – 1.53 ACRE LOT**

Average Dutch Bros lots are under .75 acres

TENANT SUMMARY



Dutch Bros Inc. (NYSE: BROS) is a high growth operator and franchisor of drive-thru shops that focus on serving high QUALITY, hand-crafted beverages with unparalleled SPEED and superior SERVICE. Founded in 1992 by brothers Dane and Travis Boersma, Dutch Bros began with a double-head espresso machine and a pushcart in Grants Pass, Oregon. In addition to espresso-based beverages, Dutch Bros now offers a wide variety of unique, customizable cold and hot beverages that delight a broad array of customers. Dutch Bros is dedicated to making a massive difference in the lives of its employees, customers and communities. The combination of hand-crafted and high-quality beverages, the unique drive-thru experience and our community-driven, people-first culture has allowed Dutch Bros to successfully open new shops, with 912 locations across 18 states as of June 30, 2024.

Dutch Bros Inc. Reports Second Quarter 2024 Financial Results

08/07/2024

Source: Business Wire

Achieves \$325 million in Revenues in Quarter, a 30% Increase Year-over-Year

36 New Shop Openings During Quarter, Surpasses 900th Shop Milestone

Dutch Bros Inc. is one of the fastest-growing brands in the quick service beverage industry in the United States. Christine Barone, Chief Executive Officer and President of Dutch Bros, stated, "Our quarterly performance demonstrates the long runway ahead for Dutch Bros as we once again delivered strong top-line and profitability growth. Revenue rose 30%, including a 4.1% increase in system same-shop sales, and was underpinned by excellent margin flow through. With strong results 2024 to date despite the volatile consumer backdrop and expectations for a robust second half to the year, we are pleased to be raising our annual guidance."

[Click here for full article](#)



Headquarters

GRANTS PASS, OR



Year Founded

1992



Locations

900+



NYSE: BROS

Publicly Traded



\$1.1Bil

2023 Revenue

LOCATION OVERVIEW

RIVERSIDE-SAN BERNARDINO

Known as the Inland Empire, the Riverside-San Bernardino metro is a 28,000-square-mile region in Southern California, composed of San Bernardino and Riverside counties. The metro contains a population of 4.6 million. The largest city is Riverside, with roughly 315,000 residents, followed by San Bernardino and Fontana, with more than 200,000 people each. Valleys in the southwestern portion of the region that are adjacent to Los Angeles, Orange County and San Diego County are the most populous in the metro. These areas about the San Bernardino and San Jacinto mountains, behind which lies the high-desert area of Victorville/Barstow to the north, and the low-desert Coachella Valley — home of Palm Springs — to the east.

METRO HIGHLIGHTS



STRATEGIC LOCATION

Access to multiple interstates and proximity to LAX and Ontario International airports, as well as ports in Long Beach and Los Angeles, contribute to the metro's vast transportation network.



