

# Dunkin' Donuts Pensacola

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ABSOLUTE TRIPLE NET LEASE  
10% STEP/5 YEAR

OFFERING MEMORANDUM

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9225 Pine Forest Road  
Pensacola, FL 32534

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The Keyes Company  
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Lic: SL3291841

# Dunkin' Donuts Pensacola

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Contact:



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01

Executive Summary

Investment Summary

Location Summary

## OFFERING SUMMARY

ADDRESS	9225 Pine Forest Road Pensacola FL 32534
COUNTY	Escambia
MARKET	Florida
SUBMARKET	Pensacola
GLA (SF)	1,891 SF
LAND ACRES	.9
LAND SF	39,204 SF
YEAR BUILT	2018
APN	11-1S-31-1105-000-001
OWNERSHIP TYPE	Fee Simple

## FINANCIAL SUMMARY

PRICE	\$2,000,000
PRICE PSF	\$1,057.64
OCCUPANCY	100%
NOI (Proforma)	\$110,935
NOI (Year 1)	\$110,935
CAP RATE (PROFORMA)	5.55%
CASH ON CASH (PROFORMA)	2.78%

## PROPOSED FINANCING

Conventional Lender	
LOAN TYPE	Amortized
DOWN PAYMENT	\$960,000
LOAN AMOUNT	\$1,040,000
INTEREST RATE	6.50%
LOAN TERMS	5
ANNUAL DEBT SERVICE	\$84,268
LOAN TO VALUE	52%
AMORTIZATION PERIOD	25 Years

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2023 Population	4,884	34,227	88,688
2023 Median HH Income	\$63,448	\$68,824	\$64,596
2023 Average HH Income	\$93,948	\$93,716	\$87,524

## BRAND

- Dunkin' Brands Group Inc., traded on the NASDAQ as DNKN, boasts an impressive presence in the global coffee and baked goods industry through its subsidiary, Dunkin' Donuts. With a remarkable network spanning over 12,000 restaurants across 36 countries, Dunkin' Donuts stands as one of the foremost leaders in its field.

On a larger scale, Dunkin' Brands Group Inc. commands a worldwide footprint with over 19,000 points of distribution across nearly 60 countries. This places the company among the ranks of the world's most significant franchisors within the quick service restaurant (QSR) sector, catering to a wide range of patrons seeking both hot and cold coffee, as well as delectable baked goods.

Dunkin' Brands follows a highly successful and efficient franchise business model, with nearly 100% of its operations operating under this structure. This includes a robust portfolio featuring more than 12,000 Dunkin' Donuts restaurants and over 7,700 Baskin-Robbins establishments.

