

# BRAND NEW CONSTRUCTION

Single Tenant Investment Opportunity



## GATEWAY TO FLORIDA GULF COAST

This newly constructed Starbucks is strategically located at the intersection of Interstate 10 and US Highway 331. This is a major thoroughfare providing access to the Florida Gulf Coast Beaches (Destin, Scenic 30-A, Panama City Beach, etc). Millions of tourists throughout the country visit these beaches annually and most of the visitors traveling by car from the Southeast will pass this site on the way to their destination.



622 Hugh Adams Road

# DEFUNIAK SPRINGS FLORIDA

ACTUAL SITE



**EXCLUSIVELY MARKETING BY**



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# SITE OVERVIEW





PROPERTY PHOTOS







OFFERING

Pricing	\$2,379,000
Net Operating Income	\$122,500
Cap Rate	5.15%

PROPERTY SPECIFICATIONS

Property Address	622 Hugh Adams Road DeFuniak Springs, Florida 32435
Rentable Area	2,500 SF
Land Area	0.62 AC
Year Built	2022
Tenant	Starbucks
Lease Signature	Starbucks Corporation
Lease Type	NN
Landlord Responsibilities	Roof, Structure and Parking Lot
Original Lease Term	10 Years
Increases	10% Every 5 Years & Beg. of Each Option
Options	6 (5-Year)
Rent Commencement	January 2023
Lease Expiration	January 2033

# RENT ROLL



Tenant Name	Square Feet	LEASE TERM		RENTAL RATES					
		Lease Start	Lease End	Begin	Increase	Monthly	Annually	Cap Rate	Options
Starbucks	2,500	January 2023	January 2033	Current	-	\$10,208	\$122,500	5.15%	6 (5-Year)
				January 2028	10%	\$11,229	\$134,750	5.66%	
				Option 1 (January 2033)	10%	\$12,352	\$148,225	6.23%	
				Option 2 (January 2038)	10%	\$13,587	\$163,048	6.85%	
				Option 3 (January 2043)	10%	\$14,946	\$179,352	7.54%	
				Option 4 (January 2048)	10%	\$16,441	\$197,287	8.29%	
				Option 5 (January 2053)	10%	\$18,085	\$217,016	9.12%	
				Option 6 (January 2058)	10%	\$19,893	\$238,718	10.03%	10% Increase Beg. of Each Option





## INVESTMENT HIGHLIGHTS



### **Brand New 10-Year Lease | 2022 Construction | Options To Extend | Corporate Signed | Scheduled Rental Increases**

- Starbucks recently signed a brand new 10-year lease with 6 (5-year) options to extend, demonstrating their long-term commitment to the site
- 2022 construction which features high-quality materials, high-level finishes, and distinct Starbucks design elements
- The lease is corporate signed by Starbucks, an investment grade (S&P: BBB+), nationally recognized, and established firm with over 35,000 stores
- The lease features 10% rental increases every 5 years and at the beginning of each option, growing NOI and hedging against inflation

### **NN Leased | Fee Simple Ownership | Limited Landlord Responsibilities | No State Income Tax**

- Tenant pays for taxes, insurance and maintains most aspects of the premises
- Limited landlord responsibilities for roof, structural components, and underground utility systems
- Ideal, low-management investment for a passive investor in a state with no state income tax



### **Gateway to Gulf Coast Beaches | Near Major Interstate Exit | Excellent Visibility & Access**

- Starbucks is positioned at the Highway 331 exit of Interstate 10, which is a major thoroughfare for tourists traveling to the Florida Gulf Coast Beaches
- Access to Destin, Scenic 30-A, Panama City Beach, and other major beach destinations for most tourists traveling by car is via this Interstate exit
- In addition to the immediate surrounding resident population, this Starbucks will host many customers winding down or preparing for long road trips
- Florida tourism broke records in 2022 with 137.6 million visitors, a 12.9% year over year increase
- This is one of the few Starbucks in the Florida Panhandle on Interstate-10 and the only one between Tallahassee and Crestview

### **Lowe's Outparcel | Surrounding Big Box Retailers**

- Starbucks is positioned as an outparcel to a 126,000 SF Lowe's Home Improvement
- Surrounded by other national/credit big box retailers including Walmart Supercenter, Bealls Outlet, Winn-Dixie, Tractor Supply, and more



## BRAND PROFILE



## STARBUCKS

**starbucks.com**

**Company Type:** Public (Nasdaq: SBUX)

**Locations:** 35,000+

**2022 Employees:** 40,200

**2022 Revenue:** \$32.25 Billion

**2022 Net Income:** \$3.28 Billion

**2022 Assets:** \$27.98 Billion

**Credit Rating:** S&P: BBB+

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Today, with more than 35,000 stores worldwide, the company is the premier roaster and retailer of specialty coffee in the world. Through our unwavering commitment to excellence and our guiding principles, we bring the unique Starbucks Experience to life for every customer through every cup. Starbucks Corporation was founded in 1971 and is based in Seattle, Washington.