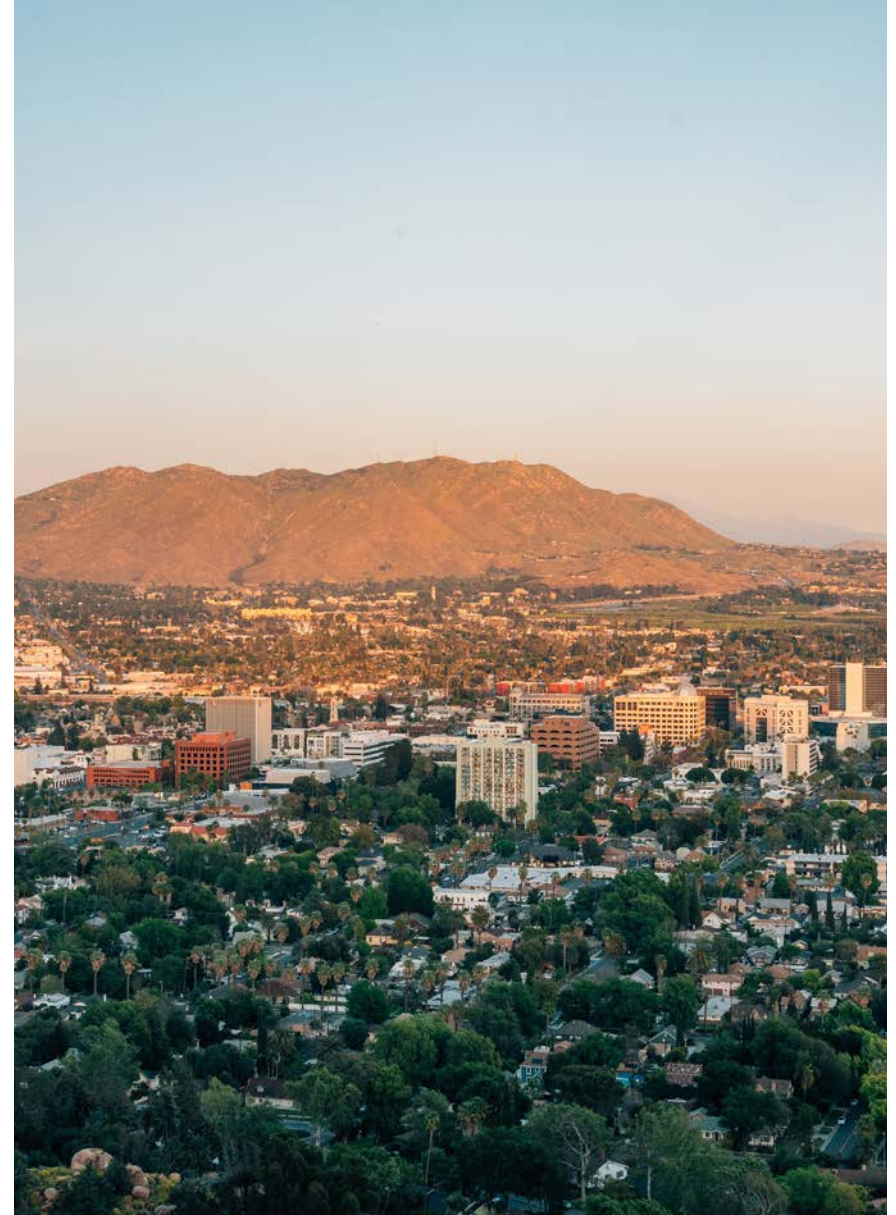
DOMINANT INDUSTRIAL MARKET

The metro continues to be one of the nation's leading industrial markets in terms of annual property sales, construction activity and net absorption.



STRONG DEMOGRAPHIC TRENDS

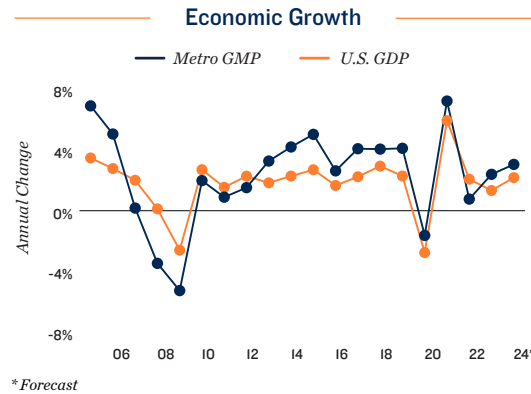
Job growth, colleges and regionally affordable housing options draw thousands of new residents to the Inland Empire each year.



LOCATION OVERVIEW

ECONOMY

- Intermodal infrastructure supports the industrial sector. Ontario International is the major cargo airport, with Union Pacific and BNSF operating rail facilities in Fontana and San Bernardino. Another rail facility has been proposed by BNSF in Barstow.
- The metro's standing as a logistics hub requires many Fortune 500 companies to have massive distribution centers and warehouses in the area, such as Amazon and J.B. Hunt.

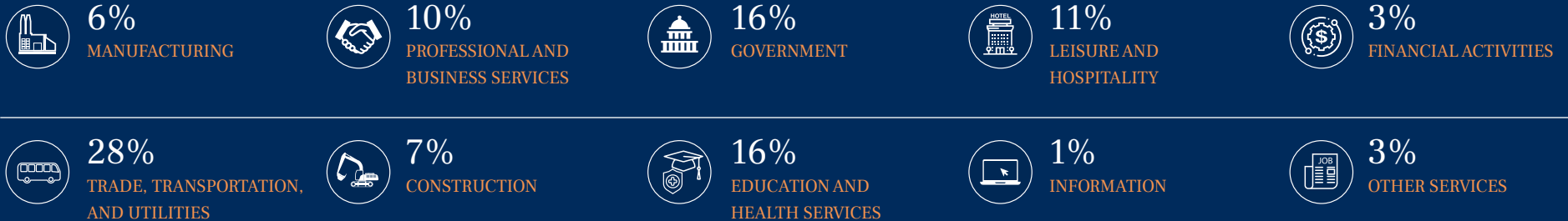


MAJOR AREA EMPLOYERS

- Kaiser Permanente
- Riverside Community
- AT&T
- Loma Linda University Medical Center
- Flexsteel Industries
- Walmart
- University of California, Riverside
- Amazon
- Inland Cold Storage
- Toro



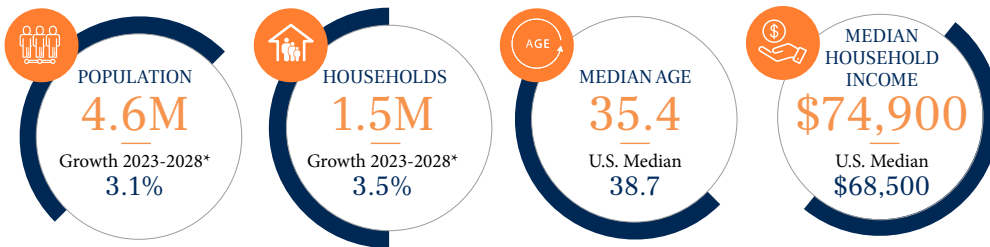
SHARE OF 2023 TOTAL EMPLOYMENT



LOCATION OVERVIEW

DEMOGRAPHICS

- The metro is expected to add more than 140,000 people through 2028, and during this time, roughly 53,000 households will be formed, generating demand for newly-built single-family homes and rentals.
- The homeownership rate of 62 percent exceeds other large metros in the state.
- The local median home price of roughly \$565,000 is by far the lowest among Southern California markets.



