

Salt Lake IHOP

3801 West 13400 South
Riverton, Utah



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Investment Overview

The IHOP is located along a main thoroughfare in rapidly growing Riverton, Utah.

Tenant



Price

\$3,343,000

CAP Rate

6.0%

Building Size

4,998 SF

Land Size

1.05 Acres

Year Built

2006

Area Information

Utah is about 800 miles from the Pacific Coast, 800 miles from the Canadian border, and 800 miles from Mexico. Its central location has helped in its establishment as a regional hub for many companies. Utah's economy is considered to be healthy, and communities along the Wasatch Front experienced strong growth the past year and economists expect growth to be stable in the next year. The state continues to attract new firms and industries with a population force that is well-educated and industrious. The economic base in the state will have a positive influence on current real estate values and overall expectations for the near future.

The Wasatch Front region parallels the western slopes of the Wasatch Mountains. This area of the state stretches nearly 80 miles in a north-south direction and encompasses 3,616 square miles. The Wasatch Front is composed of four counties—Weber, Davis, Salt Lake and Utah—which contain Utah's largest cities. About 940,465 people, or 39 percent of the state's population, live and work in Salt Lake County. Major retail development continues to take place in high residential growth areas such as Riverton.

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Overview: Area Information

Riverton is located in the southwest end of the Salt Lake Valley with beautiful views of the Wasatch and Oquirrh Mountains. We are a rapidly growing community of 32,000 residents and a projected population total of 65,000 by 2025. Riverton is a beautiful city with a small town feel and a strong sense of community. Whether you're here to live, work or play, Riverton is a great place to be!

Source: City of Riverton

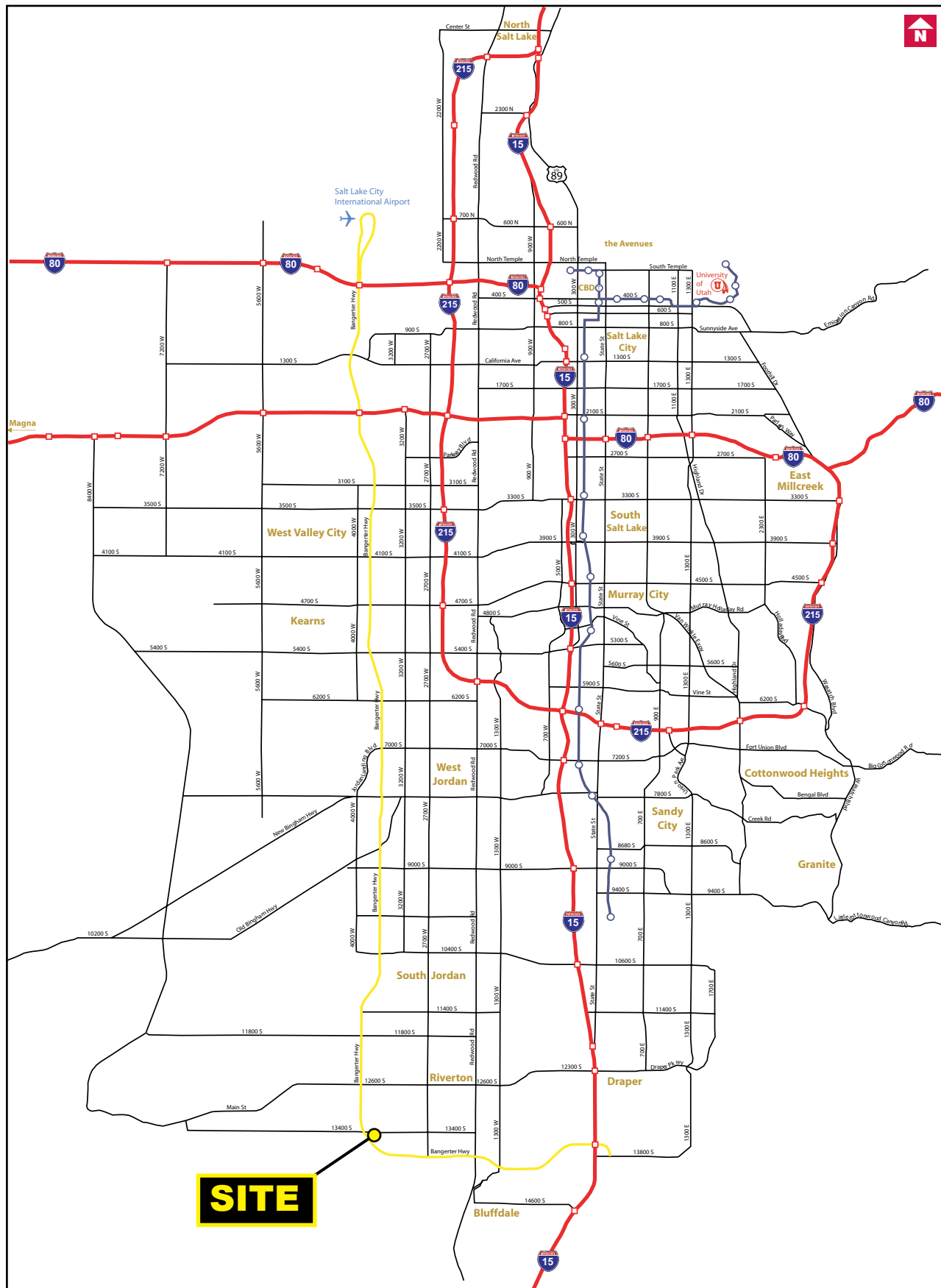
Salt Lake City is Utah's capital city and serves as gateway to the state's renowned ski resorts, scenic national parks and recreational areas. The city is set against the towering Wasatch Mountains, which are buried under deep, fluffy snow every winter. Salt Lake hosted the 2002 Olympic Winter Games; athletes and enthusiasts continue to flock here to enjoy world-class facilities and the "greatest snow on earth." Centrally located between Grand Circle National Parks to the south and Yellowstone/Grand Tetons to the north, Salt Lake makes a great base camp for outdoor recreation. Additionally, Salt Lake is a major regional business center and the world headquarters of the Church of Jesus Christ of Latter-day Saints and the world-renowned Mormon Tabernacle choir. Visitors may tour Historic Temple Square, or attend a free concert by the choir. There's lots to do in Salt Lake City.

