High Performing Site | 20+ Year Operating History



Applebee's

Single-Tenant Absolute NNN Ground Lease

3899 El Mercado Loop | Sierra Vista, AZ 85653

$2,400,000

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DEAL SUMMARY

Address
3899 El Mercado Loop
Sierra Vista, AZ 85653

Asking Price
$2,400,000

Cap Rate
6.25%

Annual Rent
$150,000

Lease Term
9.4 Years Remaining

Lease Type
Absolute NNN Ground Lease





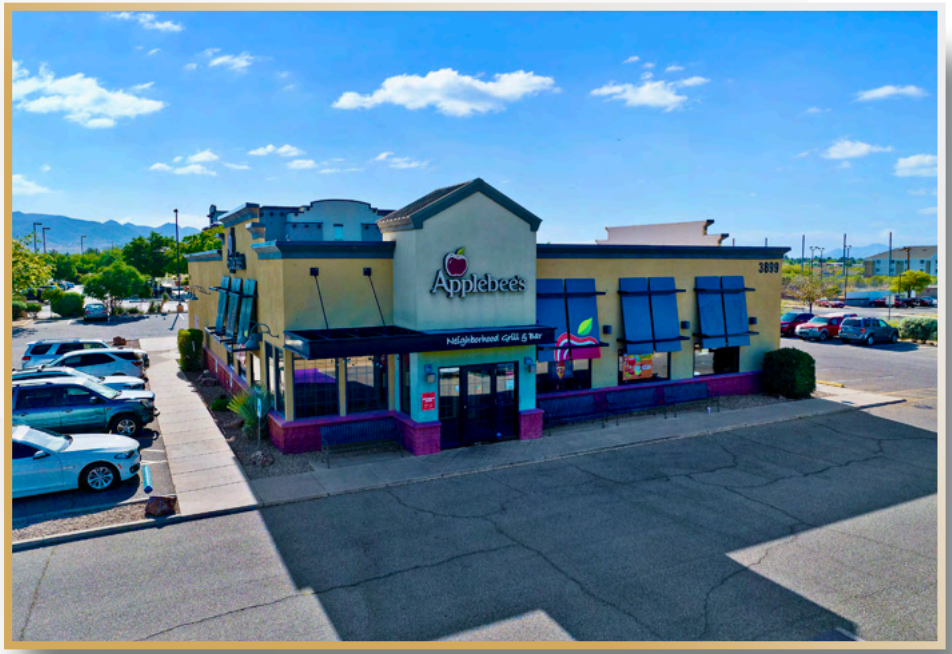
LEASE SUMMARY

Tenant Name	Applebee's
Address	3899 El Mercado Loop Sierra Vista, AZ 85653
Lease Type	Absolute NNN Ground Lease
Lease Guarantor	RMH Franchise Holdings, Inc. (132 Units)
Rent Increases	10% Every 5 Years
Renewal Options	1,10-Year Option
Landlord Responsibilities	None
Rent Commencement	October 2003
Lease Expiration	9/30/2033
Building Size	5,100 SF
Lot Size	1.79 AC
Year Built	2003





INVESTMENT HIGHLIGHTS





Significant Lease Term | Contractual Rental Increases
Offering features 9+ years of firm term remaining with 10% increases every 5 years including an upcoming rental bump in 2028, which provides the prospective investor with long-term, low risk cash flow.

Established Operating History | Recent Lease Extension
Applebee's has successfully operated out of this location for over 20 years and recently extended their lease for an additional 10 years, demonstrating long-term commitment to the site.

Passive Lease Structure | Hands-Off Investment
Offering features a truly passive absolute NNN lease structure with zero landlord responsibilities, making this an ideal, hands-off investment for any future owner.

Seasoned Operator | 2nd Largest Applebee's Franchisee Systemwide
The lease is backed by RMH Franchise, the second largest Applebee's franchisee within the system operating 132 locations across 14 states. RMH operates several restaurant brands that is dedicated to operational excellence and providing superior returns to investors.

Synergistic Retail Location | Adjacent to The Mall at Sierra Vista
Applebee's is located as a prominent out-parcel to a 400,000+ SF enclosed mall with over 50 major retailers and brands. Additionally, the area is surrounded by numerous major, high-traffic retailers such as The Home Depot, Lowe's, Fry's, Walmart Supercenter, Safeway, and Target, all within a 5-mile radius of the subject site.