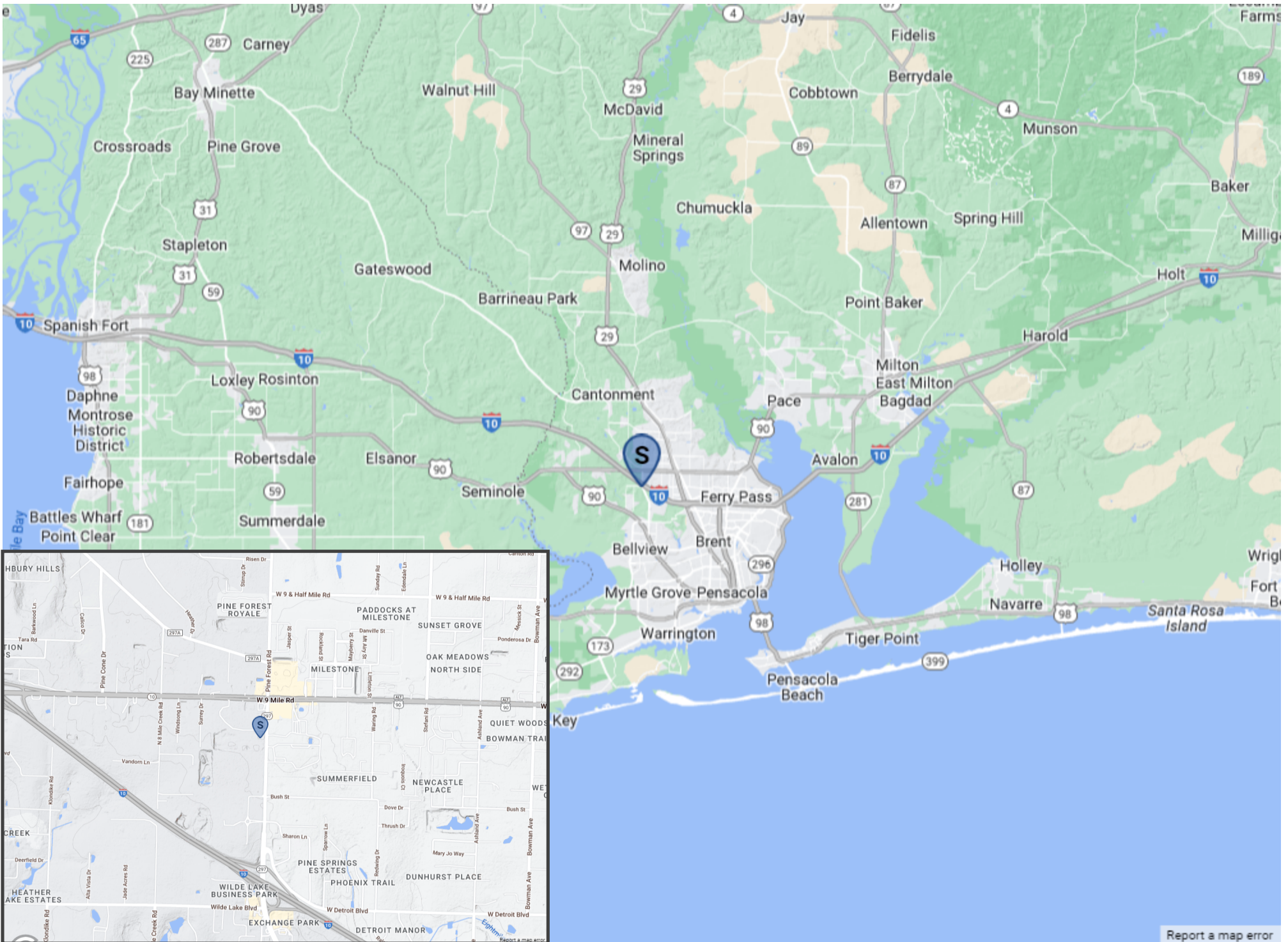
## TENANT

- Purple Square Management Co. (the Tenant) has its roots dating back to its founding in 2006. Originating in Tampa, Florida, the company's influence has expanded far beyond its initial location. Presently, they hold ownership and operational control of an impressive portfolio, comprising over 245 franchise locations spanning across a diverse range of states, including Alabama, Arizona, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, New York, Pennsylvania, and Virginia. Their stable of brands encompasses some of the most recognizable names in the industry, including Dunkin' Donuts/Baskin-Robbins, Popeyes Louisiana Kitchen, The Brass Tap, Rent-A-Center, RimTyme, Take 5 Oil Change, and American Family Care. This diverse portfolio underscores Purple Square Management's adaptability and agility in catering to a broad spectrum of consumer needs and preferences.

Purple Square Management is an exemplary and accomplished franchisee within the Dunkin' Brands Inc. network, demonstrating impressive growth and success in their endeavors. At present, Purple Square Management owns and operates an impressive array of over 99 Dunkin' Donuts and Baskin-Robbins stores, strategically situated across the states of Florida and Alabama. This places them among the most substantial and rapidly expanding Dunkin' Donuts operators in the United States.

Their dedication and excellence in the franchise business haven't gone unnoticed. In recognition of their outstanding contributions, Purple Square Management was honored with Dunkin' Brands' "National Rising Star Award" in 2008, followed by the prestigious "Franchisee of the Year Award" in 2014. Furthermore, in 2015, they received the esteemed "Philanthropist of the Year Award," underscoring not only their business acumen but also their commitment to giving back to their communities. Their achievements stand as a testament to their dedication and success in the Dunkin' Brands family.

Looking ahead, Purple Square Management is poised for significant growth. With an ambitious development pipeline encompassing all their brands, they are on track to surpass 280 locations by the close of 2023. This projection speaks to their unwavering commitment to expansion and excellence within the franchising landscape.



Report a map error



02

Property Description

- Property Features
- Aerial Map
- Parcel Map

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## PROPERTY FEATURES

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NUMBER OF TENANTS	1
GLA (SF)	1,891
LAND SF	39,204
LAND ACRES	.9
YEAR BUILT	2018
# OF PARCELS	1
ZONING TYPE	HC/LI
BUILDING CLASS	DRIVE-IN RESTAURANT
TOPOGRAPHY	Level
LOCATION CLASS	Primary
NUMBER OF STORIES	1
NUMBER OF BUILDINGS	1
LOT DIMENSION	160 x 253
NUMBER OF PARKING SPACES	25
TRAFFIC COUNTS	27,000

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## MECHANICAL

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HVAC	Roof Central AC
FIRE SPRINKLERS	Yes
ELECTRICAL / POWER	120/208/600 AMP 3 phase

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## CONSTRUCTION

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FOUNDATION	Concrete
FRAMING	Wood
EXTERIOR	Stucco
PARKING SURFACE	Asphalt
ROOF	Membrane

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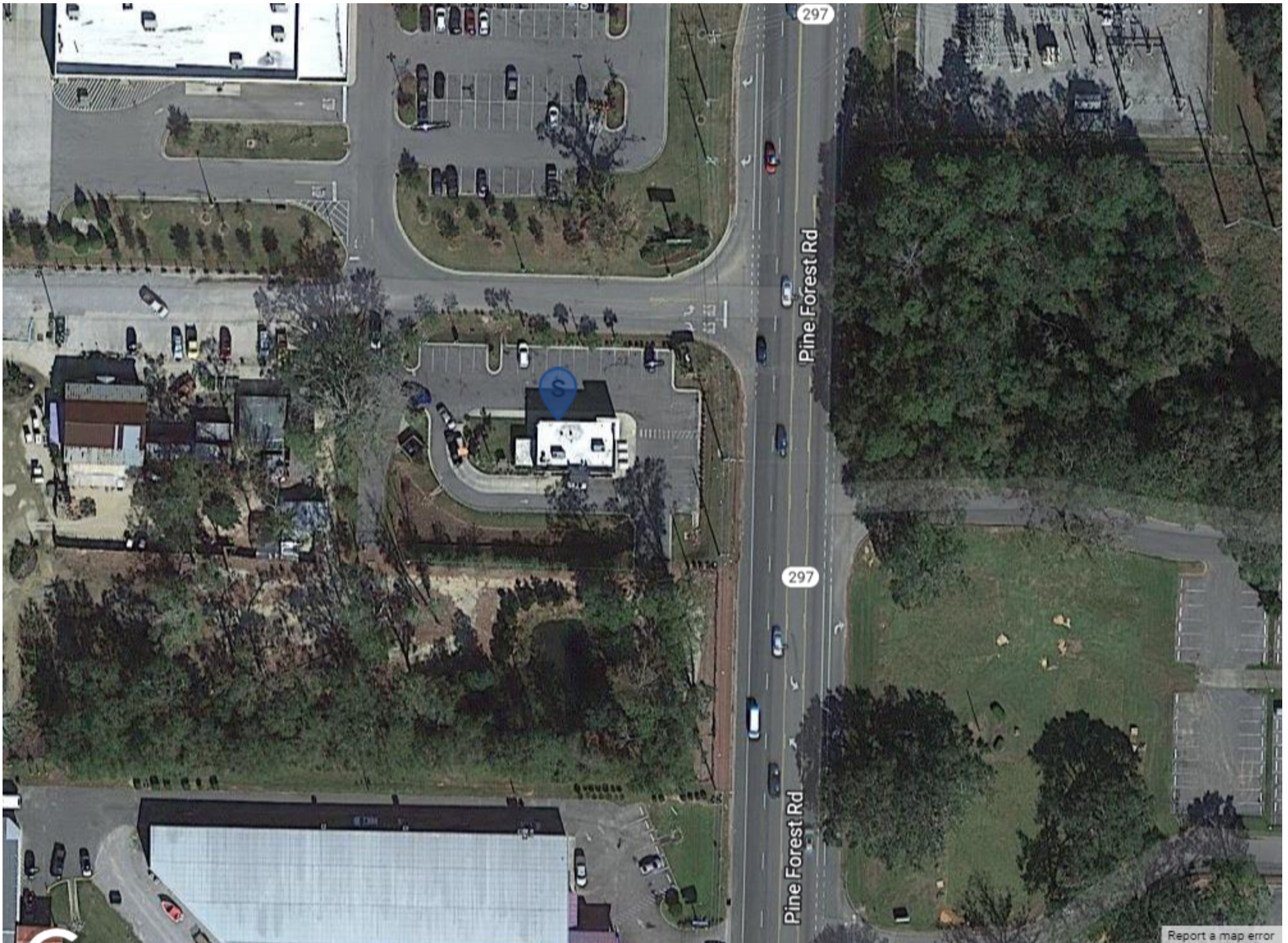
## TENANT INFORMATION

