

IHOP

EXCLUSIVE NET-LEASE OFFERING



Representative Photo

OFFERING MEMORANDUM



3250 Hodges Blvd, Jacksonville, FL 32224

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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3250 Hodges Blvd, Jacksonville, FL 32224

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Investment Highlights

PRICE: \$2,807,000 | CAP: 5.00% | RENT: \$140,350



About the Investment

- ✓ Long-Term, 15-Year Absolute Triple-Net (NNN) Lease
- ✓ Recent Construction | Redeveloped in 2018 | Build-to-Suit Development
- ✓ Five (5), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 40 Years
- ✓ Franchisee Guarantee | 150+ Unit Operator

About the Location

- ✓ Dense Retail Corridor | Target, Walmart, Walgreens, Hobby Lobby, Publix, Michael's, Chipotle, Dollar Tree, Chase Bank and Starbucks
- ✓ Unparalleled Location | Situated in Jacksonville | Fourth Largest City in Florida With a Population Exceeding 1,000,000 Residents
- ✓ Strong Academic Presence | University of North Florida and Florida State College at Jacksonville | Over 41,000 Students Enrolled Within a Five-Mile Radius
- ✓ Strong Traffic Counts | 113,000 Vehicles Per Day on Interstate-83
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$91,300 Within a One Mile Radius

About the Tenant / Brand

- ✓ IHOP Corporation, International Pancake House Serving Diner-Style Breakfast, Lunch, and Dinner, Is Franchised and Operated by International House of Pancakes, LLC Which is a Wholly-Owned Subsidiary of Dine Brands Global (NYSE: DIN).
- ✓ Established in 1958, There Are 1,650 IHOP Restaurants in 50 States and the District of Columbia, as well as in Bahrain, Canada, Dubai (UAE), Guatemala, Kuwait, Mexico, Puerto Rico, Saudi Arabia, The Philippines and the U.S. Virgin Islands.
- ✓ IHOP Employs Over 10,000 Employees
- ✓ Sunshine Restaurant Partners | Aim to Operate 250+ Units and Become the #1 Restaurant Brand in the Family Dining Segment





Financial Analysis

PRICE: \$2,807,000 | CAP: 5.00% | RENT: \$140,350



Property Description

Property	IHOP
Property Address	3250 Hodges Blvd
City, State, ZIP	Jacksonville, FL 32224
Building Size (Square Feet)	5,017
Lot Size	+/- 0.48 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$2,807,000
CAP Rate	5.00%
Annual Rent	\$140,350
Rent / SF	\$27.97
Price / SF	\$559

Lease Summary

Property Type	Net-Leased Restaurant
Tenant	Sunshine Restaurant Merger SUB, LLC
Original Lease Term	15 Years
Lease Commencement	TBD
Lease Type	Triple-Net
Roof & Structure	Tenant
Rental Increases	1.25% Annually Beginning in Years 6-10 and 1.0% Annually Thereafter
Options to Renew	Five, Five-Year Options
Increases in Options	1.0% Annually

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$140,350	\$11,696	-
Year 2	\$140,350	\$11,696	-
Year 3	\$140,350	\$11,696	-
Year 4	\$140,350	\$11,696	-
Year 5	\$140,350	\$11,696	-
Year 6	\$142,104	\$11,842	1.25%
Year 7	\$143,881	\$11,990	1.25%
Year 8	\$145,679	\$12,140	1.25%
Year 9	\$147,500	\$12,292	1.25%
Year 10	\$149,344	\$12,445	1.25%
Year 11	\$150,837	\$12,570	1.00%
Year 12	\$152,346	\$12,695	1.00%
Year 13	\$153,869	\$12,822	1.00%
Year 14	\$155,408	\$12,951	1.00%
Year 15	\$156,962	\$13,080	1.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for an IHOP located at 3250 Hodges Blvd in Jacksonville, Florida. The site was recently redeveloped in 2018. The property consists of roughly 5,017 rentable square feet of building space on an estimated .48 acre parcel of land.

