30025 Date Palm Drive, Cathedral City, CA 92234
14,000 Square Feet

GROCERY OUTLET bargain market

OFFERING MEMORANDUM

100% Leased, Net-Leased Grocer With 10 Years of Term + Options

$4,570,000 | 6.35 % Cap Rate

RAY STONE INCORPORATED
CA LIC #00357904

Matthieu Pelpel
Cell: 925-708-3923
Office: 916-649-7515 Ext. 106
mpelpel@raystoneinc.com
CA LIC #02075924

Investment Opportunity

This offering presents an opportunity to acquire a passive, necessity-based retail asset backed by a proven grocery operator (Grocery Outlet). The combination of stable workforce demographics, regional demand drivers, and a long-term NNN lease structure provides durable income and downside protection within the growing Palm Desert market.

Property Address	30025 Date Palm Drive, Cathedral City, CA 92234
Building Size	14,000 SF
Year Built / Renovated	2009 (2021 Renovation)
Parcel Size	1.50 Acres
Zoning	PCC - Planned Community Commercial
Parking Spaces	79 Stalls
Frontage	321' on Date Palm Drive
Price	$4,570,000
NOI	$290,000
Cap Rate	6.35%
Tenants	Grocery Outlet, Sunset Recycling Center (3 parking stalls, no RSF)
Grocery Outlet Term / Expiration	15 Year Lease, ~10 Years Remaining (5/31/2036 Expiration)

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Investment Highlights

15-year lease to Grocery Outlet, a national grocer tenant, with a proven discount grocery concept

- A nationally recognized, recession-resilient grocer operating over ~540 locations across the U.S. Grocery Outlet's value pricing model ("bargain market") drives consistent foot traffic and repeat visitation, particularly in cost-sensitive markets like Cathedral City.
- The brand has demonstrated resilience across economic cycles, often outperforming during inflationary and recessionary environments.
- Grocery retail remains one of the most insulated sectors from e-commerce disruption. Discount grocery formats, in particular, benefit from recurring demand, strong customer loyalty, and increased relevance during periods of economic pressure.

Strategic Coachella Valley location & durable workforce demographics

- The property is located along Date Palm Drive, a primary retail and commuter corridor serving the Coachella Valley. The site benefits from strong connectivity between Palm Desert and Palm Springs, as well as proximity to established residential neighborhoods and regional retail demand drivers.
- The immediate trade area is supported by a stable working-class population with consistent demand for daily-needs retail. Median household incomes within the core trade area are in the mid-$70K range, with larger household sizes driving higher grocery spend per household.
- The broader Coachella Valley economy is bolstered by tourism, healthcare, and a significant retiree population. Seasonal population increases contribute to elevated retail spending during peak months, enhancing tenant performance.

Long-term net lease with ~10 years remaining (+20 years of extension options), ideal for 1031 exchange buyer

- The property is secured by a long-term net lease, providing a passive investment profile. The tenant is responsible for taxes, insurance, and maintenance, resulting in minimal landlord obligations and predictable cash flow.

The asset features strong visibility along a major arterial roadway, with convenient access, ample parking, and prominent signage. These characteristics support consistent customer traffic and operational efficiency for the tenant. Additionally, Sunset Recycling Center has a license agreement to operate on 3 parking stalls, providing additional income to the owner.

Tenant Profile

Grocery Outlet

Grocery Outlet was founded in 1946 and is a leading U.S. discount grocer with ~540 stores, offering branded and private-label products at 40–70% below traditional retailers. Its opportunistic buying model drives low prices and steady demand, with ~$4.7B in annual sales. Stores are independently operated, supporting local engagement while maintaining a lean, scalable model focused on high-density market expansion. Publicly traded (NASDAQ: GO) with a ~$1.14B market cap, the company has shown resilience through economic cycles and benefits from a dependable, value-oriented customer base. Its sustainability efforts (reducing food waste and improving energy efficiency) along with strong digital marketing and brand loyalty, reinforce long-term growth and repeat traffic.

TICKER: GO

Market Cap: ~$1.14B

S&P Credit Rating: BB+

Sunset Recycling Center

Sunset Recycling Center is a recycling center that pays cash for California Redemption Value (CRV) plastic, aluminum, and glass containers. It operates throughout the week and primarily pays by weight. The business operates out of a stand-alone nonpermanent structure occupying 3 parking stalls. Sunset Recycling currently operates 41 recycling centers in California.

