

**NEW 15-YEAR ABSOLUTE NNN LEASE**  
KANNAPOLIS (CHARLOTTE MSA), NORTH CAROLINA

**CIA** commercial  
investment  
advisors  
OFFERING MEMORANDUM



**IHOP**  
800 CLOVERLEAF PLAZA  
KANNAPOLIS (CHARLOTTE MSA), NORTH CAROLINA 28083

# ADVISORY TEAM

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# HIGHLIGHTS



**PRICE**  
\$2,960,000

**CAP RATE**  
6.25%

**NOI**  
\$185,000



## NEW 15-YEAR ABSOLUTE NNN LEASE

Brand new 15-year Absolute NNN lease with attractive 10% rental escalations every 5 years with three 5-year options to renew



## TENANT

**Suncakes, LLC** is a **34-unit operator** wholly owned by **Sun Holdings (2nd largest franchisee in the U.S.)** with over **1,500 units across multiple brands in the U.S. & 13 countries**



## LARGE PARCEL | TRAFFIC COUNTS

Pad site to a Ross, Dollar General, Harbor Freight Tools & Gabe Shopping Center - situated on a **large ±1.10-acre lot** with excellent visibility/access on S Cannon Blvd with traffic counts of **29,149 CPD!** Just 1/4 mile north of I-85 with **traffic counts of 112,098 CPD!**



## 2024 DEMOGRAPHICS

Population (5-mi)	107,853
2029 Projected Population (5-mi)	118,522
Households (5-mi)	43,607
<b>Average Household Income (10-mi)</b>	<b>\$112,596</b>

# PROPERTY OVERVIEW & RENT ROLL



**PRICE** **\$2,960,000**

**SITE ADDRESS**

800 Clover Plaza  
Kannapolis (Charlotte MSA), NC 28083

**TENANT**

**Suncakes, LLC** (Wholly owned & operated by Sun Holdings, LLC)

**LESSEE ENTITY TYPE**

Franchisee

**GROSS LEASABLE AREA**

±5,280 SF

**LOT SIZE**

±1.10 acres

**YEAR BUILT | RENOVATED**

1998 | 2023

**OWNERSHIP**

Fee Simple (Building & Land)

**EXPENSE REIMBURSEMENT**

This is an **Absolute NNN lease**.  
Tenant is responsible for all expenses.

**LEASE TERM**

15 years (new)

**RENTAL INCREASES**

10% every 5 years

**RENT COMMENCEMENT DATE**

October 1, 2024

**EXPIRATION DATE**

September 30, 2039

**OPTIONS**

Three 5-Year Renewal Options



## RENT ROLL

<b>TERM</b>	<b>ANNUAL RENT</b>	<b>CAP RATE</b>
Years 1-5 10/01/24 to 09/30/29	\$185,000	6.25%
Years 6-10 10/01/29 to 09/30/34	\$203,500	6.88%
Years 11-15 10/01/34 to 09/30/39	\$223,850	7.56%

**AVG ANNUAL RETURN 6.90%**

## RENEWAL OPTIONS

1st Option	10/01/39 to 09/30/44	\$246,235
2nd Option	10/01/44 to 09/30/49	\$270,859
3rd Option	10/01/49 to 09/30/54	\$297,944

# TENANT PROFILE



**Sun Holdings** was founded in 1997 by Guillermo Perales, funded by an SBA loan. The company provides world-class management services to the franchise ownership teams of some of America's most popular restaurants. The businesses serviced include **over 1,500 Applebee's, Arby's, Burger King, GNC, Golden Corral, IHOP, McAlister's, Papa John's, Popeye's, Taco Bueno and Freebirds World Burrito locations in 27 States.**

The collective portfolio of restaurants that Sun supports makes up the **2nd largest franchisee** organization in the U.S. according to the Mega 99 2022 rankings.



