

SINGLE TENANT NNN

Investment Opportunity



51779 VAN DYKE AVENUE, SHELBY TOWNSHIP, MICHIGAN
DETROIT MSA

ACTUAL SITE





EXCLUSIVELY MARKETING BY

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PROPERTY PHOTO





INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NNN leased, freestanding, The Learning Experience investment property located in Shelby Township, MI (Detroit MSA). The tenant, Shelby Childcare LLC, recently signed a brand new 15-year lease with 2 (5-year) options to extend, demonstrating their commitment to the site. The lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is NNN with landlord responsibilities limited to roof and structure, making it an ideal, low-management investment opportunity for an out of state investor. The lease is franchisee guaranteed and personally guaranteed by the owner of the operating entity.

The Learning Experience is located within a commercial community center along Van Dyke Avenue, a major retail and commuter thoroughfare traveling through Shelby Township averaging 20,300 vehicleless passing by daily. The center benefits from its own signalized, hard corner intersection at its entrance, allowing for easy and convenient access. The Learning Experience benefits from its monument sign, providing excellent visibility along Van Dyke Ave. The site is also within close proximity to 23 Mile Road (23,700 VPD) and Van Dyke Freeway / State Highway 53 (64,700 VPD). The asset is positioned within a dense, in-fill trade area supported by nearly 71,000 households within a 5-mile radius, providing a direct residential consumer base from which to draw with only 1 other nationally-branded childcare facility within 5 miles. Nearby national/credit tenants include a 24-hour Walmart Supercenter, Planet Fitness, Big Lots, Rite-Aid, and more, increasing consumer draw to the trade area and promoting crossover store exposure. The 5-mile trade area is home to a dense population of more than 183,000 residents and nearly 66,000 employees with an affluent average household income of \$103,000.

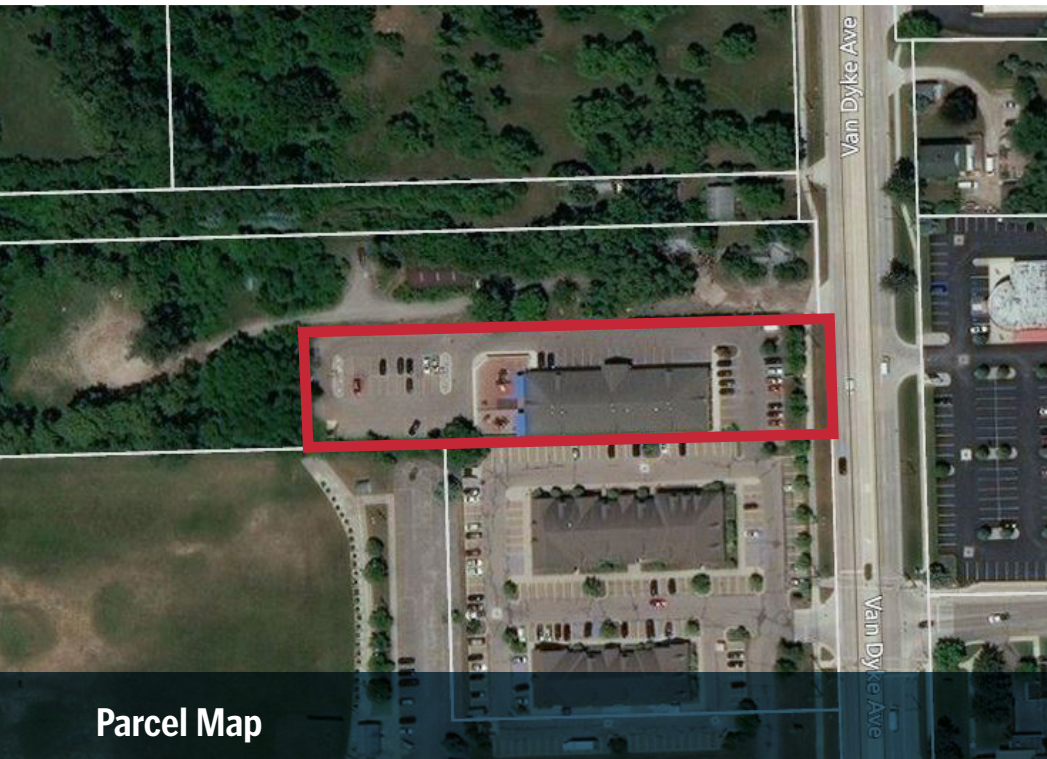


PROPERTY PHOTOS





OFFERING SUMMARY



Parcel Map

Offering

PRICING	\$2,695,000
NET OPERATING INCOME	\$196,000
CAP RATE	7.27%
GUARANTY	Franchisee & Personal
TENANT	Shelby Childcare LLC dba The Learning Experience
LEASE TYPE	NNN
LANDLORD RESPONSIBILITIES	Roof and Structure

