

# NEW 15-YR ABSOLUTE NNN LEASE

LEXINGTON, NORTH CAROLINA

**CIA** commercial  
investment  
advisors  
OFFERING MEMORANDUM



## IHOP

11 PARKWAY PLAZA | LEXINGTON, NORTH CAROLINA 27292

# ADVISORY TEAM

**JESSICA ZAHN GIBSON**

**Owner**

jess@ciadvisor.com  
602.770.7145 - cell

**BRIAN BROCKMAN**

**Principal Broker**

Bang Realty-North Carolina, Inc.  
LIC # 298998  
bor@bangrealty.com  
513-898-1551

**CIA** commercial  
investment  
advisors

COMMERCIAL INVESTMENT ADVISORS  
CIA BROKERAGE COMPANY  
9383 East Bahia Drive, Suite 130  
Scottsdale, Arizona 85260  
602.770.7145  
www.ciadvisor.com



# HIGHLIGHTS



**PRICE**  
\$2,160,000

**CAP RATE**  
6.25%

**NOI**  
\$135,000

## POINTS OF INTEREST

**Retailers | Entertainment:** Pad site to a Belk, Tractor Supply & Ollie's Bargain Outlet Shopping Center with key tenants such as Gabe's, Dollar Tree & Planet Fitness - Lexington has major retailers including Walmart, Lowe's, Roses Discount Store, Big Lots, Maurices, Food Lion, ALDI, Shoe Show, Shoe Dept, PetSmart, Dollar General, Harbor Freight, Aaron's, Rent-A-Center, Goodwill, Sally Beauty, GameStop, Verizon, Cricket Wireless, T-Mobile, Walgreens

**Higher Education:** Less than 10 miles from **Davidson-Davie Community College Thomasville** - a public community college offering various programs serving 3,765 students

**Healthcare:** 3 miles from **Wake Forest Baptist | Lexington Medical Center** - a not-for-profit facility licensed with 94 acute care beds specializing in orthopaedic surgery, general surgery, ENT/head and neck surgery and cancer care

## 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

Located in dominant retail corridor (pad site to a Belk, Tractor Supply & Ollie's Bargain Outlet Shopping Center) on a large ±1.25-acre lot - **just east of Cotton Grove Rd with traffic counts of 26,248 CPD** (just north of I-85 with traffic counts of 62,228 CPD)

## 2024 DEMOGRAPHICS (10-MI)

Population	89,904
Households	37,080
Average Household Income	\$81,379

# PROPERTY OVERVIEW & RENT ROLL



<b>PRICE</b>	<b>\$2,160,000</b>
<b>SITE ADDRESS</b>	11 Plaza Parkway Lexington, North Carolina 27292
<b>TENANT</b>	<b>Suncakes, LLC</b> (Wholly owned & operated by Sun Holdings, LLC)
<b>LESSEE ENTITY TYPE</b>	Franchisee
<b>GROSS LEASABLE AREA</b>	±4,526 SF
<b>LOT SIZE</b>	±1.25 acres
<b>YEAR BUILT   RENOVATED</b>	1994   2023
<b>OWNERSHIP</b>	Fee Simple (Building & Land)
<b>EXPENSE REIMBURSEMENT</b>	This is an <b>Absolute NNN lease</b> . Tenant is responsible for all expenses.
<b>LEASE TERM</b>	15 years (new)
<b>RENTAL INCREASES</b>	10% every 5 years
<b>RENT COMMENCEMENT DATE</b>	October 1, 2024
<b>EXPIRATION DATE</b>	September 30, 2039
<b>OPTIONS</b>	Three 5-Year Renewal Options



