

# IHOP

2726 EMERSON DRIVE, ELKHART, INDIANA



OFFERING MEMORANDUM

Marcus & Millichap





INDUSTRIAL

ELKHART  
MUNICIPAL  
AIRPORT



DOWNTOWN  
ELKHART

INDUSTRIAL

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# Executive Summary

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$2,500,000</b>
Down Payment	100% \$2,500,000
Cap Rate	5.60%
Building SF	4,538 SF
Net Cash Flow	5.60% \$140,000
Year Built	
Lot Size	1.29 Acres

## LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	RMLS Hop Indiana, LLC
Guarantor	RMLS Hop LLC
Roof & Structure	Tenant Responsible
Est. Lease Commencement Date	2019
Est. Lease Expiration Date	2039
Lease Term	20 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options

ASSIGNMENT: Tenant may assign this Lease or sublet the Premises, upon at least ten (10) days prior written notice to Landlord, but without Landlord's consent or any assumption or transfer fee, or sharing of rents, to (i) IHOP Franchising, LLC, a Delaware limited liability company ("IHOP"), as Tenant's Franchisor, or (ii) a bona fide and credit worthy IHOP franchisee who has owned and operated IHOP restaurants for not less than two (2) years prior to any such assignment or subletting, provided, that the net value of such franchisee or its guarantor(s) is at least \$5,000,000.00 and the number of IHOP restaurants currently owned and operated by such franchisee is not less than ten (10) ("IHOP Franchisee Assignee"). Tenant will cause the IHOP Franchisee Assignee to furnish such financial and franchise information as requested by Landlord necessary to determine the IHOP Franchisee Assignee's net value and credit worthiness. The assigning Tenant and its guarantor shall remain fully liable for all covenants and obligations under this Lease including, but not limited to, the payment of the annual base rental due except in the event the assignee has a minimum net worth of \$20,000,000.00.

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$140,000.00	5.60%
6 - 10	\$154,000.00	6.16%
11 - 15	\$169,400.00	6.78%
16 - 20	\$186,340.00	7.45%
Options	Annual Rent	Cap Rate
Option 1	\$204,974.00	8.20%
Option 2	\$225,471.40	9.02%
Option 3	\$248,018.54	9.92%
Option 4	\$272,820.39	10.91%

<b>Base Rent</b>	<b>\$140,000</b>
<b>Net Operating Income</b>	<b>\$140,000</b>
<b>Total Return</b>	<b>5.60% \$140,000</b>



**PET SMART**  
**five BELOW**  
**SHOE CARNIVAL**  
**ROSS STORES, INC.**  
**HIBBETT SPORTS**  
**rue21**

**amc**  
THEATRES

**Walmart**  
Supercenter

**IHOP**

**CARIBBEAN**  
**AUTO SPA**

**Great Clips**  
**GameStop**  
**CATO**

**JIMMY JOHN'S**  
**PIZZA**

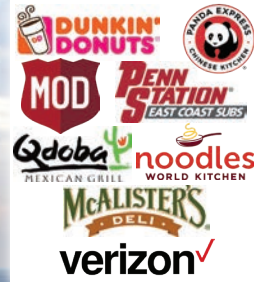
**cricket**  
wireless

**BIGGBY**  
COFFEE  
**BoFlics**  
HAIRCARE  
**xfinity**

**8,950 CPD**  
EMERSON DRIVE

**YOU** Teachers Credit Union





19,940 CPD  
COUNTY ROAD 6

Great Clips  
GameStop  
CATO



8,950 CPD  
EMERSON DRIVE



# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 20-Year Absolute Triple-Net (NNN) Lease**
- » 10% Rental Increases Every 5 Years
- » **Guarantor is One of the Largest Franchisee and Developers of IHOP Restaurants in the U.S. - 107+ Locations**
- » 88,379 Residents within a 5-Mile Radius
- » **Outparcel to Walmart Supercenter**
- » Easily Accessible via County Road 6 (19,940+ Cars/Day)
- » **Surrounded by Major National Retailers - Walmart Supercenter, Lowe's, ALDI, Dollar Tree, Menards, AMC Theatres, and More**
- » Average Household Income Exceeds \$64K within a 5-Mile Radius
- » **Approximately 1 Mile Off the Interstate 80 - Direct Access to Chicago**
- » Strong Daytime Population - 95,843 Employees in Surrounding Area



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2023 Projection	2,900	38,054	90,619
2018 Estimate	2,754	37,219	88,379
Growth 2018 - 2023	5.30%	2.25%	2.53%

### Households

2023 Projection	1,392	15,893	34,975
2018 Estimate	1,304	15,283	33,507
Growth 2018 - 2023	6.77%	4.00%	4.38%

### Income

2018 Est. Average Household Income	\$61,876	\$62,537	\$64,886
2018 Est. Median Household Income	\$50,838	\$49,584	\$52,119
2018 Est. Per Capita Income	\$29,294	\$25,742	\$24,711









# Tenant Overview



Glendale, California

Headquarters

Dine Brands Global

Parent Company

1,800+

Locations

[www.ihop.com](http://www.ihop.com)

Website

IHOP® competes in the Family Dining segment of the restaurant industry, and all IHOP restaurants are owned by independent franchise operators. For 57 years, the IHOP family restaurant chain has served its world famous pancakes and a wide variety of breakfast, lunch and dinner items that are loved by people of all ages. IHOP offers its guests an affordable, everyday dining experience with warm and friendly service.