Property Specifications

RENTABLE AREA	11,160 SF
LAND AREA	1.51 Acres
PROPERTY ADDRESS	51779 Van Dyke Avenue Shelby Township, MI
YEAR BUILT	2006
PARCEL NUMBER	23-07-16-426-009
OWNERSHIP	Fee Simple (Land & Building)



INVESTMENT HIGHLIGHTS

Brand New 15-Year Lease | Options To Extend | Scheduled Rental Increases

- Tenant recently signed a brand new 15-year lease, demonstrating their commitment to the site
- Lease features 2 (5-year) option periods to extend
- 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- Lease features a franchisee guaranty and a personal guaranty from the owner of the operating entity

NNN Lease | Fee Simple Ownership | Limited Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains most aspects of the premises
- Landlord responsibilities limited to roof and structure
- Ideal, low-management investment for an out-of-state, passive investor

Strong Demographics In 5-mile Trade Area | Six Figure Incomes

- More than 183,000 residents and 66,00 employees support the trade area
- Affluent average household income of \$103,000

Signalized, Hard Corner Intersection Entrance | Excellent Visibility & Easy Access | Major Thoroughfares

- The subject property is situated as part of a commercial community center
- Center benefits from its own signalized, hard corner intersection entrance point along Van Dyke Avenue, a major retail and commuter thoroughfare traveling throughout Shelby Township
- The Learning Experience has highly visible monument signage along Van Dyke Avenue
- 23 Mile Road (23,700 VPD) - 0.5 miles south of subject property
- Van Dyke Freeway / State Highway 53 (64,700 VPD) - 1.3 miles southeast of subject property

Dense, Infill Trade Area | Direct Residential Consumer Base | Limited Competition | Nearby National/Credit Tenants

- Subject property is positioned within a dense, infill trade area with nearly 71,000 households within a 5-mile radius
- Provides a direct consumer base to draw from, with only 1 other nationally branded childcare within 5 miles
- Nearby national/credit tenants include a 24-hour Walmart Supercenter, Planet Fitness, Big Lots, Rite Aid, and more
- Increases consumer draw to the trade area and promotes crossover exposure for the subject property



BRAND HIGHLIGHTS



The Learning Experience History

- Founded in 1980 by the Weissman family in Boca Raton, FL
- One of the fastest growing early education and child care franchises in the nation for children six weeks to six years old
- Over 95% of pre-school graduates can read before kindergarten and 70% of franchisees buy additional units
- Proprietary curriculum for children to develop core academic skills, fitness and healthy lifestyle skills, and life and comfort skills

Facts & Stats

- The Learning Experience asks an average tuition of \$860 a month per child
- The corporate office in 2017 net nearly \$8.5MM in profit on more than \$22MM in revenue
- New learning centers that have been operational for 2-4 years average gross sales of \$1.3MM
- Franchisees can expect to be put through a 900-point evaluation every 2 years to ensure compliance with brand and regulatory standards

Growth & Numbers

- The brand has experienced a 210% increase in revenue over the last 5 years (2013-2018)
- In 2013 the brand had roughly 126 locations. Today the brand has over 300+ with 100 more in the pipeline across 22+ states
- Franchise Times ranked the Learning Experience in their top 40 “Fast and Serious” list in 2017
- State-of-the-art construction with high quality materials used to build the brands signature facade and style

Experienced Management Team

- The Learning Experience was recently acquired in July 2018 by Golden Gate Capital, a San Francisco based private equity investment firm with over \$15 billion of capital under management
- The principals of Golden Gate have been successful in a wide range of industries and transaction types including going-private, corporate divestiture, and recapitalization, as well as debt and public equity investments
- Sponsored brands include Express Oil Change & Tire, Mavis Discount Tire, Bob Evans Restaurant, Red Lobster, Eddie Bauer, California Pizza Kitchen, Pacific Sunwear, Express, and Zales

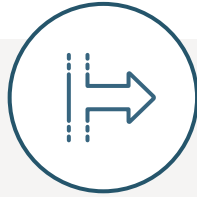


PROPERTY OVERVIEW



Location

Located in
Shelby Township MI
Macomb County
Detroit MSA



Access

Van Dyke Avenue
1 Access Point



Traffic Counts

Van Dyke Avenue
20,300 Cars Per Day
23 Mile Road
23,700 Cars Per Day
Van Dyke Avenue
64,700 Cars Per Day



Improvements

There is approximately
11,160 SF of existing
building area



Parking

There are approximately
74 parking spaces
on the owned parcel.