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MAJOR TENANT/S	Purple Square Management, LLC
SHADOW ANCHOR	Walmart Neighborhood Mart
LEASE TYPE	Absolute NNN
REMAINING TERM ON LEASE	8 Years
RENEWAL OPTIONS	4 5-year options
RENT INCREASES	10% Every 5 years including options
CORPORATE GAURANTEEE	Purple Square Management, LLC

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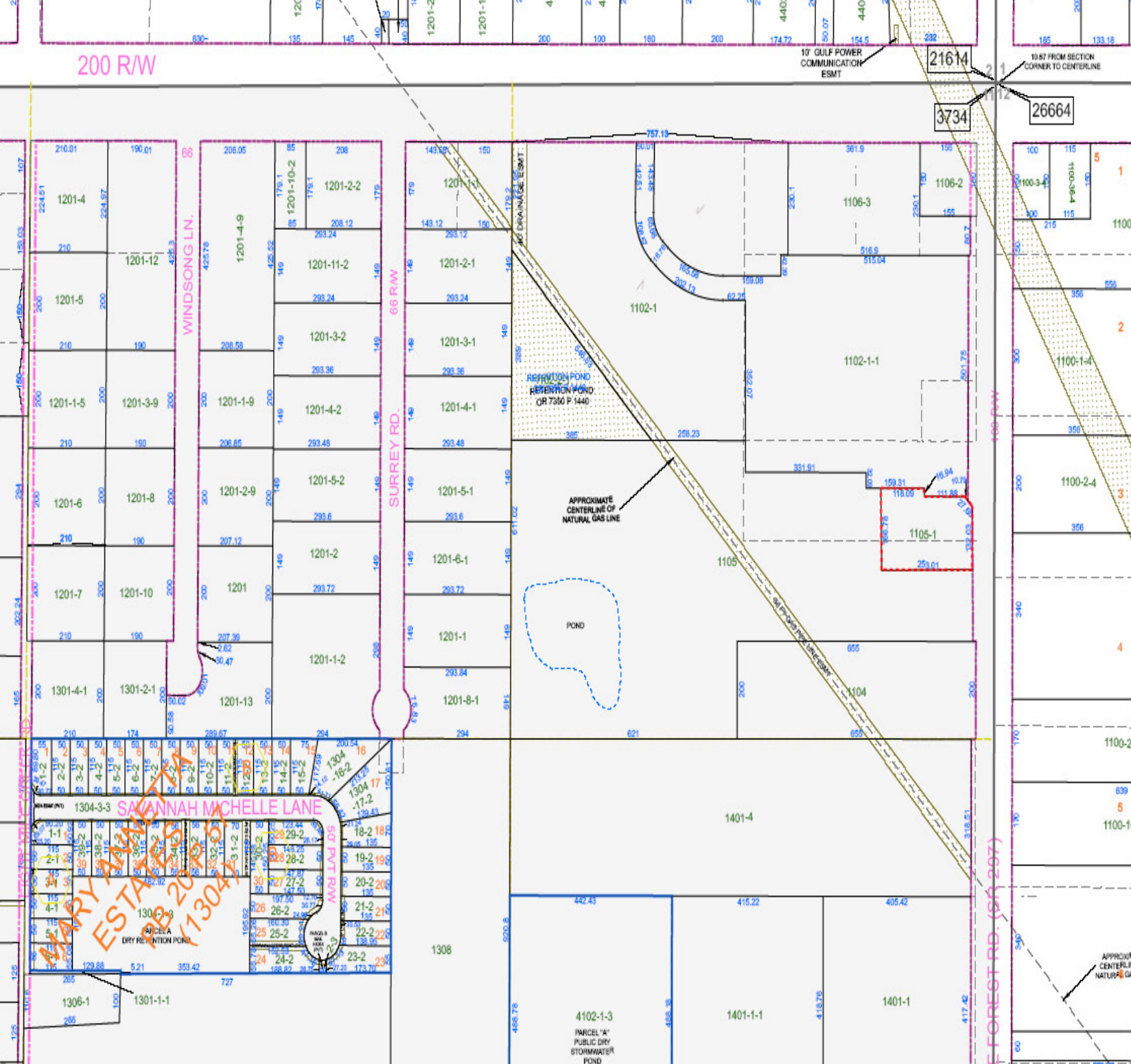
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15-15-31	14-15-31-1	13-15-31-1
	14-15-31-2	13-15-31-2

