



SINGLE-TENANT NET-LEASED IHOP INVESTMENT

2000 W NORTHERN AVE | PHOENIX, AZ 85021

OFFERING MEMORANDUM



LISTED BY

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EXECUTIVE SUMMARY

This offering presents the opportunity to acquire a single-tenant IHOP restaurant property located at 2000 W Northern Avenue in Phoenix, Arizona. The property consists of a 4,769± square foot restaurant building situated on a 1.59± acre parcel and is occupied by IHOP under a long-term net lease.

IHOP is currently in the seventh year of a 24-year lease term, with approximately 17 years remaining and a lease expiration date of January 30, 2043. The long-term tenancy provides investors with stable cash flow backed by one of the most recognized family dining brands in the United States.

Strategically positioned along Northern Avenue within the Phoenix metropolitan area, the property benefits from strong visibility, established surrounding retail and commercial development, and access to a large residential customer base. This investment offers a combination of durable income, tenant stability, and long-term value in one of the nation's fastest-growing markets.

Investment Highlights

- **Price: \$4,200,000 | 5.00% Cap Rate**
- **Single-Tenant Net-Leased IHOP Investment**
- **4,769± SF Restaurant Building**
- **1.59± Acre Site**
- **17 Years Remaining on Current Lease Term**
- **Lease Expiration: January 30, 2043**
- **Established National Restaurant Brand**
- **Strong Visibility Along W Northern Avenue**
- **Located Within the Phoenix MSA**
- **Long-Term Passive Income Opportunity**



INVESTMENT OPPORTUNITIES

Durable, Hands-Off Income Stream

The Lease is structured as an absolute triple-net (NNN) lease, placing substantially all costs of ownership — property taxes, insurance, utilities, and maintenance and repair of the Premises — on the Tenant. At the \$4,200,000 asking price, the current rent reflects a **5.00% cap rate**, positioning the investment as a passive, management-free income stream for the next ownership group.

- **No landlord-funded capex:** Tenant is contractually responsible for maintaining, repairing, and replacing the Premises, and for restoring the building at its own cost following any casualty.
- **Tenant-funded insurance:** Tenant carries commercial general liability coverage of at least \$2,000,000 per occurrence, naming Landlord as an additional insured.

Long-Term, Contracted Rent Growth

17± years remain on the current 24-year term, with built-in rental increases at defined intervals and four additional 5-year renewal options extending the lease through January 2063 — growing the in-place cap rate (at the \$4,200,000 price) from 5.00% today to 6.65% by the end of the option periods.

Period	Annual Base Rent	Cap Rate*
Years 1-10 (current)	\$210,000	5.00%
Years 11-15	\$231,000	5.50%
Years 16-20	\$254,000	6.05%
Years 21-Expiration (1/30/43)	\$279,510	6.65%
Option Period 1 (2043-48)	\$307,461	7.32%
Option Period 4 (2058-63)	\$409,231	9.74%

*Based on annual base rent ÷ \$4,200,000 asking price.

Institutional-Quality Tenant Protections

- **Built-in brand continuity:** The Lease permits assignment to IHOP Franchising, LLC, or to an established IHOP franchisee (2+ years operating IHOP restaurants, 10+ units, \$5,000,000+ net value) without Landlord consent — supporting tenancy continuity even through an ownership change at the restaurant level.
- **Landlord-favorable exculpation:** Landlord bears no liability for utility or HVAC interruptions and is broadly released from claims for loss or damage at the Premises, limiting ownership-side risk.
- **Tenant indemnification:** Tenant indemnifies Landlord against claims arising from its use and occupancy of the property.



Real Estate & Market Fundamentals

- **Strong corner visibility** along W Northern Avenue, a major east-west arterial in the Phoenix MSA, with direct access to the Northern/19th Avenue light rail station.
- **Dense, established retail corridor** anchored by national credit retailers including Walmart, Sprouts, Albertsons, Walgreens, Chase, and Safeway, within a mile of the Subject Property.
- **Large surrounding residential base** supporting consistent, daily-needs traffic to the corridor.
- **1.59± acre site** improved with a 4,769± SF freestanding restaurant building — ample parking and a functional, replaceable footprint for a national brand.

Brand Strength

IHOP is one of the most recognized family dining brands in the United States, supporting a durable customer base and reinforcing the credit quality underlying the income stream.

5.00%
CURRENT CAP
RATE

17±
YEARS
REMAINING

4 x 5
RENEWAL
OPTIONS (YRS)

NNN
LEASE
STRUCTURE

MID-RANGE AERIAL



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