

Owner User or Investment Opportunity

920 S. Gilbert Road, Gilbert, AZ 85296

OFFERING MEMORANDUM



6% CAP RATE | TRIPLE NET (NNN) LEASE

D **DIVERSIFIED PARTNERS**

Nationwide Real Estate Services

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The information contained herein has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used for example only, and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial & legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine, to your satisfaction, the suitability of the property for your needs.

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. And no matter what menu items they order, there's one ingredient that's always constant - a smile! **IHOP** has seen millions of smiles over the years in their restaurants, and now in shared photos across their social properties. Smiles are such an important part of their culture, they changed their logo to include one.

For 65 years, the **IHOP** family restaurant chain has served their world famous pancakes and a wide variety of breakfast, lunch and dinner items that are loved by people of all ages - offering an affordable, everyday dining experience with warm and friendly service.

As of June 30, 2023, there are 1,790 **IHOP** restaurants around the world, including restaurants in all 50 states, two U.S. territories and 13 countries outside the United States, including the Middle East and South Asia.

IHOP restaurants are franchised by affiliates of Pasadena, Calif.-based Dine Brands Global, Inc. International House of Pancakes, LLC is a subsidiary of Dine Brands Global, which is publicly traded (NYSE: DIN). Dine Brands was formed after **IHOP's** purchase of Applebee's in 2007, with 99% of the restaurants run by independent franchisees.



Sources: [IHOP.com](https://www.ihop.com), Wikipedia.org

INVESTMENT HIGHLIGHTS

- ± 4,022 SF freestanding IHOP restaurant on ± 39,043 SF lot
- Triple Net Lease. Initial term runs through 10/31/27 with \$723,000 of rent remaining as of 10/31/24; three additional 5-year option periods
- Stable cash flow with significant NOI growth
- Building recently received roof improvements and HVAC maintenance
- Strong potential for redevelopment or re-tenanting upon lease expiration
- Owner User or Investment Opportunity
- Close proximity to Gilbert Town Square which offers dining, shopping and entertainment; tenants include Pei Wei, Sport Clips, Chipotle, Bowlero, Regal Cinemas & more!



Strong traffic counts of almost 25,000 VPD along Gilbert Road and upwards of 27,000 VPD along Warner Road



Located directly across Gilbert Road from Gilbert Civic Center and Gilbert Town Hall



\$763,154.00 of rent still remaining in Initial Lease Term as of 9.1.2024



Premier ± 11.57 gross acre Intercapital Development site underway at the SEC of Warner Road & Gilbert Road

EXECUTIVE SUMMARY



INVESTMENT OVERVIEW

Sale Price:	\$4,000,000.00
Cap Rate:	6%
Net Cash Flow:	\$241,000.00 (current annual)
Lease Term:	25 Years
Options:	Three, 5-Year Option Periods

SITE INFORMATION

Location:	920 S. Gilbert Road Gilbert AZ 85296
Building Size:	± 4,022 SF
Parcel Size:	± 39,043 SF
APN:	302-82-970

LEASE STRUCTURE

Lease Type:	Absolute Triple Net (NNN) Lease
Lease Start:	October 22, 2002
Lease Expiration:	October 31, 2027
Guarantor:	Corporate Guarantee

LEASE YEAR MONTHLY RENT YEARLY RENT

22*	\$20,083.00	\$241,000.00
23	\$20,083.00	\$241,000.00
24	\$20,083.00	\$241,000.00
25	\$20,083.00	\$241,000.00

* CURRENT (Year 23 Commences 10/2024)

OPTION PERIODS

1st 26 - 30	\$21,833.00	\$262,000.00
2nd 31 - 35	\$24,083.00	\$289,000.00
3rd 36 - 40	\$26,500.00	\$318,000.00



