



# KinderCare®

5 MORGAN DRIVE SPRING TOWNSHIP, PA



DOUGHERTY  
& PARTNERS  
of Mattern & Millicap





**DOUGHERTY  
& PARTNERS**  
of Marcus & Millichap

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KinderCare

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**Wilson Southern  
Middle School**  
(689 Total Enrolled)

**Spring Towne Center**



**Subject  
Property**

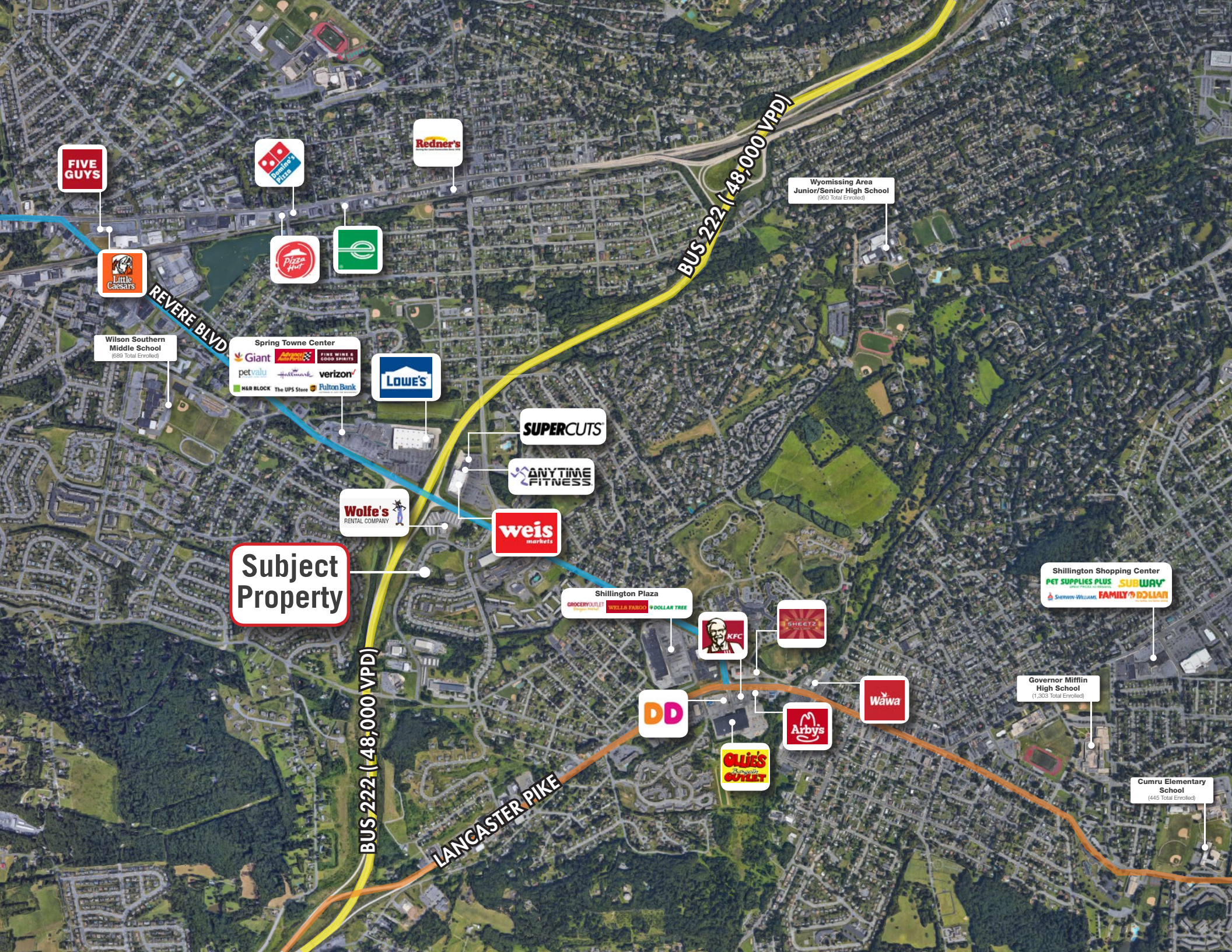
**BUS 222 ( 48,000 VPD)**

**REVERE BLVD (15,019 VPD)**

**BUS 222 ( 48,000 VPD)**

**MORGAN DR**





FIVE GUYS

Little Caesars

Dominos

Pizza Hut

Wendy's

Redner's

REVERE BLVD

Wilson Southern Middle School  
(689 Total Enrolled)

