



OFFERING MEMORANDUM

DUNKIN' DONUTS

554 2ND ST PIKE | SOUTHAMPTON, PA

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LISTED BY

PETER KIKIS

ASSOCIATE

PETER.KIKIS@MATTHEWS.COM

DIR 214.692.2115

MOB 646.491.0368

LIC # 707125 (TX)

BRADEN CROCKETT

VP & DIRECTOR

BRADEN.CROCKETT@MATTHEWS.COM

DIR 214.692.2040

MOB 714.345.6206

LIC # 01946071 (CA)

BROKER OF RECORD

KYLE MATTHEWS

BROKER OF RECORD

LIC # RM423998 (PA)



EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

- **Absolute Triple-Net Lease (NNN)**
 - Dunkin' has ± 5 years remaining on the original 10-Year Lease w/ 4, 5-Year Tenant options to renew
- **Seasoned & Growing Operator**
 - Seasoned & Growing Dunkin' Franchisee with over 18 locations, 6 of which he acquired in 2018!
- **Rare & Strong Increase Structure**
 - Lease includes a rare & highly sought after increase schedule of 15% every 5 years & throughout the four remaining options
- **Strong Corner Lot Location**
 - Subject Dunkin' is positioned on a Strong Corner Lot Location & is located on a two-way intersection
- **Elevated Traffic Counts**
 - $\pm 20,000$ cars pass by the subject Dunkin' on a daily basis
- **Booming Population Growth & Large Urban Infill Location**
 - Population within a 1-Mile radius of the property has increased over $\pm 56\%$ since 2010
 - Population exceeds $\pm 214,000$ people in a 5-Mile radius of the property
- **Ideal Demographic Fundamentals**
 - Ideal Demographic Composition: Avg. household income exceeds $\pm \$95,000$ across a 1, 3, & 5 Mile radius
- **Attractive Philadelphia Submarket**
 - Attractive Northern Philadelphia submarket of Southampton, located in Bucks County
 - Upper Southampton Township has embraced industry and development, but retains a certain small-town feeling despite rapid growth



FINANCIAL OVERVIEW

EXECUTIVE SUMMARY

Property Name	Dunkin' Donuts
Property Street	554 2nd St Pike
City, State, Zip	Southampton, PA 18966
Year Built/Renovated	1978/1998
Building SF	±1,645 SF
Lot Size	±19,341 SF (0.44 AC)

ANNUALIZED OPERATING DATA

	Years	Annual Rent	Increase
Base Term	1-10	\$66,000	Flat
Option 1	11-15	\$75,900	15.0%
Option 2	16-20	\$87,285	15.0%
Option 3	21-25	\$100,378	15.0%
Option 4	26-30	\$115,434	15.0%

FINANCIAL HIGHLIGHTS



LIST PRICE

\$1,023,256



CAP RATE

6.45%



TERM REMAINING

5 YEARS

TENANT SUMMARY

Tenant Trade Name	Dunkin' Donuts
Type of Ownership	Fee Simple
Lease Guarantor	BC Coffee 3, LLC
Lease Type	NNN
Original Lease Term:	10 Years
Lease Commencement:	10/7/2014
Initial Term Expiration:	10/6/2024
Years Remaining:	± 5 Years
Rent Increases:	15% at Each 5 Year Option
Options to Renew:	Four 5-Year Options
*LL Responsibilities:	None

\$2
Latte
Cappuccino
Americano
2-6 PM



**DUNKIN'
DONUTS**



TENANT OVERVIEW



DUNKIN' DONUTS

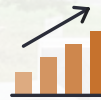
Dunkin' Donuts is the world's leading baked goods and coffee chain, serving more than 3-million customers every day. Since its founding in 1950, Dunkin' Donuts has earned the #1 ranking for customer loyalty in the coffee category for a consecutive nine years and a market leader in sales of hot, decaffeinated and flavored coffee, iced coffee, bagels, donuts, and muffins. It is a subsidiary of Dunkin' Brands, Inc., one of the world's leading franchisors of quick-service restaurants that also operates the Baskin-Robbins chain.

AN INDUSTRY LEADER

Dunkin' Brands continues to pursue innovative menu choices through the collaboration of their culinary team of acclaimed chefs and their research and development team. From new types of coffee creations and flavors to limited time offers, Dunkin' Donuts is constantly searching for products their patrons will love. With over 130 years of franchising experience, Dunkin' Brands continues to deliver food and beverages quickly, affordably, and conveniently in a welcoming environment through the Dunkin' Donuts brand.

MARKETING AND COMPANY STRATEGY

Through extensive marketing efforts, Dunkin' Brands has a 94% global brand awareness, including markets where the company has yet to establish stores. To broaden reach and recognition, Dunkin' Donuts partners with other prominent and respected brands, including Coca Cola®, JetBlue®, Smucker's®, and Keurig®. A distinguishing characteristic of the company is their passion for offering guests products they will enjoy, giving plenty of menu options, and providing accurate nutrition information so they can make informed choices.



