

# SINGLE TENANT DRIVE-THRU QSR

Absolute NNN Investment Opportunity



841 TX-337 Loop | New Braunfels, Texas

## SAN ANTONIO MSA

ACTUAL SITE





## EXCLUSIVELY MARKETED BY



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## INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN, freestanding, drive-thru equipped, Freddy's Frozen Custard investment property located in New Braunfels, Texas (San Antonio MSA). The tenant recently signed a brand new 15-year lease with 4 (5-year) options to extend. The lease features a 10% rental increase every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor. The tenant recently invested significant capital toward renovating the bathrooms, parking lot, and roof, demonstrating their strong commitment to the site.

Freddy's Frozen Custard is strategically located along State Highway 337, a major commuter thoroughfare averaging 29,900 vehicles passing by daily. The building is complete with a drive-thru, providing ease and convenience for customers. On average, stores with drive-thrus experience higher sales than those without. In addition, the site is within close proximity to Veramendi, a 2,400-acre mixed-use development that will contain 5,000+ homes and approximately 380 acres has been set aside for Commercial Development. New Braunfels was recently identified as the second-fastest growing city in the nation with a population of 95,000 or more according to U.S. Census Bureau. Since the year 2010, the total population has increased by 56.40%. The property benefits from nearby on/off ramp access to Interstate 35, the primary north/south freeway traveling through New Braunfels and serving the greater San Antonio metropolitan area. Interstate 35 is the primary retail corridor serving New Braunfels, featuring a variety of national/credit tenants including Walmart, The Home Depot, Target, Kohl's, Office Depot, Burlington, Walgreens, and more. Santa Rosa Hospital (132 beds) is located less than 2 miles west of the subject property, providing the asset with a direct consumer base from which to draw. Moreover, the site is surrounded by several apartment complexes including The Lodge at Guadalupe (124 units), The Augusta at Gruene Garden (212 units), and Cotton Crossing (118 units), providing a direct residential consumer base to draw from. The 5-mile trade area is supported by nearly 98,000 residents and 37,000 daytime employees with an average household income of \$90,000.

# OFFERING SUMMARY



## OFFERING

Pricing	\$1,692,000
Net Operating Income	\$99,000
Cap Rate	5.85%
Tenant	Freddy's Frozen Custard
Lease Type	Absolute NNN
Landlord Responsibilities	None
Sales Reporting	Yes - Contact Agent for Details

## PROPERTY SPECIFICATIONS

Rentable Area	3,700 SF
Land Area	2.30 Acres
Property Address	841 Tx-337 Loop New Braunfels, Texas 78130
Year Built / Renovations	2007 / 2020
Parcel Number	55-0900-0004-00; 55-0900-0003-00
Ownership	Fee Simple (Land & Building)



# INVESTMENT HIGHLIGHTS



## Brand New 15-Year Lease | Scheduled Rental Increases

- The tenant recently signed a brand new 15-year lease with 4 (5-year) options to extend
- The lease features a 10% rental increase every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- Tenant recently invested significant capital toward renovating the bathrooms, parking lot, and roof, demonstrating their strong commitment
- Currently undergoing renovations - LL to depreciate the improvements
- New Braunfels is visited by more than 2 million tourists each year and has grown by 56.40% in the last decade
- New Braunfels is the 2<sup>nd</sup> fastest growing city in the country and is located 40 miles south of Austin and 20 miles north of San Antonio

## Located Along State Highway 337 | Drive-Thru Equipped | Quick Access to Interstate 35 | Outdoor Seating

- Located along State Highway 337, a major commuter thoroughfare averaging 29,900 vehicles passing by daily
- The site is within close proximity to Veramendi, a 2,400-acre mixed-use development that will contain 5,000+ homes
- Complete with a drive-thru, providing ease/convenience for customers
- The site also features a 300 SF patio for outdoor seating
- Nearby on/off ramp access to Interstate 35, the primary north/south freeway traveling through New Braunfels and serving the greater San Antonio MSA

## Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area

- Nearby apartments include The Lodge at Guadalupe (124 units), The Augusta at Gruene Garden (212 units), and Cotton Crossing (118 units)
- Nearly 98,000 residents and 37,000 employees support the trade area
- \$90,000 average household income

# PROPERTY OVERVIEW



## Location



New Braunfels, Texas  
Comal County  
San Antonio MSA

## Parking



There are approximately 36 parking spaces on the owned parcel.  
The parking ratio is approximately 10.32 stalls per 1,000 SF of leasable area.