Spring Towne Center  
Giant, Advance Auto Parts, Pet Valu, Hallmark, Verizon, H&R Block, The UPS Store, Pulton Bank

LOWE'S

SUPERCUTS

ANYTIME FITNESS

Wolfe's RENTAL COMPANY

weis markets

Subject Property

Shillington Plaza  
GROCERY OUTLET, WOLFE'S FABRICS, DOLLAR TREE

KFC

SHEETZ

DD

Arby's

Wawa

OLLIE'S OUTLET

Shillington Shopping Center  
PET SUPPLIES PLUS, SUBWAY, Sherwin-Williams, FAMILY DOLLAR

Governor Mifflin High School  
(1,303 Total Enrolled)

Cumru Elementary School  
(445 Total Enrolled)

Wyomissing Area Junior/Senior High School  
(900 Total Enrolled)

BUS 222 (48,000 VPD)

BUS 222 (48,000 VPD)

LANCASTER PIKE



# KinderCare PROPERTY OVERVIEW

## Lease Summary

Tenant	KinderCare Learning Centers LLC
Guarantor	Corporate
Lease Type	NNN
Roof	Tenant is responsible for Roof repair & replacement.
Structure	Landlord is responsible for Structural repair & replacement
HVAC	Tenant is responsible for HVAC repair & replacement.
Base Lease Term	15 Year Base Term
Lease Commencement	May-99
Rent Commencement	May-99
Lease/ Rent Expiration	May-21
Rent Increases	1% (CPI)
Estoppel	(10) Day Notice from either Party
Option Notice	Notice (180) days prior to Lease expiration
Options	Two (5) Year Options

## Rent Schedule

Term	Annual Rent	% Increase
Current	\$129,816.36	1%
May 2020	\$131,114.52	1%
Option 2	Fair Market Rental Rate	-
Option 3	Fair Market Rental Rate	-

### FINANCING CONTACT:

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**List Price:**  
**\$1,500,000**



**Cap Rate:**  
**8.65%**



**Square Feet**  
**9,290sf**



**Lot Size:**  
**2.9 Acres**



**5 Morgan Drive**  
**Spring Twp, PA**

# INVESTMENT SUMMARY

Marcus and Millichap is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a net leased, corporate guaranteed, KinderCare located in Reading, PA. The tenant KinderCare has been at the location for 20+ years and has option periods to extend. The lease features annual rental increases in the base term and during each option period. The net leased property has few landlord responsibilities making it an ideal investment opportunity for a local or out of state investor.

KinderCare Education LLC is one of the largest private employers in Oregon with a 2017 revenue of \$1.6 Billion and operating in 40 states. KinderCare Education is the nation's leading private provider in early childhood education with over 32,000 teachers and employees instructing and caring for over 185,000 children across the nation in over 1,300 nationally accredited facilities.

The property's proximity to U.S. Route 222 provides drawing power from an expansive area making it easily accessible to a large population. Other nearby national/credit tenants including Weiss Markets, Kmart, Dollar Tree, Wells Fargo, and Anytime Fitness, further increasing consumer draw to the trade area. Moreover, the asset is .5 miles from Springside Manor, an apartment complex with 256 units, providing a direct consumer base from which to draw. The 3-mile trade area is supported by a dense population of over 68,065 residents with an affluent average household income of \$86,025.

## HIGHLIGHTS:

- **Long-term tenancy | KinderCare has been at this location for 20+ years**
- **KinderCare Education LLC operates in 40 states | 1,300 Locations | 32,000 teachers**
- **Demographic's Perfectly Suited for Quality Childcare | Average Age in 5-Mile Radius is 38 Years Old | AHHI \$86K**
- **The childcare industry is forecasted to increase revenue at a 3.4% annual rate to an impressive \$62.1 Billion industry**
- **U.S. Route 222 Serves as the Primary Thoroughfare in the Immediate Trade Area with Nearby National/Credit Tenants Including Kmart, Dollar Tree, Giant, Advanced Auto Parts, and Lowes**
- **Positive Real Estate Fundamentals | 40,000 Daytime Employees in 3-Mile Radius**