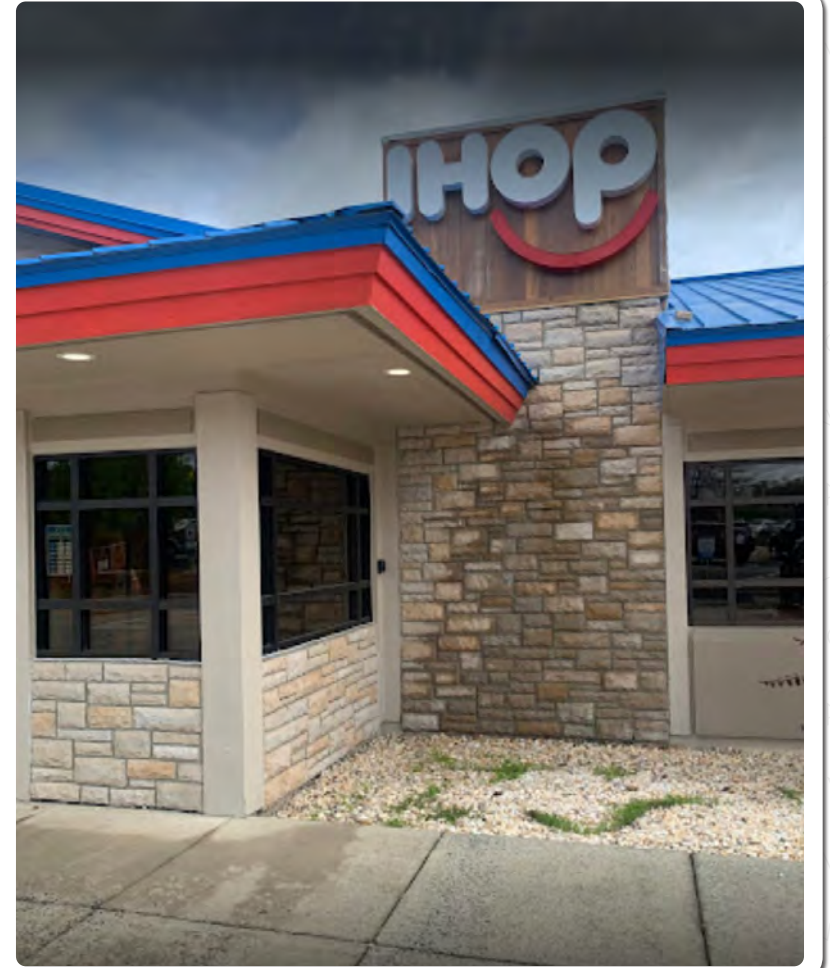
## RENT ROLL

	<b>TERM</b>	<b>ANNUAL RENT</b>	<b>CAP RATE</b>
Years 1-5	<b>10/01/24</b> to 09/30/29	\$135,000	6.25%
Years 6-10	10/01/29 to 09/30/34	\$148,500	6.88%
Years 11-15	10/01/34 to <b>09/30/39</b>	\$163,350	7.56%
<b>AVG ANNUAL RETURN</b>			<b>6.90%</b>

### RENEWAL OPTIONS

1st Option	10/01/39 to 09/30/44	\$179,685
2nd Option	10/01/44 to 09/30/49	\$197,654
3rd Option	10/01/49 to 09/30/54	\$217,419

# ACTUAL SITE PHOTOS



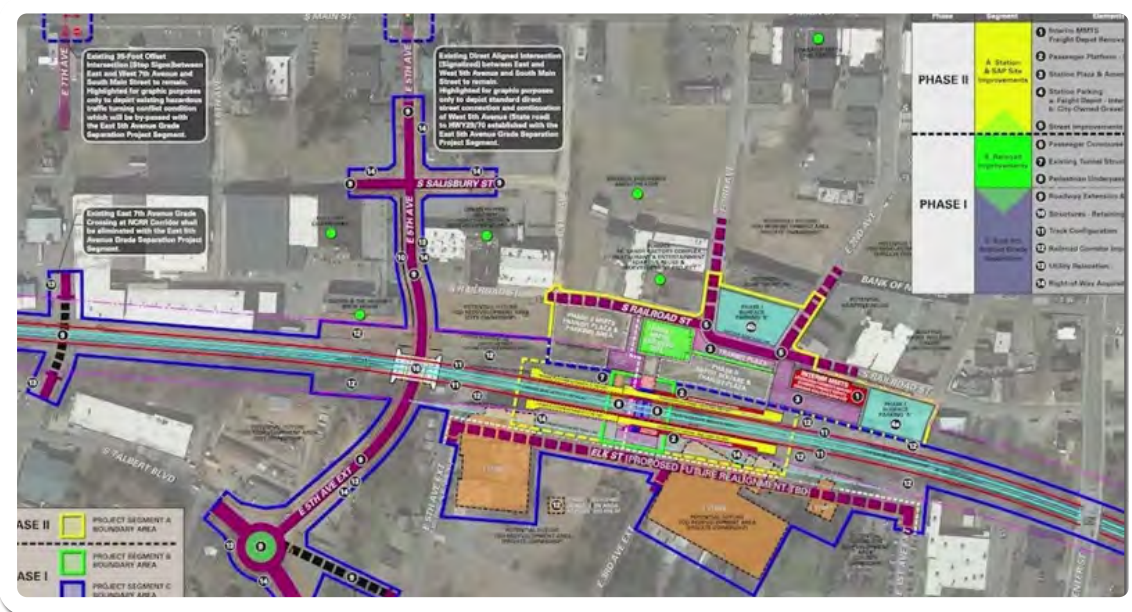
# BUILT GRANT PROGRAM



*“More than a decade ago, it was determined by NCDOT and Amtrak that a station in Lexington would add nearly 11,000 users annually to its rail system,” said NCDOT’s Rail Division Director, Jason Orthner. “The new station will be a fantastic gateway for these members of the community and visitors, as well as a center point of economic activity in this district.”*

The City began seeking passenger rail service in 2003 to provide alternate and equitable transportation service to residents of this community. Passenger rail service allows for affordable access to education, health, and job centers along the North Carolina commuter rail system, as well as travel to other destinations. The passenger rail system continues to expand across this State and recent grant announcements by the Governor show continued investment and growth of the system. Passenger rail will be a critical transportation network in the future and now is Lexington’s opportunity to connect.

