

# MERRITT SQUARE MALL OUTPARCEL

Single Tenant Absolute NNN Investment Opportunity



2% Annual Increases | Top 25% Outback Location | Close Proximity to Major New Developments



777 E Merritt Island Causeway

**MERRITT ISLAND** FLORIDA

ACTUAL SITE



**SRS**

NATIONAL  
NET LEASE  
GROUP



**EXCLUSIVELY MARKETED BY**



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PROPERTY PHOTOS





## OFFERING SUMMARY



## OFFERING

Pricing	\$3,869,000
Net Operating Income	\$193,437
Cap Rate	5.00%

## PROPERTY SPECIFICATIONS

Property Address	777 E Merritt Island Causeway Merritt Island, FL 32952
Rentable Area	8,963 SF
Land Area	0.50 AC
Year Built / Renovated	1973 / 2006
Tenant	Outback Steakhouse
Guaranty	Corporate
Lease Type	Absolute NNN
Landlord Responsibilities	None
Lease Term Remaining	4+ Years
Increases	2% Annual increases
Options	1 (5-Year)
Rent Commencement	3/1/2013
Lease Expiration	2/29/2028

## RENT ROLL & INVESTMENT HIGHLIGHTS



LEASE TERM						RENTAL RATES			
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	Annually	Cap Rate	Options
Outback Steakhouse (Corporate Guaranty)	8,963	3/1/2013	2/29/2028	Current	2%	\$16,120	\$193,437	5.00%	1 (5-Year)
				March 2024	2%	\$16,442	\$197,306	5.10%	2% Annual Increases During Options
				March 2025	2%	\$16,771	\$201,252	5.20%	
				March 2026	2%	\$17,106	\$205,277	5.31%	
				March 2027	2%	\$17,449	\$209,382	5.41%	

### 2% Annual Rental Increases | Top 25% Performing Location | Corporate Signed Lease | Below Market Rent

- 4+ Years remaining on original 15-year lease with 1 (5-year) option periods to extend, demonstrating their long-term commitment to the site
- This Outback location is a high performing unit operating in the top 25% of all Outback locations nationwide, according to PlacerAI
- The lease features 2% annual rental increases throughout the initial term and options, growing NOI and hedging against inflation
- At \$21/sf, this Outback is operating at below market rents for similar casual dining restaurants allowing for upside in the future

### Local Demographics in 5-Mile Trade Area | FL's Space Coast | Merritt Island - Desirable Location

- Nearly 90,000 residents and 43,000 employees support the trade area
- Features an average household income of \$94,370
- Florida's "Space Coast" is roughly 50 miles east of Orlando and 80 miles south of Daytona Beach, which includes towns like Cocoa, Satellite Beach, Titusville, Merritt Island, Palm Bay and Melbourne
- According to Forbes, "Hotels in the region are also getting a nice lift from the return of corporate and business travel, which lapsed during the pandemic. . . 2022 hotel performance has surpassed pre-pandemic highs—with room night demand (hotel rooms rented) up 5% year over year"

### Signalized Hard Corner Intersection | Main Retail Corridor | Outparcel of Merritt Square Mall | Nearby Development

- Located near the signalized hard corner intersection of E Merritt Island Causeway (42,000 VPD) and S Sykes Creek Pkwy (12,200 VPD)
- Merritt Island Causeway is a major retail corridor with many national/credit tenants such as Publix, Macy's, Starbucks, Walgreens, and more
- Equipped with a dual-lane drive-thru, promoting ease of access for customers
- Located on an outparcel of Merritt Square Mall, anchored by Macy's, JCPenney, Sears, and Dillard's
- Strong tenant synergy promotes crossover traffic to the subject property
- Health First has received approvals to build a seven-story, 120-bed hospital with an adjoining medical office building and wellness village on a 15.05-acre site, across State Road 520 from Merritt Square Mall (see page 12 for more)

### Absolute NNN Lease | Zero Landlord Responsibilities | No State Income Tax

- Tenant pays for CAM, taxes, insurance, and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment in a state with no state income tax

## PROPERTY OVERVIEW

### LOCATION



Merritt Island, Florida  
Brevard County  
Palm Bay – Melbourne – Titusville MSA

### ACCESS



E. Merritt Island Causeway: 3 Access Points  
S. Sykes Creek Pkwy: 2 Access Points

### TRAFFIC COUNTS



E. Merritt Island Causeway: 42,000 VPD  
S. Sykes Creek Pkwy: 12,200 VPD

### IMPROVEMENTS



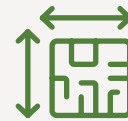
There is approximately 8,963 SF of existing building area

### PARKING



There are approximately 45 parking spaces on the owned parcel.  
The parking ratio is approximately 5.02 stalls per 1,000 SF of leasable area.