IHOP is subject to a brand new, 15-year triple-net (NNN) lease. The initial rent is \$140,350, with 1.25% increases in years 6-10 and 1.0% annually thereafter. There are five (5), five (5)-year tenant renewal options, extending the total possible lease term to 40 years.

Glen Kunofsky and Judson Kauffman, Exclusive Listing Agents, are also Principals of this property. They are licensed real estate salespersons for Marcus and Millichap in the state of New York.



Tenant Overview



About IHOP

International House of Pancakes® began making people smile in 1958 when it opened its doors in the suburbs of Los Angeles. Fifteen years later, a new marketing campaign introduced the acronym "IHOP", and since then it's been the name people know as the place they can enjoy their favorite breakfast experience—any time of day.

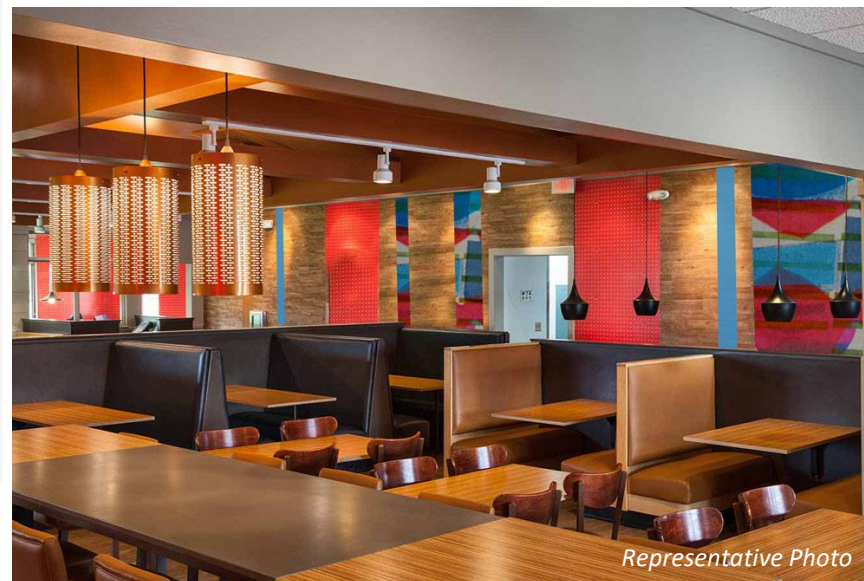
Throughout its 58-year history, they have celebrated more than 1,650 restaurant openings across the country, and around the world. And IHOP has introduced iconic favorites – like the Rooty Tooty Fresh 'N Fruity® – that people have grown up with, and now enjoy with their own families, making new memories. As of 2015, there are 1,650 IHOP restaurants in all 50 states and the District of Columbia, as well as in Bahrain, Canada, Dubai (UAE), Guatemala, Kuwait, Mexico, Puerto Rico, Saudi Arabia, The Philippines and the U.S. Virgin Islands.

About Sunshine Restaurant Partners

Sunshine Restaurant Partners operates over 150 IHOP restaurants in Florida and southern Georgia. Sunshine Restaurant Partners believe in sticking to their core values, which include: personal responsibility, communication, community involvement, and passionate hospitality in order to ensure that every guest has a positive dining experience. The group has dedicated themselves to continued growth, with the goal of eventually operating over 250 locations and becoming the #1 restaurant brand in the Family Dining Segment