COMPANY TRADE NAME
DUNKIN' BRANDS (NASDAQ: DNKN)



HEADQUARTERED
CANTON, MASSACHUSETTS



NO. OF EMPLOYEES
± 270,000



WEBSITE
WWW.DUNKINDONUTS.COM



OF LOCATIONS
± 11,500



YEAR FOUNDED
1963

THE OFFERING

Property Name	Dunkin' Donuts
Property Address	554 2nd St Pike Southampton, PA 18966
Parcel (APN#)	48-012-025

Site Description	
Number of Stories	One
Year Built	1978/1998R
Lot Size	± 0.44 Acres (19,341 SF)
Type of Ownership	Fee Simple
Parking	± 20 Surface Spaces
Landscaping	Professional
Topography	Generally Level

Construction	
Exterior:	Mix
Roof:	Flat
Roof Material:	Metal
Parking Surface	Asphalt

PARCEL MAP





AREA OVERVIEW



SOUTHAMPTON, PA

Southampton is located 18 miles north, from the center of Philadelphia. Southampton, PA is a namesake of Southampton, England, the seaport from which adventurous followers of William Penn sailed to the Province of Pennsylvania. The past 50 years have seen Southampton change from a rural, agricultural community to an almost completely developed suburb. Southampton remains “a nice place to live,” proud of its past and working to preserve that heritage for the future.

DEMOGRAPHICS

POPULATION	1 Mile	3 Mile	5 Mile
2024 Projection	6,957	61,399	206,727
2019 Estimate	7,016	61,237	205,917
HOUSEHOLDS	1 Mile	3 Mile	5 Mile
2024 Projection	2,993	23,606	80,597
2019 Estimate	2,992	23,456	79,976
INCOME	1 Mile	3 Mile	5 Mile
2019 Est. Average Household Income	\$103,709	\$110,791	\$104,316

PHILADELPHIA, PA

Philadelphia is the largest city in Pennsylvania, and the sixth-most populous U.S. city, with a 2017 census-estimated population of 1,580,863. Since 1854, the city has been coterminous with Philadelphia County, the most populous county in Pennsylvania and the urban core of the eighth-largest U.S. metropolitan statistical area, with over 6 million residents as of 2017. Philadelphia is also the economic and cultural anchor of the greater Delaware Valley, located along the lower Delaware and Schuylkill Rivers, within the Northeast megalopolis. The Delaware Valley's population of 7.2 million ranks it as the eighth-largest combined statistical area in the United States.

“The City of Brotherly Love,” from the literal meaning of the city’s name in Greek, is a commercial, educational, and cultural center. It was a centerpiece of early American history, and is home to many national historical sites that relate to the founding of the U.S. Independence National Historical Park is the center of these historical landmarks including, Independence Hall, and the Liberty Bell. The city contains three major research universities: the University of Pennsylvania, Drexel University, and Temple University. The city contains many historic and cultural museums, such as the Pennsylvania Academy of the Fine Arts and the Rodin Museum, which holds the largest collection of work by Auguste Rodin outside of France. The city’s major art museum, the Philadelphia Museum of Art, is one of the largest art museums in the country.



CITY OF FIRSTS

Philadelphia is the birthplace of the United States Marine Corps, and is also the home of many U.S. firsts:

- » The Library Company of Philadelphia (1731)
- » Pennsylvania Hospital (1751)
- » University of Pennsylvania School of Medicine (1765)
- » Very First US National Capital (1774)
- » Board of Brokers (stock exchange) (1790)
- » The Wharton School of the University of Pennsylvania (1881)

Philadelphia contains 67 National Historic Landmarks and the World Heritage Site of Independence Hall. The city became a member of the Organization of World Heritage Cities in 2015, as the first World Heritage City in the United States. Although Philadelphia is rapidly undergoing gentrification, the city actively maintains mitigation strategies to minimize displacement of homeowners in gentrifying neighborhoods.

EDUCATIONAL AND ECONOMIC HUB

The Philadelphia area's many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. According to the Bureau of Economic Analysis, the Philadelphia area had a gross domestic product of US\$431 billion in 2016, the eighth-largest metropolitan economy in the United States. Philadelphia is the center of economic activity in Pennsylvania and is home to five Fortune 1000 companies. The Philadelphia skyline is expanding, with a market of almost 81,900 commercial properties in 2016, including several nationally prominent skyscrapers. Philadelphia has more outdoor sculptures and murals than any other American city. Fairmount Park, when combined with the adjacent Wissahickon Valley Park in the same watershed, is one of the largest contiguous urban park areas in the United States.



VISITOR VOLUME

43.3 million people from the U.S. visited Greater Philadelphia

VISITOR SPENDING

\$7.1 billion was the amount visitors spent in Greater Philadelphia

ECONOMIC IMPACT

\$11.5 billion



**THAT EQUATES TO
\$31.5 million every day**



JOB CREATOR

98,300 jobs







OPEN

WANTED: DRIVING AND
NOW HIRING!

SOFT BAKED
COFFEE

\$2
9-11PM

**READY, SET,
GO!**
\$2 \$3 \$5

Sip-Sip
Hooraay

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Dunkin' Donuts** located at **554 2nd St Pike Southampton, PA 18966 ("Property")**. It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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MATTHEWS™
REAL ESTATE INVESTMENT SERVICES

PETER KIKIS

ASSOCIATE

PETER.KIKIS@MATTHEWS.COM
DIR 214.692.2115
MOB 646.491.0368
LIC # 707125 (TX)

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VP & DIRECTOR

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