MAP INDEX



- City Limits Boundary
- Subdivision Boundary
- Property Line
- Govt. Section Line
- Govt. Lot Line
- Right of Way Line
- History Line
- Waterway Line
- Easement
- Submerged Land Lease
- Selected Section



# Our Rent Roll

03

Rent Roll

Rent Roll

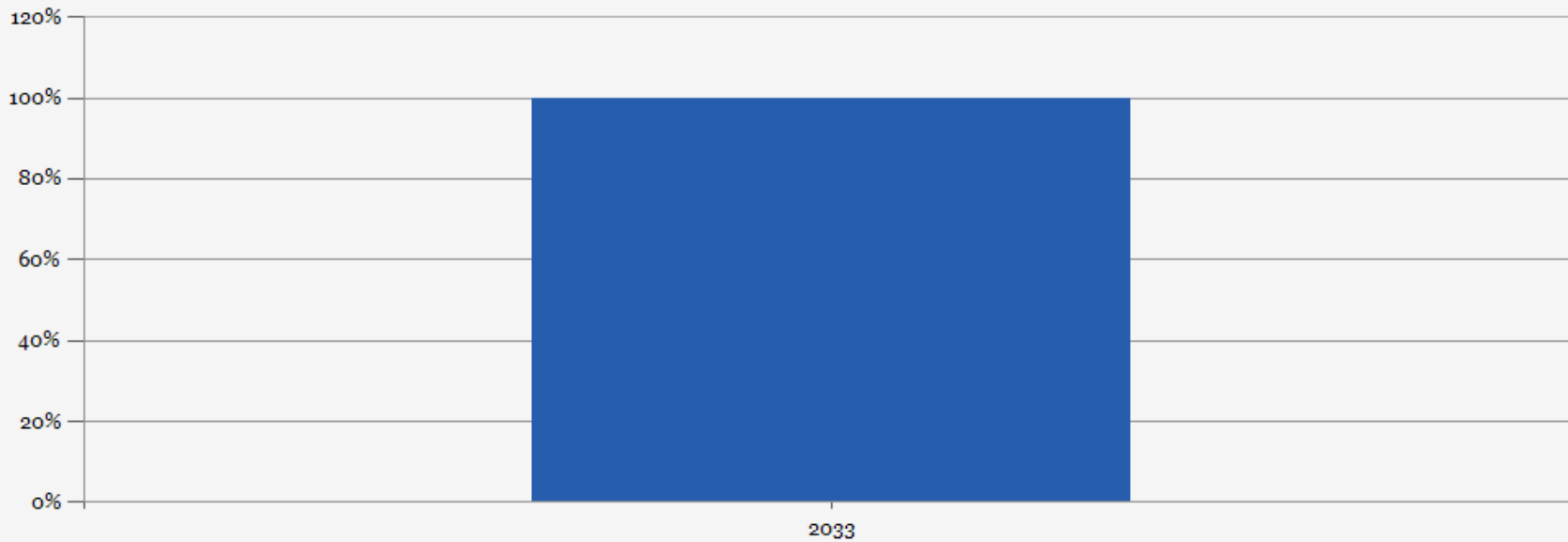
Lease Expiration

Suite	Tenant Name	Square Feet	% of GLA	Lease Term		Rental Rates				Lease Type	Options/Notes			
				Lease Start	Lease End	Begin Date	Monthly	PSF	Annual			PSF		
Enire Lot	Dunkin' Donuts	1,891	100.00%	04/18/18	12/16/33	CURRENT	\$9,245	\$4.89	\$110,935	\$58.66	NNN	Absolute NNN lease. The tenant has 4 5-year renewal options with 10% increases each.		
						04/18/2028	\$10,168	\$5.38	\$122,021	\$64.56				
						<b>OPTION(S)</b>								
						04/18/2033	\$11,185	\$5.91	\$134,223	\$70.92				
						04/18/2038	\$12,304	\$6.51	\$147,645	\$78.12				
				04/18/2043	\$13,534	\$7.16	\$162,410	\$85.92						
				04/18/2048	\$14,888	\$7.87	\$178,651	\$94.44						
Totals		1,891					\$9,245		\$110,935					

### Tenant SF Analysis



### Lease Expiration Summary





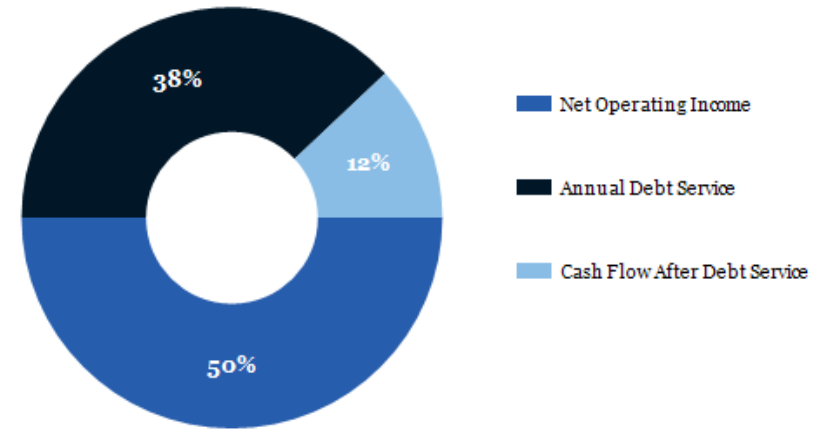
04 Financial Analysis

- Income & Expense Analysis
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INCOME	PROFORMA	YEAR 1
Gross Scheduled Rent	\$110,935	\$110,935
<b>Effective Gross Income</b>	<b>\$110,935</b>	<b>\$110,935</b>
<b>Net Operating Income</b>	<b>\$110,935</b>	<b>\$110,935</b>
Annual Debt Service	\$84,268	\$84,268
<b>Cash flow</b>	<b>\$26,667</b>	<b>\$26,667</b>
Debt Coverage Ratio	1.32	1.32