Heavily Trafficked Intersection | Tremendous Real Estate Fundamentals
The intersection of Avenida Cochise and AZ Route 92 sees in excess of 34,000 vehicles per day generating significant drive-by traffic on a daily basis. The 5,100 SF building sits conveniently on an over-sized 1.79 AC parcel with prime street frontage on Sierra Vista's primary thoroughfare (AZ-92).

Strong Demographics | Growing Southern Arizona Market
Sierra Vista is the largest city in Southeastern Arizona, featuring dense and affluent demographics, including more than 50,969 residents residing within a 5-mile radius from the subject site and an average household income in excess of $80,000.

High Performing Site | Strong Operating Metrics
The Sierra Vista restaurant location has historically been a high performing site for Applebee's posting a better than a 6% rent-to-sales year-over-year. Inquire with broker for further details on site-level revenues.

TENANT PROFILE

Applebee's is an American fast-casual restaurant chain headquartered in Glendale, CA. Founded in 1980, Applebee's has expanded to over 1,700 locations in 14 countries and territories. Today, Applebee's guests can count on Eatin' Good in the Neighborhood™. Specializing in casual American dining, Applebee's offers a variety of dishes including salads, chicken, pasta, burgers, and sandwiches.

As one of the world's largest casual dining brands, Applebee's is a go-to destination in neighborhoods throughout the United States and abroad. Applebee's was founded on and continues to uphold its core values:

- ***PROVIDING VALUE IN ABUNDANCE*** *- Always delivering 'more'*
- ***TREATING EVERYONE LIKE OUR FAVORITE NEIGHBOR*** *- Serving every guest with genuine hospitality*
- ***CELEBRATING THE UNIQUE FLAVOR OF EACH NEIGHBORHOOD*** *- Proudly giving back to the communities we call home*
- ***ALWAYS BRINGING SOMETHING NEW TO THE TABLE*** *- With an insatiable appetite for better*



WEBSITE	www.applebees.com
HEADQUARTERS	Glendale, CA
FOUNDED IN	1980

LOCATED IN
14 Countries & Territories

NO. OF LOCATIONS
1,700+ Restaurants

NO. OF EMPLOYEES
28,000+ Employees

STOCK TICKER
NYSE: DIN

FRANCHISEE PROFILE

RMH FRANCHISE

RMH Franchise is the second-largest Applebee's franchisee worldwide with 131 locations across 14 states. RMH Franchise provides a great place to work, a guest experience you can be proud of, and amazing potential for career growth. RMH Franchise set out to become a unique type of restaurant company - one that is truly differentiated by its people rather than its brand portfolio. They hire, develop and train the very best in culture where the sky's the limit. RMH Franchise's strength lies in their people. By putting their people and guests first, they are creating experiences where team members and guests want to go. With 5,946 team members and 433,648 guests served weekly, RMH Franchise is a multi-brand restaurant company focused on operational excellence and a thriving team culture.

WEBSITE	rmhfranchise.com
HEADQUARTERS	Lincoln, NE
FOUNDED IN	2012

LOCATED IN
14 States

NO. OF LOCATIONS
132 Locations

NO. OF TEAM MEMBERS
5,946 Team Members



PROPERTY AERIAL



PROPERTY AERIAL



AREA RETAIL PHOTOGRAPHS









AREA RETAIL PHOTOGRAPHS







LOCATION OVERVIEW - Sierra Vista, AZ

Sierra Vista, Arizona is the largest city in southeastern Arizona. Located just south of Interstate 10, the community is centrally located between California and New Mexico. Yuma and Flagstaff, Arizona along with Las Cruces, New Mexico; El Paso, Texas; and Hermosillo, Mexico can be reached in a less than five hour drive. Closer still are Tucson, the metropolitan Phoenix area, and the communities in northern Sonora, Mexico. Within a 100-mile radius of Sierra Vista, the population is greater than 1.2 million; 6 million live within 200 miles, and at the 300 mile mark, there are more than 7.8 million residents.

Sierra Vista's awe-inspiring skies are as wide open as the opportunities. At a cool 4,600 feet, this mid-sized city is the commercial, education, and medical hub of Southeast Arizona. Safe, affordable, and technology driven, Sierra Vista is truly a place to soar. Sierra Vista earned national recognition by placing 25th on Fortune's list of the 50 Best Places to Live for Families in 2023. The list highlighted the best place to live in each state, making Sierra Vista the top community in Arizona! Sierra Vista was picked thanks to its extraordinary lifestyle, breathtaking natural beauty, and low cost of living.