  
**PORTLAND,  
OREGON**  
Corporate Headquarters

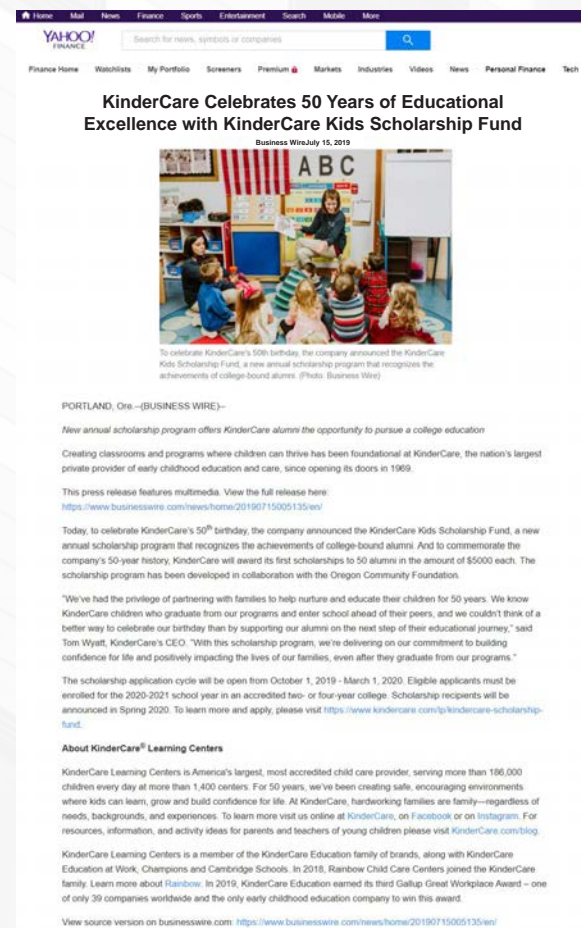
  
**1,300±  
LOCATIONS**  
Found Throughout the US

  
**30,000±  
EMPLOYEES**  
Throughout the Country

KinderCare Learning Centers is America's largest, most accredited child care provider, serving more than 186,000 children every day at more than 1,300 centers. For 50 years, we've been creating safe, encouraging environments where kids can learn, grow and build confidence for life. At KinderCare, hardworking families are family—regardless of needs, backgrounds, and experiences. To learn more visit us online at KinderCare, on Facebook or on Instagram. For resources, information, and activity ideas for parents and teachers of young children please visit [KinderCare.com/blog](https://www.kindercare.com/blog).

KinderCare Learning Centers is a member of the KinderCare Education family of brands, along with KinderCare Education at Work, Champions and Cambridge Schools. In 2018, Rainbow Child Care Centers joined the KinderCare family. Learn more about Rainbow. In 2019, KinderCare Education earned its third Gallup Great Workplace Award – one of only 39 companies worldwide and the only early childhood education company to win this award.