EXPENSES	PROFORMA	YEAR 1
Annual Debt Service	\$84,268	\$84,268

## REVENUE ALLOCATION PROFORMA



## DISTRIBUTION OF EXPENSES PROFORMA

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## GLOBAL

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Price	\$2,000,000
Analysis Period	10 year(s)
Exit Cap Rate	5.50%

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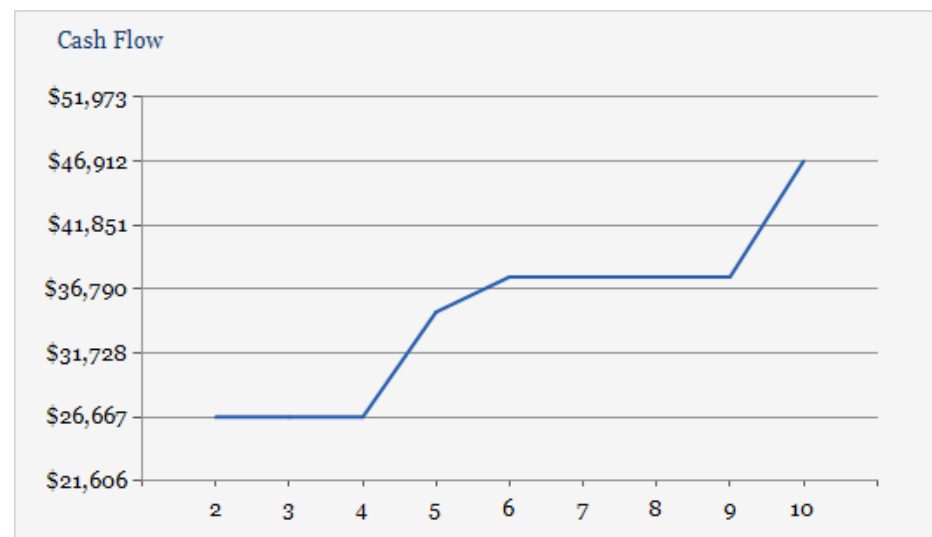
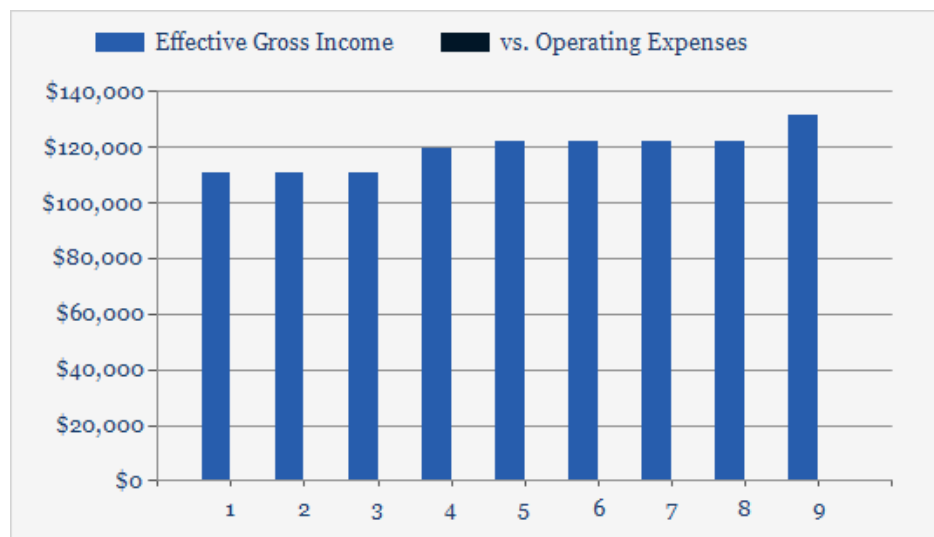
## PROPOSED FINANCING

