

IHOP

7344 W. COLONIAL DRIVE | ORLANDO, FL

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

OFFERING MEMORANDUM



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SURROUNDING TENANTS





EXECUTIVE SUMMARY

STRATEGIC LOCATION

- Excellent Visibility – Subject property is strategically located on West Colonial Drive (40,000 VPD) with multiple points of ingress and egress, providing easy access for customers
- Explosive Population Growth – Since 2010, the population has grown at a rate of over 15.78% in a 5-mile radius, currently boasting approximately 268,761 individuals.
- Strong Retail Corridor – Surrounding national retailers include: The Home Depot, Sam's Club, Walmart, Burlington, Dollar Tree, Olive Garden, Chili's, Steak N' Shake, Holiday Inn, and many
- Globally Recognized Tourism – Orlando's tourism industry draws over 68 million visitors annually and has an economic impact of \$50+ billion
- Universal Studios – This restaurant is located just over 7-miles from Universal Studios Orlando, which ranks as the sixth most attended theme park in the United States and the ninth most attended theme park worldwide; with an estimated 10,198,000 visitors in 2017

STABLE INVESTMENT

- Long-term Security – ±10-Years remaining on primary lease term
- Absolute NNN Lease – ZERO Landlord Responsibilities – Ideal for out of state investor
- Below Market Rent – Increases investors security through having the ability to possibly increase value during any future repositioning scenario
- Growing Cash Flow – Lease contains 1.00% Annual rental increases
- Recent Construction – The subject property was built in 2014, limiting necessity for future renovations by tenant

LEADING CASUAL DINING CONCEPT

- 100% leased to a franchisee for a national tenant, IHOP restaurant, a subsidiary of DineEquity, INC. which is the largest casual-dining restaurant chain in the world.
- Top IHOP Operator - Sunshine Restaurant Partners is an affiliate of Argonne Capital Group, which through its four partnerships is the largest IHOP franchisee with nearly 300 restaurants across the United States.
 - Argonne Capital Group employs 32,000 people and has grown to over \$1.6 billion in annual sales
 - Sunshine Restaurant Partners has over 150 locations in Florida and Southern Georgia with a vision to expand to 250 locations in the coming years.



7344 W. Colonial Drive
Orlando, FL 32818

List Price\$1,805,268

CAP Rate - Current..... 5.75%

Gross Leasable Area ± 4,613 SF

Lot Size ± 1.06 Acres

Year Built.....2015

Annualized Operating Data

	Monthly Rent	Annual Rent	Annual Rent PSF
Current - 12/31/2019	\$8,650.17	\$103,802.00	\$22.50
1/1/2020 - 12/31/2020	\$8,736.67	\$104,840.02	\$22.73
1/1/2021- 12/31/2021	\$8,824.04	\$105,888.42	\$22.95
1/1/2022 - 12/31/2022	\$8,912.28	\$106,947.30	\$23.18
1/1/2023 - 12/31/2023	\$9,001.40	\$108,016.78	\$23.42
1/1/2024 - 12/31/2024	\$9,091.41	\$109,096.95	\$23.65
1/1/2025 - 12/31/2025	\$9,182.33	\$110,187.91	\$23.89
1/1/2026 - 12/31/2026	\$9,274.15	\$111,289.79	\$24.13
1/1/2027- 12/31/2027	\$9,366.89	\$112,402.69	\$24.37
1/1/2028 - 12/31/2028	\$9,460.56	\$113,526.72	\$24.61
1/1/2029 - 08/20/2029	\$9,555.17	\$114,661.99	\$24.86
Option 1	\$9,650.72	\$115,808.61	\$25.10
Option 2	\$10,143.00	\$121,716.01	\$26.39
Option 3	\$10,660.40	\$127,924.75	\$27.73
Option 4	\$11,204.18	\$134,450.20	\$29.15
Option 5	\$11,755.71	\$141,308.51	\$30.94
Option 6	\$12,376.39	\$148,516.66	\$32.52

Tenant Summary

Tenant Trade Name	IHOP
Type of Ownership	Fee Simple
Lease Guarantor	Sunshine Restaurant Partners (150+ Units)
Lease Type	NNN
Roof and Structure	Tenant Responsibility
Original Lease Term	15 Years
Lease Commencement Date	8/20/2014
Lease Expiration Date	12/11/2029
Term Remaining on Lease	±10 Years
Increases	1.00% Annually
Options	Six, 5-Year Options