# PROPERTY OVERVIEW



## LOCATION



Defuniak Springs, Florida  
Walton County  
Crestview–Fort Walton Beach–Destin MSA

## ACCESS



Hugh Adams Road: 1 Access Point  
Business Park Road: 1 Access Point

## TRAFFIC COUNTS



Interstate 10: 27,000 VPD  
State Highway 83/U.S. Highway 331: 22,500 VPD

## IMPROVEMENTS



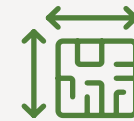
There is approximately 2,500 SF of existing building area

## PARKING



There are approximately 28 parking spaces on the owned parcel.  
The parking ratio is approximately 11.2 stalls per 1,000 SF of leasable area.

## PARCEL



Parcel Number: 02-2N-19-18000-046-0010  
Acres: 0.62  
Square Feet: 27,007

## CONSTRUCTION



Year Built: 2022

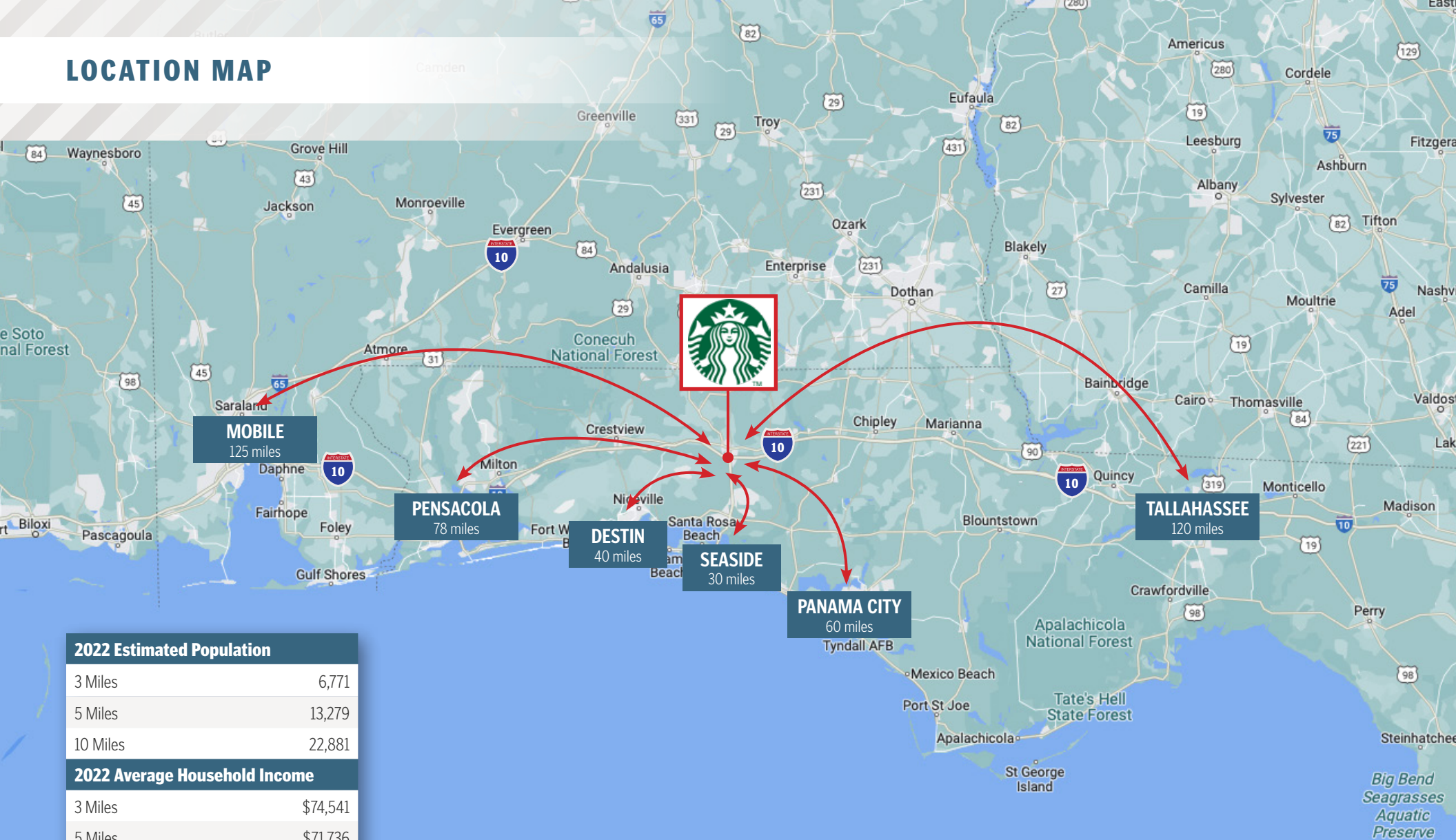
## ZONING



C-2: Commercial General



## LOCATION MAP



### 2022 Estimated Population

3 Miles	6,771
5 Miles	13,279
10 Miles	22,881

### 2022 Average Household Income

3 Miles	\$74,541
5 Miles	\$71,736
10 Miles	\$69,660

### 2022 Estimated Total Employees

3 Miles	5,408
5 Miles	6,899
10 Miles	7,888



PROPERTY PHOTOS







DEFUNIAK SQUARE

Winn-Dixie  
bealls b burkes  
HARBOR FREIGHT  
verizon Allstate

WALTON HIGH SCHOOL  
2,700 STUDENTS

DEFUNIAK SHOPPING PLAZA

TSC TRACTOR SUPPLY CO  
DOLLAR GENERAL HIBBETT  
JACKSON HEWITT  
T-Mobile H&R BLOCK

WALTON MIDDLE SCHOOL  
750 STUDENTS

Walmart  
Supercenter

BEEF 'O BRADY'S  
GOOD FOOD. GOOD SPORTS.

Walgreens

SUBWAY

BURGER KING

SONIC  
America's Drive-In

76

Domino's

76

All in  
CREDIT UNION

76

LOWE'S

EconoLodge

BUSINESS PARK RD.

PROPOSED

CEFCO

22,500  
VEHICLES PER DAY