### PARCEL



Parcel Number: 24-36-36-00-00280.0-0000.00  
Acres: 0.50  
Square Feet: 21,780

### CONSTRUCTION



Year Built: 1973  
Year Renovated: 2006

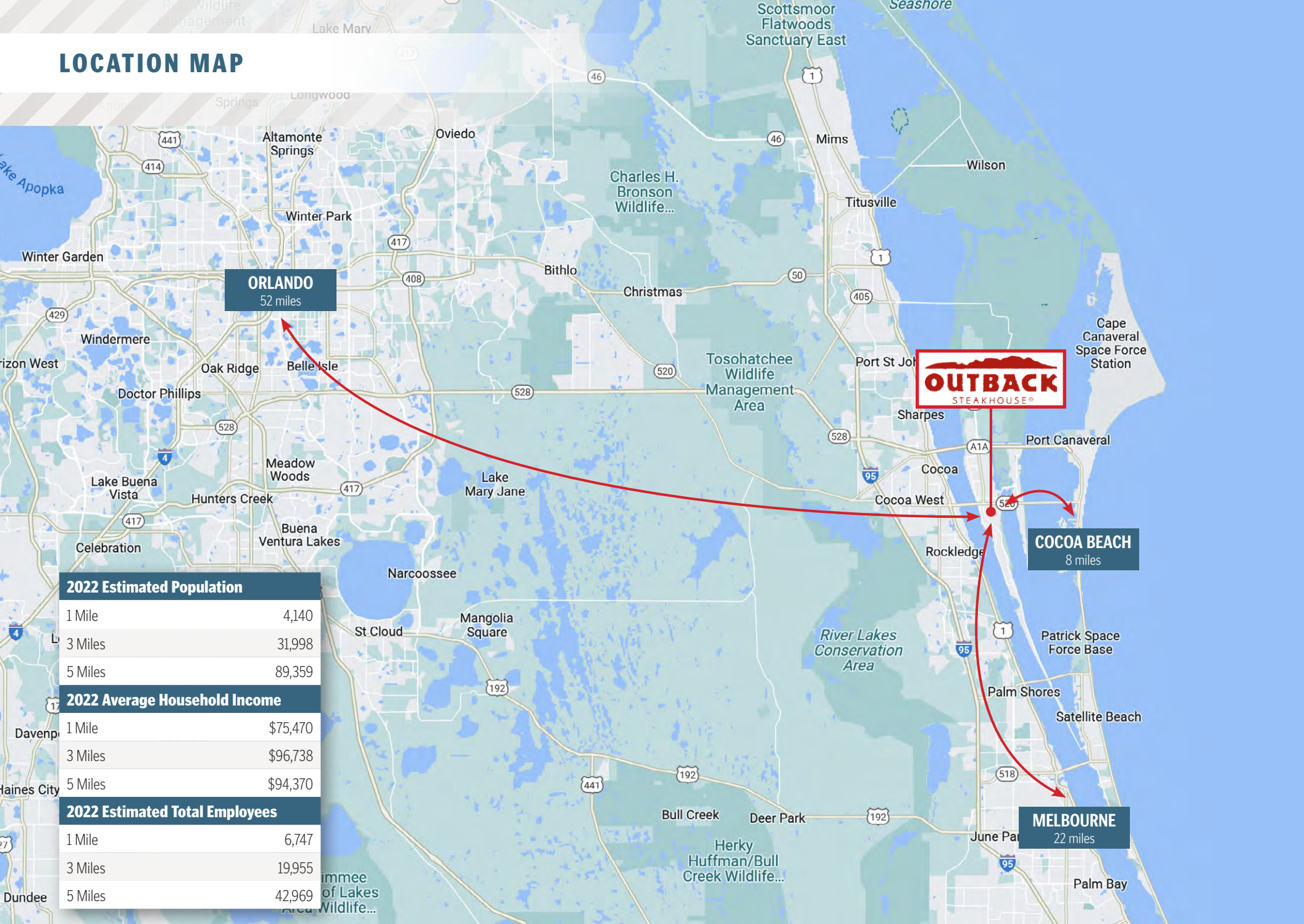
### ZONING



Commercial



# LOCATION MAP











ROCKLEDGE SQUARE  
SHOPPING CENTER



ROCKLEDGE REGIONAL  
MEDICAL CENTER

ROCKLEDGE  
HIGH SCHOOL

FIRST MERRITT CENTER



CVS pharmacy



verizon

CHASE

LONGHORN  
STEAKHOUSE

42,000  
VEHICLES PER DAY

E. MERRITT ISLAND CAUSEWAY

OUTBACK  
STEAKHOUSE®

MERRITT SQUARE MALL

Dillard's

rue21

PINK

zumiez

macy's

LENSCRAFTERS

BAM!  
BOOKS-A-MILLION

CHAMPS  
SPORTS

OLLIE'S OUTLET  
GOOD STUFF CHEAP

Firestone  
COMPLETE AUTO CARE

Chick-fil-A

CHRISTIE DENTAL

SUNOCO

Batteries  
+ Bulbs

RED LOBSTER

BRASAS  
GULL

HARBOR FREIGHT

Public Storage

LAUNCH













### Brevard Planning Board OKs zoning change, variances for new Merritt Island hospital

Posted May 11, 2022

Despite concerns raised by residents of a neighboring condominium development, a county advisory board this week approved zoning changes and variances that would allow Health First to build a new hospital and «wellness village» on Merritt Island.

The unanimous approval Monday from the Brevard County Planning and Zoning Board follows a similar unanimous vote on April 28 from the Merritt Island Redevelopment Agency. Health First's proposal now goes to the Brevard County Commission for a potential final vote on May 26.