Source: Utah Travel Council



3801 West 13400 South | Riverton, Utah

Overview: Area Map



Salt Lake IHOP

3801 West 13400 South | Riverton, Utah

Overview: Aerial Photograph



Salt Lake IHOP

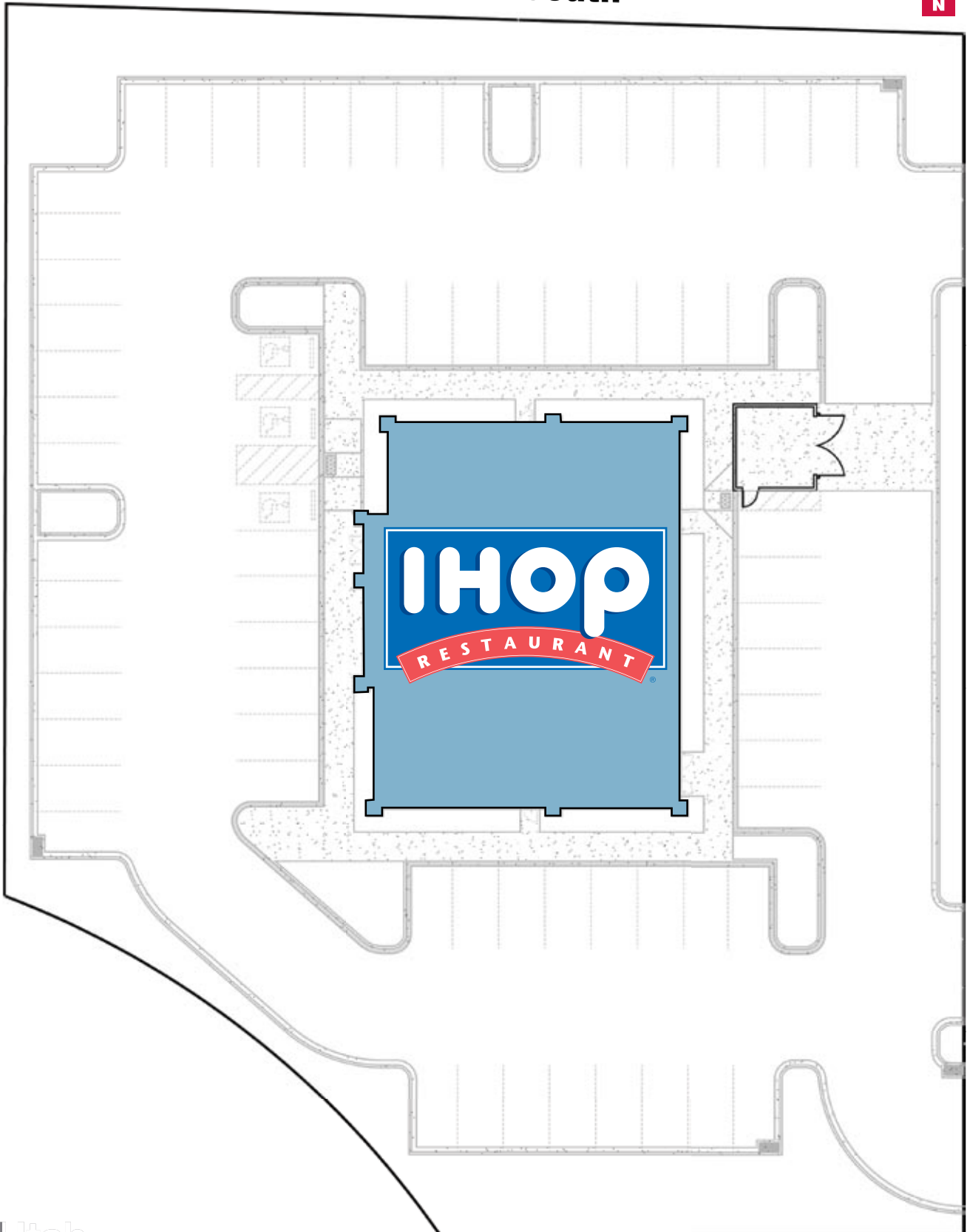
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Overview: Site Plan