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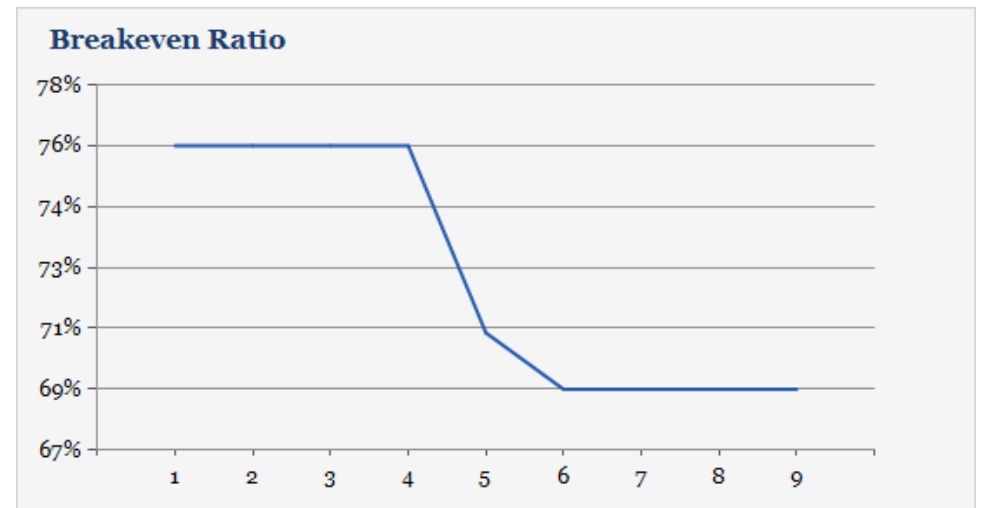
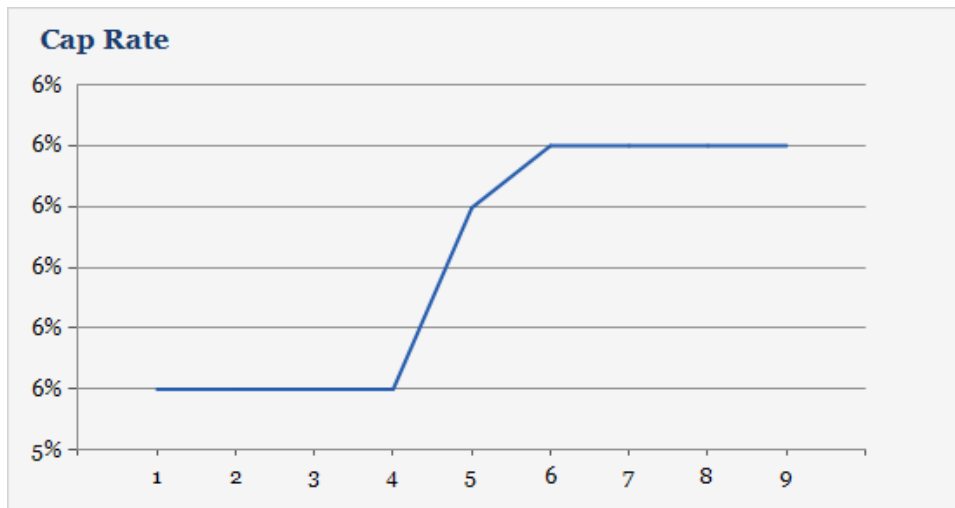
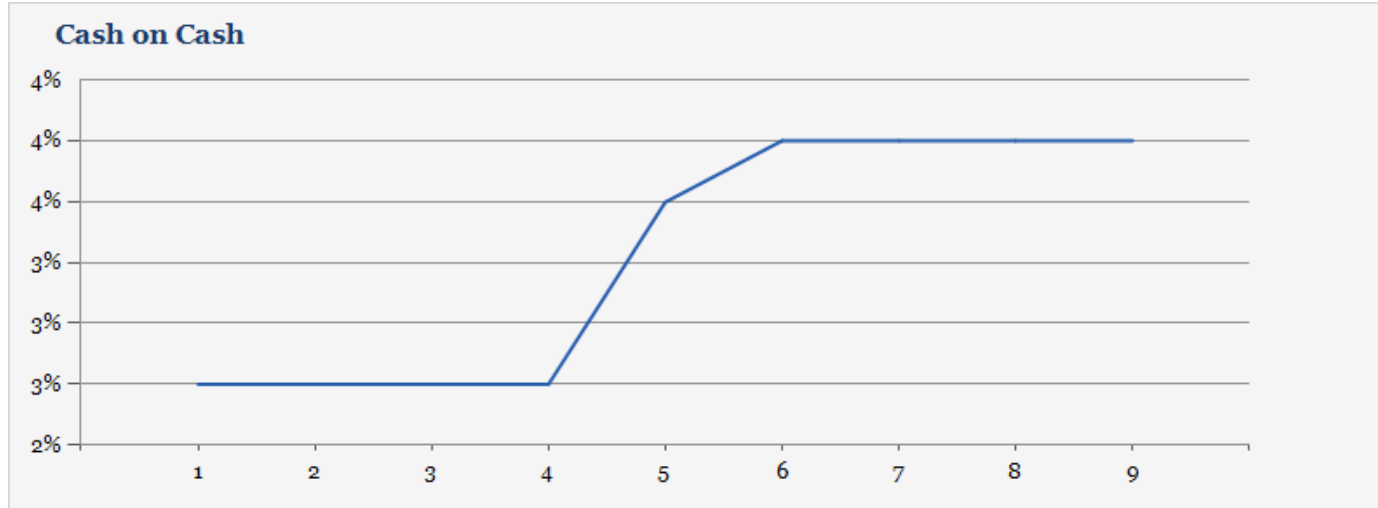
Conventional Lender	
Loan Type	Amortized
Down Payment	\$960,000
Loan Amount	\$1,040,000
Interest Rate	6.50%
Loan Terms	5
Annual Debt Service	\$84,268
Loan to Value	52%
Amortization Period	25 Years



Calendar Year	Proforma	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
<b>Gross Revenue</b>										
Gross Scheduled Rent	\$110,935	\$110,935	\$110,935	\$110,935	\$119,254	\$122,028	\$122,028	\$122,028	\$122,028	\$131,180
<b>Effective Gross Income</b>	<b>\$110,935</b>	<b>\$110,935</b>	<b>\$110,935</b>	<b>\$110,935</b>	<b>\$119,254</b>	<b>\$122,028</b>	<b>\$122,028</b>	<b>\$122,028</b>	<b>\$122,028</b>	<b>\$131,180</b>
<b>Operating Expenses</b>										
<b>Net Operating Income</b>	<b>\$110,935</b>	<b>\$110,935</b>	<b>\$110,935</b>	<b>\$110,935</b>	<b>\$119,254</b>	<b>\$122,028</b>	<b>\$122,028</b>	<b>\$122,028</b>	<b>\$122,028</b>	<b>\$131,180</b>
Annual Debt Service	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268
<b>Cash Flow</b>	<b>\$26,667</b>	<b>\$26,667</b>	<b>\$26,667</b>	<b>\$26,667</b>	<b>\$34,986</b>	<b>\$37,760</b>	<b>\$37,760</b>	<b>\$37,760</b>	<b>\$37,760</b>	<b>\$46,912</b>



Calendar Year	Proforma	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cash on Cash Return b/t	2.78%	2.78%	2.78%	2.78%	3.64%	3.93%	3.93%	3.93%	3.93%	4.89%
CAP Rate	5.55%	5.55%	5.55%	5.55%	5.96%	6.10%	6.10%	6.10%	6.10%	6.56%
Debt Coverage Ratio	1.32	1.32	1.32	1.32	1.42	1.45	1.45	1.45	1.45	1.56
Loan to Value	52.03%	51.17%	50.25%	49.27%	48.17%	47.07%	45.88%	44.61%	43.26%	41.83%
Breakeven Ratio	75.96%	75.96%	75.96%	75.96%	70.66%	69.06%	69.06%	69.06%	69.06%	64.24%
Price / SF	\$1,057.64	\$1,057.64	\$1,057.64	\$1,057.64	\$1,057.64	\$1,057.64	\$1,057.64	\$1,057.64	\$1,057.64	\$1,057.64
Income / SF	\$58.66	\$58.66	\$58.66	\$58.66	\$63.06	\$64.53	\$64.53	\$64.53	\$64.53	\$69.37