U.S. HIGHWAY 331

HUGH ADAMS RD.



40 Minutes to Destin Beaches















BUSINESS PARK RD.

HUGH ADAMS RD.

PYLON SIGN





## AREA DEMOGRAPHICS



	3 Miles	5 Miles	10 Miles
<b>Population</b>			
2022 Estimated Population	6,771	13,279	22,881
2027 Projected Population	7,233	14,432	25,180
Projected Annual Growth 2022 to 2027	1.33%	1.68%	1.93%
2022 Median Age	40.9	39.8	40.0
<b>Households &amp; Growth</b>			
2022 Estimated Households	2,598	5,006	8,210
2027 Projected Households	2,776	5,443	9,076
Projected Annual Growth 2022 to 2027	1.33%	1.69%	2.03%
<b>Race &amp; Ethnicity</b>			
2022 Estimated White	73.88%	77.53%	74.40%
2022 Estimated Black or African American	15.37%	12.44%	10.90%
2022 Estimated Asian or Pacific Islander	0.96%	0.87%	0.70%
2022 Estimated American Indian or Native Alaskan	0.66%	0.71%	0.80%
2022 Estimated Other Races	5.89%	6.05%	5.00%
2022 Estimated Hispanic	10.88%	10.99%	9.40%
<b>Income</b>			
2022 Estimated Average Household Income	\$74,541	\$71,736	\$69,660
2022 Estimated Median Household Income	\$48,372	\$48,129	\$47,798
<b>Businesses &amp; Employees</b>			
2022 Estimated Total Businesses	497	626	735
2022 Estimated Total Employees	5,408	6,899	7,888





### DEFUNIAK SPRINGS, FLORIDA

DeFuniak Springs is a small city of around 5,900 residents located off of Interstate 10 between Tallahassee and Pensacola. The city is the county seat for Walton County, Florida. DeFuniak Springs is home to many interesting historical events and attractions such as one of the two naturally round spring fed lakes in the world. The other being located near Zurich, Switzerland.