## Access



State Highway 46 & 337: 1 Access Point

## Parcel



Parcel Number: 55-0900-0004-00; 55-0900-0003-00  
Acres: 2.30  
Square Feet: 100,188

## Traffic Counts



State Highway 46 & 337: 29,900 Vehicles Per Day  
Interstate 35: 115,200 Vehicles Per Day  
Interstate 35 Business: 132,700 Vehicles Per Day

## Construction



Year Built: 2007  
Upcoming Renovations: 2020

## Improvements



There is approximately 3,700 SF of existing building area

## Zoning



C-1: Local Business District



## VERAMENDI

The total acreage of the development is +/- 2,400 acres that will contain 5,000+ homes and approximately 380 acres has been set aside for Commercial Development. The commercial district will feature large format retail, corporate campus, resort hotel, higher education campus, and town center.

THE AUGUSTA  
AT GRUENE GARDEN  
(212 UNITS)

29,900  
VEHICLES PER DAY

COTTON CROSSING  
(118 UNITS)

THE LODGE AT  
GUADALUPE  
(124 UNITS)

**Freddy's**  
FROZEN CUSTARD &  
STEAKBURGERS®

O'Reilly  
AUTO PARTS

**AutoZone**

TSC **TRACTOR  
SUPPLY CO.**

**DOLLAR  
GENERAL**

Hilton  
Garden Inn

**Best  
Western**

CANDLEWOOD  
SUITES

**RODEWAY  
INN**

**THE HOME  
DEPOT**

**Walgreens**

**RAMADA**  
BY WYNDHAM

**Days Inn**  
BY WYNDHAM

**KOHL'S**  
expect great things

**Office  
DEPOT**

**dd's  
DISCOUNTS**  
**BIG  
LOTS!**  
**burkes OUTLET**  
more brands, big savings.  
**HARBOR FREIGHT TOOLS**  
**Dirt Cheap**

COURTYARD PLAZA

**TARGET**  
**DICK'S  
SPORTING GOODS**  
**HomeGoods**  
**TJ-MAXX**  
**five BELOW**  
**HOBBY LOBBY**  
**BEST BUY**  
**ROSS**  
**PET SMART**  
**ULTA**  
**FAMOUS  
footwear**  
**Burlington**  
**Bath & Body Works**

