

IHOP

2430 173rd STREET, LANSING (CHICAGO), ILLINOIS



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

2430 173rd Street, Lansing (Chicago), IL 60438

FINANCIAL SUMMARY

Price	\$3,046,000
Cap Rate	6.50%
Building Size	4,909 SF
Net Cash Flow	6.50% \$198,000 ⁽¹⁾
Year Built	2017
Lot Size	1.04 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	IHOP FRANCHISOR LLC
Guarantor	RMLS HOP, LLC
Est. Rent Commencement Date	October 2, 2017
Est. Lease Expiration Date	October 1, 2037
Lease Term Remaining	16 Years
Rental Increases	10% Every 5 Years
Renewal Options	5, 5 Year Options
Right of First Refusal	12 Days

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. In the event of an approved assignment, guarantor's obligations will be released.

(1) Rent is based on October 2022 Rent increase. Seller will credit the Buyer the difference in Rent between Close of Escrow and the scheduled Rent increase date.

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
10/2/2022 - 10/1/2027	\$198,000	6.50%
10/2/2027 - 10/1/2032	\$217,800	7.15%
10/2/2032 - 10/1/2037	\$239,580	7.87%
Options	Annual Rent	Cap Rate
Option 1	\$263,538	8.65%
Option 2	\$289,892	9.52%
Option 3	\$289,892	9.52%
Option 4	\$318,881	10.47%
Option 5	\$350,769	11.52%

Base Rent	\$198,000
Net Operating Income	\$198,000
Total Return	6.50% \$198,000



sam's club petco
BUFFALO WILD WINGS White Castle SHOE CARNIVAL
BIG Denny's ROSS
LOTS! DISCOUNT STORES, INC. TACO BELL
BOB'S FURNITURE

RIVER OAKS CENTER
JCPenney rue21
macy's K A Y
Bath & Body Works

DOLLAR TREE
FAMILY DOLLAR
Burlington
Rainbow

Olive Garden
CHASE BURGER KING

THE HOME DEPOT

ALDI

DOWNTOWN CHICAGO

22,100 CPD
TORRENCE AVE

Calver's

Wendy's
DUNKIN' DONUTS
HOOTERS

Pep Boys
FIRESTONE
SHERWIN WILLIAMS

K & G
FASHION SUPERSTORE

H
HONDA

Napleton
AUTOMOTIVE GROUP

Red Roof
Inn

extended
STAY AMERICA

ihop

JUST TIRES

173rd STREET

ESPORTA
FITNESS





Walmart

SUBWAY
planet fitness
boost mobile
DUNKIN' DONUTS
WING STOP
Round the Clock

MCDONALD'S
DAIRY QUEEN
T-Mobile
CHEVROLET

178,400 CPD
INTERSTATE 94

U-HAUL

ESPORTA
FITNESS

Public Storage

22,100 CPD
TORRENCE AVE

QT
QuikTrip

*Development Pending

ihop

173rd STREET

extended
STAY
AMERICA

JUST TIRES

HONDA
Holiday Inn Express
Gordon
FOOD SERVICE

Napleton
AUTOMOTIVE GROUP

Red Roof
Inn



Property Description



INVESTMENT HIGHLIGHTS

- » **16 Years Remaining on Absolute Triple-Net (NNN) Lease Term**
- » 10% Rental Increases Every 5 Years
- » **237,264 Residents within a 5-Mile Radius - Dense Trade Area in the Chicago MSA**
- » Guarantor is One of the Largest Franchisee and Developers of IHOP Restaurants in the U.S. - 110+ Locations
- » **Situated Immediately Off the I-94 Freeway (178,400+ Cars/Day), Providing Direct Access to Chicago**
- » Located within a Major Retail Corridor - Tenants Include Walmart, The Home Depot, Planet Fitness, Sam's Club, ALDI, Wendy's, and More
- » **Positioned Off Torrence Avenue with 22,100 Cars/Day**
- » Strong Daytime Population - 217,150+ Employees in Surrounding Area



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2025 Projection	8,672	102,763	234,082
2020 Estimate	8,617	103,959	237,264

Households

2025 Projection	3,334	38,825	86,339
2020 Estimate	3,308	39,163	87,158

Income

2020 Est. Average Household Income	\$65,626	\$67,935	\$68,510
2020 Est. Median Household Income	\$50,569	\$54,703	\$53,574
2020 Est. Per Capita Income	\$25,576	\$25,728	\$25,330



Tenant Overview



Glendale, California

Headquarters

Dine Brands Global

Parent Company

1,800+

Locations

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.

Property Photos



Location Overview



The Village of Lansing is a southern suburb of Chicago located in Cook County, Illinois. Spanning approximately 7.5 square miles, Lansing is home to an estimated 27,400 residents. Lansing boasts a small town charm with the convenience of being less than an hour away from one of the country's largest cities. The village is bordered by Indiana to the east.

Lansing is an economically and socially diverse community comprised of a variety of individuals, from college graduates to skilled tradesmen. The community is strategically located in the center of the dynamic Interstate 80 Corridor, allowing businesses to take advantage of a regional population of 9 million people.

Nicknamed "The Windy City," the city of Chicago is located in the northeast portion of the state of Illinois, along the shorelines of Lake Michigan. Chicago is the nation's third-largest city, trailing only New York and Los Angeles, with a population exceeding 2.7 million in 2019. At nearly 10 million people, Chicago's metropolitan area is the third most populous in the nation. The city is one of the world's great economic centers, with a diverse employment base, robust transportation network, and renowned tourist attractions that enhance Chicago's reputation on the global stage. The professional, scientific, and technical services sector is a major employment generator for the city of Chicago, which contains 36 Fortune 500 companies, including Boeing, Walgreens, and McDonald's.

[exclusively listed by]

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