

## OFFERING MEMORANDUM

**\$4,236,000 | 7.20% CAP RATE**

- » New 15-Year Net Lease with Scheduled Rental Increases
- » National Tenant with 300+ Locations and Growing
- » High-Traffic Location with Great Visibility
  - » Convenient Access to Major Roads and Four Freeways
- » Located in Dense Retail Corridor
- » Strong Customer Base with Affluent Demographics
  - » 160,607 Residents Within Five Miles
  - » Average Household Income of \$122,319 Within Three Miles
- » Prime Location in Family-Oriented Community with High Demand for Childcare and Early Education
- » New 2019 Construction



FILE PHOTO

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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Leased Investment Team

[www.YAFteam.com](http://www.YAFteam.com)

# INVESTMENT SUMMARY

ADDRESS	26120 Town Center Drive, Novi, Michigan		
PRICE	<b>\$4,236,000</b>		
CAP RATE	<b>7.20% return (8.45% average cap rate)</b>		
NOI	\$305,000		
TERM	15 years		
RENT COMMENCEMENT	March 15, 2019 (estimated)		
LEASE EXPIRATION	March 31, 2034 (estimated)		
RENTAL INCREASES	8% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$305,000	7.20%
	6-10	\$329,400	7.78%
	11-15	\$355,752	8.40%
	16-20 (Option 1)	\$384,212	9.07%
	21-25 (Option 2)	\$414,949	9.80%
YEAR BUILT	2019		
BUILDING SF	10,000 SF building + 7,227 SF playground		
PARCEL SIZE	2.17 acres (94,525 SF)		
LEASE TYPE	Net, with tenant responsible for all insurance, taxes, and maintenance, excluding roof and structure		

## LONG-TERM LEASE WITH SCHEDULED RENTAL INCREASES

- » 15-year net lease with two five-year options
- » 8% rental increases every five years, providing a hedge against inflation

## NATIONAL TENANT WITH BRAND RECOGNITION AND GROWTH

- » Over 300 locations in 22 states
- » Tenant experienced 210% increase in five-year system-wide revenue growth and is one of the fastest growing franchises in its industry
- » Ranked in the Franchise 500 eight years in a row

## HIGH-TRAFFIC LOCATION IN DENSE RETAIL CORRIDOR

- » Immediate access to Grand River Avenue (25,358 AADT) and Novi Road (36,900 AADT) and is adjacent to the convergence of four major freeways: Interstate 96 (161,747 AADT), Interstate 275 (178,611 AADT), Interstate 696 (180,233 AADT) and Highway 5 (78,622 AADT)
- » Excellent visibility and access to 12,845 vehicles per day directly in front of the property
- » Directly adjacent to Novi Town Center, a Walmart-anchored shopping center that boasts over \$100 million in annual sales
- » Within walking distance Twelve Oaks Mall, an upscale, super-regional mall with a trade area population of 1.7 million and over 245,000 households earning over \$100,000 annually

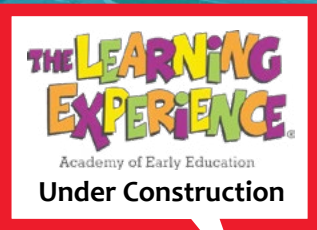
## PRIME LOCATION IN WEALTHY COMMUNITY

- » 160,607 residents with an average household income of \$114,992 live within five miles of the property
- » Average household incomes within one- and three-mile radii are \$103,334 and \$122,319, respectively
- » 123,497 daytime employees work within a five-mile radius
- » A majority of Novi's workforce works outside of the home, and the number of Novi residents under five-years-old is expected to increase 20.8% by 2045, providing a high demand for childcare services



FILE PHOTO





Town Center Drive  
(3,800 AADT)

11 Mile Road  
(9,045 AADT)







**COSTCO WHOLESALE**  
**TARGET**  
**STAPLES**  
**THE HOME DEPOT**  
**McDonald's**  
**Michael's**  
**Applebee's GRILL & BAR**

Meadowbrook Elementary School  
(540+ students)

**West Oak I and II Shopping Center**  
**Art Van**  
**BED BATH & BEYOND**  
**KIRKLAND'S**  
**Marshall's**  
**KOHL'S**  
**five BELOW**  
**Starbucks**