Representative Photo



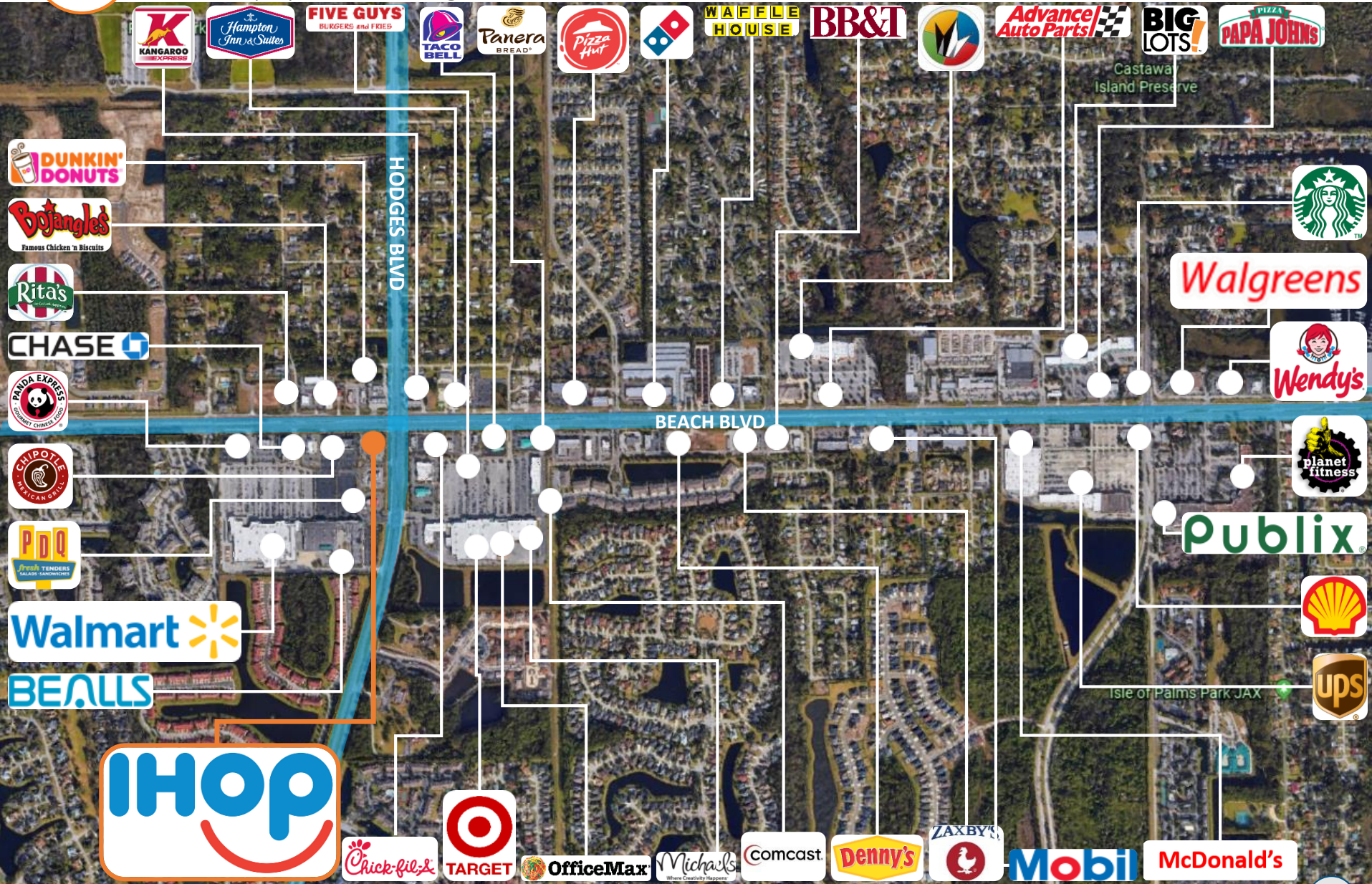
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Surrounding Area