Why Sierra Vista?

- ***Simplified Tax System*** *- Arizona is the 10 most friendly tax state with the 6th lowest corporate tax rate in the nation. There is no franchise tax, business inventory tax, or real estate tax. Businesses with multi-state operations with appreciate the transition to a 100% sales factor income appointment formula. Arizona will also implement a simplified flat income tax rate of 2.5% (4.5% top rate), the lowest in the U.S.*

- ***Business-Friendly City*** *- Sierra Vista has demonstrated a strong commitment to economic growth by investing in the City's infrastructure, pursuing grants, and creating an economic development commission to provide input to the City's economic development strategy.*

- ***Low Cost of Doing Business*** *- Property taxes in Sierra Vista, at 0.1136%, are far below the state's average (0.68%) and even lower than the nation's average of 1.15%. In fact, Sierra Vista has one of the lowest combined property and retail transaction privilege taxes in Arizona.*

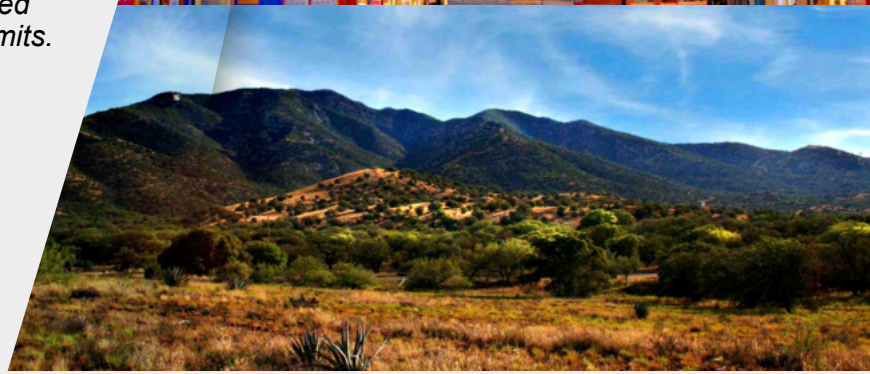
- ***Opportunity & Foreign Trade Zone*** *- In 2018, the U.S. Department of the Treasury certified approximately 24 acres as an Opportunity Zone, which abuts the City of Sierra Vista city limits. With this comes attractive business incentives, including a reduction in capital gains on investments held for five years or longer.*

- ***Exceptional Quality of Life*** *- Sierra Vista's housing prices are very affordable and was recently named one of the most affordable communities in the state, as well as one of the best places to move to after the pandemic. The city offers Neighborhood living, executive housing on large lots and a variety of apartments and town homes for rent with a number of housing projects proposed for future development.*









PROXIMITY TO U.S. ARMY FORT HUACHUCA

Fort Huachuca employs over 18,000 people on post during weekday work hours

Fort Huachuca, home to the U.S. Army Intelligence Center of Excellence, the U.S. Army Network Technology Command (NETCOM)/9th Army Signal Command and more than 48 supported tenants representing a diverse, multiservice population. Located in Cochise County, in southeast Arizona, about 15 miles north of the border with Mexico, Fort Huachuca is an Army installation with a rich frontier history. Established in 1877, the Fort was annexed in 1971 by the city of Sierra Vista and declared a national landmark in 1976.

Today Fort Huachuca is the largest employer in Cochise County and the largest economic contributor in Arizona. The Fort develops and tests command, control, communications, computers, combat systems, intelligence, surveillance and reconnaissance capabilities; delivers intelligence and uncrewed aircraft systems training and education; designs, develops and integrates intelligence capabilities, concepts and doctrine; and provides world-class quality support services to the Huachuca community to enable mission command in support of Army and Joint operations and the continued evolution of the installation.

The Fort's unique environment encompasses 946 square miles of restricted airspace and 2,500 square miles of protected electronic ranges, key components to the national defense mission.