**ETHAN ALLEN**

**Twelve Oaks Mall**  
**MACY'S**  
**NORDSTROM**  
**JCPENNEY**  
**The Cheesecake Factory**

**LOWE'S**

**Red Lobster**

**L A Z BOY**

**T.G.I. FRIDAYS**

**DOUBLETREE BY HILTON**  
(148 rooms)

**HOMESWOOD SUITES**  
Hilton  
(89 rooms)

**Interstate 96**  
(161,747 AADT)

**COURTYARD**  
Marriott  
(122 rooms)

**CHIPOTLE MEXICAN GRILL**

**Olive Garden**  
ITALIAN KITCHEN

**RED ROBIN**  
GOURMET BURGERS

**Walmart Supercenter**  
**T.J. MAXX**  
**HOBBY LOBBY**

**PEI WEI**  
ASIAN DINER

**Bath & Body Works**  
**ULTA BEAUTY**

**Town Center Drive**  
(3,800 AADT)

**11 Mile Road**  
(9,045 AADT)

**THE LEARNING EXPERIENCE**  
Academy of Early Education  
Under Construction

**O'Reilly AUTO PARTS**  
PROFESSIONAL PARTS PEOPLE

**CHASE**

**DISCOUNT TIRE**



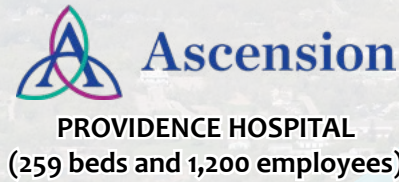
West Market Square Shopping Center



Novi Middle School &  
Deerfield Elementary School  
(1,782 students)

Novi Woods  
Elementary School  
(456 students)

Parkview  
Elementary School  
(574 students)



INDUSTRIAL REGION

96 / Interstate 96  
(161,747 AADT)



Grand River Avenue (25,358 AADT)



Novi Road (36,900 AADT)



11 Mile Road (9,045 AADT)



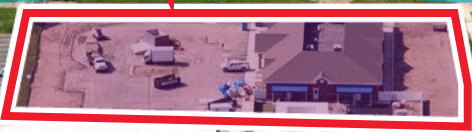
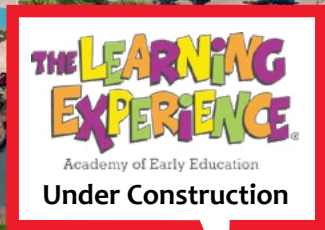
Town Center Drive  
(3,800 AADT)







INDUSTRIAL REGION



Grand River Avenue (25,358 AADT)

Town Center Drive (3,800 AADT)

11 Mile Road (9,045 AADT)





Interstate 96  
(161,747 AADT)

**WALSH**  
COLLEGE  
NOVI LOCATION

**FedEx Kinko's**  
Office and Print Center

**TS**  
TOTALSPORTS

**HOMEWOOD SUITES**  
Hilton  
(89 rooms)

**THE LEARNING EXPERIENCE**  
Academy of Early Education  
Under Construction

**COURTYARD**  
Marriott  
(122 rooms)

11 Mile Road (9,045 AADT)

**Walmart**  
Supercenter



**DISCOUNT TIRE**

Town Center Drive  
(3,800 AADT)



# SITE PLAN



TOWN CENTER DRIVE



MONUMENT SIGN

OUTDOOR PLAY AREA  
7,227 SF



10,000 SF



11 MILE ROAD





# TENANT SUMMARY



Founded in 1980, The Learning Experience is one of the nation's fastest growing childcare and early education franchises, with over 300 child development centers open or under development in 22 states. The Learning Experience offers childcare and early education services to infants, toddlers, twaddlers, preppers, preschoolers, and pre-K and kindergarten children. The company also provides before and after school care services for children up to eight years of age.

With a 210% increase in five-year system-wide revenue growth and over 35 new centers opening annually, Forbes named the company one of the "Best Franchises to Buy in 2015". The Learning Experience was ranked in the Franchise 500 in each of the past eight years (2011-2018).