2023 POPULATION BY AGE



QUALITY OF LIFE

Regionally affordable housing continues to draw residents from other Southern California markets to the Inland Empire. The median home price in Riverside-San Bernardino is significantly lower than in Los Angeles, Orange and San Diego counties. The Inland Empire provides cultural opportunities, including the Riverside Metropolitan Museum and the Ontario Museum of History & Art. The Riverside County Philharmonic performs classical music concerts throughout the area. The region features an impressive offering of higher education institutions, including at least 10 community colleges, California State University, San Bernardino, the University of Redlands and the University of California, Riverside.

SPORTS

- Hockey | AHL | ONTARIO REIGN
- Baseball | MiLB | INLAND EMPIRE 66ERS
- Basketball | NBA-G | ONTARIO CLIPPERS
- Baseball | MiLB | LAKE ELSINORE STORM
- Soccer | MASL | EMPIRE STRYKERS
- Hockey | AHL | COACHELLA VALLEY FIREBIRDS

EDUCATION

- UNIVERSITY OF CALIFORNIA, RIVERSIDE
- CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
- UNIVERSITY OF REDLANDS
- RIVERSIDE CITY COLLEGE
- MT. SAN JACINTO COLLEGE

ARTS & ENTERTAINMENT

- MISSION INN HOTEL & SPA
- ONTARIO MUSEUM OF HISTORY AND ART
- COACHELLA VALLEY MUSIC AND ARTS FESTIVAL
- RIVERSIDE COUNTY PHILHARMONIC
- RIVERSIDE METROPOLITAN MUSEUM

*Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

DEMOGRAPHICS / SAN BERNARDINO, CA

POPULATION	1 MILE	3 MILES	5 MILES
2028 Projection	5,537	69,217	262,831
2023 Estimate	5,456	67,355	256,130
Growth 2023 - 2028	1.48%	2.76%	2.62%
2010 Census	5,370	67,091	248,006
2020 Census	5,599	69,353	262,072
Growth 2010 - 2020	4.27%	3.37%	5.67%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2028 Projections	1,696	23,783	83,471
2023 Estimate	1,663	23,035	81,036
Growth 2023 - 2028	1.97%	3.25%	3.00%
2010 Census	1,481	21,037	73,362
2020 Census	1,652	22,638	79,831
Growth 2010 - 2020	11.58%	7.61%	8.82%

2023 EST. HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
\$200,000 or More	3.84%	5.35%	3.71%
\$150,000 - \$199,999	1.55%	4.83%	4.40%
\$100,000 - \$149,999	11.43%	14.21%	12.94%
\$75,000 - \$99,999	17.51%	15.28%	14.28%
\$50,000 - \$74,999	18.90%	18.04%	18.24%
\$35,000 - \$49,999	14.40%	12.56%	13.38%
\$25,000 - \$34,999	8.21%	8.41%	9.65%
\$15,000 - \$24,999	8.38%	7.83%	9.54%
\$10,000 - \$14,999	5.63%	5.23%	6.16%
Under \$9,999	10.15%	8.28%	7.71%
2023 Est. Average Household Income	\$67,145	\$80,765	\$72,822
2023 Est. Median Household Income	\$53,892	\$59,712	\$54,270
2023 Est. Per Capita Income	\$20,599	\$28,182	\$23,349

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
2023 Estimated Population by Age	5,456	67,355	256,130
Under 4	6.8%	7.0%	7.7%
5 to 14 Years	14.1%	14.3%	16.1%
15 to 17 Years	3.9%	3.9%	4.6%
18 to 19 Years	2.4%	2.4%	2.7%
20 to 24 Years	6.8%	7.2%	7.2%
25 to 29 Years	10.2%	9.8%	8.7%
30 to 34 Years	10.0%	9.5%	8.5%
35 to 39 Years	7.8%	7.6%	7.2%
40 to 49 Years	11.4%	11.6%	11.8%
50 to 59 Years	10.0%	10.6%	10.6%
60 to 64 Years	4.2%	4.6%	4.4%
65 to 69 Years	4.0%	3.7%	3.5%
70 to 74 Years	3.2%	2.8%	2.7%
Age 75+	5.2%	5.1%	4.2%
2023 Median Age	32.8	32.8	31.7

2023 Population 25 + by Education Level	1 MILE	3 MILES	5 MILES
Elementary (0-8)	6.76%	6.84%	8.92%
Some High School (9-11)	10.12%	10.99%	15.15%
High School Graduate (12)	21.53%	22.38%	28.11%
Some College (13-15)	19.91%	18.79%	18.79%
Associates Degree Only	8.27%	7.45%	6.79%
Bachelors Degree Only	20.10%	17.23%	11.01%
Graduate Degree	9.36%	12.91%	7.56%

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