

# 7.97% RENT TO SALES RATIO (6 YEARS AT LOCATION / 2022 STORE SALES \$1.77M)

# IHOP

3090 North Chestnut Drive Colorado Springs, CO 80907 Absolute-Net (Zero Landlord Responsibilities): New 25 Year Lease with 7.5% Rental Increases Every 5 Years Including the Three, 5 Year Options. Experienced Operator: 45 Years of Industry Experience Operating Brands in Five Different States: Louisiana, Mississippi, Kansas, Missouri, Colorado, & Texas.

Just East of Garden of the Gods: West Fillmore, which IHOP fronts, will Take you to the World Famous Garden of the Gods Nature Center that is Visited by Over 4 Million Guest Every Year.

**Prominent Location & Excellent Visibility:** IHOP is Located Just Off Interstate 25 Which Oversees 128,000 Vehicles Per Day; Interstate 25 is the Most Traveled Road in Colorado Springs.

Millichap The deltondo group

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# IHOP

Address:	3090 North Chestnut Drive Colorado Springs, CO 80907
Price:	\$2,563,636
CAP:	5.50%
NOI:	\$141,000

Seller is in a contract position on the real estate and business and is therefore not the current holder of title. Seller will obtain title on both the business and the property no later than the closing date of this subsequent transaction being marketed.

# **INVESTMENT SUMMARY**

Lease Type:	Absolute-Net
Landlord Responsibility:	None
Year Built:	2017
Building Area:	4,123 SF
Land Area:	1.01 Acres
Vehicles Per Day:	42,097 (Chestnut & Fillmore)



# HIGHLIGHTS

Absolute-Net (Zero Landlord Responsibilities): New 25 Year Lease with 7.5% Rental Increases Every 5 Years Including the Three, 5 Year Options.

**Experienced Operator:** 45 Years of Industry Experience Operating Brands in Five Different States: Louisiana, Mississippi, Kansas, Missouri, Colorado, & Texas.

**Strong Operating History**: IHOP has Operated at this location for 6 Years and did \$1,770,000 in store sales last year equating to a 7.97% Rent-to-Sales Ratio.

**Just East of Garden of the Gods:** West Fillmore, which IHOP fronts, will Take you to the World Famous Garden of the Gods Nature Center that is Visited by Over 4 Million Guest Every Year.

**Prominent Location & Excellent Visibility:** IHOP is Located Just Off Interstate 25 Which Oversees 128,000 Vehicles Per Day; Interstate 25 is the Most Traveled Road in Colorado Springs.

**1.5 Miles from Coronado High School:** Just West of IHOP Coronado High School has Over 1,362 Students and 70+ Staff Members on Campus.



Base Rent	Annually	Monthly
Close of Escrow - Year 5	\$141,000.00	\$11,750.00
Year 6 - Year 10	\$151,575.00	\$12,631.25
Year 11 - Year 15	\$162,943.13	\$13,578.59
Year 16 - Year 20	\$175,163.86	\$14,596.99
Year 21 - Year 25	\$188,301.15	\$15,691.76

# TENANT SUMMARY

Tenant Name:	IHOP
Guaranty:	JHAH, LP (24 Units)
Type of Ownership:	Fee Simple
Lease Type:	Absolute-Net
Landlord Responsibilities:	None
Rent Commencement:	Close of Escrow
Lease Expiration:	25 Years from COE
Term Remaining:	25 Years
Increases:	7.5% Every 5 Years
Options:	Three, 5 Year



# **TENANT OVERVIEW**

IHOP, competes in the family dining segment of the restaurant industry, and 99% of all IHOP restaurants are owned by independent franchise operators. For 60 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. Today, there are over 1,786 IHOP locations throughout 50 states, the District of Columbia, Puerto Rico, Guam and Saipan.