Property Address: 3250 Hodges Blvd, Jacksonville, FL 32224





Location Overview

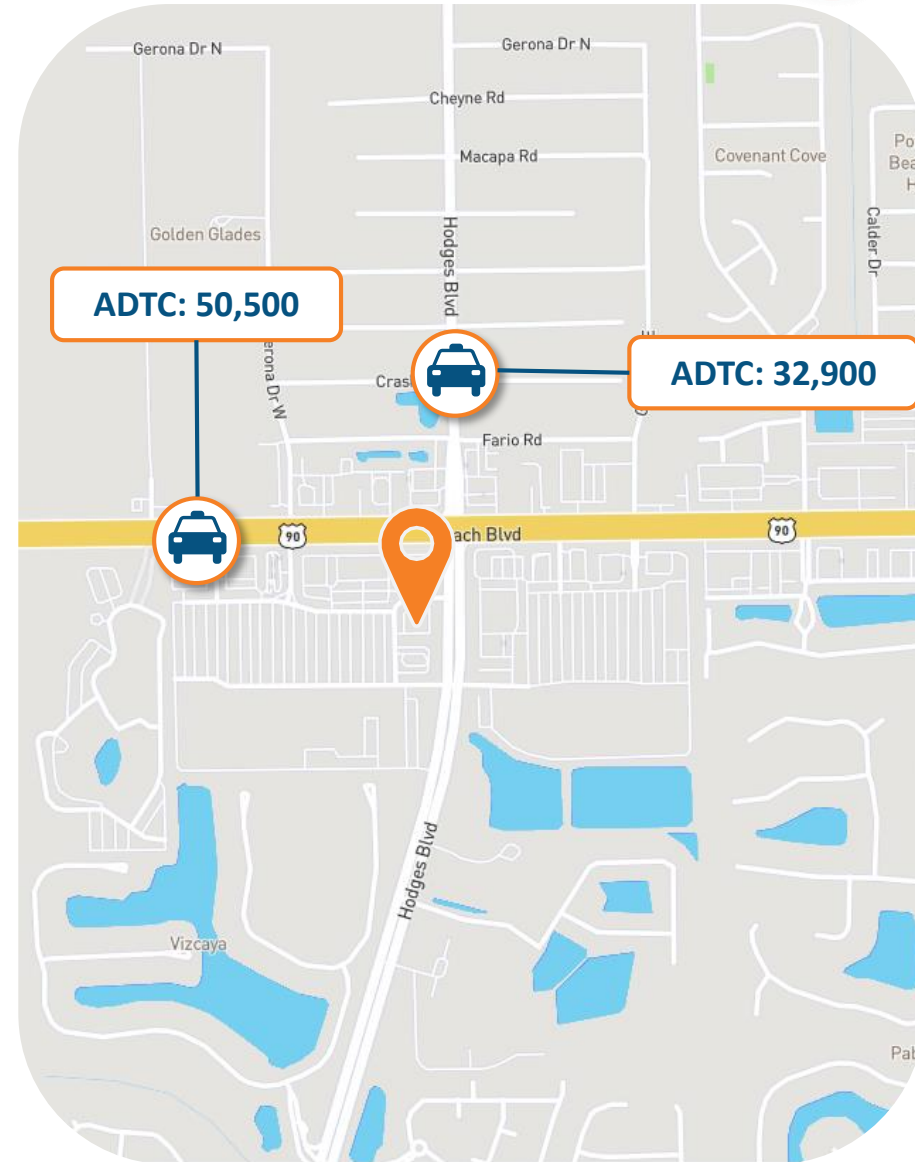
Property Address: 3250 Hodges Blvd, Jacksonville, FL, 32224



The subject investment property is situated on Hodges Blvd, which boasts average daily traffic counts exceeding 32,900 vehicles respectively. Hodges Blvd intersects with nearby Beach Blvd, which brings an average additional 50,500 vehicles to the immediate area per day. There are more than 74,485 individuals residing within a three-mile radius of the property and more than 178,897 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, restaurants and shopping centers, all within close proximity of this property. Major national tenants include: Walmart, Target, Walgreens, Publix, Regal Cinemas, Hobby Lobby, McDonald's, Wendy's, as well as many others. This IHOP property also benefits from its close proximity to several academic institutions. The most notable are the University of Northern Florida and Florida State College at Jacksonville, which have a combined total enrollment exceeding 41,000 students and are both located within an 18-mile radius. Jacksonville International Airport, a fortress hub for Southwest Airlines, serves over 5,000,000 passengers annually and is located less than 25-miles from this IHOP property.