The early education and childcare industry has grown exponentially over the past decade and shows no signs of slowing down. The U.S. Bureau of Labor Statistics projects that day care businesses will have some of the fastest employment growth of all industries through 2020. Demand for childcare services is driven primarily by growth in the youth population. According to a recent U.S. Census Bureau estimate, there are currently over 24 million children under the age of six living in the United States. Of those 24 million, 15.1 million require childcare. As a result, industry growth is expected to continue at a steady pace. In 2018, the childcare industry netted revenues of \$53 billion; over the next five years the childcare industry revenue is forecasted to increase at an average annual rate of 3.4% to \$62.6 billion.

In 2018, The Learning Experience was acquired by Golden Gate Capital, a private equity investment firm with over \$15 billion of capital under management.

For more information, visit [www.thelearningexperience.com](http://www.thelearningexperience.com) and [www.goldengatecap.com](http://www.goldengatecap.com).

<b>HEADQUARTERS</b>	<b>Boca Raton, FL</b>	<b># OF LOCATIONS</b>	<b>300+</b>
<b>SALES</b>	<b>\$236.6M</b>	<b>OWNERSHIP</b>	<b>Private</b>

# LEASE ABSTRACT

<b>TENANT</b>	TLE at Novi, LLC		
<b>GUARANTY</b>	5-year guaranty from The Learning Experience Corp.		
<b>ADDRESS</b>	<a href="#">26120 Town Center Drive, Novi, Michigan</a>		
<b>RENT COMMENCEMENT</b>	March 15, 2019 (estimated)		
<b>LEASE EXPIRATION</b>	March 31, 2034 (estimated)		
<b>RENEWAL OPTIONS</b>	Two (2) five (5) year options		
<b>RENTAL INCREASES</b>	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5 6-10 11-15 16-20 (Option 1) 21-25 (Option 2)	\$305,000 \$329,400 \$355,752 \$384,212 \$414,949	7.20% 7.78% 8.40% 9.07% 9.80%
*For the first year of the lease, Tenant shall receive a rent concession and pay the greater of 16% of Tenant's annual gross revenue or \$141,063.			
<b>REAL ESTATE TAXES</b>	Tenant shall reimburse Landlord for taxes.		
<b>INSURANCE</b>	Tenant is responsible for insurance.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant is responsible for all repair and maintenance of the parking lot and all nonstructural portions of the Premises.		
<b>MAINTENANCE BY LANDLORD</b>	Landlord is responsible for the repair and maintenance of the roof and all structural portions of the Premises.		
<b>RIGHT OF FIRST REFUSAL</b>	None		



# PROPERTY OVERVIEW

## LOCATION

The property is conveniently located at the hard corner intersection of Town Center Drive and 11 Mile Road, with excellent visibility and access to 12,845 vehicles per day directly in front of the property. The property has immediate access to Grand River Avenue (25,358 AADT) and Novi Road (36,900 AADT) and is adjacent to the convergence of four major freeways: Interstate 96 (161,747 AADT), Interstate 275 (178,611 AADT), Interstate 696 (180,233 AADT) and Highway 5 (78,622 AADT). Located in the heart of Novi's retail corridor, the property is directly adjacent to Novi Town Center, a Walmart-anchored shopping center that boasts over \$100 million in annual sales. Several shopping centers are within walking distance of the property, including Twelve Oaks Mall, an upscale, super-regional mall with nearly 200 stores, including Macy's, Apple, Coach, Lord & Taylor, Nordstrom, and Williams-Sonoma.

The property is surrounded by densely populated, affluent residential neighborhoods; 160,607 residents with an average household income of \$114,992 live within five miles of the property. Additionally, the average household incomes within one- and three-mile radii are \$103,334 and \$122,319, respectively. The property is also near several large employers, and 123,497 daytime employees work within a five-mile radius. Additionally, a majority of Novi's workforce works outside of the home, and the number of Novi residents under five-years-old is expected to increase 20.8% by 2045, providing a high demand for childcare services.