Health First wants to build a seven-story, 120-bed hospital with an adjoining medical office building and wellness village on a 15.05-acre site, across State Road 520 from Merritt Square Mall. The \$508 million complex would replace the current six-story, 150-bed Cape Canaveral Hospital off State Road 520 in Cocoa Beach, which would close when the new hospital opens.

All the rooms in the new hospital would be private, in contrast with the current Cape Canaveral Hospital, where the majority of the rooms are semiprivate — designed for two patients.

Among the components of the health village will be a fitness center, a spa, an education center for health and wellness education, a concierge tower, a child care center, a restaurant, a coffee shop, a market/juice bar and retail space. Proponents of the project see it as creating a «downtown» feel for that section of Merritt island, in conjunction with the mall and the nearby Brevard Veterans Memorial Center.



Source: Florida Today  
Read Full Article [HERE](#)



## 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.

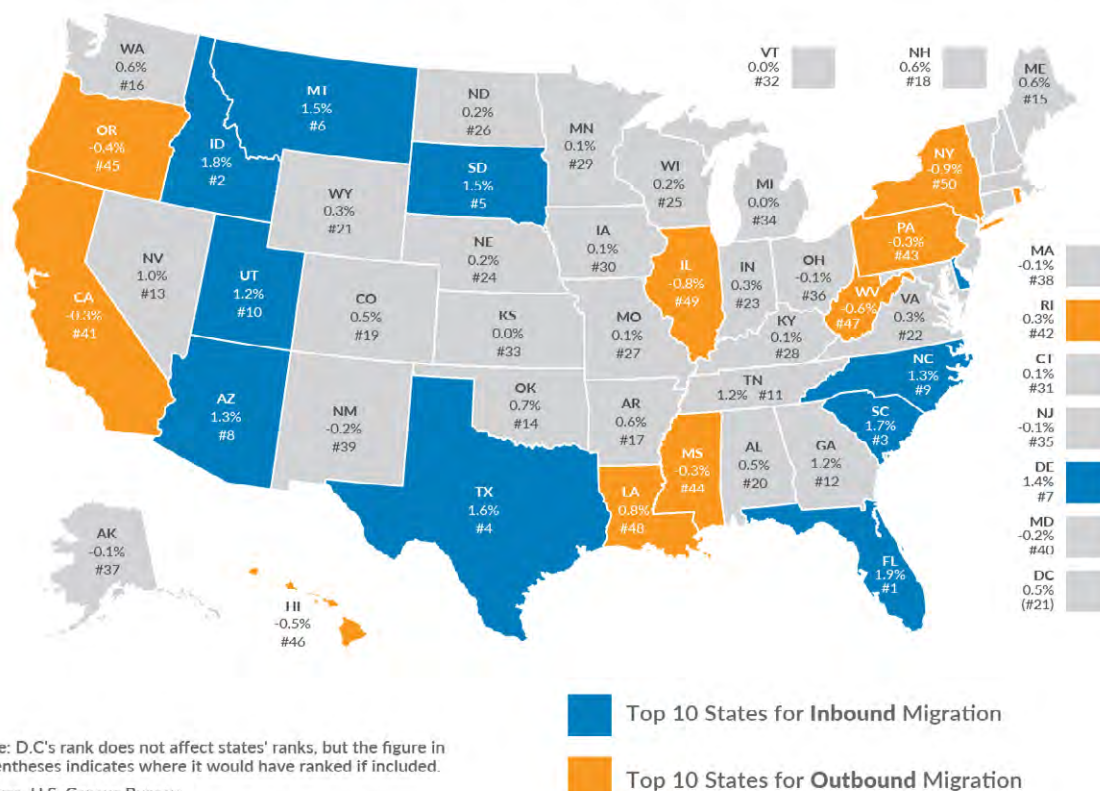
The individual income tax is illustrative here (though only one component of overall tax burdens, it is often highly salient). In the top third of states for population growth (including D.C.), the average combined top marginal state income tax rate is about 4.0 percent. In the bottom third, it's about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