In September 2020, USDOT selected Lexington to receive 25 million dollars through the Better Utilizing Investments to Leverage Development (BUILD) grant program. The Federal Railroad Administration (FRA) division of USDOT administers the BUILD grants. Once a federal grant award is announced, prerequisite tasks must be completed before USDOT releases the funds. The City of Lexington and NCDOT have completed all prerequisite tasks for grant obligation. FRA has executed a grant agreement to release the funds to begin the project. The project includes building two new boarding platforms, renovating the historic freight depot as an interim passenger station, a vehicle tunnel under the railroad at Fifth Avenue, which will connect with Talbert Boulevard, and improving the tracks between the two areas. The project will also include closing the at-grade rail crossing on Seventh Avenue. The project will lead to increased access to alternate transportation options for the City of Lexington, better connecting rail transit and other services. The project will be complete no later than October 2027.



The Lexington Train Station is a shining example of synergized collaboration at multiple levels of the United States government and Railroad stakeholders. City officials are absolutely committed to this successful venture with all key partners, bringing home to Lexington the ultimate goal to connect current and future generations of residents, visitors and commerce to a vital transportation option of rail transit.

# 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.



**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, Cici's, 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

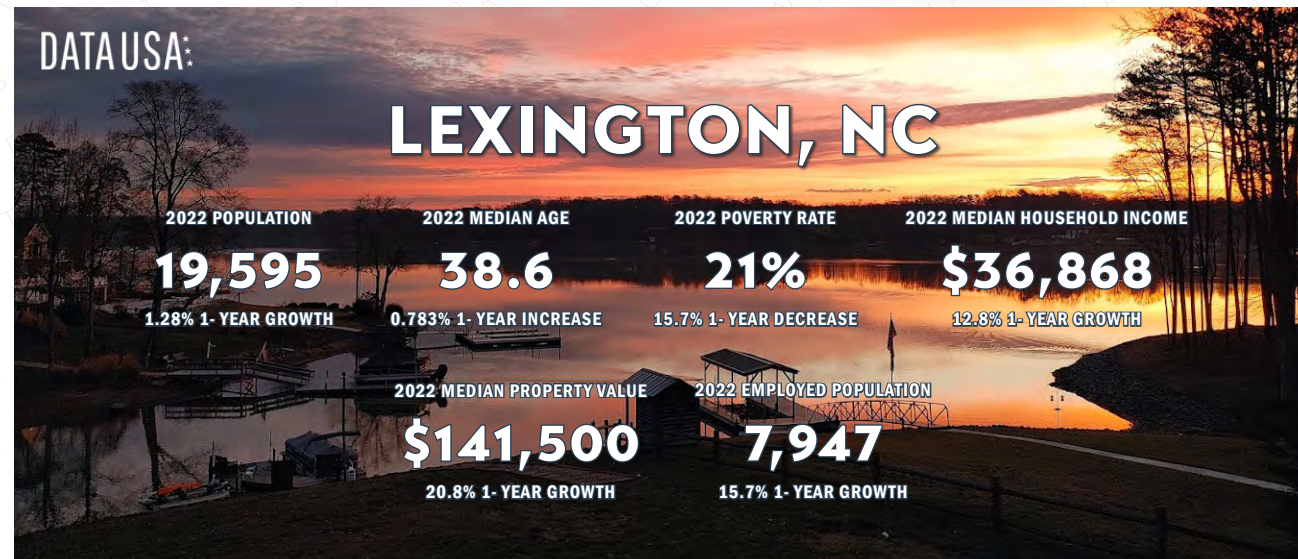
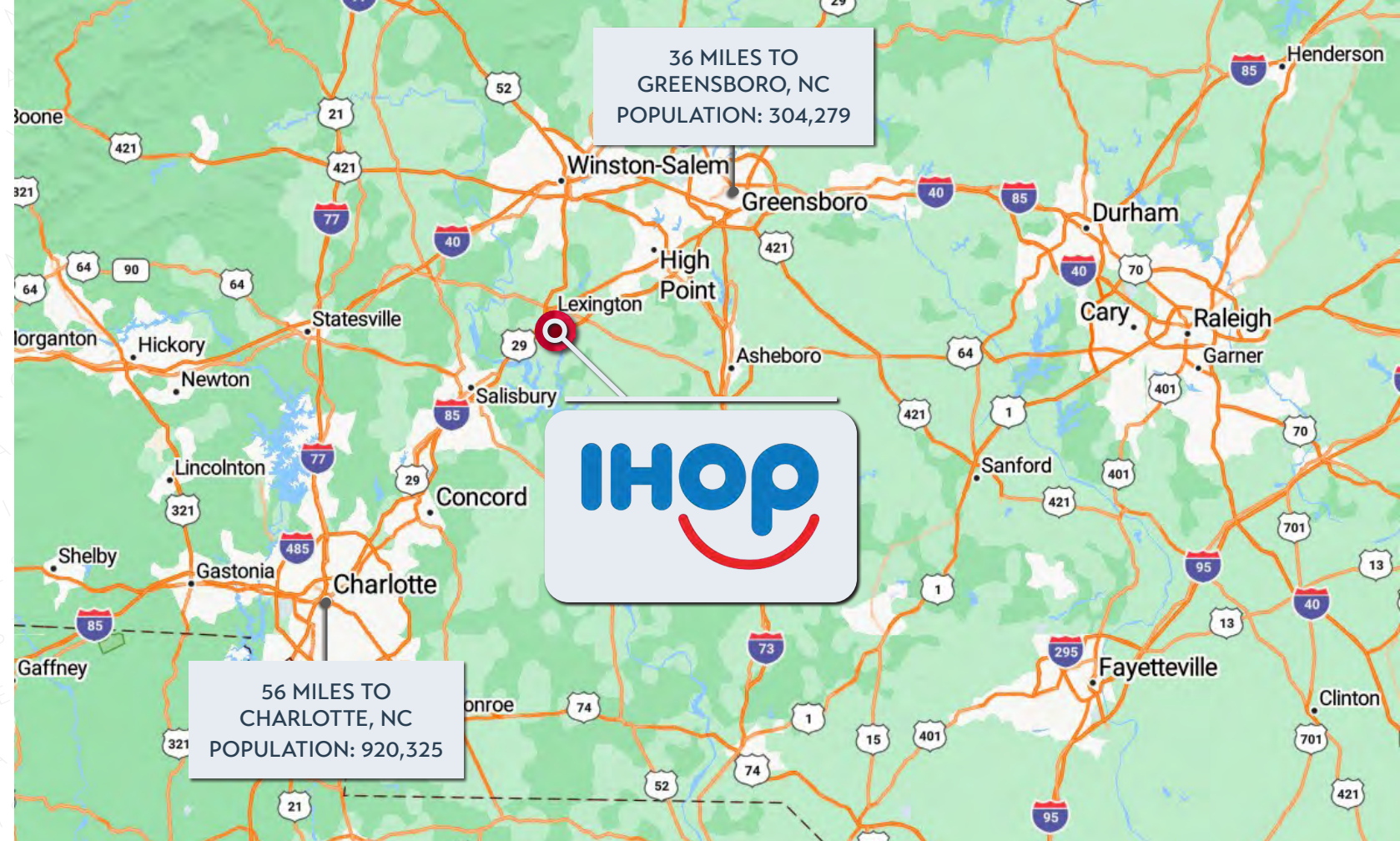
# LEXINGTON