The parking ratio is
approximately 6.63 stalls per
1,000 SF of leasable area.



Parcel

Parcel Number:
23-07-16-426-009
Acres: 1.51
Square Feet: 65,776



Year Built

2006



Zoning

C-2: Linear Retail Business





SOUTHFIELD DR.

KUMON



Dr. Joseph KOSTESICH
OPTOMETRIST

20,300
CARS PER DAY

VAN DYKE AVE.

THE LEARNING
EXPERIENCE

Ability PC



Dream Dance Co
More Than Just Great Dancing!

DOOLEYS
TAVERN
SHELBY TOWNSHIP

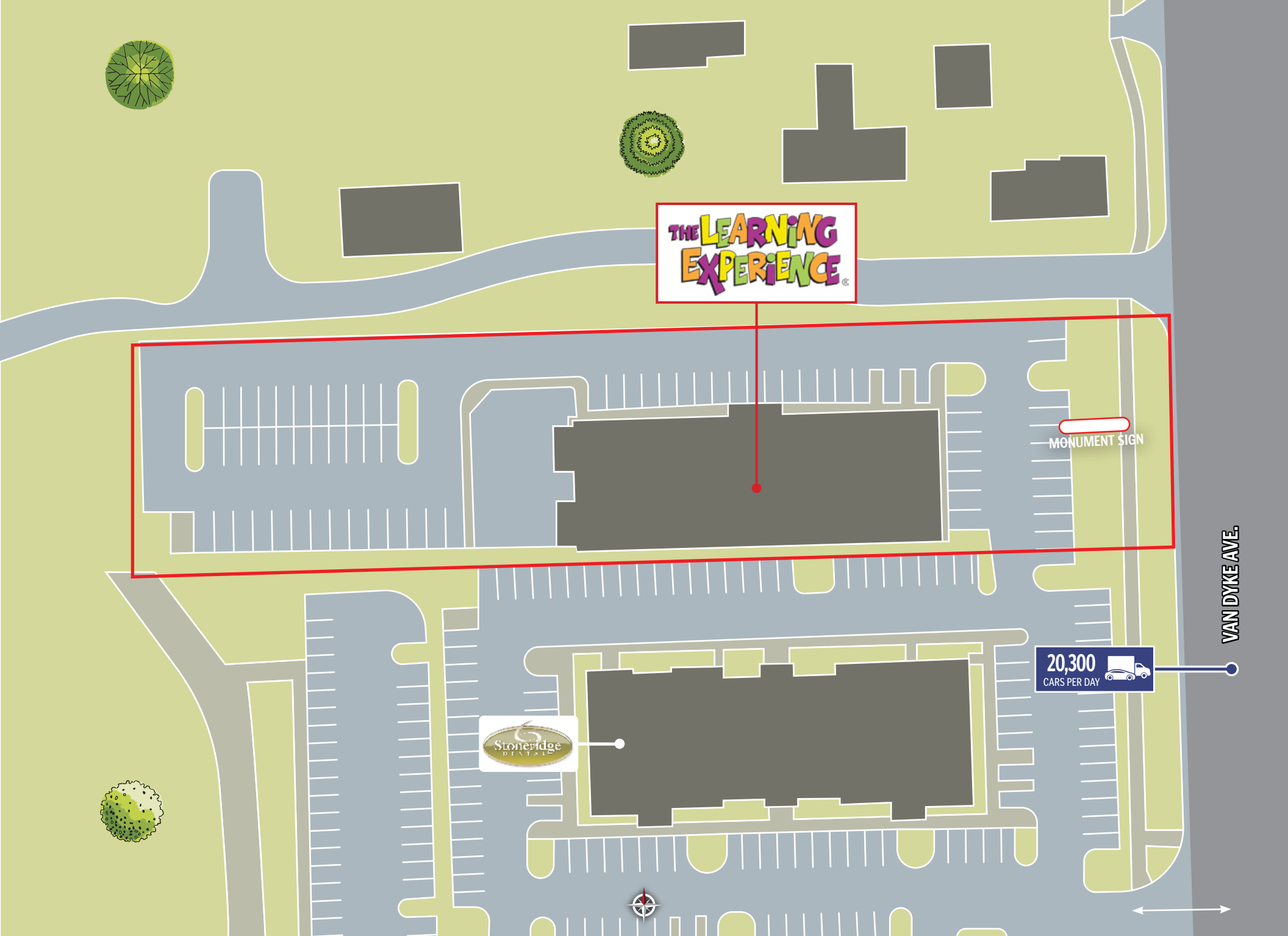


Ameriprise
Financial

SHELBY JUNIOR
HIGH SCHOOL

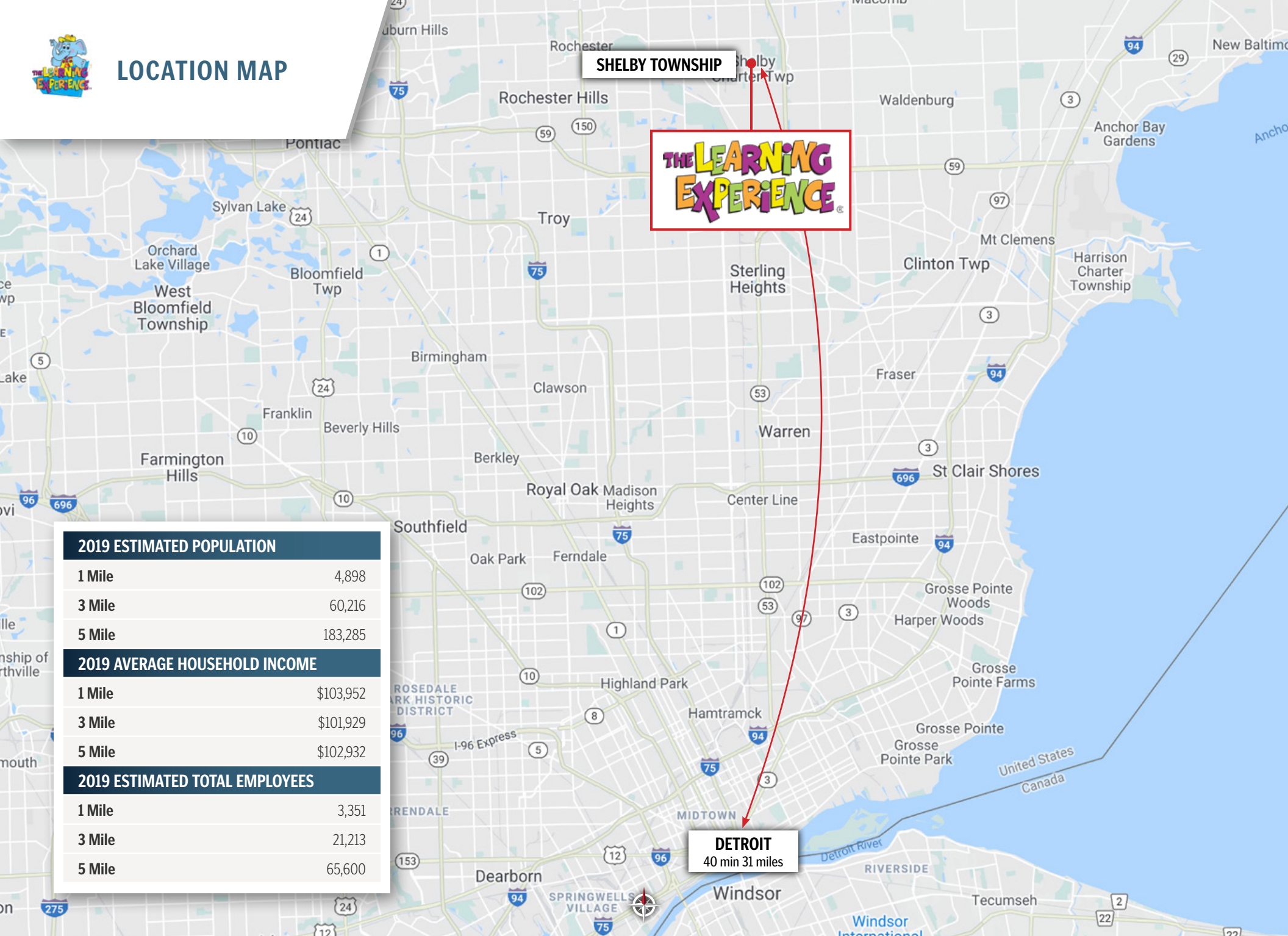








LOCATION MAP



2019 ESTIMATED POPULATION

1 Mile	4,898
3 Mile	60,216
5 Mile	183,285

2019 AVERAGE HOUSEHOLD INCOME

1 Mile	\$103,952
3 Mile	\$101,929
5 Mile	\$102,932

2019 ESTIMATED TOTAL EMPLOYEES

1 Mile	3,351
3 Mile	21,213
5 Mile	65,600



AREA OVERVIEW



Shelby, MI

Shelby is a civil township of Macomb County in the state of Michigan. Within Shelby Township's borders, more than 80,000 residents enjoy access to championship public golf courses, more than 1,100 acres of first-class public parks and miles of hiking and biking trails as well as access to the Clinton River, which connects the community to recreation opportunities throughout southeast Michigan.