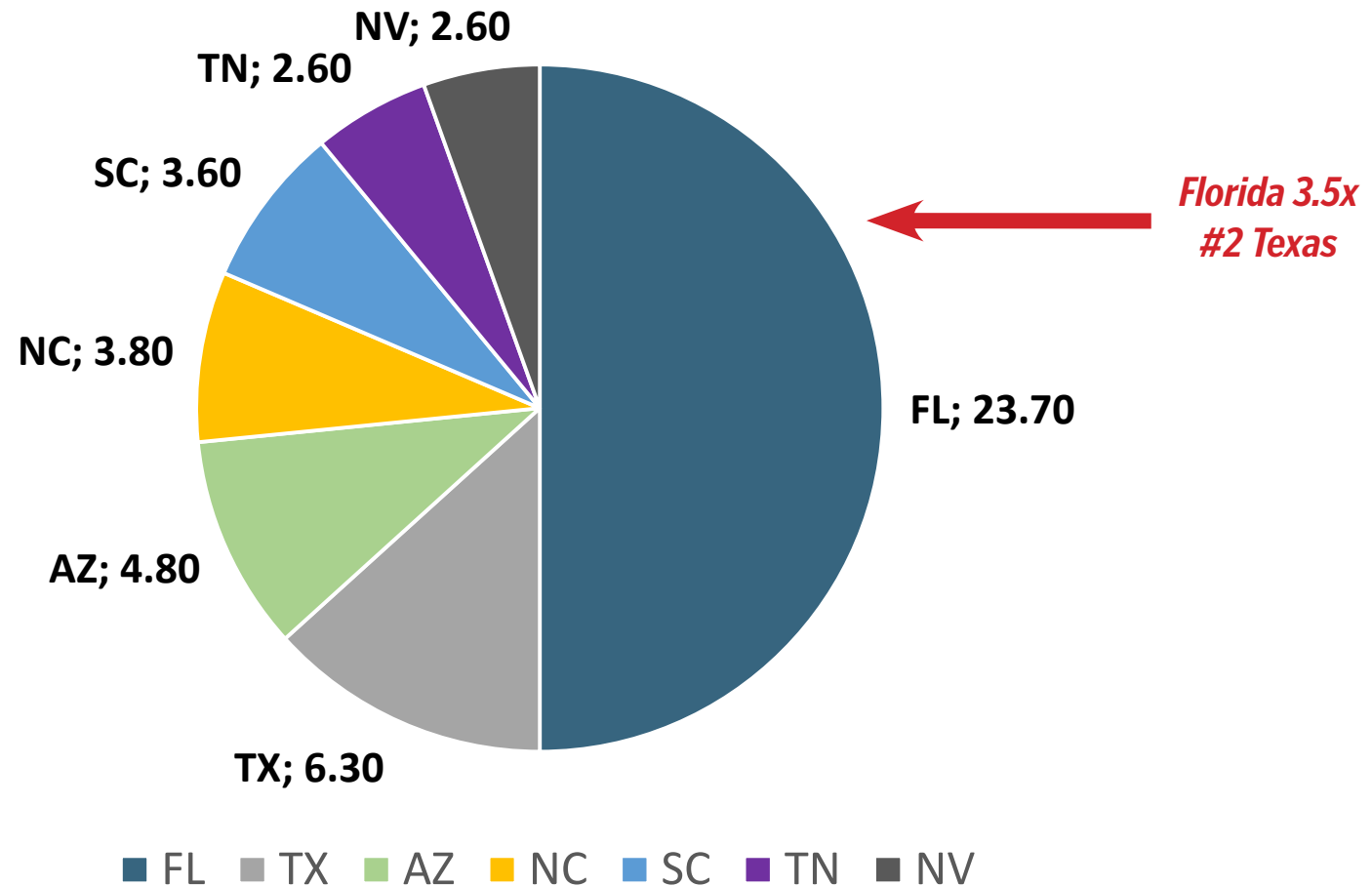
State Migration Patterns, from Most Inbound to Most Outbound, 2022