(Acquired by Sun Holdings  
August 2024)



**Suncakes, LLC is a 34-unit operator, wholly owned by Sun Holdings, LLC (2nd largest franchisee in the U.S. with over 1,500 units across multiple brands).**

***As the owner and operator of multiple iconic brands, Suncakes' investment in IHOP reinforces the strength of our franchise opportunity and the future viability of our business***

The 41 locations represent the first IHOP restaurants managed by Sun Holdings, Inc. Sun has one of the largest restaurant franchisee portfolios in the U.S. with more than 1,000 locations under its ownership. In addition to restaurant development and ownership, multiple awards and recognitions have been bestowed upon Guillermo Perales, the CEO of Sun Holdings. These awards include the MUFSO Golden Chain Award and Nation's Restaurant News' Top 10 Power List, International Franchise Association Entrepreneur of the Year in 2008 and 2015, Ernst & Young's Entrepreneur of the Year in 2008, as well as Latino Leaders Magazine's 101 Most Influential Latinos for several consecutive years. As a fast-growing company, Sun Holdings has participated in multiple community service operations including serving over 25,000 free meals to heroes every Veterans Day, and distributing millions of Certificates of Achievement awards for free meals to children every year.

***As the owner and operator of multiple iconic brands, Suncakes' investment in IHOP reinforces the strength of our franchise opportunity and the future viability of our business,*** said Jay Johns, IHOP President. "We are thrilled to welcome Guillermo and the Suncakes team to the IHOP family and are confident that their immense industry and brand expertise will undoubtedly yield success."

***We take great pride in joining IHOP, an iconic brand that has built significant momentum in the industry in recent years,*** said Guillermo Perales, CEO for Sun Holdings. "Our goal is to ensure that each and every guest that walks into one of our restaurants receives the quality service and familiar experience they've come to expect from IHOP for over 60 years."



## GUILLERMO PERALES' SUN HOLDINGS BUYS 41 IHOP RESTAURANTS

October 16, 2020

Guillermo Perales' Sun Holdings Inc. has bought 41 locations of IHOP. The restaurants, which are now owned by Sun Holdings subsidiary Suncakes LLC, are in Tennessee, North Carolina, Virginia and South Carolina and were previously owned by CFRA Holdings.

Ownership was transferred in July, according to a statement from IHOP, which is a subsidiary of Glendale, Calif.-based Dine Brands Global. These are the first IHOP restaurants owned by Dallas-based Sun Holdings, which is one of the United States' largest franchisees with more than 1,000 locations including Burger King, Popeyes, Arby's, Cicis, Golden Corral and Krispy Kreme restaurants, as well as GNC stores and T-Mobile locations. Most of Sun Holdings' locations are in Florida and Texas.

IHOP president Jay Johns said Perales' purchase of IHOP restaurants underscored the brand's potential. "As the owner and operator of multiple iconic brands, Suncakes' investment in IHOP reinforces the strength of our franchise opportunity and the future viability of our business," he said. "We are thrilled to welcome Guillermo and the Suncakes team to the IHOP family and are confident that their immense industry and brand expertise will undoubtedly yield success." For his part, Perales said IHOP had been enjoying considerable momentum before the family-dining chain was affected by the novel coronavirus pandemic. "We take great pride in joining IHOP, an iconic brand that has built significant momentum in the industry in recent years," Perales said. "Our goal is to ensure that each and every guest that walks into one of our restaurants receives the quality service and familiar experience they've come to expect from IHOP for over 60 years."



Sun Holdings, a leading restaurant company managing a portfolio of over 1,500 restaurants and retail locations, is thrilled to announce the acquisition of Freebirds World Burrito, a beloved fast-casual restaurant chain known for its vibrant atmosphere and bold, customizable burritos.

The brand passion for Texas-sized portions and Texas-friendly people sets Freebirds apart from the competition. The acquisition includes 64 locations across Texas, further expanding Sun Holdings' presence in the state. Guillermo Perales, CEO of Sun Holdings, expressed his enthusiasm for the acquisition, stating, "Freebirds brings a distinct and vibrant energy to our portfolio. The brand's commitment to quality ingredients and a customer-centric approach resonates well with us as operators. We believe we can learn from Freebirds in customer engagement and menu innovation, while bringing our expertise in operations and growth." Perales added, "This acquisition is especially notable for Sun Holdings as it demonstrates our ability to grow not just as a franchisee, but as a brand owner. Freebirds is poised for growth, and we have an ambitious expansion strategy that we are excited to get to work on."