## 5 YEAR SENSITIVITY ANALYSIS

EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	LEVERED IRR
4.50%	\$2,650,089	\$1,401	\$1,690,214	14.34%
4.75%	\$2,510,611	\$1,328	\$1,550,735	12.50%
5.00%	\$2,385,080	\$1,261	\$1,425,205	10.74%
5.25%	<b>\$2,271,505</b>	<b>\$1,201</b>	<b>\$1,311,629</b>	<b>9.04%</b>
<b>5.50%</b>	<b>\$2,168,255</b>	<b>\$1,147</b>	<b>\$1,208,379</b>	<b>7.39%</b>
5.75%	\$2,073,983	\$1,097	\$1,114,107	5.79%
6.00%	\$1,987,567	\$1,051	\$1,027,691	4.23%
6.25%	\$1,908,064	\$1,009	\$948,189	2.71%
6.50%	\$1,834,677	\$970	\$874,802	1.21%

## 10 YEAR SENSITIVITY ANALYSIS

EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	LEVERED IRR
4.50%	\$2,915,111	\$1,542	\$2,029,187	10.26%
4.75%	\$2,761,684	\$1,460	\$1,875,761	9.50%
5.00%	\$2,623,600	\$1,387	\$1,737,676	8.78%
5.25%	<b>\$2,498,667</b>	<b>\$1,321</b>	<b>\$1,612,743</b>	<b>8.08%</b>
<b>5.50%</b>	<b>\$2,385,091</b>	<b>\$1,261</b>	<b>\$1,499,167</b>	<b>7.40%</b>
5.75%	\$2,281,391	\$1,206	\$1,395,468	6.74%
6.00%	\$2,186,333	\$1,156	\$1,300,410	6.11%
6.25%	\$2,098,880	\$1,110	\$1,212,956	5.49%
6.50%	\$2,018,154	\$1,067	\$1,132,230	4.89%



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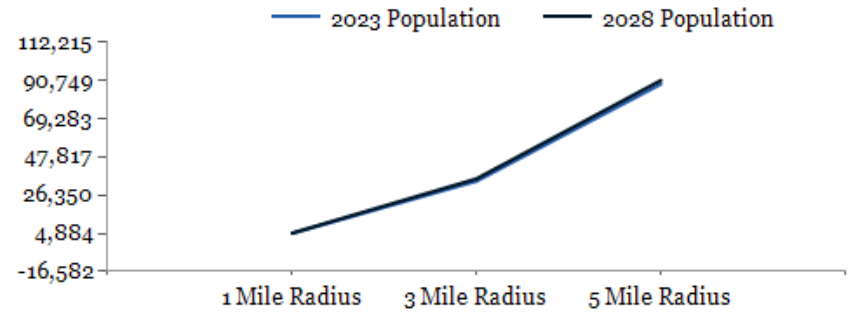
Demographics

Demographics

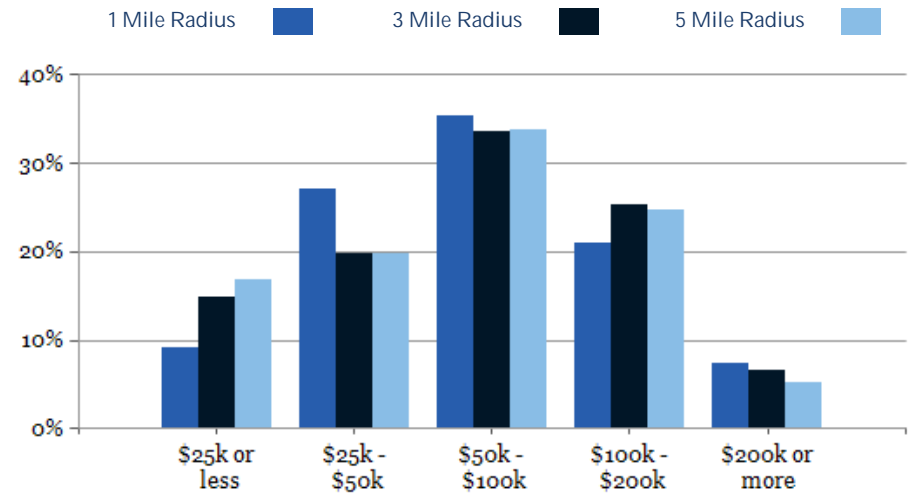
POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	2,633	23,056	62,610
2010 Population	3,359	26,326	72,446
2023 Population	4,884	34,227	88,688
2028 Population	5,048	35,552	90,749
2023-2028: Population: Growth Rate	3.30%	3.80%	2.30%

2023 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	96	942	3,079
\$15,000-\$24,999	125	1,114	2,946
\$25,000-\$34,999	225	1,210	2,824
\$35,000-\$49,999	425	1,522	4,269
\$50,000-\$74,999	513	2,616	7,169
\$75,000-\$99,999	334	2,024	4,934
\$100,000-\$149,999	401	2,576	6,723
\$150,000-\$199,999	101	937	2,131
\$200,000 or greater	175	902	1,836
Median HH Income	\$63,448	\$68,824	\$64,596
Average HH Income	\$93,948	\$93,716	\$87,524

