



CV COMMERCIAL

Commercial Real Estate Brokerage • Investment Sales

OFFERING MEMORANDUM

Absolute NNN Single-Tenant Investment | ±12 Years of Firm Term Remaining



IHOP® — Carlsbad, New Mexico

2529 S. Canal Street, Carlsbad, NM 88220

OFFERING PRICE
\$2,915,000

CAP RATE
8.00%

NET OPERATING INCOME
\$233,200

EXCLUSIVELY LISTED BY Marisela Harper, CCIM — Broker of Record

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THE OFFERING

CV Commercial is pleased to exclusively offer the fee-simple interest in the IHOP restaurant at 2529 S. Canal Street, Carlsbad, New Mexico — a $\pm 4,850$ SF freestanding restaurant on $\pm 40,946$ SF (± 0.94 acres) along Carlsbad's dominant retail corridor. The property is leased on an absolute NNN basis — zero landlord obligations — through August 31, 2038, approximately twelve years of firm term, with two 10% rent escalations remaining and two 5-year renewal options thereafter. The same franchisee has operated this location continuously since the building was constructed in 2011.



INVESTMENT HIGHLIGHTS

- **Absolute NNN lease — zero landlord obligations.** Tenant is responsible for all taxes, insurance, utilities, and all maintenance, repair, and replacement — including roof and structure. Truly passive ownership.
- **± 12 years of firm term** through August 31, 2038, plus two 5-year options at not less than 110% of prior rent.
- **Contractual rent growth.** 10% escalations on March 1, 2028 (NOI to \$256,520 — an 8.80% yield on the offering price) and March 1, 2033 (NOI to \$282,172 — a 9.68% yield).
- **15 years of continuous operation at this site.** The operator re-committed on a 20-year lease in 2018; the lease is personally guaranteed.
- **$\pm 27,500$ vehicles per day** on S. Canal Street at the site, with Walmart Supercenter 0.2 miles away and three hotel flags within 0.3 miles.
- **Percentage-rent upside.** 9% of gross sales above the base-rent breakpoint, in addition to base rent.
- **High-income Permian Basin trade area.** 5-mile median household income of \$81,324, projected to exceed \$90,000 by 2031.
- **Diversified demand drivers.** Carlsbad Caverns National Park tourism ($\pm 400,000$ – $500,000$ visitors/yr), potash mining, and the WIPP federal facility complement the energy economy.



OFFERING SUMMARY

Offering Price	\$2,915,000
Cap Rate (In-Place)	8.00%
Net Operating Income	\$233,200 per year (\$19,433.33 per month)
Price per Square Foot	\$601
Lease Type	Absolute NNN — zero landlord responsibilities
Lease Expiration (Firm Term)	August 31, 2038 (±12 years remaining)
Renewal Options	Two (2) five-year options; not less than 110% of prior rent
Rent Escalations	+10% on March 1, 2028 and +10% on March 1, 2033
Tenant / Trade Name	Franchisee entity dba IHOP® #3362; personal guaranty
Building Size	±4,850 SF (per Eddy County Assessor)
Land Area	±40,946 SF (±0.94 acres)
Year Built	2011 (IHOP "Icon" prototype build-to-suit)
Ownership Interest	Fee simple

RENT SCHEDULE

Period	Annual Rent	Monthly Rent	Yield on Price
Current – Feb 28, 2028	\$233,200	\$19,433.33	8.00%
Mar 1, 2028 – Feb 28, 2033	\$256,520	\$21,376.67	8.80%
Mar 1, 2033 – Aug 31, 2038	\$282,172	\$23,514.33	9.68%
Options 1 & 2 (5 yrs each)	≥110% of prior rent	—	—

In addition to base rent, the lease provides for percentage rent of 9% of gross sales in excess of the base-rent breakpoint. Complete lease documents are available in the data room to qualified purchasers upon execution of a confidentiality agreement.



PROPERTY SUMMARY

Address	2529 S. Canal Street, Carlsbad, Eddy County, NM 88220
Registered Owner	Carlsbad NM Investment Co (Los Angeles, CA)
Building	±4,850 SF single-story freestanding restaurant, built 2011
Site	±40,946 SF (±0.94 acres) • ±8.4 : 1 land-to-building ratio
Parking	Ample surface parking on an oversized pad
Frontage	S. Canal Street (US 285), Carlsbad's principal commercial corridor
Assessor Account	Eddy County Assessor Account R098329

ASSESSED VALUE & PROPERTY TAXES

Assessed Value (Eddy County Assessor)	Full Value	Taxable Value
Non-Residential Land	\$147,406	\$49,135
Non-Residential Improvements	\$812,427	\$270,809
Total	\$959,833	\$319,944

Property Taxes	Amount
2026	\$9,406.36
2025	\$9,375.72

Under the absolute NNN lease, real estate taxes are paid by the tenant directly to the taxing authority; the figures above are shown for reference only and are not a landlord expense. Source: Eddy County Assessor.