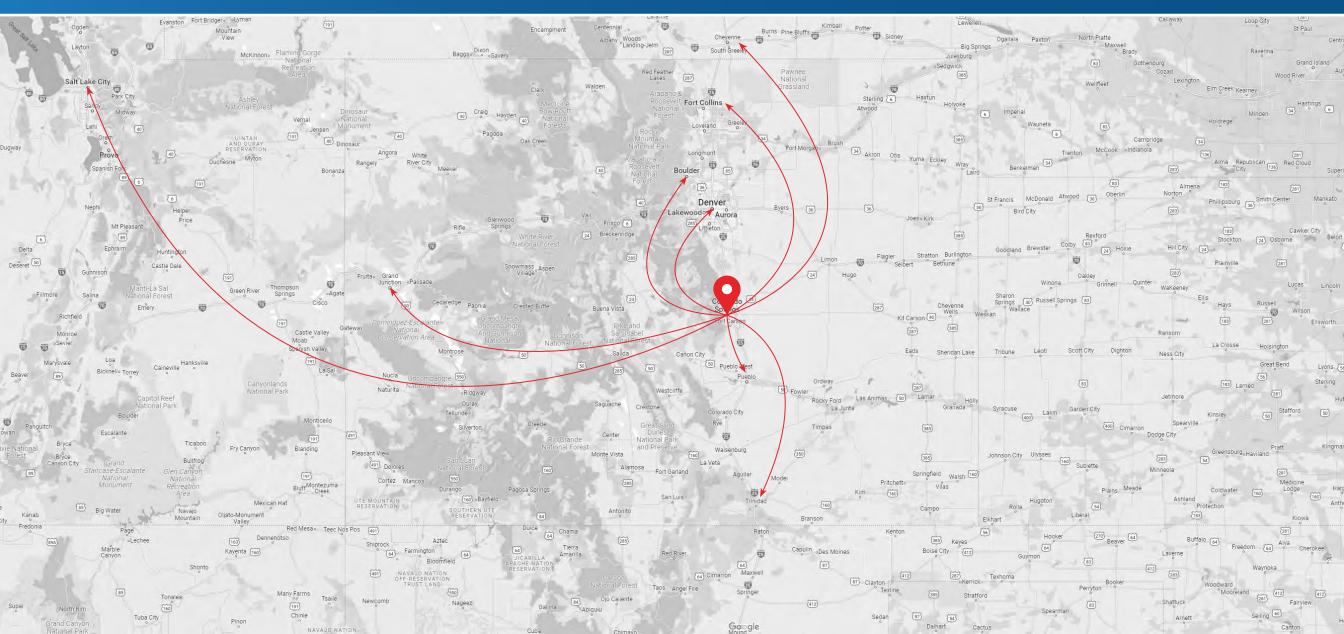
Tenant:	IHOP	
Website:	www.ihop.com	
Company Type:	Subsidiary of \$DIN	
Locations:	1,650+	
Employees:	32,000	
2021 Assets:	\$1,999.4 M	
2021 Revenue:	\$349.6 M	

# JHAH, LP

JHAH, LP has been in the restaurant industry for over 45 years and currently operates brands in five different states: Colorado, Louisiana, Mississippi, Kansas, Missouri, and Texas. JHAH, LP currently operates 24 IHOP Units.

# **REGIONAL MAP**





GARDEN OF THE GODS Colorado Springs, CO



### LOWER COST OF LIVING

Colorado Springs offers cost advantages over nearby Denver and Boulder. The median home price in the metro is \$30,000 below the median price in Boulder.

## STRONG HIGH-TECH INDUSTRY

High-tech manufacturing provides a solid base for the area's economy. Companies include Hewlett-Packard, Oracle, Microchip and Cherwell Software.

# NATIONAL STRATEGIC & MILITARY PRESENCE

The U.S. military plays a vital role in the local economy. Fort Carson, Peterson Air Force Base, NORAD, NORTHCOM and the U.S. Air Force Academy are all located in the metro.

# COLORADO SPRINGS, CO

Colorado Springs boasts a magnificent natural landscape, including the 14,100-foot Pikes Peak, that draws residents and visitors to the area. The metro encompasses El Paso and Teller counties, and local geology limits development in certain locations. The market contains a population of approximately 755,000 people. Colorado Springs is the most populous city with around 461,000 residents, followed by Security-Widefield and Fountain. The population in the metro is expected to grow by 49,000 residents through 2026.

# MAJOR EMPLOYERS

XAware Inc.
Vectrus
Young Life
USA Hockey
Compassion International
Colorado Springs School District 11
Hero Practice Services
Polaris Alpha
Colorado Springs Bus System
The Broadmoor

# ECONOMY

- Colorado Springs uses the economic stimulus provided by the military to build other economic engines.
  Business sectors that are growing through incentives include aerospace, defense and homeland security, renewable energy and energy efficiency, software, and information technology.
- Sports health and wellness is another segment the city would like to expand. Colorado Springs is the home of the U.S. Olympic Training Center and headquarters of the U.S. Olympic Committee.
- Technology is another major employment component as high-tech firms hire thousands of residents. The region has recorded a wave of established firms and startups opening offices in the metro, including several international firms.





	1 Mile	3 Mile	5 Mile
2023 Estimated Population:	8,943	76,589	203,894
Daytime Population:	21,051	134,799	277,777
Household Income:	\$64,688	\$81,516	\$83,119

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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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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. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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