## ACCESS

Access from Town Center Drive

## TRAFFIC COUNTS

11 Mile Road:	9,045 AADT
Town Center Drive:	3,800 AADT
Grand River Avenue:	25,358 AADT
Novi Road:	36,900 AADT
Interstate 96:	161,747 AADT
Interstate 275:	178,611 AADT
Interstate 696:	180,233 AADT
Highway 5:	78,622 AADT

## PARKING

44 parking stalls, including two (2) handicap stalls

## YEAR BUILT

2019

## NEAREST AIRPORT

Detroit Metropolitan Wayne County Airport (DTW)



FILE PHOTO



**44**  
PARKING  
STALLS



**2019**  
YEAR BUILT



**13K**  
TRAFFIC  
COUNT (AADT)



**NEAREST  
AIRPORT**  
DETROIT  
METROPOLITAN  
WAYNE COUNTY  
AIRPORT



# AREA OVERVIEW

Novi is a city in Oakland County and a suburb in the Detroit Metropolitan Statistical Area (MSA). Novi sits at the convergence of major interstates and state freeways. Interstates 96, 696, and 275 meet with Michigan Highway 5, Eight Mile Road, and Novi Road, giving access to all Midwest and Canadian destinations, as well as facilitating a short 20-minute drive to Detroit Metropolitan Wayne County Airport. Ann Arbor, Michigan's intellectual hub, and Detroit are just 30 minutes away from Novi. The city is home to nearly 64,000 residents and more than 3,000 businesses and provides unparalleled access to healthcare, technology, and automotive industry headquarters from across the world. Business opportunities, award-winning school districts, an advanced healthcare system, cultural amenities, retail and dining options, and 1,200 acres of parkland set Novi apart as one of the most desirable cities in Southeast Michigan.

The Detroit metropolitan area, often referred to as Metro Detroit, is a major metropolitan area located in Southeast Michigan, consisting of the city of Detroit and its surrounding area. Metro Detroit is known for its automotive heritage, arts, entertainment, popular music, and sports. The area includes a variety of natural landscapes, parks, and beaches, with a recreational coastline linking the Great Lakes. It is one of the nation's largest metropolitan economies, with seventeen Fortune 500 companies.

- » Novi was ranked 23rd nationally on Money Magazine's list of "Best Places to Live in 2018."
- » In 2018, Novi saw more than \$260 million in commercial and industrial investment, generating 3,000 new jobs. Investments in the city are expected to increase by 5% through 2019.
- » Novi's industrial and office parks are home to companies in high tech research and development, health care, transportation and logistics, manufacturing and domestic and foreign automotive-related suppliers. Energy-related companies are one of the fastest growing sectors in the city.
- » Novi's Twelve Oaks Mall's trade area captures the affluent, densely populated suburbs of western and northwestern Detroit. The Twelve Oaks Mall trade area has a population of 1.7 million and over 245,000 households earning over \$100,000 annually.
- » More than 1,000 international companies from 40 countries operate in Oakland County.

MAJOR EMPLOYERS IN DETROIT MSA	# OF EMPLOYEES
FORD MOTOR CO.	48,000
GENERAL MOTORS CO.	37,400
FCA US LLC	35,399
UNIVERSITY OF MICHIGAN	34,067
BEAUMONT HEALTH	28,012
HENRY FORD HEALTH SYSTEM	23,724
U.S. GOVERNMENT	18,920
ROCK VENTURES	16,617
TRINITY HEALTH	14,676
ASCENSION MICHIGAN	11,893