13400 South



Bangerter Highway



Salt Lake IHOP

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Overview: Elevation Rendering



West Elevation



North Elevation

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Financial Overview: Summary

Financial

Price	\$3,343,000
Current CAP	6.0%
Cost per Gross Square Foot	\$668.87
Annual Rent per Square Foot	\$40.13

Building

Year Built	2006
Building Square Feet	4,998
Land Parcel (Acres)	1.05

Return

Gross Operating Income	\$200,551
Less Vacancy	\$0
Less Management Reserves	\$0
Less Expenses	\$0
Net Operating Income	\$200,551

Tenant



Strategic growth, primarily through franchising, is a key initiative for IHOP. The company intends to develop restaurants in existing markets while entering selected new markets nationwide. A shift to a more traditional franchise model, where franchisees are responsible for funding development allows the company to direct cash flow towards those disciplines that make the biggest impact on the guest: marketing, training and operations. This strategy has proven successful as franchisees have committed to opening over 400 restaurants in upcoming years. The company recorded strong growth in comparable sales during the past two years. IHOP has successfully generated positive comp sales for ten consecutive quarters.

Franchisee


Stanley Wong is a 37 year veteran of the IHOP system, having opened his first IHOP restaurant in 1968 in San Francisco, California. He currently operates 35 IHOP restaurants in the states of California, Utah, Idaho and Colorado, which employ more than 1,700 people. Prior to IHOP, he was involved in the grocery business which helped form the foundation of the success he enjoys today. Mr. Wong was IHOP's "Franchisee of the Year" in 2001, and notably opened IHOP's 1,000th restaurant in Layton, Utah, that same year.



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Financial Overview: Rent Roll

Tenant	SF	LED	Years	Rate	Monthly Payment	Annual Payment	% Increase
	4,998	7/29/2030	1-5	\$40.13	\$16,712.59	\$200,551.10	—
			6-10	\$43.83	\$18,257.18	\$219,086.20	8.46%
			11-15	\$44.87	\$18,689.50	\$224,274.00	2.31%
			16-20	\$49.36	\$20,558.33	\$246,699.96	9.09%
			21-25	\$54.30	\$22,614.17	\$271,370.04	9.09%
			1st option: 26-30	\$59.73	\$24,875.67	\$298,508.04	9.09%
			2nd option: 31-35	\$65.70	\$27,363.17	\$328,358.04	9.09%
			3rd option: 36-40	\$72.27	\$30,099.58	\$361,194.96	9.09%



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Population

	One Mile	Three Miles	Five Miles
2010 Estimated Population	2,347	39,098	81,480
2005 Estimated Population	2,353	35,180	75,529
2000 Census Population	2,379	29,302	64,660
1990 Census Population	854	13,860	28,129
1990 to 2000 Growth	187.7%	111.4%	129.9%
2005 to 2010 Estimated Growth	-0.3%	11.1%	9.3%

Households

2010 Estimated Households	569	10,317	20,908
2005 Estimated Households	562	9,112	18,710
2005 % Owner Occupied	91.7%	89.0%	86.5%
2005 % Renter Occupied	2.4%	4.5%	7.0%
2000 Census Households	562	7,422	15,842
1990 to 2000 Growth	179.4%	120.8%	152.2%
2005 to 2010 Estimated Growth	1.3%	13.2%	11.7%

Income

2010 Estimated Average Household Income	\$97,529	\$84,229	\$92,224
2005 Estimated Average Household Income	\$86,126	\$74,930	\$82,105
2000 Census Average Household Income	\$75,602	\$68,505	\$74,578
1990 Census Average Household Income	\$38,901	\$39,653	\$42,188

Employment & Establishments

2005 Estimated Employee Population	463	4,486	16,913
2005 Estimated Total Establishments	67	703	1,769

2005 Estimated Race

White	96.3%	96.3%	94.4%
Black	0.3%	0.3%	0.9%
Asian/Pacific Islander	0.7%	0.6%	0.8%
American Indian/Eskimo	0.1%	0.3%	0.4%
Other Race	0.8%	1.2%	1.7%
Multi-Race	1.2%	1.0%	1.4%

Hispanic Ethnicity	4.1%	4.3%	5.3%
Not of Hispanic Ethnicity	95.9%	95.7%	94.7%

2005 Estimated Educational Attainment

Total Population Age 25+	1,148	17,887	39,446
High School Graduate	36.1%	30.0%	27.0%
Associates Degree	11.0%	12.3%	12.0%
Bachelors Degree	15.5%	16.6%	18.3%
Graduate Degree	5.3%	6.1%	6.6%
Some College, No Degree	27.7%	30.1%	31.0%