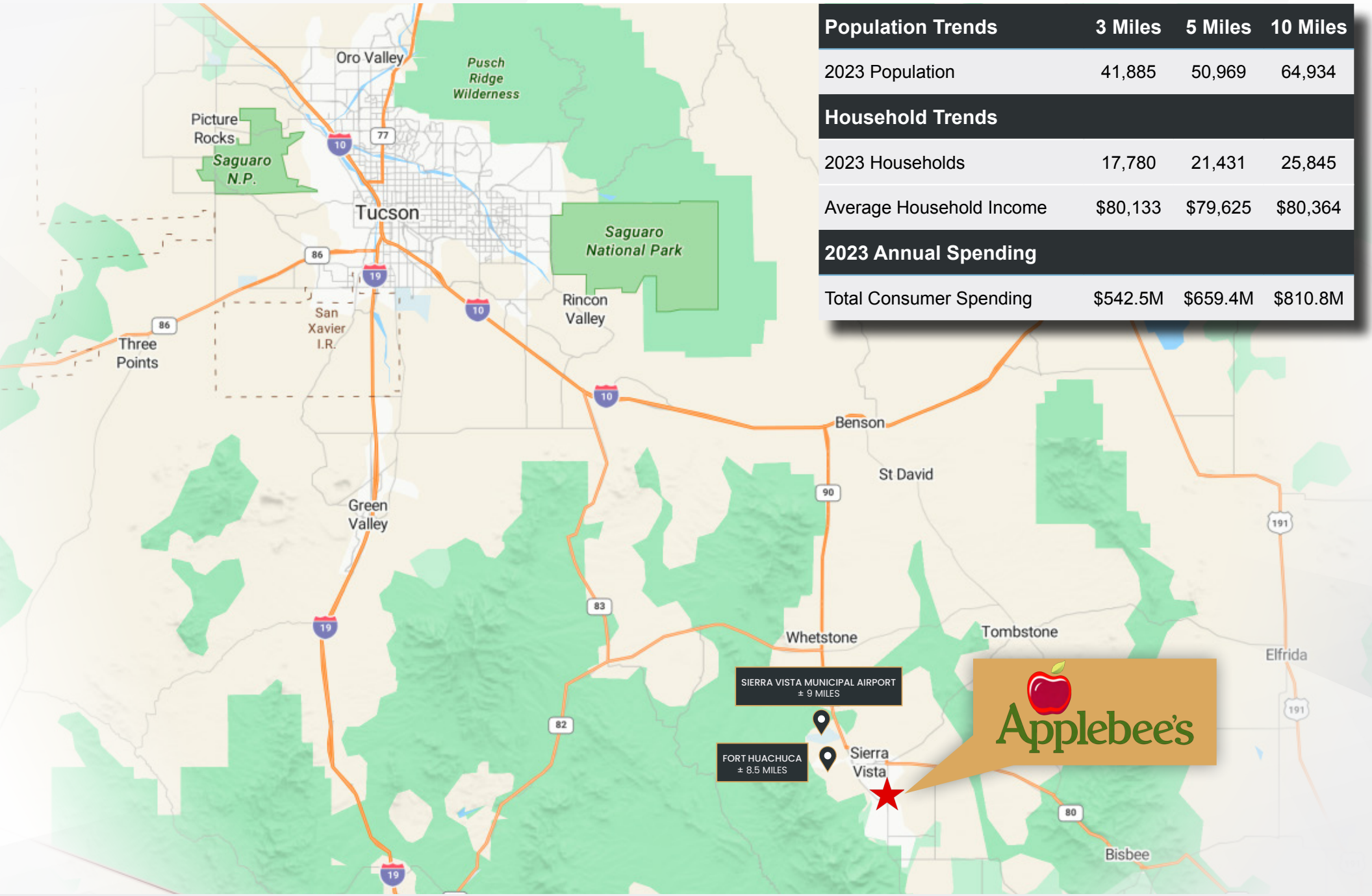








DEMOGRAPHICS - Sierra Vista, AZ

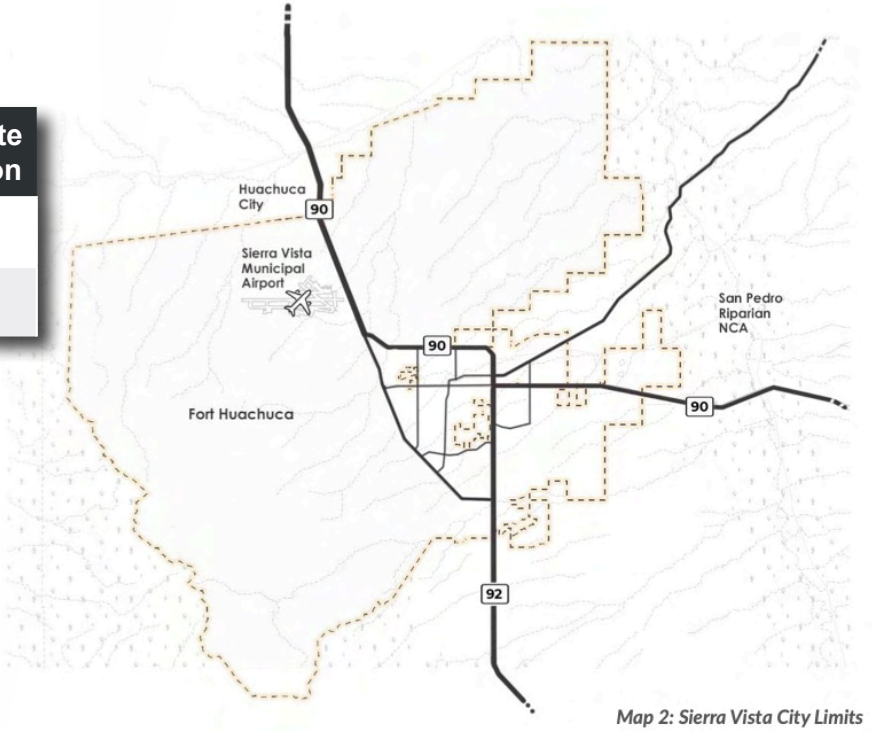


Population Trends	3 Miles	5 Miles	10 Miles
2023 Population	41,885	50,969	64,934
Household Trends			
2023 Households	17,780	21,431	25,845
Average Household Income	$80,133	$79,625	$80,364
2023 Annual Spending			
Total Consumer Spending	$542.5M	$659.4M	$810.8M

DEMOGRAPHICS - Sierra Vista, AZ

Place	Census 2010	Census 2020	2023 State Estimate	2030 State Projection	2040 State Projection
Sierra Vista	43,888	45,308	46,031	47,264	48,028
Cochise County	131,346	125,447	129,781	127,781	130,670