**WWW.KINDERCARE.COM**

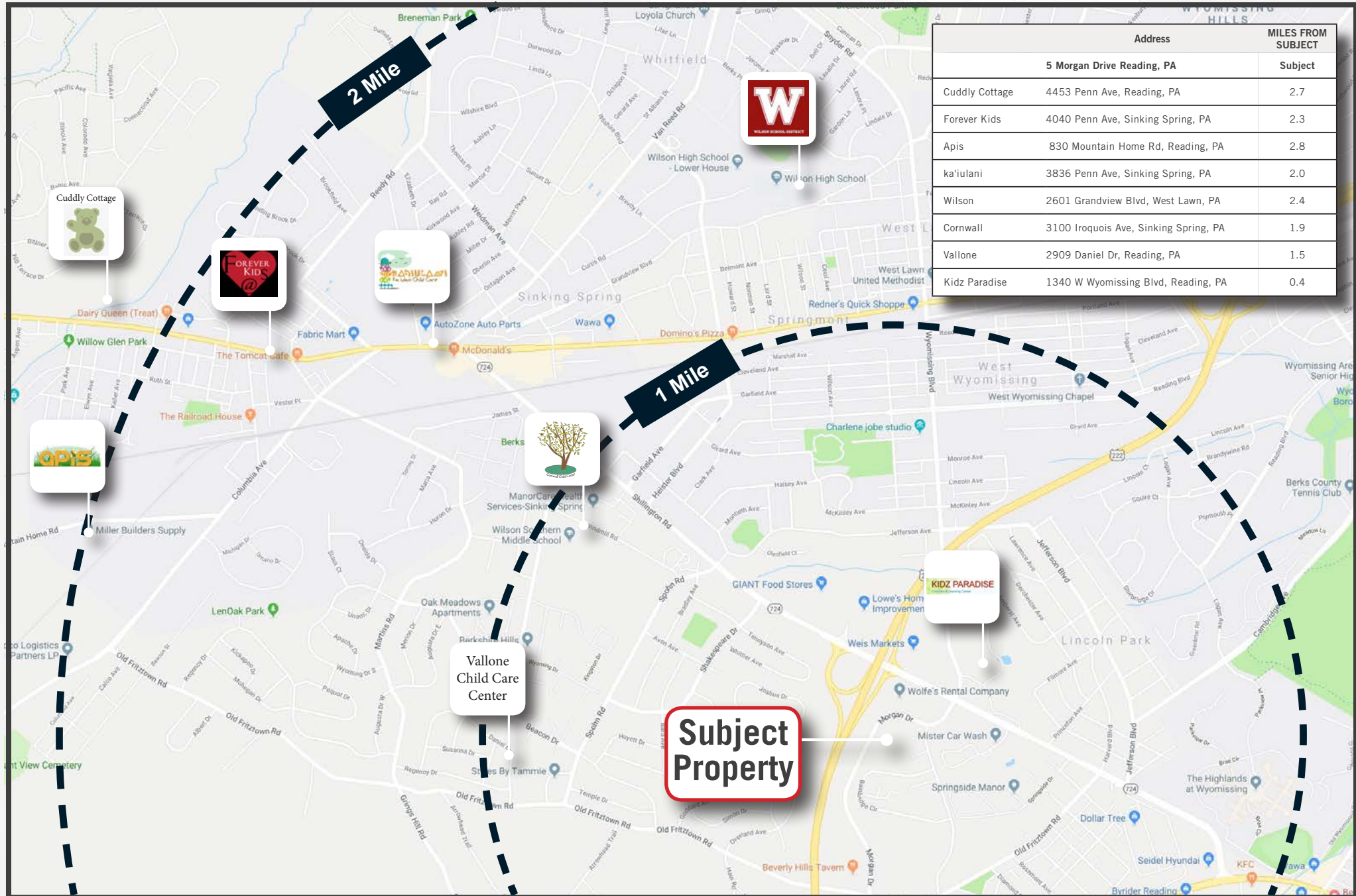


**“Most accredited preschool provider”**

We are proud to be the most accredited provider in early childhood education. Close to 100% of our centers are accredited through organizations like NAEYC, the nation's leader in preschool accreditation.



# KinderCare LEASE ABSTRACT





ASSIGNMENT NOTE	Tenant shall not assign Lease w/o prior consent of Landlord; nor shall any assignment relieve Tenant of its obligations to said Lease
Repairs & Maintenance	Tenant shall be responsible for Repairs & Maintenance
CAM	Tenant shall be responsible for CAM expenses
Estoppel/SNDA	Landlord & Tenant to provide Estoppel Certificates w/in (10) days notice from either party
Exclusive	Landlord agrees to not permit any other space owned by LL in a 5-mile radius to operate as a child/day care center, pre-school program, or after school program.
Guarantor	Corporate Guarantee
HVAC	Tenant is responsible for HVAC repair & replacement
Insurance	Tenant is responsible for Insurance expenses
Initial Term	15 Year Base Term
Option Notice	Tenant to provide (180) days prior to Lease expiration
Permitted use	Tenant shall use the Premises for a child care center together w/ education & related services
Roof & Structure	Tenant is responsible for repair & replacement of the Roof. Landlord is responsible for structural repairs & replacements to the foundation and exterior building walls
Sales Reporting	Once per lease year, upon (30) day notice, Tenant is to provide Financial Statements
Security Deposit	Tenant to provide One Month's rent
Taxes	Tenant is responsible for payment of all Taxes
Utilities	Tenant is responsible for all Utility expenses
Trash	Tenant is responsible for Trash Removal
Snow Removal	Tenant is responsible for Snow Removal



# *Reading, PA*

An aerial photograph of Reading, Pennsylvania, showing a dense urban area with various buildings, including several tall skyscrapers in the center. The city is surrounded by green hills and forests, with a clear blue sky in the background.