PROPERTY OVERVIEW





THE OFFERING

Property Name	IHOP
Property Address	7344 W. Colonial Drive Orlando, FL 32818
Site Description	IHOP
Number of stories	One
Year Built	2015
Gross Leasable Area (GLA)	± 4,613 SF
Lot Size	± 1.06 AC

TENANT OVERVIEW



Property Name	IHOP
Company Trade Name	International House of Pancakes, LLC
Parent Company Trade Name	DineEquity, Inc.
Ownership	Public
Credit Rating (S&P)	B
No. of Locations	± 1,700
No. of Employees	± 40,000
Headquartered	Glendale, California
Website	www.ihop.com
Year Founded	1958

TENANT OVERVIEW

Since 1958, IHOP® has been the place where people connect over breakfast, enjoy study breaks, grab a bite before or after sporting events and so much more. The IHOP family restaurant chain continues to serve their world-famous pancakes and a wide variety of breakfast, lunch and dinner items that are loved by people of all ages. The casual dining restaurant offers pancakes, omelets, French toasts and waffles, crepes, burgers, sandwiches, soups, salads, hash brown stacks, desserts and beverages. International House of Pancakes, LLC also provides a line of syrups through retail stores, mass merchandisers and grocery outlets in the United States. Offering an affordable, everyday dining experience with warm and friendly service, IHOP restaurants are franchised and operated by Glendale, California-based International House of Pancakes, LLC, a wholly-owned subsidiary of DineEquity, Inc., and its affiliates. DineEquity, Inc. is one of the largest full-service restaurant companies in the world with more than 400 franchisee partners.

STRATEGY

As the leader in Family Dining, IHOP’s 99%-franchised system delivers strong free cash flow results that have been the hallmark of the brand’s financial performance for more than half a century. IHOP relies primarily on discounted value pricing and limited-time offers, such as its Free Pancake Giveaway, to drive traffic to its restaurants. The company operates in four segments: franchise operations, company restaurant operations, rental operations, and financing operations. With mostly franchised locations, the IHOP chain includes a dozen corporate-run locations used mostly for testing and training.

Focused on providing strategic, visionary leadership for their franchisees, DineEquity successfully brought Applebee’s and IHOP together in 2007 to revitalize the brands. The company’s dedicated focus combined with an expertise in brand revitalization and franchising have been the basis of their financial success in recent years.

GEOGRAPHIC REACH

DineEquity operates in more than 20 countries. International House of Pancakes, LLC operates and franchises a chain of restaurants in all 50 states, the District of Columbia, the U.S. Virgin Islands and Puerto Rico. Internationally, the company has locations in Canada, Bahrain, Dubai, Guam, Guatemala, Kuwait, Qatar, Saudi Arabia, The Philippines and Mexico. As of 2015, there were 1,650 IHOP restaurants in 50 states.