SUN HOLDINGS WELCOMES FREEBIRDS WORLD BURRITO INTO ITS DIVERSE RESTAURANT PORTFOLIO

August 14, 2024

# KANNAPOLIS (CHARLOTTE MSA)



# CITY VIEW



## KANNAPOLIS

A 62,000 SF facility that hosts the College's nursing & biotechnology programs, as well as the Small Business Center. The College's Advanced Technology Center (ATC) is a 55,000 SF building includes practical & integrated labs, as well as a large flex lab.



The North Carolina Research Campus in Kannapolis, NC, is a 350-acre research center located just north of Charlotte, NC. The campus is a scientific community that collaboratively works to empower human health through nutrition. Eight universities, the David H. Murdock Research Institute, companies, and entrepreneurs focus research and development on safer, more nutritious crops, healthier foods, and precision nutrition.



Home of the  
Kannapolis Cannon Ballers



A family-owned business that produces ornamental plants - they supply plants to over 1,400 retail garden centers for Lowe's, Home Depot & Walmart



Distributes construction materials such as gravel, sand & stone



This airport sits on 750 acres with 1 runway. Airlines servicing USA include Allegiant, Avelo & Sun Country Airlines. There were 116,892 passengers in 2023.



## KANNAPOLIS

## City of KANNAPOLIS



Manufactures injectable  
medications for  
diabetes & weight loss