Property Photos

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Site Plan

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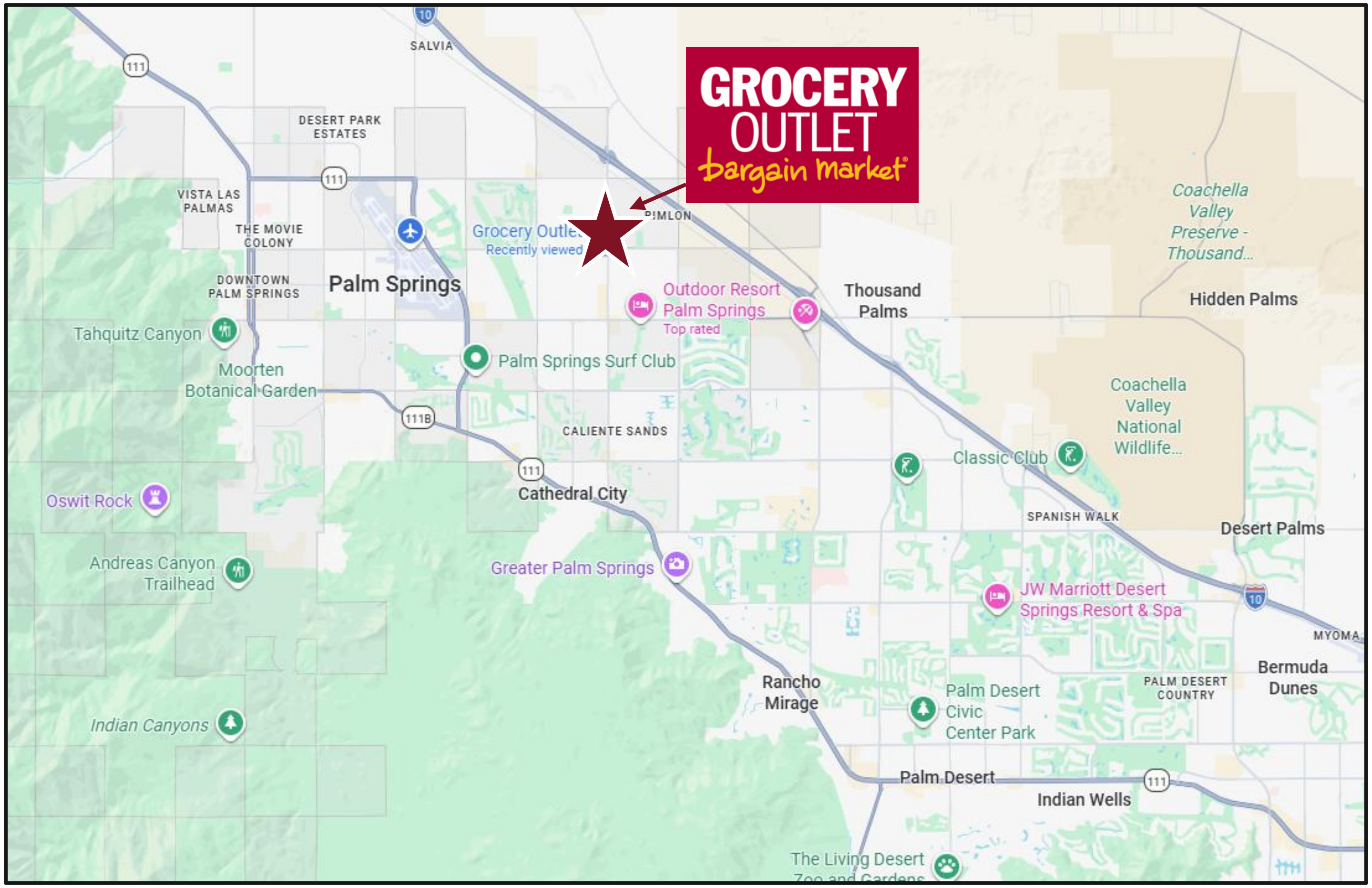
Regional Map



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Aerial

I – 10 On Ramp
3 Min Drive (1.3 Miles)