AERIAL



VIEW LOOKING NORTH



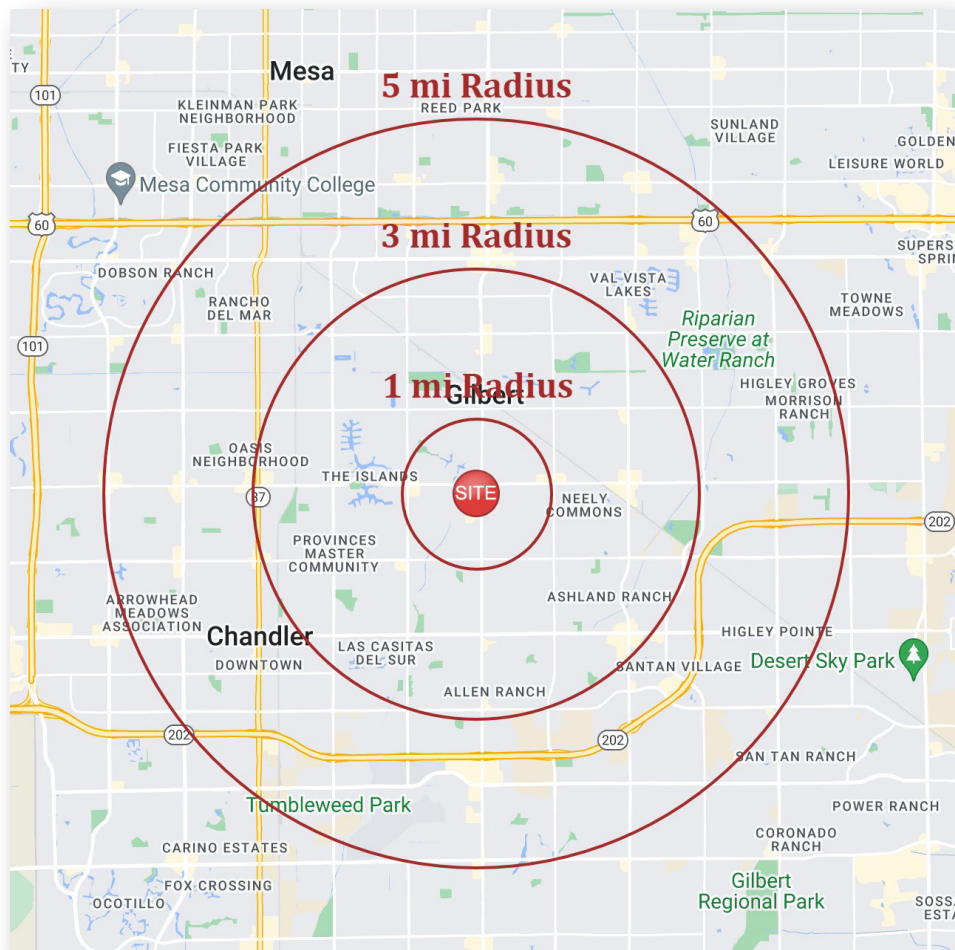
VIEW LOOKING SOUTHWEST



DEMOGRAPHICS 2024

POPULATION	1 Mile	3 Mile	5 Mile
2024 Est. Population	18,796	132,091	344,437
2029 Projected Population	20,359	135,574	351,002
2020 Census Population	18,653	135,794	347,466
2010 Census Population	15,842	123,589	302,141
2024-2029 Proj. Annual Growth	1,563	3,483	6,566
2024 Daytime Population	9,976	72,023	192,105

2024 HOUSEHOLD INCOME	1 Mile	3 Mile	5 Mile
\$10,000 - \$14,999	85	526	2,127
\$15,000 - \$24,999	177	1,228	3,616
\$25,000 - \$34,999	269	2,037	5,918
\$35,000 - \$49,999	427	3,441	9,719
\$50,000 - \$74,999	722	6,964	19,161
\$75,000 - \$99,999	1,112	6,935	18,549
\$100,000 - \$124,999	771	5,961	15,701
\$125,000 - \$149,999	798	5,017	12,488
\$150,000 - \$199,999	1,015	6,759	15,267
\$200,000 or More	1,239	7,515	18,679
Average HH Income	\$148,900	\$142,571	\$136,747