Jacksonville is a seaport city, the most populous city in the state of Florida, and the most populous city in the southeastern United States. The city is the cultural, commercial and financial center of Northern Florida. Jacksonville is home to a major military and civilian deep-water port which supports two United States Naval bases and the Port of Jacksonville, Florida's third-largest seaport. The Port of Jacksonville is a leading port in the United States for automobile imports, as well as the leading transportation and distribution hub in the state. Jacksonville is home to many prominent corporations and organizations ranging across a wide spectrum of sectors, including the headquarters of four Fortune 500 companies: CSX Corporation, Fidelity National Financial, Fidelity National Information Services, and Southeastern Grocers. Three colleges and universities lie within the city's limits: the University of North Florida, Jacksonville University, and Florida State College at Jacksonville. One professional sports team, the Jacksonville Jaguars of the National Football League, plays their home games in downtown Jacksonville.

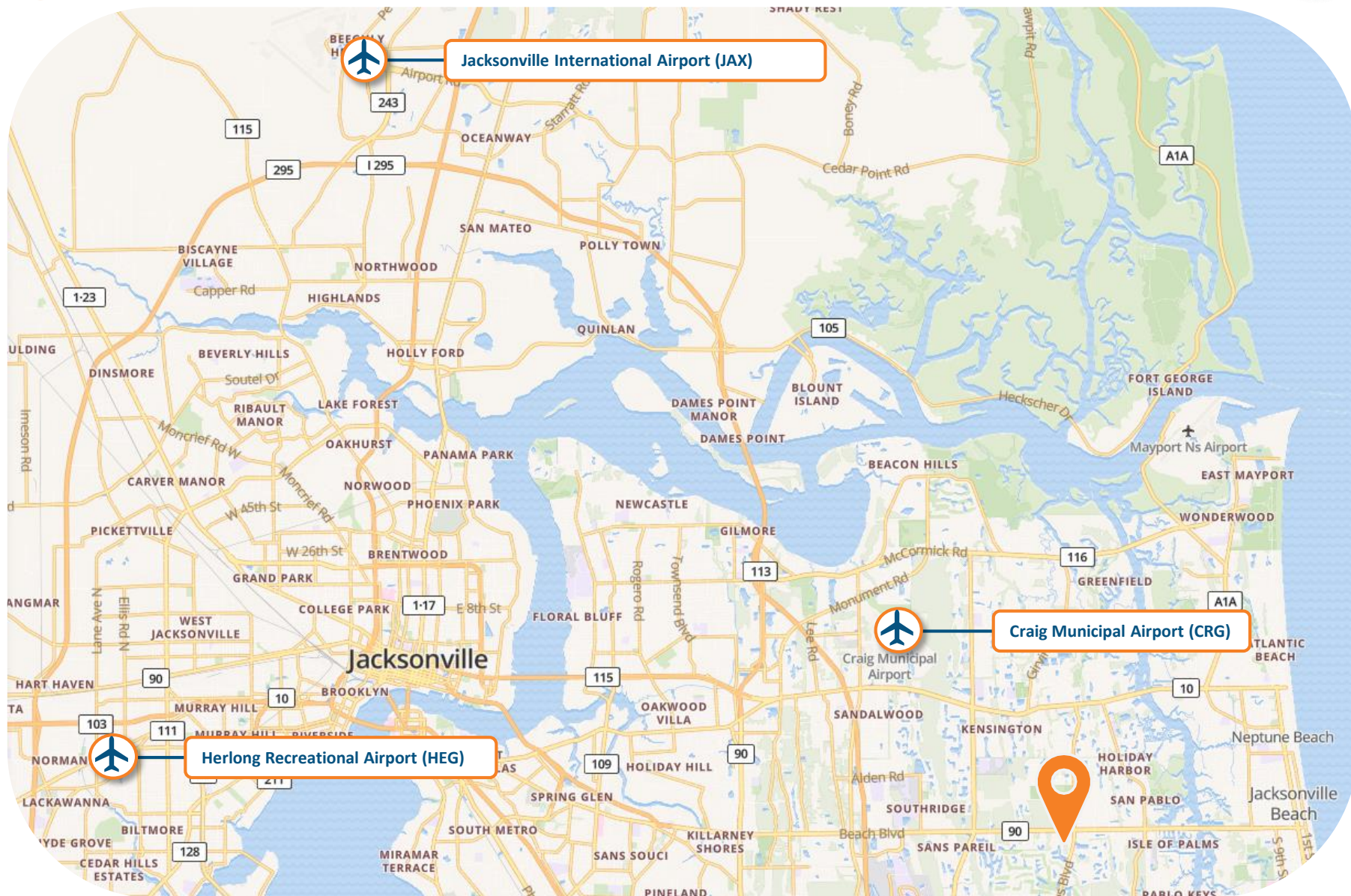




Local Map



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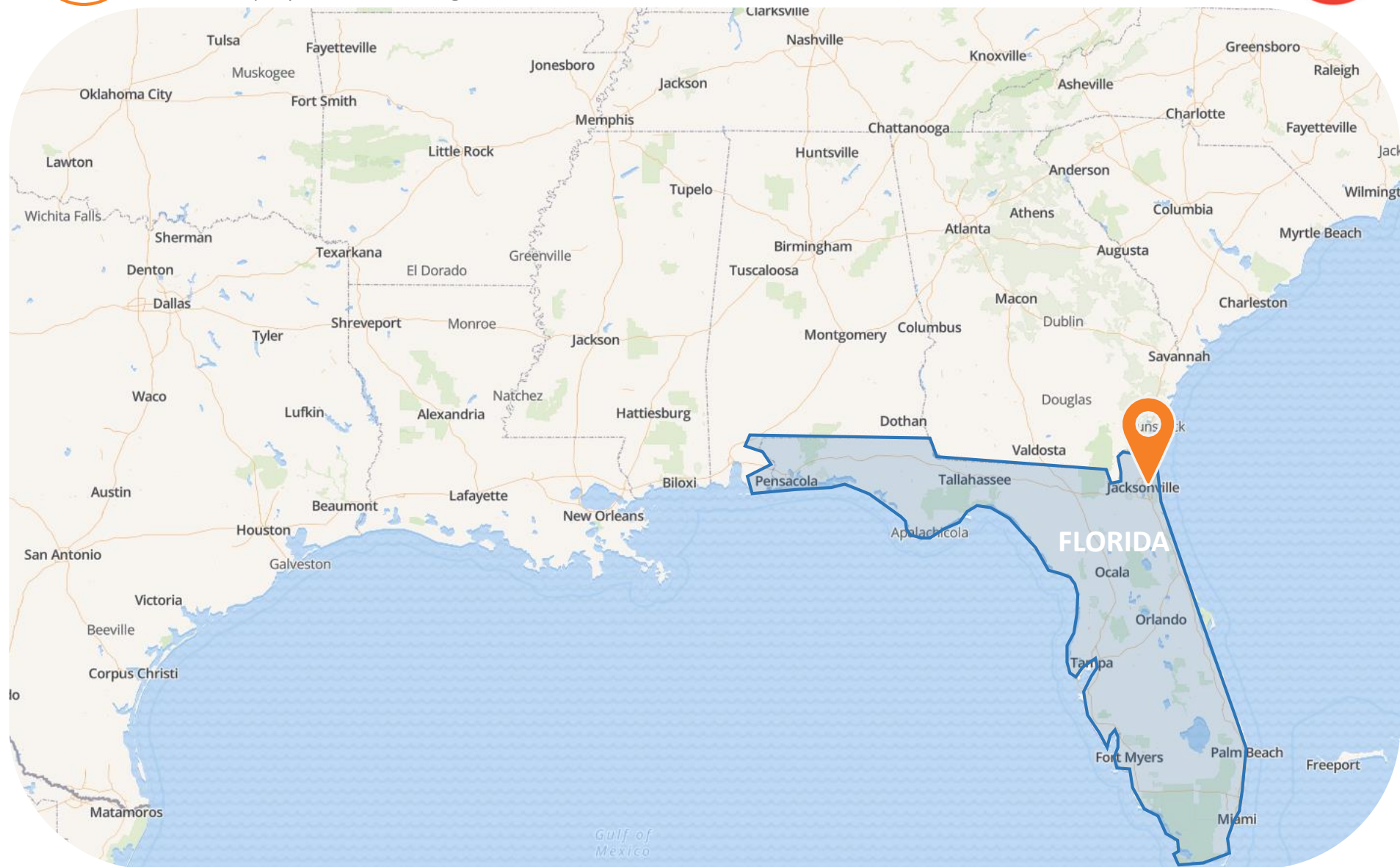