TENANT & BRAND

IHOP® is one of America's most recognized restaurant brands, with roughly 1,700 locations, owned by Dine Brands Global, Inc. (NYSE: DIN) and operated under a virtually 100% franchised model. This location is operated by the franchisee entity that has run the restaurant continuously since the building was constructed in 2011 — re-committing to a 20-year lease in 2018 — and the lease is personally guaranteed by the franchisee principal. Fifteen years of continuous operation at a single site is among the strongest available indicators of healthy unit-level economics.



Updated dining room — 24/7 operation

RESTAURANT MARKET DEMAND

Esri's Restaurant Market Potential analysis confirms strong family-dining demand in the trade area: within one mile, 74.6% of adults visited a family restaurant in the past six months — above the national average (index 103) — and nearly one in four did so four or more times in the past 30 days. Lunch-visit propensity indexes at 108. Within five miles, roughly 2,300 adults report visiting IHOP specifically within the past six months, in line with the national average. The nearest competing national family-dining brand (Denny's) is over three miles north, leaving the subject as the dominant sit-down breakfast option on the south corridor.

Family Dining Behavior (1-Mile Ring, 2026)	Share of Adults	Index (US=100)
Visited family restaurant / steak house, last 6 months	74.6%	103
Visited 4+ times in last 30 days	24.8%	101
Went for lunch, last 6 months	20.6%	108
Went for dinner, last 6 months	48.5%	103

Source: Esri Restaurant Market Potential report (2026), MRI-Simmons consumer survey data.



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LOCATION & MARKET

Carlsbad is the commercial hub of Eddy County, in the heart of the Permian Basin — the most prolific oil-producing region in the United States. The subject property fronts South Canal Street (US 285), the city's principal north-south retail artery, squarely in the daily path of resident, commuter, hotel, and tourism traffic. Walmart Supercenter anchors the corridor two-tenths of a mile from the site, and three hotel flags sit within a three-minute walk — feeding IHOP's breakfast daypart with oilfield crews and Carlsbad Caverns visitors.

Traffic Counts

Location	Vehicles Per Day
S. Canal Street (US 285) at the site	27,538
S. Canal Street, south of site	21,160
S. Canal Street / National Parks Hwy, southeast	17,434

Source: Esri Traffic Count Map (2026).

Neighboring Retail & Hospitality

Business	Distance	Type
Fairfield Inn & Suites	Adjacent	Hotel
Walmart Supercenter (134 employees)	0.2 mi	Anchor Retail
Best Western Plus Executive Residency	0.2 mi	Hotel
Hampton Inn & Suites Carlsbad	0.3 mi	Hotel
Chili's Grill & Bar	0.3 mi	Restaurant
Pilot Travel Center	0.4 mi	Travel / Fuel
Tractor Supply Company	0.4 mi	Retail

Source: Esri Business Locator report (2026); distances from the subject property.



DEMOGRAPHICS

Trade-area incomes are well above the New Mexico statewide median ($\pm \$58,000$), a premium driven directly by Permian Basin oilfield wages — and Esri projects median household income growth of roughly 2%–4% per year through 2031 across all three rings.

Measure (2026, Esri)	1 Mile	3 Miles	5 Miles
Population	5,252	24,368	41,445
Households	1,775	8,476	14,707
Median Household Income	\$62,667	\$74,891	\$81,324
Median HH Income (2031 proj.)	\$76,059	\$81,917	\$90,717
Median Net Worth	\$162K	\$179K	\$214K
Median Age	34.9	35.7	36.7

Source: Esri Demographic and Income Profile (2026 estimates / 2031 projections), rings centered on the subject property. Figures exclude the substantial transient oilfield workforce, which adds meaningfully to daytime and lodging-driven demand.



Heavy daily traffic on the S. Canal corridor; Fairfield Inn & Suites immediately adjacent



PROPERTY PHOTOS



Subject property fronting S. Canal Street (US 285)





OFFER PROCESS

The Property is offered at \$2,915,000 (an 8.00% capitalization rate on in-place net operating income). Offers should be submitted in writing in the form of a letter of intent, including price, earnest money, timelines, and source of funds. A complete data room — lease, guaranty, amendments, lease abstract, and insurance certificates — is available to qualified purchasers upon execution of a confidentiality agreement.



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