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Grocery Outlet's Commitment To Coachella Valley

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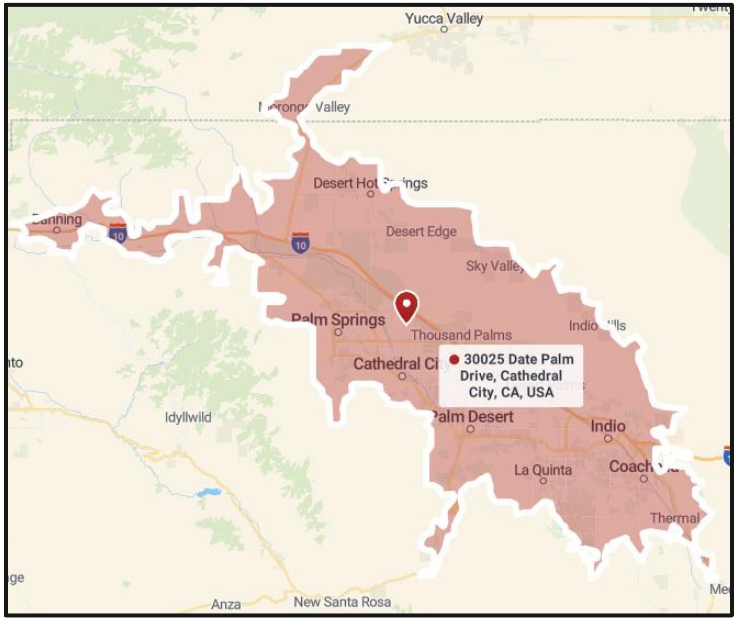
Location & Demographics

Visits	184.3K	Avg. Dwell Time	18 Min
Visits / sq ft	12	Panel Visits	10.7K
Size - sq ft	14K	Visits YoY	+14.6%
Visitors	37.9K	Visits Yo2Y	+23.7%
Visit Frequency	4.87	Visits Yo3Y	+24.4%

Apr 1st, 2025 - Mar 31st, 2026
Data provided by Placer Labs Inc. (www.placer.ai)

Placer.ai

- Population – 433K within a 30 min drive of the Property
- Cathedral City
  - Median Age: 41 Years Old
  - Population: 53K (60% Hispanic)
  - Median Income: $73,500
  - Job Industries: retail trade, hospitality / tourism, & healthcare
  - Avg Home Value: $508K (Zillow)



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Lease Abstracts

Grocery Outlet	
Square Footage	14,000 SF
Lease Commencement	5/18/2021
Lease Expiration	5/31/2036
Monthly Rent	$22,916.67
Rent Increases	10% rent increases every five (5) years
Extension Options	Four (4) five (5) year extension options (with 10% rent increases)
Lease Type	Net
Tenant Responsibilities	Real estate taxes, insurance, CAMs, repairs & maintenance (except for items detailed below)
Landlord Responsibilities	Roof (first 10 years during warranty period), structural (foundations, structural supports, load-bearing walls, plumbing systems, utility lines to point of connection, sprinkler mains, exterior structural elements and canopies, utility connection fees

Rent Schedule (Annual Rent)	
Lease Years 6 - 10 (Current)	$275,000
Lease Years 11 - 15	$302,500
Lease Years 16 - 20 (Option 1)	$332,750
Lease Years 21 - 25 (Option 2)	$366,025
Lease Years 26 - 30 (Option 3)	$402,628
Lease Years 31 - 35 (Option 4)	$442,890

Sunset Recycling Center	
Square Footage	No RSF (Occupies 3 parking stalls)
Lease Commencement	11/1/2025
Lease Expiration	10/31/2030
Monthly Rent	$1,250.00
Rent Increases	N/A
Extension Options	N/A
Lease Type	Revocable License Agreement
Notes	Agreement is terminable by either party at any time on 30 days' prior written notice

Rent Schedule (Annual Rent)	
Lease Years 1 - 5	$15,000

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Matthieu Pelpel
Cell: 925-708-3923
mpelpel@raystoneinc.com
CA LIC #02075924

Ray Stone Incorporated
CA LIC #00357904
550 Howe Avenue, STE 100
Sacramento, CA 95825
Office: 916-649-7515 Ext. 106

RAY STONE
INCORPORATED
CA LIC #00357904