DeFuniak Springs is home to Lake DeFuniak, one of two spring-fed lakes in the world that is nearly perfectly round. The county seat of Walton County, the city also serves as a hub for many residents in surrounding communities. Public schools in Defuniak Springs are run by the Walton County School District. The nearest major airport is Destin-Fort Walton Beach Airport.

Walton County encompasses 1,066 square miles with an estimated population of 79,544. There are three incorporated cities within Walton County: DeFuniak Springs, Freeport, and Paxton. The county is home to the highest natural point in Florida: Britton Hill, at 345 feet (105 m).

Located in the Panhandle of Florida, tourism and its related industries continue to fuel the local economy. Majority of Walton County citizens are employed in the service or government sector. The Mossy Head Industrial Park has added to their employment base and offers their citizens more employment options. The 350-acre property with connections to Interstate 10, U.S. Highway 90 and State Road 285 currently has eight businesses on site including FedEx Ground. Walton County's high quality of living serves as a great attraction for both individuals and their families. The beaches of South Walton are an integral part of the local economy. Visitors to Walton County are primarily drawn here by their world class beaches and by the abundance of choices in both retail and dining. The county is served by the Walton County School District.





## South Walton Continues to Build on Its Tourism Revenue With a 3.17% Increase in Nov '22

Posted Jan 15, 2023

Tourism continues to grow in South Walton, Florida. Tourist Development Tax collection showed a 3.17% increase in November 2022 compared with the previous year, with the total collections for November 2022 being \$1,983,158.10. Raised through a five percent tax on short-term rental units, this funding supports the operations of our beach parks, including cleaning and maintaining beaches as well as lifeguards and other necessary personnel who protect these beautiful spaces.

Tourist Development Tax collection on short-term rental accommodations north of the Choctawhatchee Bay totaled \$21,965.20 for November 2022. Collections for November represent a 34.67% increase compared with the previous year.

Source: 30a.com  
Read Full Article [HERE](#)



## Florida Tourism Numbers Showcase Increased Popularity in the State

by Lacey Pfalz | Posted Feb 16, 2023

Tourism numbers in Florida broke records in 2022 and in the last quarter of the year, according to President and CEO of VISIT FLORIDA, Dana Young, who in an update showcased a 5 percent increase in visitor totals from 2019, far surpassing its recovery from the pandemic.

This past year saw 137.6 million visitors to Florida, a 12.9 increase over 2021 and 5 percent more than in 2019. International arrivals for the year increased by 73 percent, as Florida welcomed 7 million. One million of these international travelers to Florida during the last quarter of 2022 were Canadian, an increase of 278 percent from 2021. Visitor numbers in the fourth quarter rose six percent from 2021, and international arrivals increased 35.5 percent from the last quarter of 2021, though international visitor numbers are still 28 percent below the pre-pandemic level in the state overall.

Source: Travelpulse.com  
Read Full Article [HERE](#)



## 'Monumental project': DeFuniak Springs Municipal Airport getting \$6.9 million terminal

Posted July 8, 2022

DeFUNIAK SPRINGS — The city has received a historic notice from the Florida Department of Transportation to begin work on the \$6.9 million airport terminal at the DeFuniak Springs Municipal Airport at 1931 U.S. Highway 90 W.

"This monumental project would not be possible without the support and teamwork of many who advocated on behalf of the city to make this vision a reality," DeFuniak Springs City Manager Robert Thompson said.