As of 2015, there were over 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. IHOP restaurants are franchised and operated by Glendale, California-based

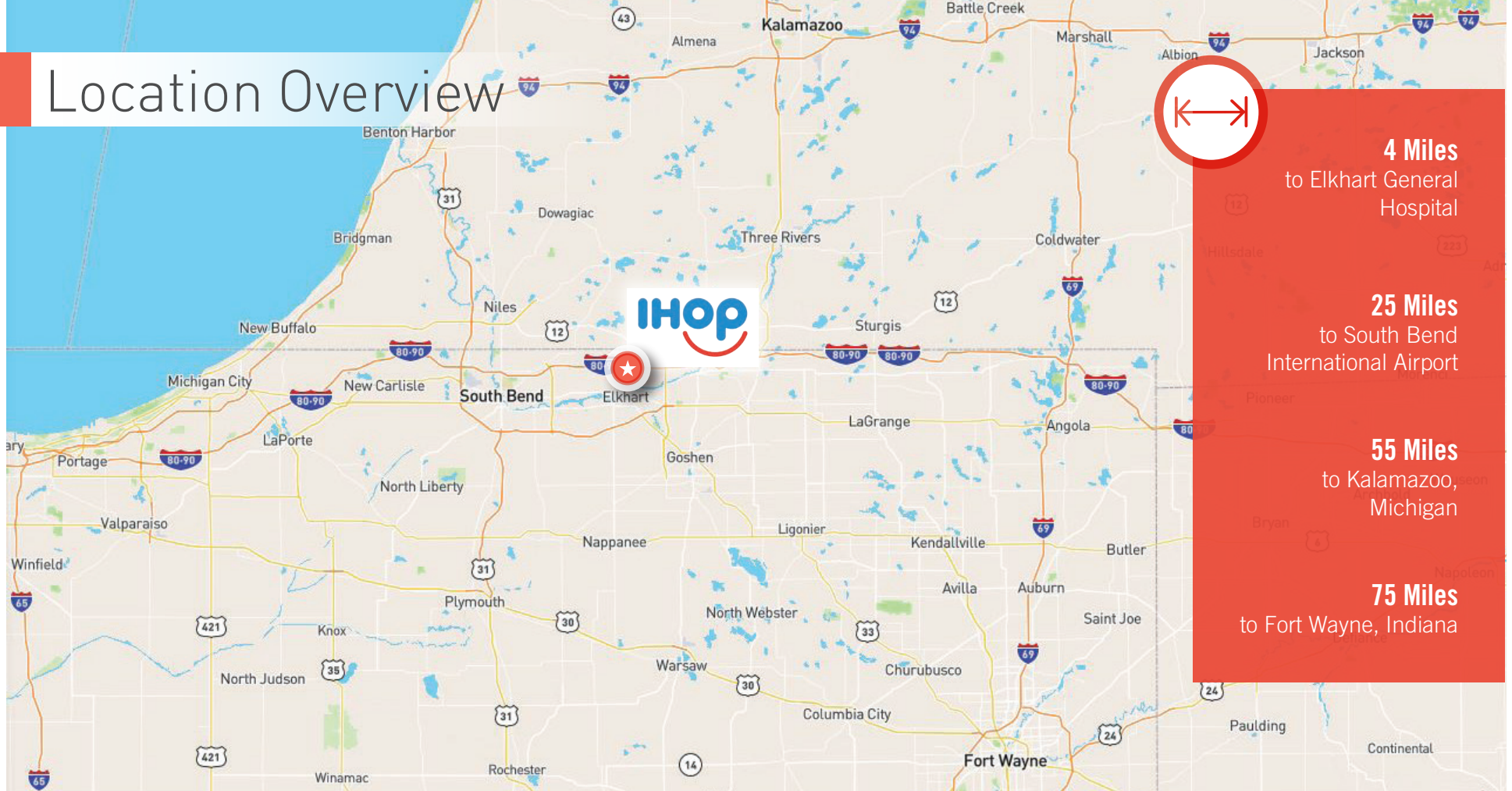
International House of Pancakes, LLC and its affiliates. International House of Pancakes, LLC is a wholly-owned subsidiary of Dine Brands Global (NYSE: DIN).

**FRANCHISEE OVERVIEW:** Romulus is one of the largest franchisee and developers of IHOP Restaurants in the country. With the corporate headquarters in Phoenix, AZ, Romulus currently operates 107 IHOP Restaurants in 11 States (Arizona, Idaho, Pennsylvania, Oklahoma, Kansas, Texas, New Mexico, Indiana, and Ohio.

The company has been a franchisee since 1991 and has steadily grown from one restaurant to its current size with anticipated revenues exceeding \$200M and employing approximately 6,000 employees.



# Location Overview



Elkhart, located in northern Indiana, lies at the confluence of the St. Joseph and Elkhart rivers, 15 miles east of South Bend, 110 miles east of Chicago, and 150 miles north of Indianapolis. The city is home to approximately 52,500 residents and is part of the South Bend-Elkhart-Mishawaka Combined Statistical Area in a region commonly known as Michiana, due to its location near the Indiana/Michigan border.

Known as the RV Capital of the World and the Band Instrument Capital of the World, Elkhart's primary industries include the manufacture of recreational

vehicles and musical instruments. The city is home to the headquarters of international corporations, it is the birthplace of Alka-Seltzer, as well as other innovations in electronics and band instruments. Elkhart County as a whole boasts more patents than any other Indiana county outside the state capital. Major employers in the city include Thor Industries, Forest River, Lippert Components, and Beacon Health System.

Home to beautiful golf courses, parks, hiking and biking trails, Elkhart has a dynamic community spirit.



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