# LEXINGTON SYNOPSIS

**Lexington** is a city located in Davidson County, North Carolina. It is part of the Piedmont Triad region, which also includes the cities of Greensboro, Winston-Salem, and High Point. Lexington is approximately 20 miles south of Winston-Salem, making it one of the closest major cities. **Davidson County's** economy is diverse, with significant contributions from manufacturing, healthcare, education, and retail sectors. The area is also known for its rich history in furniture manufacturing and agriculture. Lexington is famously known as the **"Barbecue Capital of the World,"** celebrated with the annual Lexington Barbecue Festival, which attracts thousands of visitors.

**Major employers in Lexington** includes **Owen & Minor HALYARD** (manufactures sterilization wrap, isolation gowns & nonwoven materials for hospitals); **Masterbrand Cabinets** (cabinet store/maker); **Vitacost** (warehouse for online retailer of health & wellness products); **Arneg Holdings** (manufactures premium refrigerated display cases); **Parkdale Mills** (yarn manufacturing & fiber technology); **Childress Vineyards** (winery); **Navis TubeTex** (designs & manufactures machinery for the knit & geotextile industries); **Nippon Electric Glass** (manufactures glass fibers).



## 2024 DEMOGRAPHICS

	3-MI	5-MI	10-MI
Population	17,214	37,873	89,904
2029 Projected Population	18,159	40,299	96,346
<b>Projected Annual Growth (2024-2029)</b>	<b>1.1%</b>	<b>1.3%</b>	<b>1.4%</b>
Labor Population Age 16+	13,857	30,663	73,504
Median Age	38.3	39.3	42.0
Average Household Income	\$66,867	\$71,869	\$81,379

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## FOR MORE INFORMATION:

**JESSICA GIBSON**

**Owner**

jess@ciadvisor.com

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