Regional Map

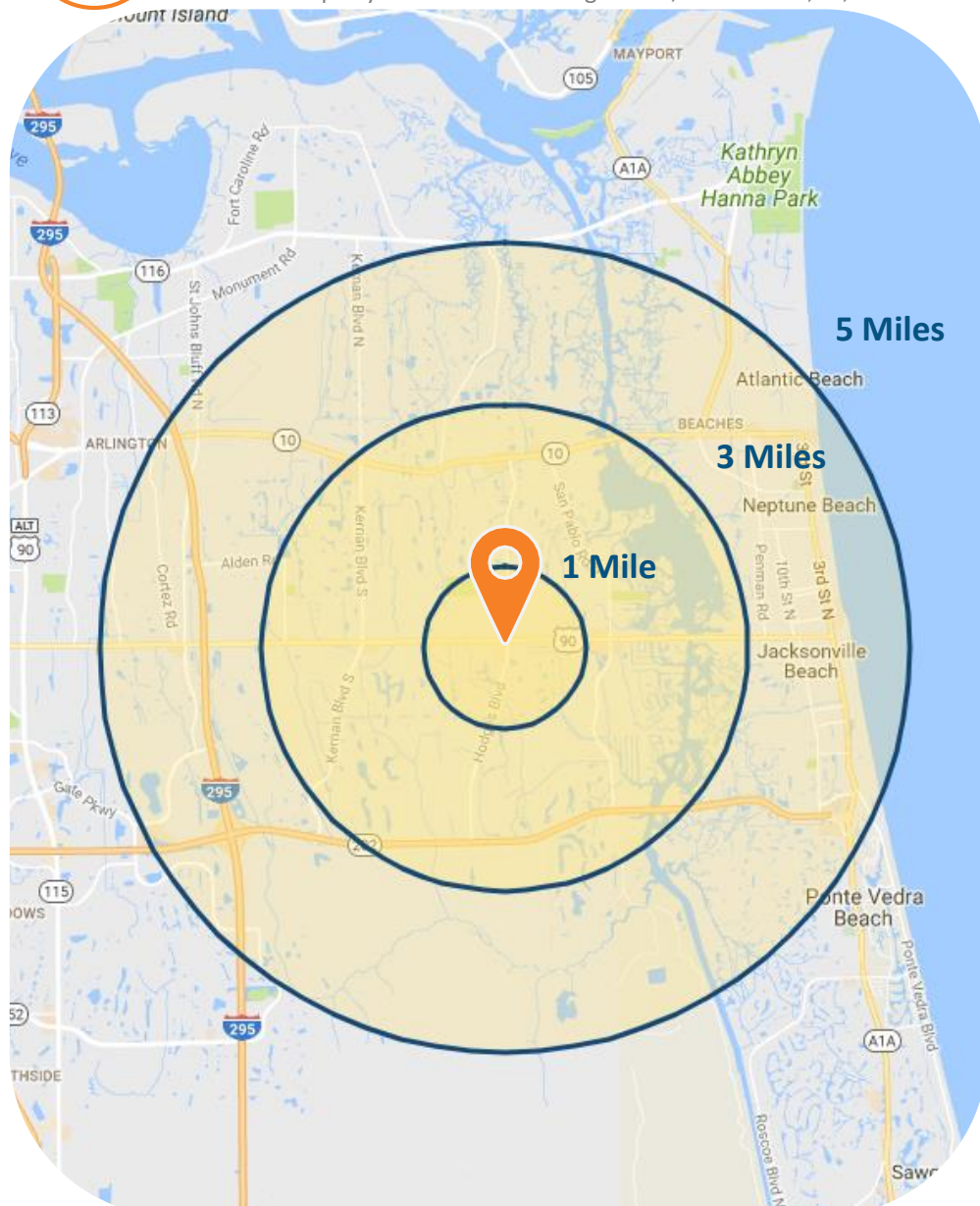


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POPULATION

2022 Projection	11,036	74,485	178,897
2017 Estimate	9,364	66,943	163,199
2010 Census	8,637	61,385	150,783
2000 Census	7,901	50,564	125,474

INCOME

Average	\$91,336	\$91,570	\$90,812
Median	\$62,419	\$65,020	\$62,974
Per Capita	\$38,182	\$36,570	\$36,651

HOUSEHOLDS

2022 Projection	4,700	30,176	72,691
2017 Estimate	3,911	26,711	65,183
2010 Census	3,630	24,662	60,462
2000 Census	3,236	19,004	49,002

HOUSING

2017	\$236,383	\$226,421	\$220,639
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EMPLOYMENT

2017 Daytime Population	7,016	47,824	158,222
2017 Unemployment	3.48%	3.44%	3.43%
2017 Median Time Traveled	26 Mins	25 Mins	25 Mins

RACE & ETHNICITY

White	79.59%	75.21%	74.17%
Native American	0.04%	0.10%	0.12%
African American	6.20%	9.75%	11.18%
Asian/Pacific Islander	5.42%	7.23%	6.90%



Market Overview

City: Jacksonville | County: Duval | State: Florida



Jacksonville, Florida

Jacksonville has a young population and a strong, diversified economy. Historically, military operations, sea trade, and paper manufacturing drove Jacksonville's expansion. Growing technical, manufacturing, service, and tourism industries have supplemented this foundation. The city is home to four Fortune 500 companies: Fidelity National Information Services, Fidelity National Financial, Southeastern Grocers, and CSX. The city has developed a large financial services sector, led by Bank of America, Fidelity National, and Citibank. Jacksonville's emerging industrial base is centered largely around