HOUSEHOLDS	1 Mile	3 Mile	5 Mile
Total Housing Units 2024	7,239	51,327	134,327
Total Housing Units 2020	6,512	48,730	127,585
Historical Annual Growth (2020-2024)	728	2,597	6,742
Housing Units Occupied	6,811	48,110	127,733
Owner-Occupied	4,811	33,166	77,739
Renter-Occupied	2,000	14,944	47,994
1 Person Households	1,311	10,360	30,921
2 Person Households	3,402	22,096	54,607
3 Person Households	897	6,974	17,857
4 Person Households	672	4,953	12,508
5 Person Households	332	2,321	5,807

ABOUT GILBERT



Once known as the “Hay Shipping Capital of the World,” Gilbert, AZ has evolved into one of the fastest growing communities and largest town in the United States. Encompassing 72.6 square miles, just southeast of Phoenix, Gilbert has transformed from an agricultural community to a thriving and economically-diverse suburban community.

Incorporated in 1920, Gilbert owes its beginnings to William “Bobby” Gilbert who provided land to the Arizona Eastern Railway in 1902 to construct a rail line between Phoenix and Florence, AZ.

During the last three decades, Gilbert has seen tremendous growth, increasing in population from 5,717 in 1980 to more than 275,346 in 2022. Many recent accolades, including being named the 2nd Safest City and the 22nd Best Place to Live in the country, explain why so many want to live and do business in Gilbert.

The iconic water tower stands tall in downtown Gilbert in an area that once housed little more than the post office. Today, you will find the downtown bustling with shops, restaurants, a theater and Park University Gilbert, which opened in 2018.

Gilbert boasts a nationally ranked K-12 education system including public schools, unique magnet and charter schools, with an average graduation rate of 90%. Nearly 40% of Gilbert residents hold a bachelor’s degree or higher and the median household income is \$115,179 (2022).

Gilbert’s booming housing industry is coupled with booming business. With a targeted focus in the Science, Technology, Engineering and Math industries, Gilbert is home to many companies with focuses in Advanced Manufacturing, Aerospace and Defense, Bio-Technology, Clean Technology and Renewable Energy.

As Gilbert approaches build-out over the next decade, the estimated population is expected to reach 330,000.

OFFERING MEMORANDUM

CONFIDENTIALITY AGREEMENT

This is a confidential Offering Memorandum that is intended only for the purpose of review by a prospective purchaser of the 920 S. Gilbert Road, Gilbert, AZ 85296 and is not to be used for any other purpose or by any other person without the consent of Diversified Partners. Material included in this Offering Memorandum is based upon information provided by Owner and information obtained by the Broker through sources deemed reliable. This Memorandum is not to be considered a representation of the state of affairs of the project and is not intended to be the entirety of documentation required by prospective investors for consideration. No warrantee or representation, expressed or implied, is made by the Owner or Broker as to the accuracy or completeness of information included within this Offering Memorandum. All financial projections and project information (including acreage and square footage) is for general reference purposes only, may be approximate in nature and are subject to variation. Qualified investors shall have the opportunity to review additional documentation and inspect the subject property. Investors should conduct their own due diligence to determine the condition of the property.

This Offering Memorandum has been prepared by the Broker and approved by the Owner for distribution to prospective purchasers only for their review.

The Owner reserves the right, at its sole discretion, to reject offers to purchase the subject property. The Owner shall not have any legal commitment to any party reviewing this Offering Memorandum until any written agreements have been fully executed and any contingencies have been waived.

Receipt of this Offering Memorandum shall confirm agreement that this document is confidential and shall not be distributed to any other entity without written consent from Diversified Partners.

If upon review of this Offering Memorandum you no longer have further interest or do not wish to pursue the purchase of this property, please return this Offering Memorandum to Diversified Partners.



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