

I H O P

3965 NORTH GLOSTER STREET, TUPELO, MS 38804

Marcus & Millichap

OFFERING MEMORANDUM



Representative Photo

INVESTMENT HIGHLIGHTS

- Absolute NNN Lease | Corporate Guarantee
- Rental Increase to 8% Cap Rate on 12/01/2021
- Irreplaceable Location | Outparcel to a Walmart Supercenter
- 40,000+ Vehicles Per Day at North Gloster Street and Barnes Crossing
- Dense Retail Corridor | Walmart, Big Oaks Crossing, Sam's Club, Starbucks, Lowe's, The Mall at Barnes Crossing, CarMax Trampoline Park, King's Crossing, ALDI, Applebee's, and Chic-fil-A



INVESTMENT OVERVIEW

Marcus and Millichap is pleased to represent this 3,392 Square Foot IHOP located in Tupelo, Mississippi. This IHOP is an outparcel to a Walmart Supercenter, subject to an Absolute NNN Lease with 5+ Years remaining on the lease term with three 5-year options to extend. The tenant has been operating successfully at this location since 2001.

The property benefits from its visibility, strategically located on North Gloster Street, seeing over 20,884 cars per day and Barnes Crossing, seeing over 19,590 cars per day. The property is easily accessible off Freeways US-45 & I-22 being very popular with travelers circulating between Saltillo, Sherman, Plantersville, and Verona, Mississippi.

There are numerous national retailers and service oriented retailers that are clustered in the immediate area; a Walmart, Big Oaks Crossing, Sam's Club, Starbucks, Lowe's, The Mall at Barnes Crossing, CarMax Trampoline Park, King's Crossing, ALDI, Applebee's, and Chic-fil-A. The property is located 6.5 miles from Tupelo Regional Airport.

OFFERING SUMMARY

PRICE	\$2,699,020
NOI	\$195,678.96
CAP RATE	7.25%
PRICE/SF	\$795.70
RENT/SF	\$57.68
LEASE TYPE	NNN
GROSS LEASABLE AREA	3,392 SF
YEAR BUILT	2000
LOT SIZE	0.92 Acres

LEASE SUMMARY

PROPERTY ADDRESS	3965 North Gloster Street, Tupelo, MS 38804
PROPERTY SUBTYPE	Net Leased Restaurant
TENANT	IHOP Corporation
LEASE COMMENCEMENT	November 14, 2001
LEASE EXPIRATION	November 30, 2026
RENEWAL OPTIONS	Three 5-Year Options
TERM REMAINING	5+ Years
RENTAL INCREASES	10% every Five Years
LANDLORD RESPONSIBILITY	None
TENANT RESPONSIBILITY	Property Taxes, Insurance, and CAM
FIRST RIGHT OF REFUSAL	Yes - 10 Day Notice to Tenant



LEASE YEARS	MONTHLY RENT	ANNUAL RENT	CAP RATE
12/1/2016 - 11/30/2021	\$16,306.58	\$195,679.00	7.25%
12/1/2021 - 11/30/2026	\$17,937.25	\$215,247.00	7.97%
1st Option Period			
12/1/2026 - 11/30/2031	\$19,730.92	\$236,771.00	8.77%
2nd Option Period			
12/1/2031 - 11/30/2036	\$21,704.08	\$260,449.00	9.6%
3rd Option Period			
12/1/2036 - 11/30/2041	23,874.42	\$286,493.00	10.61%



TENANT PROFILE

Tenant	IHOP
Lease Guarantor	Corporate
Ownership	Public
Years in Business	61 Years
Number of Locations	1,822
Headquarters	Glendale, CA
Website	www.ihop.com

ABOUT THE TENANT

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.