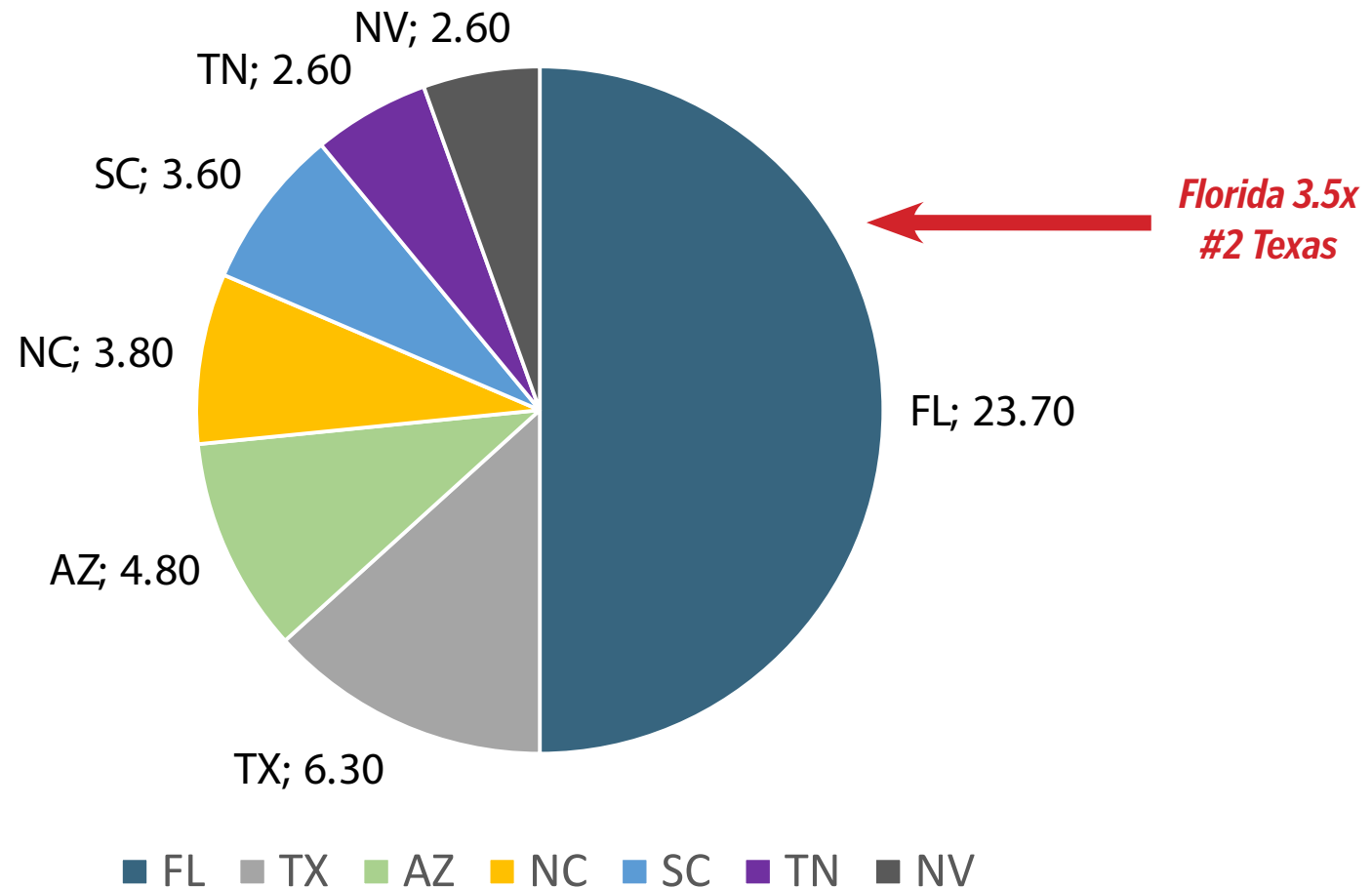
None of it would be possible without the Federal Aviation Administration's partnership with the city, «which is priceless and foundational to our success. We are grateful for their \$667,000 donation to the project, and their consistent expertise and guidance in the planning and development,» city officials said in a news release.

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





## NET INCOME MIGRATION (\$ BILLIONS): TOP 7



Florida has experienced the largest net income migration since the onset of the coronavirus pandemic. The latest available IRS data shows \$23.7 billion in net annual income migration and the Florida Chamber Foundation expects that figure to continue expanding as people from other states come to Florida. This figure is roughly 3.5 times higher than the Texas which saw the second highest net income growth.





## Americans Moved to Low-Tax States in 2022

Posted January 10, 2023

Americans were on the move in 2022 and chose low-tax states over high-tax ones. That's the finding of recent U.S. Census Bureau population data and commercial datasets released this week by U-Haul and United Van Lines.

The U.S. population grew 0.4 percent between July 2021 and July 2022, an increase from the previous year's historically low rate of 0.1 percent. While international migration helped numbers on the national level, interstate migration was still a key driver of state population numbers. New York's population shrunk by 0.9 percent between July 2021 and July 2022, Illinois lost 0.8 percent of its population, and Louisiana (also 0.8 percent), West Virginia (0.6 percent), and Hawaii (0.5 percent) rounded out the top five jurisdictions for population loss. At the same time, Florida gained 1.9 percent, while Idaho, South Carolina, Texas, South Dakota, Montana, Delaware, Arizona, North Carolina, Utah, Tennessee, Georgia, and Nevada all saw population gains of 1 percent or more.