NEW BRAUNFELS TOWN CENTER AT CREEKSIDE

115,200  
VEHICLES PER DAY

CANYON  
HIGH SCHOOL

SCHLITTERBAHN  
WATERPARK & RESORT

NEW BRAUNFELS  
MARKETPLACE

**ASHLEY  
FURNITURE  
HomeStore**  
**GOLD'S  
GYM**  
**ALAMO**  
DRAFTHOUSE CINEMA

132,700  
VEHICLES PER DAY

**at home**

**H-E-B**

**Walmart**

**LOWE'S**

I-35 BUSINESS

I-35



**Walmart**

DISTRIBUTION  
CENTER

RESOLUTE HEALTH  
HOSPITAL  
NEW BRAUNFELS

NEW BRAUNFELS  
HIGH SCHOOL

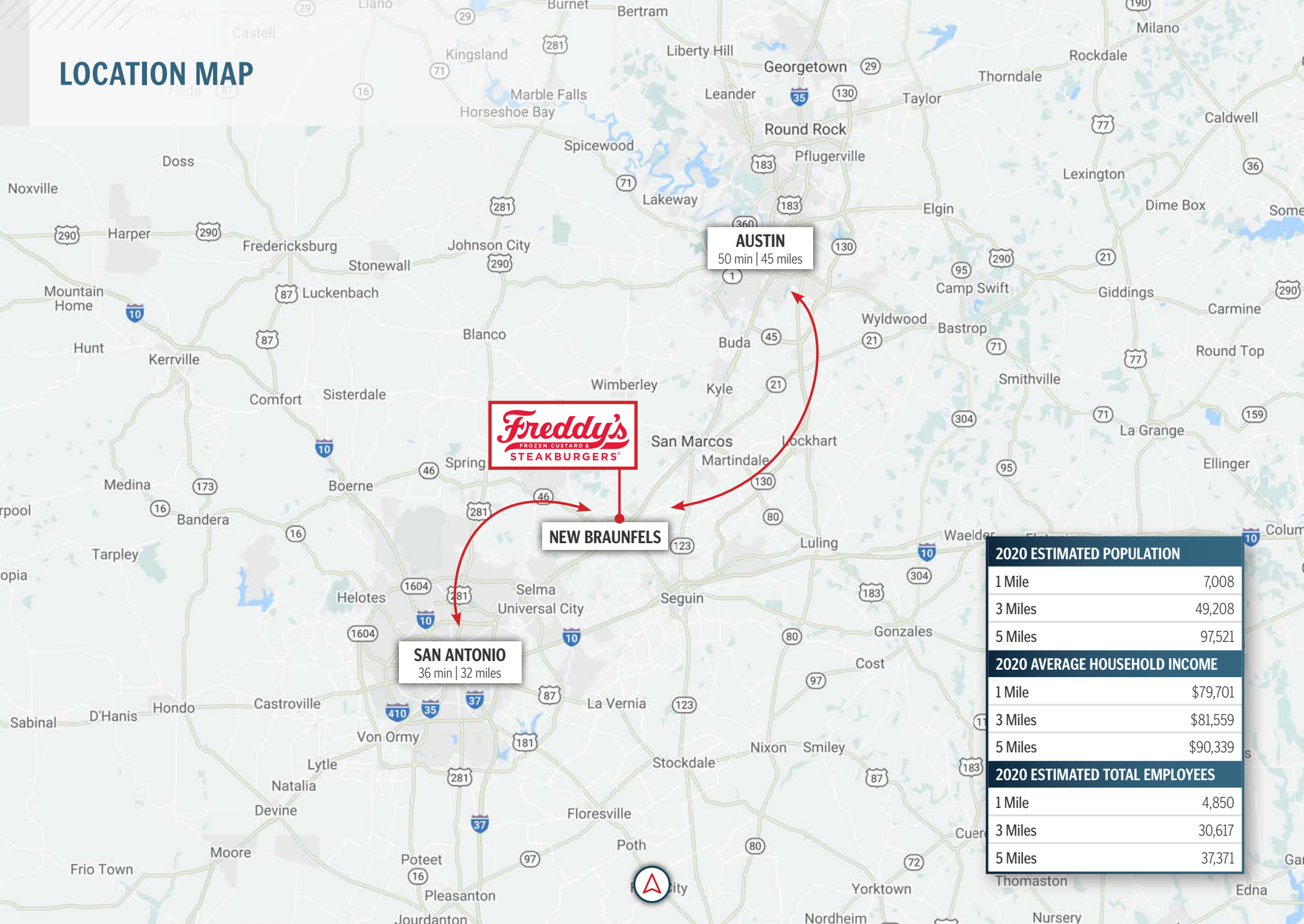
STATE HIGHWAY 337 & 46







# LOCATION MAP



2020 ESTIMATED POPULATION	
1 Mile	7,008
3 Miles	49,208
5 Miles	97,521
2020 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$79,701
3 Miles	\$81,559
5 Miles	\$90,339
2020 ESTIMATED TOTAL EMPLOYEES	
1 Mile	4,850
3 Miles	30,617
5 Miles	37,371





### NEW BRAUNFELS, TEXAS

New Braunfels, Texas, in Comal county, is 29 miles NE of San Antonio, Texas. The city is located in the San Antonio metropolitan area. The City was founded in 1845 under German charter. The City of New Braunfels had a population of 86,674 as of July 1, 2019. The City's geographic boundaries encompass approximately 45 square miles. The City's history is one of the richest in Texas and is cherished by its residents who strive to preserve and protect their heritage that reflects both strong German and Hispanic influences.