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



## 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.



## AREA DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
<b>Population</b>			
2022 Estimated Population	4,140	31,998	89,359
2027 Projected Population	4,116	32,070	90,050
2022 Median Age	51.2	51.2	48.7
<b>Households &amp; Growth</b>			
2022 Estimated Households	1,807	14,378	38,539
2027 Projected Households	1,799	14,436	38,877
<b>Race &amp; Ethnicity</b>			
2022 Estimated White	82.9%	77.9%	71.0%
2022 Estimated Black or African American	1.9%	6.9%	12.4%
2022 Estimated Asian or Pacific Islander	2.5%	2.4%	2.2%
2022 Estimated American Indian or Native Alaskan	0.5%	0.4%	0.4%
2022 Estimated Other Races	2.1%	2.0%	3.6%
2022 Estimated Hispanic	8.8%	9.0%	11.2%
<b>Income</b>			
2022 Estimated Average Household Income	\$75,470	\$96,738	\$94,370
2022 Estimated Median Household Income	\$90,486	\$114,735	\$110,450
<b>Businesses &amp; Employees</b>			
2022 Estimated Total Businesses	806	2,515	5,139
2022 Estimated Total Employees	6,747	19,955	42,969







### MERRITT ISLAND, FLORIDA

Merritt Island is a census-designated place on the eastern coast of Florida. It is home to a world-renowned space center, a wildlife refuge, and a vast collection of natural wonders. You can find it in Brevard County, facing the western side of the North Atlantic Ocean.

It encompasses a good division of residential spaces and commercial and industrial regions across its 17.5-square-mile land zone. Merritt Island is a peninsula that links to other Florida counties and natural waterways. It makes for an accessible destination for tourists visiting the Sunshine State. These are the best things to do in Merritt Island, Florida, that you should include in your itinerary.

- As one of NASA's ten field centers, Kennedy Space Center is among the most popular sites on Merritt Island, located at Space Commerce Way. Its visitor's arm, the Kennedy Space Center Visitor Complex, opened in 1967. The center allows access to displays and exhibits about spacecraft and outer space explorations. Located inside the space center, it welcomes millions of visitors annually, with 1.7 million recorded in 2016.
- Windsurfing on Merritt Island is an everyday recreational sport made even more famous by Calema Windsurfing and Watersports. Visitors of the peninsula should go for a day of exciting activity inside Kelly Park.
- Tour Merritt Island and its nearby areas by booking a flight with Beachside Helicopters at Manor Drive, Merritt Island Airport. This aerial tour allows you to have a VIP view of the peninsula over water and its city attractions aboard the amphibious helicopter Robinson R44 Clipper II.
- If you are interested in history, spend a day at Field Manor to walk down the past of Merritt Island.
- Kayak around Pine Island Conservation Area. Pine Island Conservation Area at Pine Island Road is an 880-acre sanctuary for diverse marine wildlife.
- Golf enthusiasts will likely enjoy a day at Savannahs Golf Course, an 18-hole course with wetlands across its range.
- Check Out Military Displays at Brevard Veterans Memorial Center Military Museum.
- Merritt Island has one of the finest views for a rocket launch, the Rocket Launch Viewing Area at Kelly Park East on Banana River Drive.





## OUTBACK STEAKHOUSE

**outback.com**

**Company Type:** Subsidiary

**Locations:** 1,000

**Parent:** Bloomin Brands (Nasdaq: BLMN)

**2021 Employees:** 82,000

**2021 Revenue:** \$4.12 Billion

**2021 Net Income:** \$215.56 Million

**2021 Assets:** \$3.29 Billion

**2021 Equity:** \$216.46 Billion

**Credit Rating: S&P:** BB

Outback Steakhouse of Florida Inc. owns and operates casual dining restaurants. The Company offers prepared foods and drinks for on-premise consumption. It was founded in February 1988 in Tampa by Bob Basham, Chris T. Sullivan, Trudy Cooper, and Tim Gannon, and it was owned and operated by OSI Restaurant Partners, until it was acquired by Bloomin' Brands, and by other franchise and venture agreements internationally. The company is headquartered in Tampa, Florida, U.S. The chain has over 1,000 locations in 23 countries throughout North and South America, Asia, and Australia.





## THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM of SRS Real Estate Partners

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TRANSACTIONS  
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NET LEASE  
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SOLD  
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**\$2.9B+**

NET LEASE  
TRANSACTION  
VALUE  
in 2022

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