Office DEPOT
OfficeMax

Applebee's
GRILL & BAR

Pizza Hut
NO ONE OUTPIZZAS THE HUT

HOME
DEPOT

Chick-fil-A

W BARNES CROSSING RD - 19,590 VPD

ihop

CARmax

ALDI

FIVE GUYS
BURGERS and PREP

KING'S
CROSSING

PETCO.com

EVENT
ZONE

DOLLAR TREE

PANDA EXPRESS
CHINESE KITCHEN

Walmart+

The Mall at
Barnes Crossing

Sam's Club

Domino's

SONIC

LOWE'S

STARBUCKS
COFFEE

Wendy's

Best
Western

N GLOSTER ST - 20,884 VPD

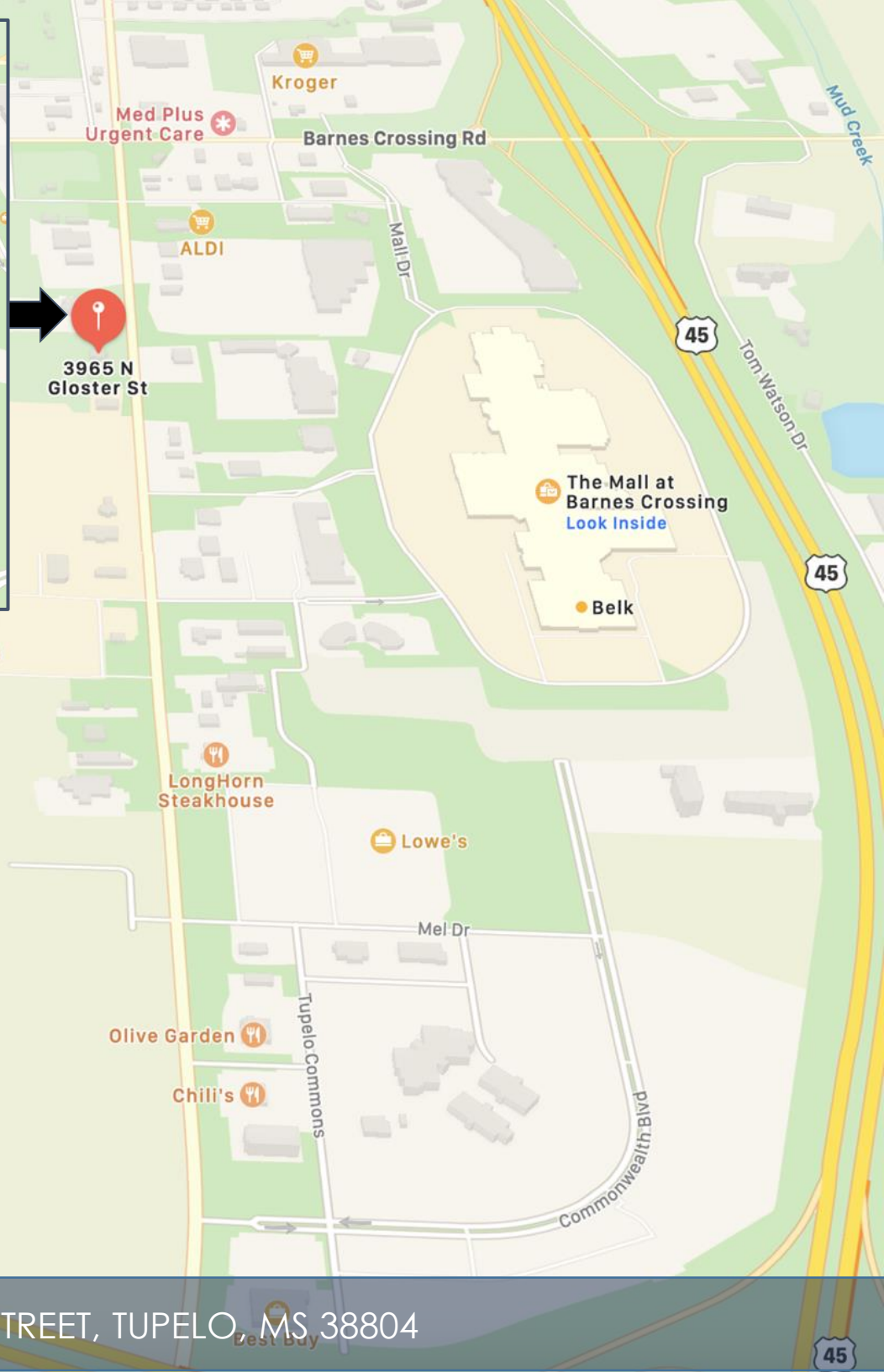
BUFFALO
WILD
WINGS

Olive
Garden
ITALIAN CUISINE

chili's

BEST
BUY

IHOP | 3965 NORTH GLOSTER STREET, TUPELO, MS 38804



POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	709	8,454	35,638
■ 2020 Estimate			
Total Population	686	8,321	35,312
■ 2010 Census			
Total Population	630	7,983	34,332
■ 2000 Census			
Total Population	388	7,229	32,113
■ Current Daytime Population			
2020 Estimate	864	11,939	50,639
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	368	3,434	14,304
■ 2020 Estimate			
Total Households	352	3,358	14,093
Average (Mean) Household Size	2.37	2.45	2.46
■ 2010 Census			
Total Households	326	3,236	13,768
■ 2000 Census			
Total Households	198	2,887	12,834
■ Occupied Units			
2025 Projection	368	3,434	14,304
2020 Estimate	428	3,954	16,131
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$150,000 or More	9.96%	12.95%	8.26%
\$100,000 - \$149,000	21.88%	15.08%	12.27%
\$75,000 - \$99,999	19.75%	15.39%	14.25%
\$50,000 - \$74,999	16.78%	17.21%	19.05%
\$35,000 - \$49,999	8.86%	9.54%	11.74%
Under \$35,000	22.75%	29.84%	34.41%
Average Household Income	\$88,126	\$90,615	\$75,428
Median Household Income	\$77,215	\$65,702	\$54,576
Per Capita Income	\$45,246	\$36,658	\$30,288

