

For sale

Single tenant IHOP in
Carlsbad, New Mexico



2529 South Canal Street
Carlsbad, New Mexico

Confidential offering memorandum

**AVISON
YOUNG**



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±4,993 SF single tenant IHOP for sale in Carlsbad, New Mexico.

Investment summary

Overview

Avison Young is pleased to present the opportunity to acquire the single-tenant IHOP on fee simple land located at 2529 South Canal Street in Carlsbad, New Mexico. The subject property is located near the intersection of Highway 285 and Highway 62, in an area with a high density of hotels and inns. IHOP currently has 14 years remaining on the lease with two, five-year options to exercise. This is an excellent opportunity to acquire a stable investment operated by a multi-unit franchisee.

This location is currently part of a five-property portfolio. All five IHOP locations are for sale and can be purchased as a portfolio if desired. Contact brokers for more information.

Highlights

- ±4,993 SF building on ±39,000 SF of fee simple land
- Operated as an IHOP by a multi-unit franchisee
- 14 years remaining on lease, and two five-year options
- Located within two (2) miles over 15 hotels, motels, and inns including a Fairfield Inn, Best Western, La Quinta Inn, Residence Inn Hotel & Hampton Inn
- Excellent location surrounded by synergistic national retailers such as: Walmart, Verizon, Subway, and Sally's Beauty





Offering summary

\$2,590,000

Offering price

\$233,200

NOI

9.0%

Cap rate

8/31/2038

Lease expiration

14 years

Lease term remaining

±4,993

Building area (SF)

±39,000

Land area (SF)