AREA OVERVIEW





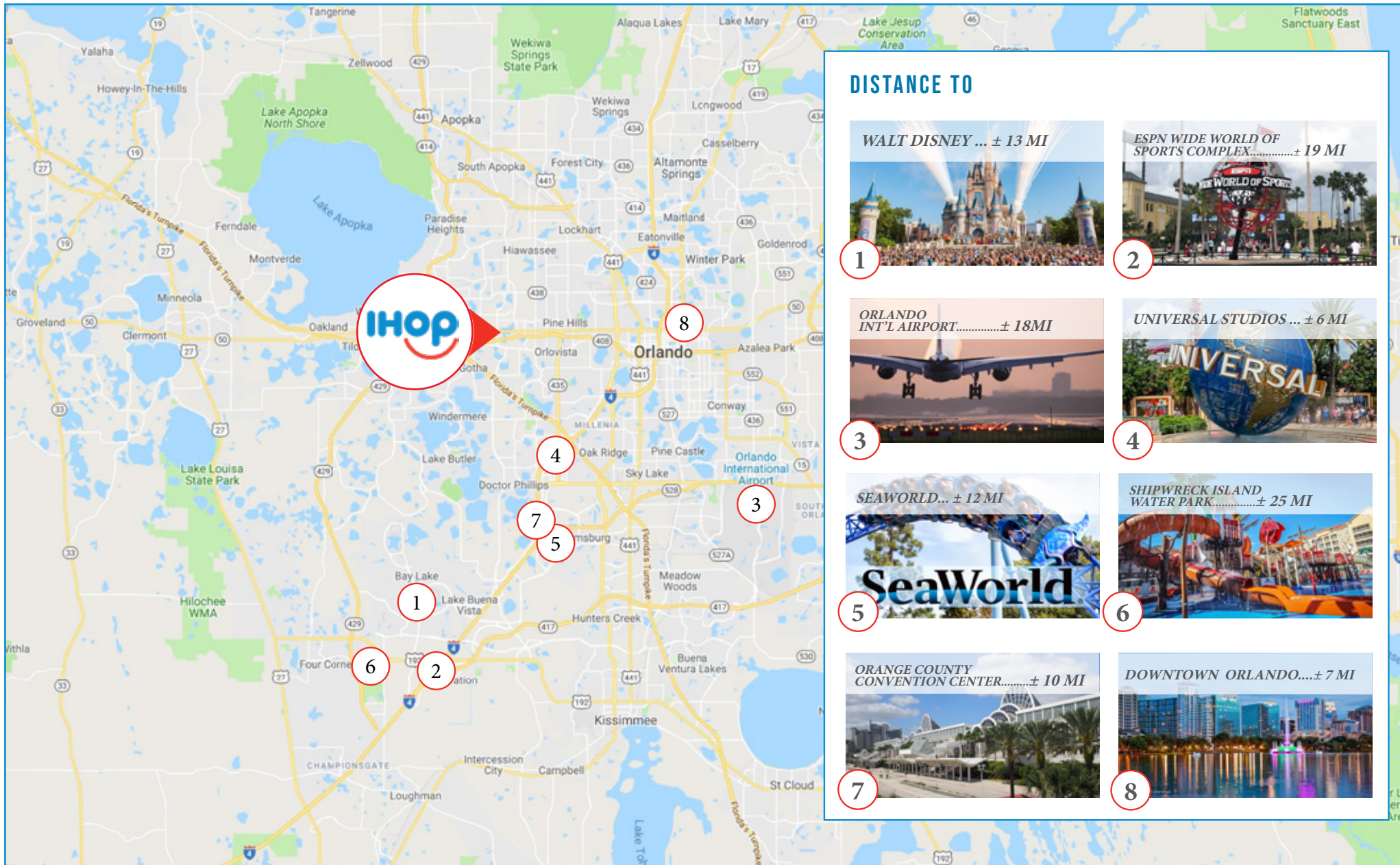
ORLANDO, FL

Orlando, FL, located along the Sun Belt, is one of the most visited cities within the United States. It is the center of the Orlando metropolitan area and offers just about everything when it comes to entertainment. The city was originally nicknamed “The City Beautiful,” because of Lake Eola. In recent years, the city also received the nickname of “The Theme Park Capital of the World.” Orlando holds seven of the top theme parks in the world. In 2015, more than 66 million people visited Orlando. The city also holds beautiful, clean beaches. From theme parks and sunshine to continuously evolving dining scenes, Orlando is the only destination where you can enjoy it all together.

DEMOGRAPHICS

POPULATION	1 Mile	3 Mile	5 Mile
2010 Census	14,360	105,834	235,688
2019 Estimate	16,734	119,654	271,965
2024 Projection	18,121	128,583	293,502
2010-2019 Growth	16.53%	13.06%	15.39%
2019-2024 Growth	8.29%	7.46%	7.92%
HOUSEHOLDS	1 Mile	3 Mile	5 Mile
2010 Census	5,136	37,008	84,464
2019 Estimate	5,971	42,134	98,166
2024 Projection	6,460	45,375	106,106
2010-2019 Growth	16.26%	13.85%	16.22%
2019-2024 Growth	8.19%	7.69%	8.09%
2019 Est. Average Household Income	\$52,604	\$59,767	\$68,810

REGIONAL MAP





ORLANDO ATTRACTIONS

Orlando is best-known as home to the world's top theme parks and water parks including the four theme parks and two water parks at Walt Disney World Resort - Disney's Animal Kingdom, Blizzard Beach Water Park, Epcot, Disney's Hollywood Studios, Magic Kingdom, and Typhoon Lagoon; the two theme parks at Universal Orlando Resort - Islands of Adventure and Universal Studios Florida; three parks from SeaWorld Parks and Entertainment - SeaWorld Orlando, Aquatica - SeaWorld's Waterpark and Discovery Cove; and LEGOLAND Florida Resort. With a unique mix of legendary theme parks, water parks, spectacular museums, world-class entertainment and blockbuster rides and attractions, it would take about 67 days to visit all of the entertaining offerings in Orlando.