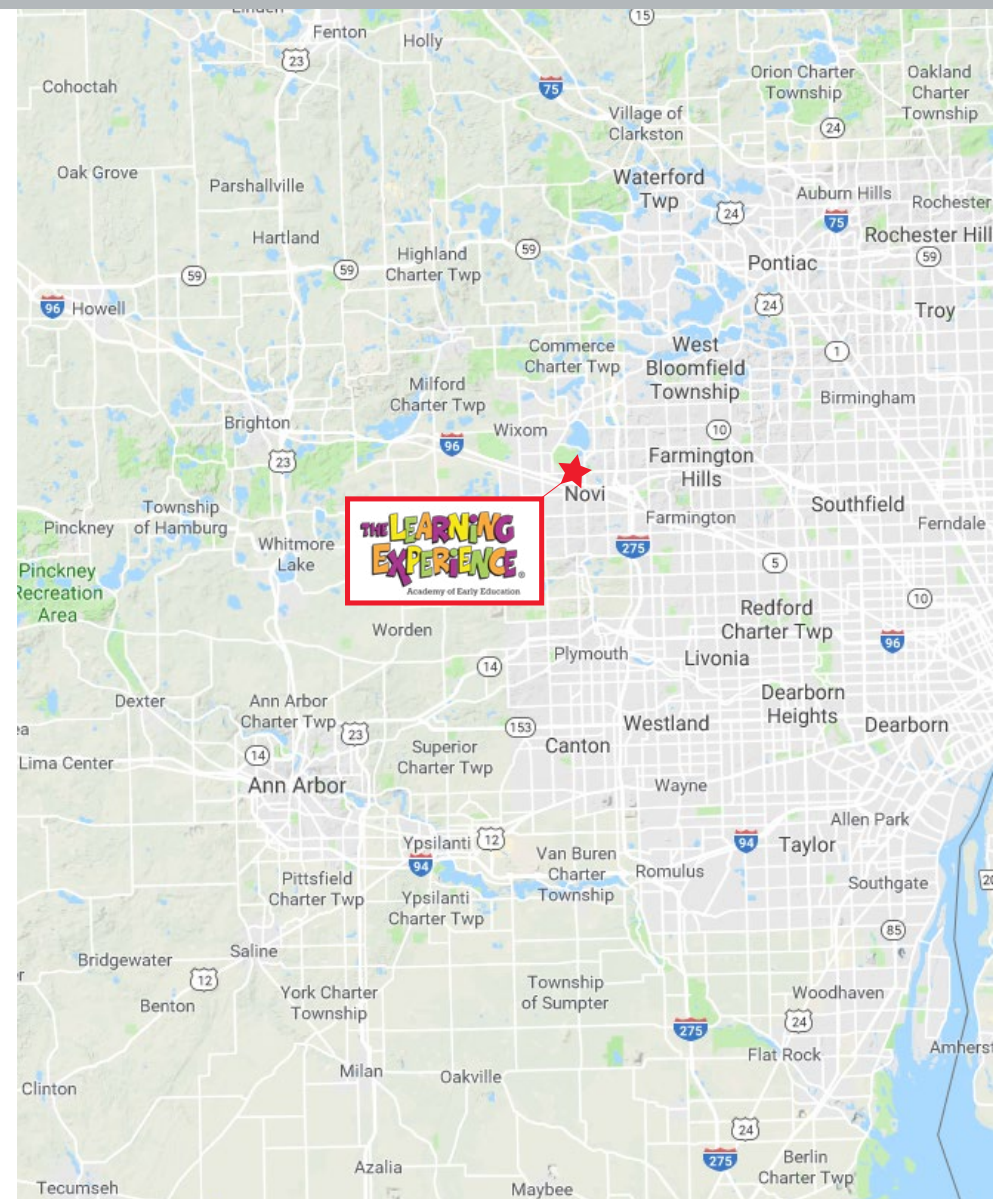




# DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>4,035</b>	<b>55,892</b>	<b>160,607</b>
Households	1,808	22,833	67,561
Families	1,007	14,813	42,125
Average Household Size	2.23	2.43	2.37
Owner Occupied Housing Units	930	15,518	42,772
Renter Occupied Housing Units	878	7,316	24,788
Median Age	40.0	41.5	41.3
<b>Average Household Income</b>	<b>\$103,334</b>	<b>\$122,319</b>	<b>\$114,992</b>

2023 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>4,161</b>	<b>57,448</b>	<b>164,111</b>
Households	1,871	23,519	69,469
Families	1,033	15,143	43,053
Average Household Size	2.22	2.43	2.37
Owner Occupied Housing Units	965	16,129	44,407
Renter Occupied Housing Units	906	7,390	25,062
Median Age	40.1	42.2	41.9
<b>Average Household Income</b>	<b>\$121,133</b>	<b>\$141,922</b>	<b>\$134,190</b>



**AVERAGE HOUSEHOLD INCOME OF \$122,319**  
WITHIN THREE MILES



**POPULATION OF 160,607**  
WITHIN FIVE MILES



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