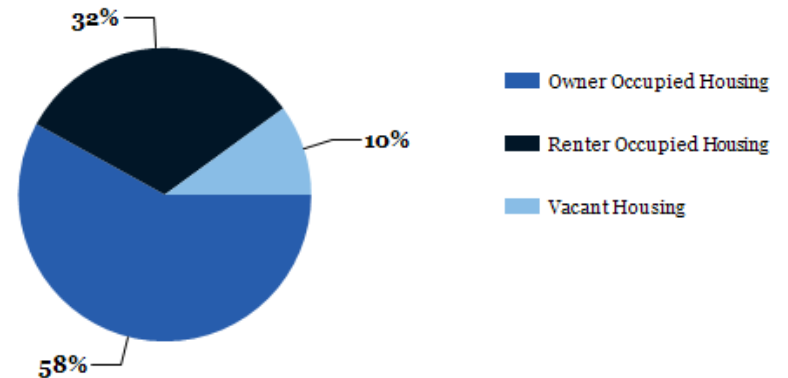
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	1,190	9,309	25,618
2010 Total Households	1,543	10,337	28,369
2023 Total Households	2,394	13,843	35,911
2028 Total Households	2,513	14,539	37,242
2023 Average Household Size	2.04	2.44	2.44
2023-2028: Households: Growth Rate	4.85%	4.95%	3.65%



2023 Household Income

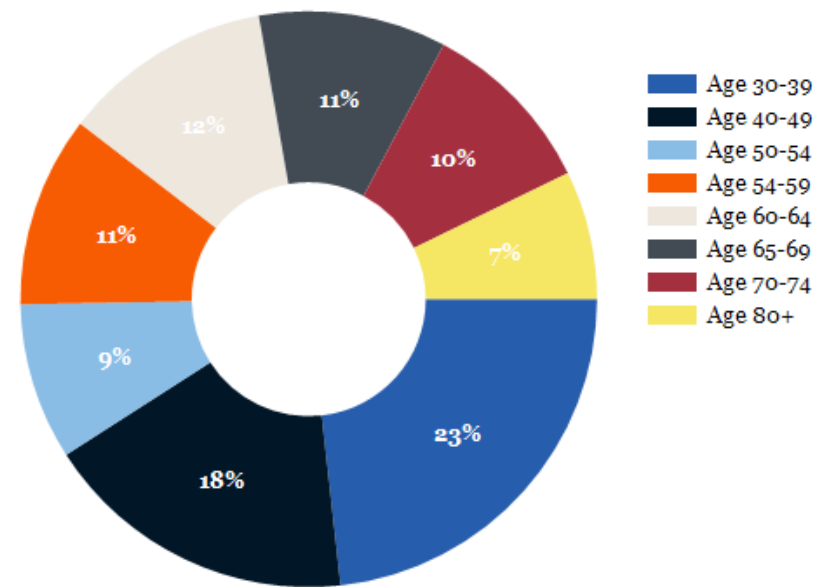


2023 Own vs. Rent - 1 Mile Radius

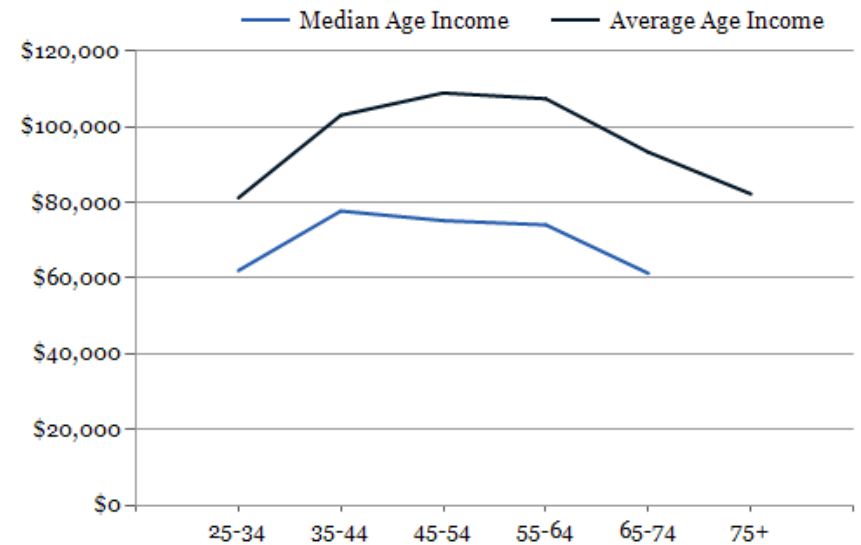


Source: esri

2023 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2023 Population Age 30-34	372	2,356	6,505
2023 Population Age 35-39	330	2,213	5,996
2023 Population Age 40-44	280	2,074	5,474
2023 Population Age 45-49	254	1,848	4,875
2023 Population Age 50-54	266	2,036	5,254
2023 Population Age 55-59	324	2,446	6,061
2023 Population Age 60-64	356	2,540	6,366
2023 Population Age 65-69	318	2,356	5,793
2023 Population Age 70-74	303	2,117	5,127
2023 Population Age 75-79	218	1,617	3,607
2023 Population Age 80-84	149	1,067	2,304
2023 Population Age 85+	130	863	1,827
2023 Population Age 18+	3,965	27,652	70,467
2023 Median Age	43	45	42
2028 Median Age	44	45	43



2023 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$62,004	\$69,413	\$63,246
Average Household Income 25-34	\$81,218	\$88,206	\$81,340
Median Household Income 35-44	\$77,746	\$85,230	\$81,538
Average Household Income 35-44	\$103,061	\$110,437	\$101,705
Median Household Income 45-54	\$75,208	\$88,465	\$83,873
Average Household Income 45-54	\$108,953	\$113,700	\$105,136
Median Household Income 55-64	\$74,076	\$79,749	\$73,412
Average Household Income 55-64	\$107,414	\$104,693	\$95,602
Median Household Income 65-74	\$61,255	\$61,334	\$58,503
Average Household Income 65-74	\$93,288	\$85,466	\$81,565
Average Household Income 75+	\$82,260	\$66,484	\$61,967



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By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to The **Keyes Company**. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. The **Keyes Company** has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, The **Keyes Company** has not verified, and will not verify, any of the information contained herein, nor has The Verus Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

Contact:



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