## **MARKET OVERVIEW**

READING, PA | MORGAN DRIVE

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*KinderCare*



# AREA DEMOGRAPHICS

## Rich History With Excellent Demographics

Reading is located in the midst of Berks County, an area known for rich history amongst beautiful nature. The Greater Reading Area promises visitors the opportunity to experience a wide collection of covered bridges and Dutch folk barn art, and Berks County offers more intrepid explorers the chance to set off on a hike along the Appalachian Trail.

RADIUS	1 MILE	3 MILE	5 MILES
<b>Average HH Income</b>	\$83,441	\$86,025	\$69,306
<b>Median HH Income</b>	\$66,969	\$66,491	\$48,861
<b>Population</b>	10,677	63,372	157,839
<b>Households(#)</b>	4,353	25,676	60,034
<b>Median Age</b>	40.70	41.20	38.50

## Leading Industrial and Trade Complexes

*located in the heart of the Delaware Valley Region*



**63,372**

**Population**  
*within a 3 mile radius*



**\$86,025**

**AVG. HH Income**  
*within a 3 mile radius*



**0.42%**

**Population Growth**  
*within a 3 mile radius*



**9.2%**

**College Educated**  
*Reading, PA*



**3.7%**

**Unemployment Rate**  
*within a 3 mile radius*



**0.6%**

**Job Growth Rate**  
*Reading, PA*





## Local Economy

With a population of 87,575, it is the fifth-largest city in Pennsylvania. Located in the southeastern part of the state, it is the principal city of the Greater Reading Area. The city is strategically situated along a major transportation route from Central to Eastern Pennsylvania, and lent its name to the now defunct Reading Railroad, which transported coal from the Pennsylvania Coal Region to the east coast.



## Top Employers

Organization/Company	Industry Type
Reading Hospital	Healthcare
East Penn Manufacturing Co.	Manufacturing
Carpenter	Skilled Trade
County of Berks	Utilities
Reading School District	Education
Pennsylvania Government	Government
Wal-Mart Stores, Inc.	Retail/Distribution
St. Joseph Medical Center	Healthcare
Penske Truck Leasing	Transportation

The city, which is approximately halfway between the state's most populous city, Philadelphia, and the state capital, Harrisburg (as well as about halfway between Allentown and Lancaster) is strategically situated along a major transportation route from Central to Eastern Pennsylvania,



The eastern spur, located entirely within Pennsylvania, begins in Hershey and ends at King of Prussia, PA, near Philadelphia.



U.S. Route 222 Business (US 222 Bus.) is a 12.17-mile (19.59 km) business route of US 222 located in Reading, Pennsylvania.



I-176 is a spur route of eastern Interstate 76 in PA. I-176, known locally as the "Morgantown Expressway", travels from Morgantown to Cumru Township in Berks County.



In Pennsylvania, I-76 runs across most of the state on the Pennsylvania Turnpike, passing near Pittsburgh and Harrisburg before leaving to enter Philadelphia.



**TOWER HEALTH:**

- What began as a large, single hospital in Reading has now become a network of accessible, nationally recognized centers of care throughout the region.
- Tower Health brings together more than 11,000 dedicated team members, 2,000 nationally recognized physicians, specialists and providers across 65 convenient locations.



**PRETZEL CITY:**

- Reading has been known as “The Pretzel City”, because of numerous local pretzel bakeries.
- Currently, Bachman, Dieffenbach, Tom Sturgis, and Unique Pretzel bakeries call the Reading area home.



Reading, PA  
**LOCATION OVERVIEW**



The city of Reading, located in southeastern Pennsylvania, is the principal city of the Greater Reading Area and the county seat for Berks County. With a population of 88,082 as of the 2010 census, it is the fifth most populated city in the state, after Philadelphia, Pittsburgh, Allentown and Erie, and the sixth most-populous municipality. Today, Reading is a city pulsating with industrial life. It is also well equipped with agencies that represent civilization at it’s best-churches, hospitals, clubs, fraternal societies, recreational centers, schools and colleges, a historical society, an art institute as well as a daily newspaper.