San Antonio and New Braunfels are among the fastest-growing cities in the U.S. according to the U.S. Census Bureau. New Braunfels made the list by posting a population increase of 56.40% during the last decade, finishing 2020 with a population of over 95,000. Complimented by an unrivaled quality of life, the town is visited by more than 2 million tourists each year.

New Braunfels is home to the Museum of Texas Handmade Furniture, Sophienburg Museum and Archives, McKenna Children's Museum, and Alamo Classic Car Museum. Opportunities to play golf are available at the Landa Park Golf Course, Canyon Lake Golf & Country Club, and Sundance Golf Course. Due to the presence of a number of pools, lakes, and rivers in the area, water sports like swimming, tubing, boating, and fishing are popular. New Braunfels also offers easy access to amusement and water parks like the Wonder World Park, Seaworld Adventure Park, Schlitterbahn Waterpark, and Six Flags Fiesta Texas. Visitors can also tour the Natural Bridge Caverns, or take a safari drive into the Natural Bridge Wildlife Ranch. In addition, the community of New Braunfels hosts various annual celebrations including the Wursthfest, Comal County Fair, Folkfest, and Frog Fest. New Braunfels and Nearby Attractions are Sebastopol House State Historic Site, Natural Bridge Caverns, Sophienburg Museum and Archives, Clear Springs Aviaries and Zoological Gardens, San Antonio Zoo and Museum of Texas Handmade Furniture.



## AREA OVERVIEW



### SAN ANTONIO, TEXAS

Located in the south-central part of the state, San Antonio is Texas' second-largest city and serves as an economic and cultural gateway to the American Southwest. The city lies about 140 miles northwest of Corpus Christi on the Gulf of Mexico and 150 miles northeast of the city of Laredo on the Mexican border. The City of San Antonio is the 2nd largest city in Texas with a population of 1,465,079 as of July 1, 2019.

Major employers in and around the San Antonio area include Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph, H.E.B. Food Stores, USAA, Northside Independent School District, City of San Antonio, Methodist Health Care System, North East Independent School District, San Antonio Independent School District, Baptist Health Systems and Wells Fargo.

San Antonio has positioned itself for long term growth and prosperity by successfully following a strategy to diversify its economy and improve quality of life for all citizens. The economic strategy resulting from SA2020 emerges as the City's roadmap to become a leader in job creation by maintaining growth in traditional industry sectors while specifically targeting job growth in the following sectors: healthcare and biosciences, information technology and information security, aerospace, and the new energy economy.

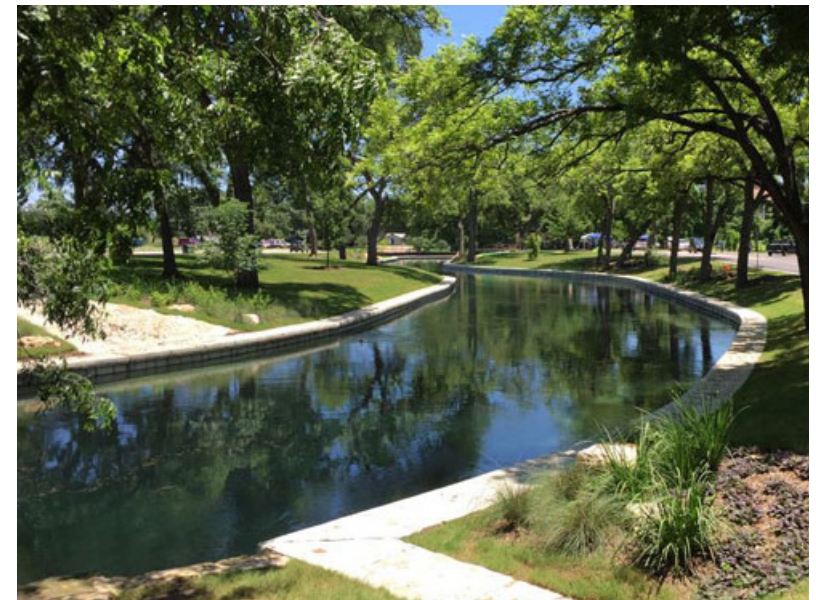
Tourism thrives in San Antonio and has become one of the city's leading industries. The famed RiverWalk (Paseo Del Rio) takes visitors along 3 miles of cool shady pathways lined with unique retail shops, cafes, restaurants, and nightclubs. During the Christmas and New Year holiday period, the RiverWalk undergoes a stunning transformation, becoming an impressive festival of lights. San Antonio's most famous attraction is also Texas' top tourist draw: The Alamo. Located on beautifully landscaped grounds in the heart of the city, the attraction includes a museum containing relics and mementos from the Republic of Texas and narration chronicling the fall of the Alamo.



# AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>			
2020 Estimated Population	7,008	49,208	97,521
2025 Projected Population	7,663	54,922	114,435
2010 Census Population	5,292	34,604	63,003
Projected Annual Growth 2020 to 2025	1.80%	2.22%	3.25%
Historical Annual Growth 2010 to 2020	2.45%	3.70%	4.54%
<b>HOUSEHOLDS &amp; GROWTH</b>			
2020 Estimated Households	2,714	19,201	35,430
2025 Projected Households	2,984	21,522	41,535
2010 Census Households	1,994	13,599	23,231
Projected Annual Growth 2020 to 2025	1.91%	2.31%	3.23%
Historical Annual Growth 2010 to 2020	2.76%	3.64%	4.38%
<b>RACE &amp; ETHNICITY</b>			
2020 Estimated White	86.26%	87.37%	87.98%
2020 Estimated Black or African American	4.22%	3.20%	3.21%
2020 Estimated Asian or Pacific Islander	1.60%	1.86%	1.82%
2020 Estimated American Indian or Native Alaskan	0.66%	0.83%	0.83%
2020 Estimated Other Races	11.73%	10.51%	9.84%
2020 Estimated Hispanic	53.25%	46.69%	43.91%
<b>INCOME</b>			
2020 Estimated Average Household Income	\$79,701	\$81,559	\$90,339
2020 Estimated Median Household Income	\$55,157	\$59,319	\$67,168
2020 Estimated Per Capita Income	\$30,858	\$31,157	\$32,796
<b>DAYTIME POPULATION</b>			
2020 Estimated Total Businesses	458	2,660	3,454
2020 Estimated Total Employees	4,850	30,617	37,371





# RENT ROLL



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
South Texas Custard #2, LTD	3,700	12/16/2020	12/15/2035	Current	-	\$8,250	\$2.23	\$99,000	\$26.76	Absolute NNN	4 (5-Year)
(dba Freddy's Frozen Custard & Steakburgers)				12/16/2025	10%	\$9,075	\$2.45	\$108,900	\$29.43		
				12/16/2030	10%	\$9,983	\$2.70	\$119,790	\$32.38		

## FINANCIAL INFORMATION

Price	\$1,692,000
Net Operating Income	\$99,000
Cap Rate	5.85%
Lease Type	Absolute NNN

## PROPERTY SPECIFICATIONS

Year Built / Renovations	2007 / 2020
Rentable Area	3,700 SF
Land Area	2.30 Acres
Address	841 Tx-337 Loop New Braunfels, Texas 78130



**For financing options and loan quotes:**

Please contact our SRS Debt & Equity team at [debtequity-npb@srsre.com](mailto:debtequity-npb@srsre.com)

## BRAND PROFILE



## FREDDY'S FROZEN CUSTARD

[www.freddysusa.com](http://www.freddysusa.com)

**Company Type:** Private

**Locations:** 380+

Freddy's Frozen Custard & Steakburgers owns and operates restaurants in the United States. Its menu includes cake cones, sundaes, toppings, sandwiches, and hot dogs. The company also franchises its restaurants. Freddy's Frozen Custard & Steakburgers was founded in 2002 and is based in Wichita, Kansas. It has locations in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, Ohio, North Carolina, North Carolina, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Virginia, and Wyoming.







## THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS

275+

**RETAIL  
PROFESSIONALS**

25+

**OFFICES**

#1

**LARGEST REAL ESTATE  
SERVICES FIRM**  
in North America  
exclusively dedicated  
to retail

2K+

**RETAIL  
TRANSACTIONS**  
company-wide  
in 2020

485

**NET LEASE  
PROPERTIES SOLD**  
in 2020

\$1.5B

**NET LEASE  
TRANSACTION VALUE**  
in 2020

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