2011

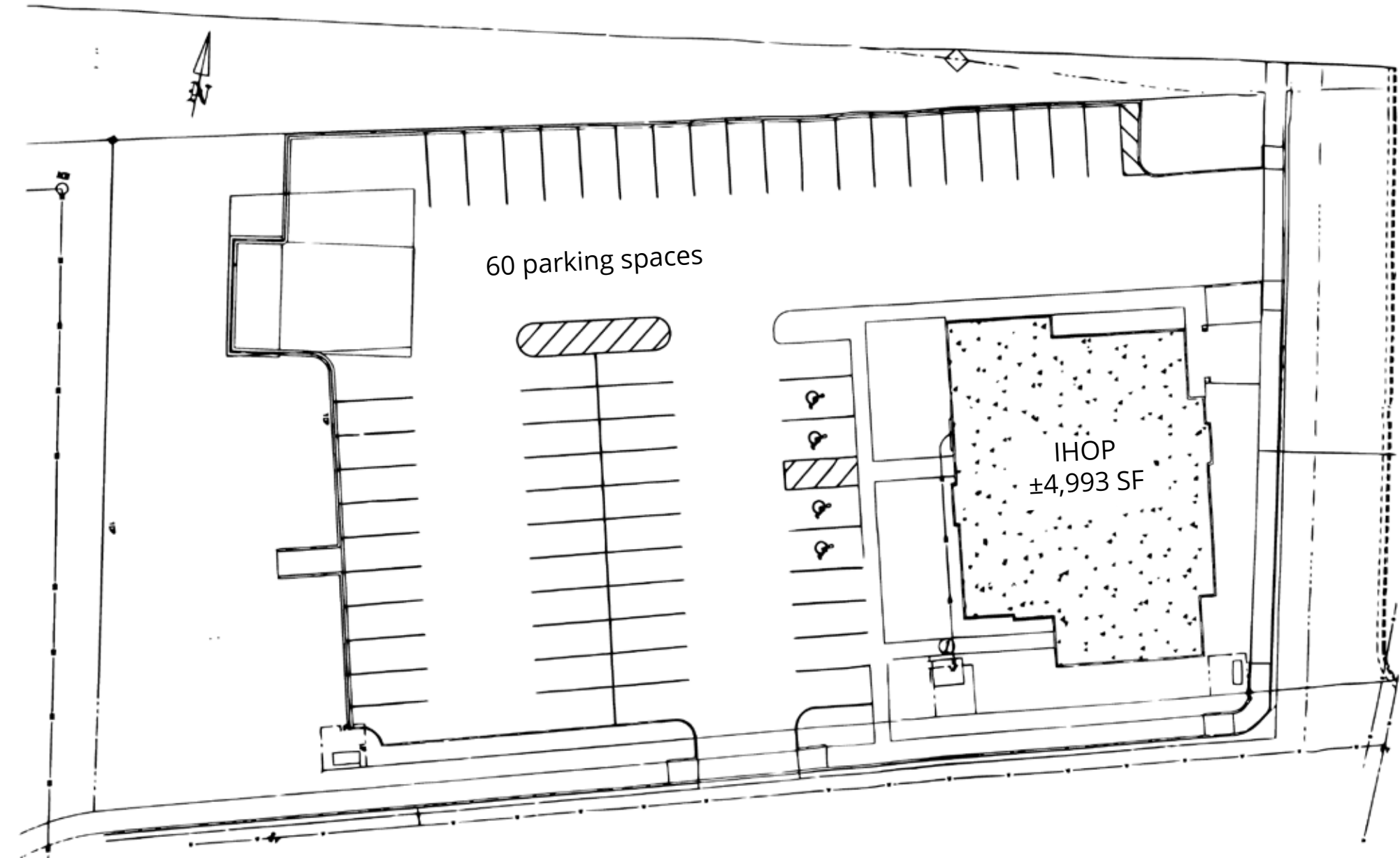
Year built

4157129431295

APN

In addition, there are two, 5 year options to renew.

Site plan



Location overview

Demographics (2 mile radius)

10,637

Population

3,965

Households

4,983

Daytime employment

\$77,631

Average household income

75%

Owner occupied

467

Businesses

About Carlsbad, New Mexico

Carlsbad is the county seat of Eddy County, New Mexico. As of the 2010 census, the city population was 26,138. Carlsbad is centered at the intersection of U.S. Routes 62/180 and 285, and is the principal city of the Carlsbad-Artesia Micropolitan Statistical Area. Located in the southeastern part of New Mexico, Carlsbad sits at the eastern edge of the Guadalupe Mountains. The economy of the Carlsbad area is based primarily on the mineral extraction sector; the city overlies the rich oil and gas producing formations of the Permian Basin and produces more potash than any other location in the United States. Tourism is a major factor with Carlsbad Caverns National Park, Guadalupe Mountains National Park, Lincoln National Forest, the Living Desert Zoo and Gardens State Park.

(Source: wikipedia.com)



Tenant profile

IHOP Restaurants LLC is an American multinational pancake house restaurant chain that specializes in American breakfast foods. It is owned by Dine Brands Global—a company formed after IHOP’s purchase of Applebee’s. 99% of IHOP restaurants are run by independent franchisees; **this Carlsbad location is operated by a multi-unit franchisee.**

Founded in 1958 in Los Angeles, California the family restaurant chain has been offering an affordable, everyday dining experience to customers for 65 years. 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 U.S.

Dine Brands Global is publicly traded (NYSE: DIN) with a market capitalization of \$699,000,000. They are one of the world’s largest full-service dining companies. With over 3,570 locations in 17 countries, DINE empowers, supports and grows the world’s most-loved restaurant brands.



Lease abstract

Address	2529 South Canal Street Carlsbad, New Mexico
Parcel Size	±39,000 SF
Lease Commencement	August 1, 2018
Lease Expiration	August 31, 2038
Net Operating Income	\$233,200
Next Increase	3/1/2028 \$256,520 3/1/2033 \$282,172
Options to Extend	Two 5 year options
Option Rental Increase	Fixed 1st Option \$310,389/year 2nd Option \$341,428/year
Tenant Pays	Taxes, Insurance, Maintenance, & Utilities Roof, Wall, & Structure
Lease Type	NNN
Guarantor	Franchisee
First Right of Refusal	None
Landlord Expense	None
Percentage Rent	None





Confidential information and disclaimer

Contacts and confidentiality

Avison Young (“Agent”) has been engaged by Ownership (“Seller”) as the exclusive agent for the sale of (the Property”).

The Property is being offered for sale in an “as-is, where-is” condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Avison Young as a “Registered Potential Investor” or as “Buyer’s Agent” for an identified “Registered Potential Investor”. The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum.

The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence, for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability

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Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller. Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by owner and any conditions to owner’s obligations there under have been satisfied or waived.

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The information contained herein was obtained from sources believed reliable; however, Avison Young makes no guarantees, warranties or representations as to the completeness or accuracy thereof. The presentation of this property is submitted subject to errors, omissions, change of price or conditions, prior to sale or lease, or withdrawal without notice.

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