**5TH**  
MOST POPULOUS  
CITY IN STATE OF  
PENNSYLVANIA

**6MILLION**  
POPULATION OF  
THE DELAWARE  
VALLEY MSA

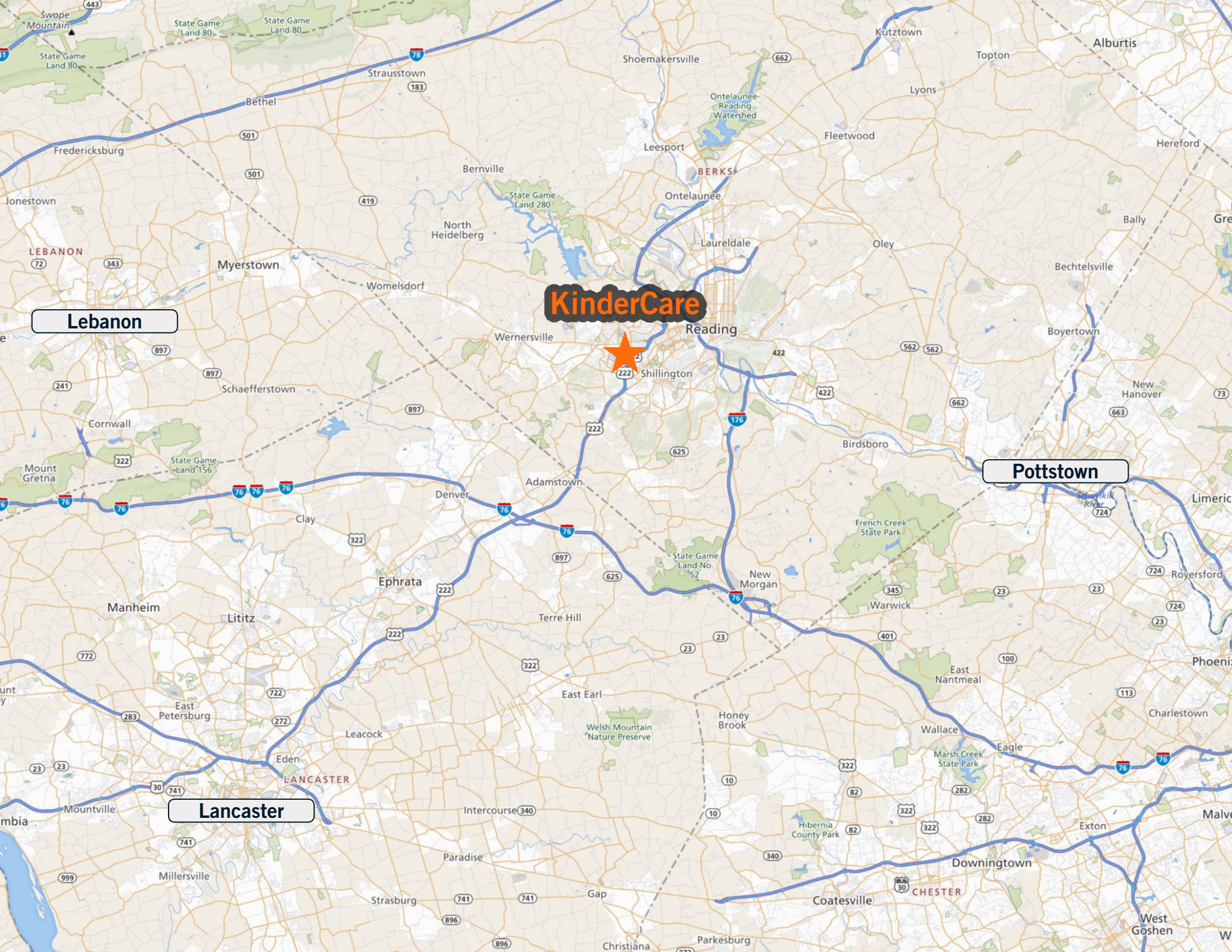
**3MILES**  
TO THE CENTER OF  
DOWNTOWN  
READING

**TOP 4**  
UP AND COMING  
NEIGHBORHOODS  
-NBC TODAY 2017

**4**  
MAJOR COLLEGES  
AND UNIVERSITIES  
IN READING, PA

**55MILES**  
MILES FROM  
CENTER CITY  
PHILADELPHIA





**KinderCare**



**Lebanon**

**Pottstown**

**Lancaster**





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**New York, NY**

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New York, NY 10016

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single tenant property.





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