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$81,099	\$73,891	\$67,574
■ Consumer Expenditure Top 10 Categories			
Housing	\$21,751	\$19,709	\$18,004
Transportation	\$14,682	\$13,227	\$11,903
Shelter	\$12,296	\$11,068	\$10,030
Food	\$8,785	\$8,062	\$7,423
Personal Insurance and Pensions	\$7,406	\$6,714	\$6,047
Health Care	\$5,736	\$5,259	\$4,771
Utilities	\$4,378	\$4,114	\$3,879
Entertainment	\$3,172	\$2,847	\$2,527
Household Furnishings and Equipment	\$2,273	\$2,045	\$1,854
Cash Contributions	\$1,932	\$1,780	\$1,524
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	686	8,321	35,312
Under 20	22.73%	25.99%	27.29%
20 to 34 Years	17.92%	18.12%	19.85%
35 to 39 Years	8.00%	6.77%	6.93%
40 to 49 Years	13.95%	12.63%	12.58%
50 to 64 Years	19.16%	20.17%	18.21%
Age 65+	18.23%	16.31%	15.14%
Median Age	40.88	39.34	37.04
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	498	5,717	23,656
Elementary (0-8)	2.34%	2.90%	3.29%
Some High School (9-11)	5.46%	8.97%	9.96%
High School Graduate (12)	29.14%	23.40%	22.56%
Some College (13-15)	21.98%	20.57%	24.63%
Associate Degree Only	11.66%	10.48%	10.22%
Bachelors Degree Only	17.07%	19.07%	17.82%
Graduate Degree	12.06%	13.38%	10.07%



Population - In 2020, the population in your selected geography is 8,321. The population has changed by 15.11% since 2000. It is estimated that the population in your area will be 8,454.00 five years from now, which represents a change of 1.60% from the current year. The current population is 48.40% male and 51.60% female. The median age of the population in your area is 39.34, compare this to the US average which is 38.21. The population density in your area is 294.22 people per square mile.



Income - In 2020, the median household income for your selected geography is \$65,702, compare this to the US average which is currently \$62,990. The median household income for your area has changed by 67.25% since 2000. It is estimated that the median household income in your area will be \$74,888 five years from now, which represents a change of 13.98% from the current year.

The current year per capita income in your area is \$36,658, compare this to the US average, which is \$34,935. The current year average household income in your area is \$90,615, compare this to the US average which is \$90,941.



Households - There are currently 3,358 households in your selected geography. The number of households has changed by 16.31% since 2000. It is estimated that the number of households in your area will be 3,434 five years from now, which represents a change of 2.26% from the current year. The average household size in your area is 2.45 persons.



Race and Ethnicity - The current year racial makeup of your selected area is as follows: 73.53% White, 23.31% Black, 0.04% Native American and 1.08% Asian/Pacific Islander. Compare these to US averages which are: 69.84% White, 12.88% Black, 0.20% Native American and 5.75% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

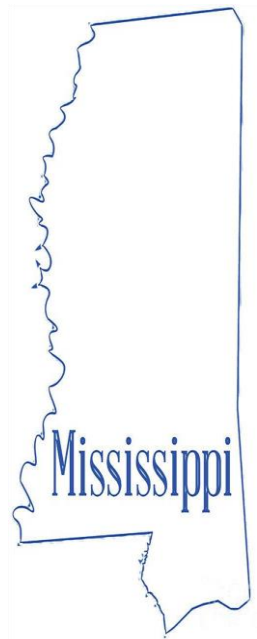
People of Hispanic origin make up 1.74% of the current year population in your selected area. Compare this to the US average of 18.38%.



Housing - The median housing value in your area was \$168,077 in 2020, compare this to the US average of \$221,068. In 2000, there were 1,987 owner occupied housing units in your area and there were 900 renter occupied housing units in your area. The median rent at the time was \$398.



Employment - In 2020, there are 7,724 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 64.74% of employees are employed in white-collar occupations in this geography, and 36.10% are employed in blue-collar occupations. In 2020, unemployment in this area is 4.98%. In 2000, the average time traveled to work was 19.00 minutes.



TUPELO, MISSISSIPPI

Tupelo is a city in, and the county seat of, Lee County, Mississippi, United States. With an estimated population of 38,312 in 2019, Tupelo is the sixth-largest city in Mississippi and is considered a commercial, industrial, and cultural hub of North Mississippi.

Tupelo was incorporated in 1866, although the area had earlier been settled as "Gum Pond" along the Mobile and Ohio Railroad. On February 7, 1934, Tupelo became the first city to receive power from the Tennessee Valley Authority, thus giving it the nickname "The First TVA City". Much of the city was devastated by a major tornado in 1936 that still ranks as one of the deadliest tornadoes in American history. Following electrification, Tupelo boomed as a regional manufacturing and distribution center and was once considered a hub of the American furniture manufacturing industry. Although many of Tupelo's manufacturing industries have declined since the 1990s, the city has continued to grow due to strong healthcare, retail, and financial service industries. Tupelo is the smallest city in the United States that is the headquarters of more than one bank with over \$10 billion in assets.

Tupelo has a deep connection to Mississippi's music history, being known as the birthplace of Elvis Presley and Diplo as well as the origin of the group Rae Sremmurd. The city is home to multiple art and cultural institutions, including the Elvis Presley Birthplace and the 10,000-seat BancorpSouth Arena, the largest multipurpose indoor arena in Mississippi. Tupelo is the only city in the Southern United States to be named an All-America City five times, most recently in 2015.

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