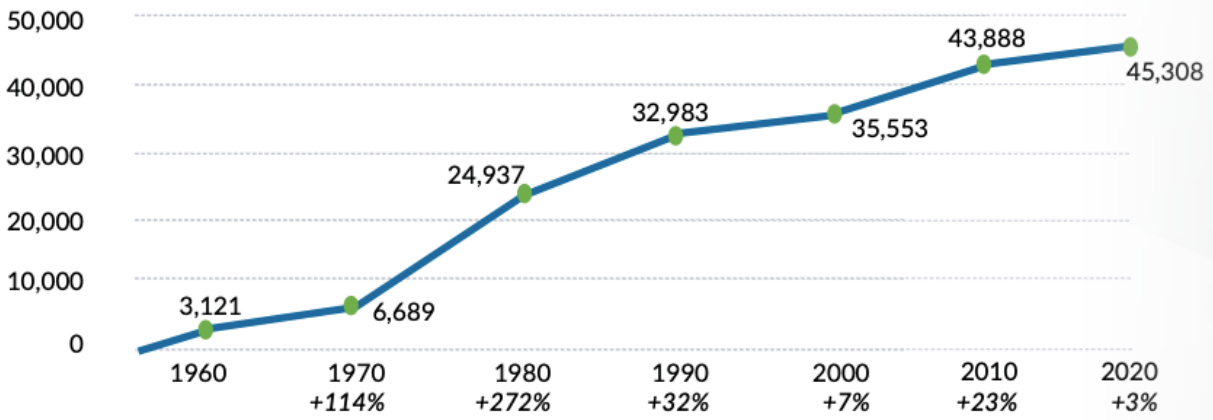
Place	Change					
	2010-2020		2020-2030		2020-2040	
	No.	%	No.	%	No.	%
Sierra Vista	1,420	3.2%	1,956	4.3%	2,720	6.0%



Map 2: Sierra Vista City Limits (2024)

Population Trends	3 Miles	5 Miles	10 Miles
2023 Population	41,885	50,969	64,934
Household Trends			
2023 Households	17,780	21,431	25,845
Average Household Income	$80,133	$79,625	$80,364
2023 Annual Spending			
Total Consumer Spending	$542.5M	$659.4M	$810.8M

Table 1. Historic Population Growth



Source: US Census

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