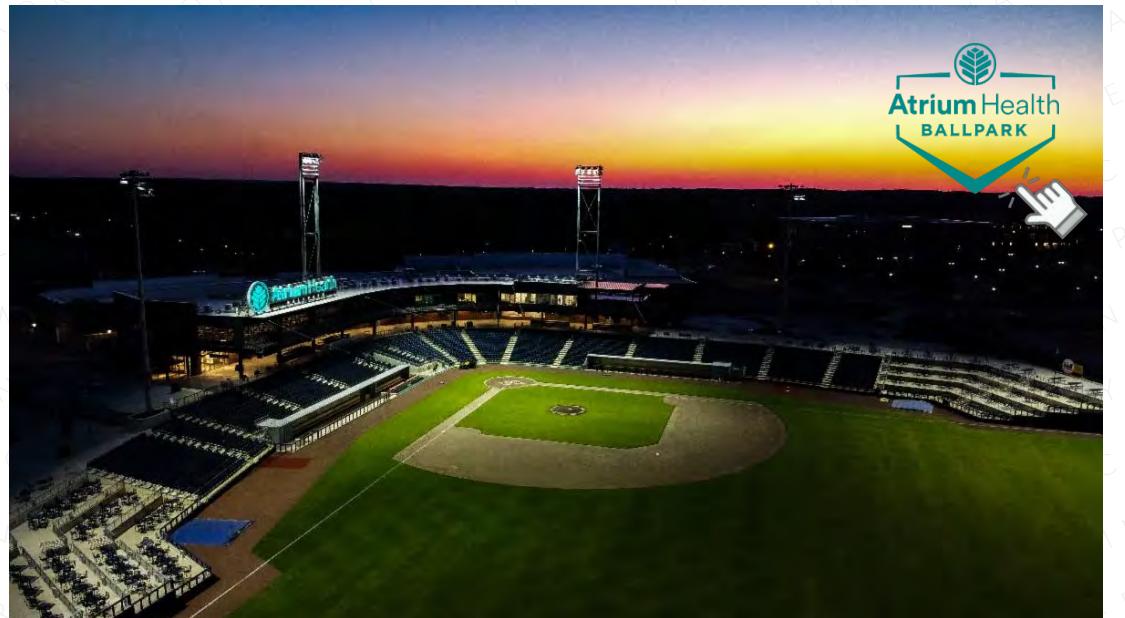


CABARRUS HOSPITAL  
457 BEDS

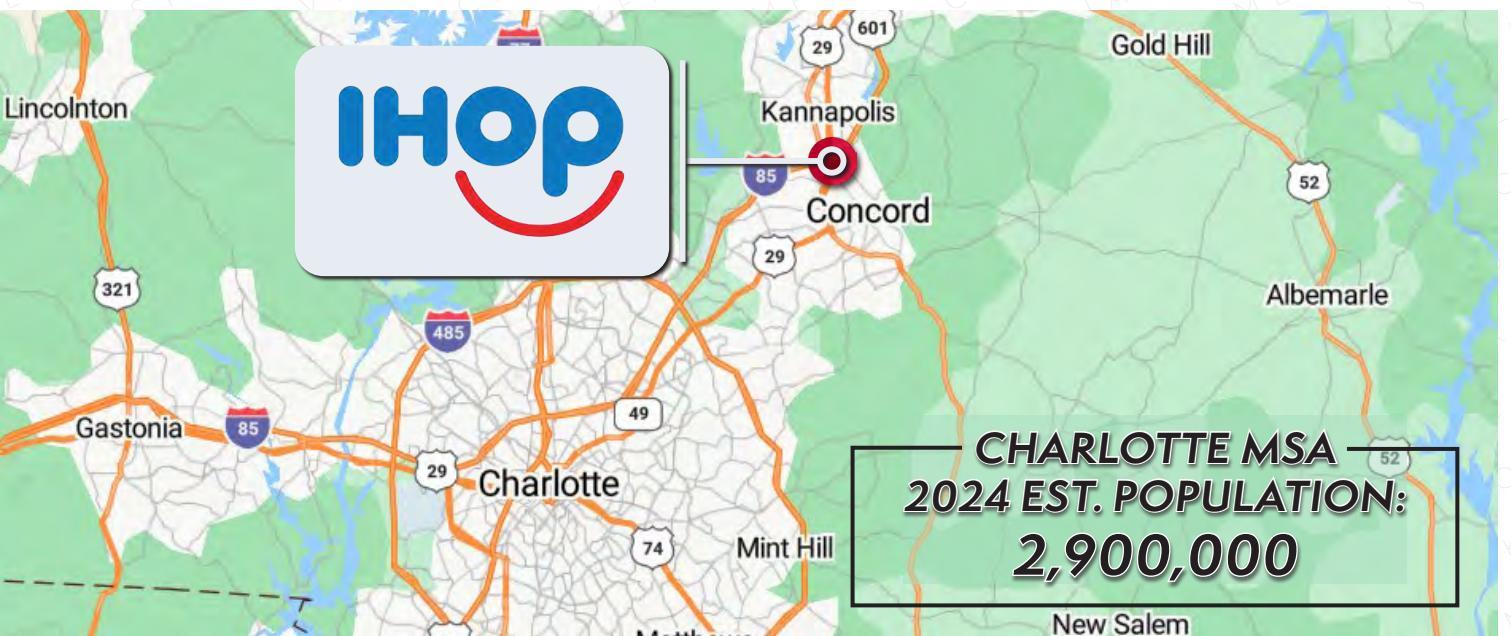


Levine Children's  
247 BEDS





Kannapolis has witnessed a significant wave of development, highlighted by the completion of **Atrium Health Ballpark** (home of the minor league Kannapolis Cannon Ballers) in 2020, a \$52 million sports & entertainment venue with a capacity of 4,930 with 3,218 seats.



The City is home to 8 universities, who have teamed up on the campus of the **North Carolina Research Campus (NCRC)**, to make breakthroughs in health and nutrition research. The 8 universities are Appalachian State, Duke, UNC-Chapel Hill, UNC-Charlotte, UNC-Greensboro, N.C. A&T, N.C. Central and North Carolina State. As of September 2002, the NC Research Campus has been undergoing a \$500 million development plan including an 800,000 SF of new office space; 800,000 SF of new research & medical space; 47,000 SF of new commercial & retail space and 1,200 residential units.

## 2024 DEMOGRAPHICS

	1-MI	5-MI	10-MI
2024 Population	5,345	107,853	267,198
2029 Projected Population	5,773	118,522	290,956
<b>Projected Annual Growth (2024-2029)</b>	<b>1.6%</b>	<b>1.9%</b>	<b>2.0%</b>
Labor Population Age 16+	4,283	86,007	210,357
Median Age	38.8	37.0	37.3
<b>Average Household Income</b>	<b>\$91,696</b>	<b>\$95,806</b>	<b>\$112,596</b>