medical product research and manufacturing. More than 8 million tons of cargo pass through Jacksonville's port each year, and the development of cruise ship service will promote further expansion. Jacksonville's riverine location facilitates Naval Station Mayport, Naval Air Station Jacksonville, and the U.S. Marine Corps Blount Island Command. Jacksonville's military bases and the nearby Naval Submarine Base Kings Bay form the third largest military presence in the United States. Warm weather and sunshine attract many to communities such as Atlantic Beach, Neptune Beach and Jacksonville Beach. Sport fishing, golf, and tennis are among the most popular recreational activities. Others take advantage of attractions like the Museum of Science & History, the Cummer Museum of Art, the Mandarin Museum & Historical Society, and the Museum of Contemporary Art Jacksonville. Additional sites of interest include the home of the Jacksonville Jaguars, EverBank Field, and the Jacksonville Zoo, as well as the Jacksonville Landings, a mix of retail and restaurant concepts along the St. Johns River.

Major Employers

Employer	Estimated # of Employees
Scott Lynch MD	5,214
Imortgage	3,601
University of North Florida	1,623
Landstar	1,266
American Heritage	816
Florida Community College	744
Student Tmsp Amer Inc	680
Walmart	660
Baptist Health	535
Baptist Health System Inc	535
Target	467



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Ryan Nee
Marcus & Millichap
5900 North Andrews Ave, Ste 100
Fort Lauderdale, FL 33309
Tel: 954-245-3400
Fax: 954-245-2410
License: BK3154667



3250 Hodges, Jacksonville, Florida 32224