This population shift paints a clear picture: people left high-tax, high-cost states for lower-tax, lower-cost alternatives.

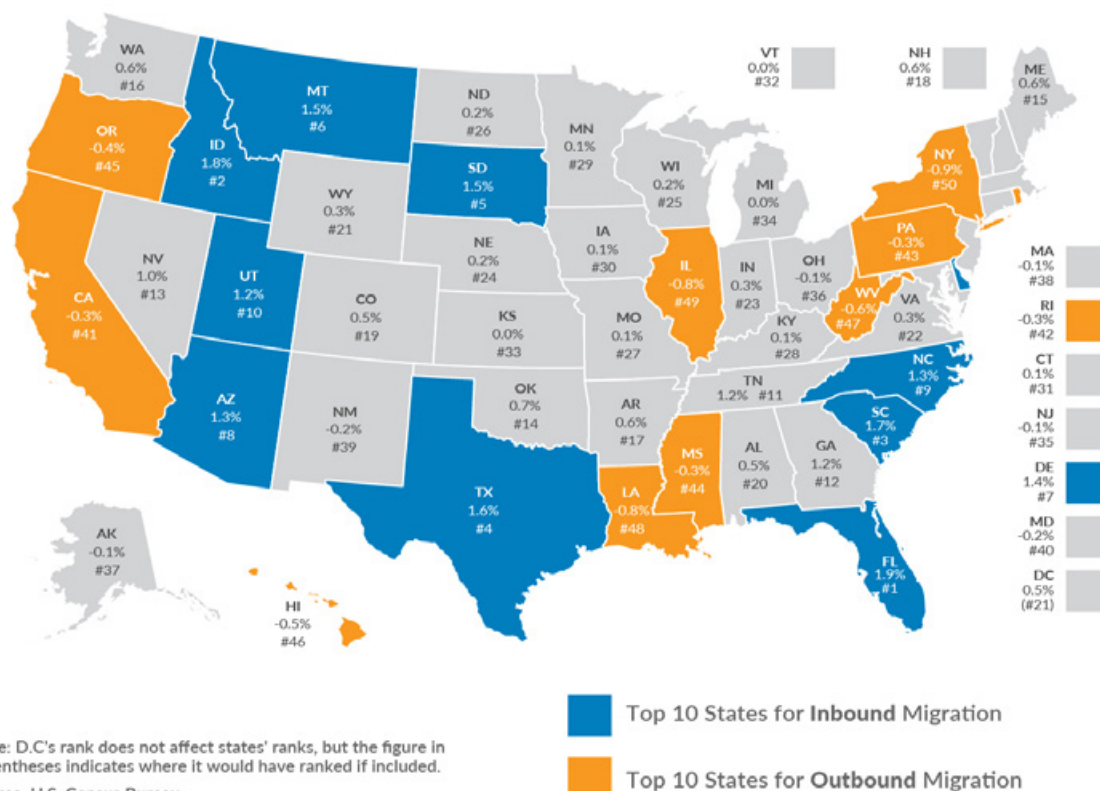
The individual income tax is illustrative here (though only one component of overall tax burdens, it is often highly salient). In the top third of states for population growth (including D.C.), the average combined top marginal state income tax rate is about 4.0 percent. In the bottom third, it's about 6.6 percent.

Six states in the top third forgo taxes on wage income (Florida, Texas, South Dakota, Tennessee, and Nevada, as well as Washington, which taxes capital gains income but not wage income), and the highest top rate in that cohort is Maine's 7.15 percent. Among the bottom third, five jurisdictions—California, Hawaii, New Jersey, New York, and

Oregon—have double-digit income tax rates, and—excepting Alaska, with no income tax—the lowest rate is in Pennsylvania, where a low state rate of 3.07 percent is paired with some of the highest local income tax rates in the country. Six states in the bottom third have local income taxes; only one in the top third does.

## State Population Change in 2022

State Migration Patterns, from Most Inbound to Most Outbound, 2022



Source: Tax Foundation  
 Read Full Article [HERE](#)





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TRANSACTIONS  
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in 2022

**760+**

NET LEASE  
TRANSACTIONS  
SOLD  
in 2022

**\$2.9B+**

NET LEASE  
TRANSACTION  
VALUE  
in 2022

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