## Charlotte among fastest growing cities in the U.S.


**REGIONAL DATA**

## MOVING THE REGION FORWARD.

**2.9 million**

**1.6 million**

**113 people**

**\$218 billion**

Population of the region

Total jobs

Move to the region daily

Gross Regional Product



Population growth since 2010



Growth in 20-34 year old population



Growth in foreign-born population



Projected population growth by 2030

## ADVANCED MANUFACTURING

The Charlotte Region has long been a manufacturing hub, beginning with textiles more than 100 years ago. Today, the region is home to more than 3,500 manufacturers employing more than 146,000 people with growth in sectors like automotive parts, plastics, advanced textiles, biomedical, and energy manufacturing. North and South Carolina are the top two states in the country for manufacturing competitiveness with the two lowest corporate tax burdens in the Southeast, making the region a top destination for manufacturers around the world.

## ROBUST WORKFORCE & TALENT PIPELINE



The Charlotte Region saw net migration in 2022 higher than any other year in the previous decade. This ongoing population growth continues to feed the region with new talent, and our workforce development partners throughout the region are committed to re-skilling and upskilling the current populations with programs that are top rated nationally.



146,000 employed in sector



15 advanced manufacturing training programs



10+ of apprenticeship programs offered in the region



Top 2 lowest unionization rates in the U.S.

## CONNECTIVITY & LOCATION

Strategically located on the East Coast of the United States, equidistant between New York and Miami, the Charlotte Region has the infrastructure to move goods and people efficiently regardless of mode of transportation.



60% of U.S. within 2.5 hour flight



100 million people within 1 day trucking time



3 major East Coast ports within 250 miles (Wilmington, Charleston, Savannah) as well as the Charlotte inland port



Served by two major railroads (CSX and NS) as well as regional lines, many counties in the region have dual rail service

## RECENT EXPANSIONS & RELOCATIONS

More than 4,400 jobs and \$3.1B in capital investment announced since 2023



Eli Lilly

589 jobs, \$1 billion in capital investment



E&J Gallo Winery

500 jobs, \$423 million in capital investment



Pallidus

405 jobs, \$443 million in capital investment



Albemarle

300 jobs, \$1.3 billion in capital investment

## Q2 2024 Review

**\$340,967,000 capital investment**  
**825 announced jobs**  
**1.9% employment change (YOY)**  
**3.6% unemployment rate**

The Charlotte Region is experiencing a robust economic environment, as seen by the major capital investment and job announcements. This expansion points to a bright future with ongoing prospects for workforce development and economic stability, as well as high company confidence and an increasing employment market.



### Economic Momentum and Diversity

Key industries of the Charlotte Region, advanced manufacturing, finance, logistics and distribution, life sciences, and innovation, are expected to grow significantly in the second half of 2024. With a growth rate around 3%, the industries are projected to add around 5000 jobs between 2024 and 2025.

SELECT CLT 2023



# Q2 2024 GROWTH REPORT

### 2nd Half of 2024 Expectations

#### Advanced Manufacturing

- +2% projected growth in pharmaceuticals, automotive parts, and electrical equipment adding 915 jobs between 2024 and 2025. This industry currently supports over 50,000 jobs in the region.

#### Financial Industry

- +3% projected growth rate in the Finance industry with 2,892 jobs expected to be added from 2024 to 2025. The industry currently is valued at \$44 billion within the Charlotte Region GRP.



sources: Lightcast.io Data

### 2nd Half of 2024 Expectations

#### Innovation Economy

A thriving job market is evident in the technology sector, where more than 1,300 firms are actively seeking talent in IT services and software development. The industry has a projected 3% growth rate and adding around 1000 jobs between 2024 and 2025

#### Life Science

The life science industry is growing, necessitating a greater demand for professionals with experience in biotechnology, pharmaceuticals, and medical device manufacturing with the industry currently supporting more than 140,000 jobs in the region. The sector is well positioned for continued expansion, seeing a 11% growth rate and having a projected growth rate of 2% between 2024-2025 as well as adding 3,121 jobs.

#### Logistics and Distribution

The Logistics and Distribution industry is poised for continued growth and success in the region. The industry has grown 33% since 2018 and is expecting 2% growth between 2024 and 2025. While having average job earnings of \$74,214 and supplying more than 90,000 jobs currently.



sources: Lightcast.io

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