With approximately 450 hotels and more than 116,000 guest rooms - including 35 AAA Four Diamond and Forbes Travel Guide Four-Star award recipients - Orlando offers more lodging options than nearly any destination in the world. Accommodations range from luxury resorts and themed hotels to charming bed and breakfasts, economy hotels/motels and campgrounds. Vacation ownership units, private condominiums, and homes are also available.

ECONOMY

The Orlando area is a large industrial and hi-tech center. It is nationally recognized for their innovative techniques in digital media, aviation, aerospace, agricultural technology, and software design. The city holds over 150 international companies that represent 20 different countries. Orlando is also the 7th-largest research park in the country. Central Florida Research Park is home to over 120 companies that employ more than 8,500 people. It is also the hub of the nation's military simulation and training programs.

Lockheed Martin has a large manufacturing facility for missile systems, aeronautical craft, and other high-tech research. Many notable engineering firms work with the different branches of the U.S. Army to create innovative technology. The city is also a large home base for Darden Restaurants, Olive Garden, and LongHorn Steakhouse.

The film, television, and entertainment industry is another large sector for Orlando's economy. Universal Studios, Disney's Hollywood Studios, UCF College of Arts and Humanities, Full Sail University, and Florida Interactive Entertainment Academy are only a few studios and teaching programs that are located within Orlando. The gaming industry has also become an important part of the Orlando economy. Everything from film, show production, computer animation, video game design, and much more is taught and executed extensively in Orlando.

**150
INTERNATIONAL
COMPANIES**

**\$33 BILLION
IN TOURISM**

**7TH-LARGEST
RESEARCH PARK**





UNIVERSITY OF CENTRAL FLORIDA (UCF)

The University of Central Florida is a metropolitan public research university in Orlando. Founded in 1963, it holds the largest enrollment at a single campus. The university offers over 200 degrees within thirteen colleges. UCF has ten regional campuses in Central Florida with most of the student population located on the main campus. The university has made significant research contributions to engineering, optics, business administration, hospitality management, education, digital marketing, and simulation.

UCF was ranked the third-best “up and coming” national university, as well as, the 13th most innovative school. It was also ranked among the nation’s “Best Graduate Schools,” with most of their graduate programs receiving top-100 rankings within the nation. The student body keeps growing with 34% of accepted applicants being in the top 10% of their class and 72% being in the top quarter of their high school. More freshmen and transfer students applied to UCF during 2015 than any other public university in Florida. They also awarded more bachelor’s degree than any other public Florida University.

GETTING AROUND

ORLANDO INTERNATIONAL AIRPORT

Orlando's major airport is Orlando International Airport (MCO), located within 15-miles (24-kilometers) of the Orange County Convention Center and major attractions. With 38 scheduled airlines and two charters, MCO provides nonstop service to 76 destinations in the U.S. and 32 international cities. More than 35 million passengers use Orlando International Airport annually; making MCO the third busiest airport in the U.S. Orlando Sanford International Airport is located within 18-miles of Orlando city limits and 45 minutes from the Orange County Convention Center and major attractions.

GROUND TRANSPORTATION

Major highway networks provide easy access for visitors to reach their destinations and for traveling in and around the Greater Orlando area. Primary roadways include Interstate 4, the Florida Turnpike (toll), Highway 528 (Beachline Expressway-toll), Highway 408 (East-West Expressway-toll), Highway 417 (Central Florida Greenway-toll) and State Road 429 (toll). Orlando's main train service is Amtrak, serving 29 Florida communities. The I-Ride Trolleys serve the popular International Drive Resort Area year-round.



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **IHOP** located at **7344 W. Colonial Drive | Orlando, FL 32818** ("Property"). It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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