Among all the municipalities in Macomb County that provide full-service police and fire service to its residents, Shelby Township boasts the lowest tax rate with a local millage rate of 9.299. Of the Township's 9.299 mills 1 mil is dedicated to the general fund, 1 mil goes to the police and fire pension fund, 3.2575 mills is allotted for the Fire Department operating fund and 4.0424 mills goes to the police operating fund.

As well as being Macomb County's best value for taxpayers, Shelby Township received an AA+ rating from Standard & Poor's Rating Service based on the township's "very strong budgetary flexibility," under management viewed as "strong with good financial practices."

Standard & Poor's, widely renowned as the global leader in independent credit rating for businesses and municipalities, gave the Township its second-highest possible rating. Among the factors contributing to the rating was a 4.9 percent market value increase to \$6.27 billion in 2014 bolstered by expectations from Macomb County that the number will continue to grow with the township's housing market's further recovery.

Shelby Township is proud of the many first-class education systems provided to its residents. Whether it is a local school district or an integrated library system, residents will have access to a better place to learn. Residents have access to three high schools, five middle schools and 16 elementary schools, plus the multitude of other School of Choice districts in Macomb County. A short drive also provides residents with a plethora of higher education options. The Shelby Township library connects residents with a vast catalog of information through a cooperative that spreads throughout metro Detroit.

With a working partnership between local government and business, Shelby Township is an integral part of the growth of the metro Detroit and Michigan economy. Through initiatives such as tax incentives and constantly improving and expanding Township infrastructure, the Township's Board of Trustees has cemented relationships with some of the top industrial firms in the nation including: Fori Automation; Dan's Excavating; Century Plastics; Florence Cement; U.S. Farathane; General Dynamics; Models and Tools; Smith Brothers Tools; Eagle Manufacturing; Plastic Trends; KUKA Robotics; Avon Gear; Lube Power.



AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	4,898	60,216	183,285
2024 Projected Population	5,093	62,521	189,548
2010 Census Population	4,669	56,101	172,382
Projected Annual Growth 2019 to 2024	0.78%	0.75%	0.67%
Historical Annual Growth 2010 to 2019	0.52%	0.77%	0.67%
2019 Estimated Households	1,922	22,676	70,638
2024 Projected Households	2,000	23,558	73,113
2010 Census Households	1,820	21,076	66,261
Projected Annual Growth 2019 to 2024	0.80%	0.77%	0.69%
Historical Annual Growth 2010 to 2019	0.59%	0.79%	0.69%
2019 Estimated White	88.7%	89.8%	85.6%
2019 Estimated Black or African American	3.6%	3.1%	4.7%
2019 Estimated Asian or Pacific Islander	5.3%	4.3%	6.5%
2019 Estimated American Indian or Native Alaskan	0.3%	0.3%	0.3%
2019 Estimated Other Races	0.6%	0.7%	1.0%
2019 Estimated Hispanic	1.8%	2.8%	3.5%
2019 Estimated Average Household Income	\$103,952	\$101,929	\$102,932
2019 Estimated Median Household Income	\$84,037	\$76,297	\$76,956
2019 Estimated Per Capita Income	\$38,492	\$38,664	\$39,674
2019 Estimated Total Businesses	340	2,192	5,899
2019 Estimated Total Employees	3,351	21,213	65,600





RENT ROLL

TENANT NAME	SQUARE FEET	Lease Term				Rental Rates					OPTIONS
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	
Shelby Childcare LLC dba The Learning Experience	11,160	Jan. 2019	Dec. 2033	Current	-	\$16,333	\$1.46	\$196,000	\$17.56	NNN	2 (5-Year)
				Jan. 2024	10%	\$17,967	\$1.61	\$215,600	\$19.32		Opt. 1: \$260,876/Yr
				Jan. 2029	10%	\$19,763	\$1.77	\$237,160	\$21.25		Opt. 2: \$286,964/Yr

FINANCIAL INFORMATION

Price	\$2,695,000
Net Operating Income	\$196,000
Cap Rate	7.27%
Lease Type	NNN (Roof & Structure)

PROPERTY SPECIFICATIONS

Year Built	2006
Rentable Area	11,160 SF
Land Area	1.51 Acres
Address	51779 Van Dyke Avenue, Shelby Township, MI 48316

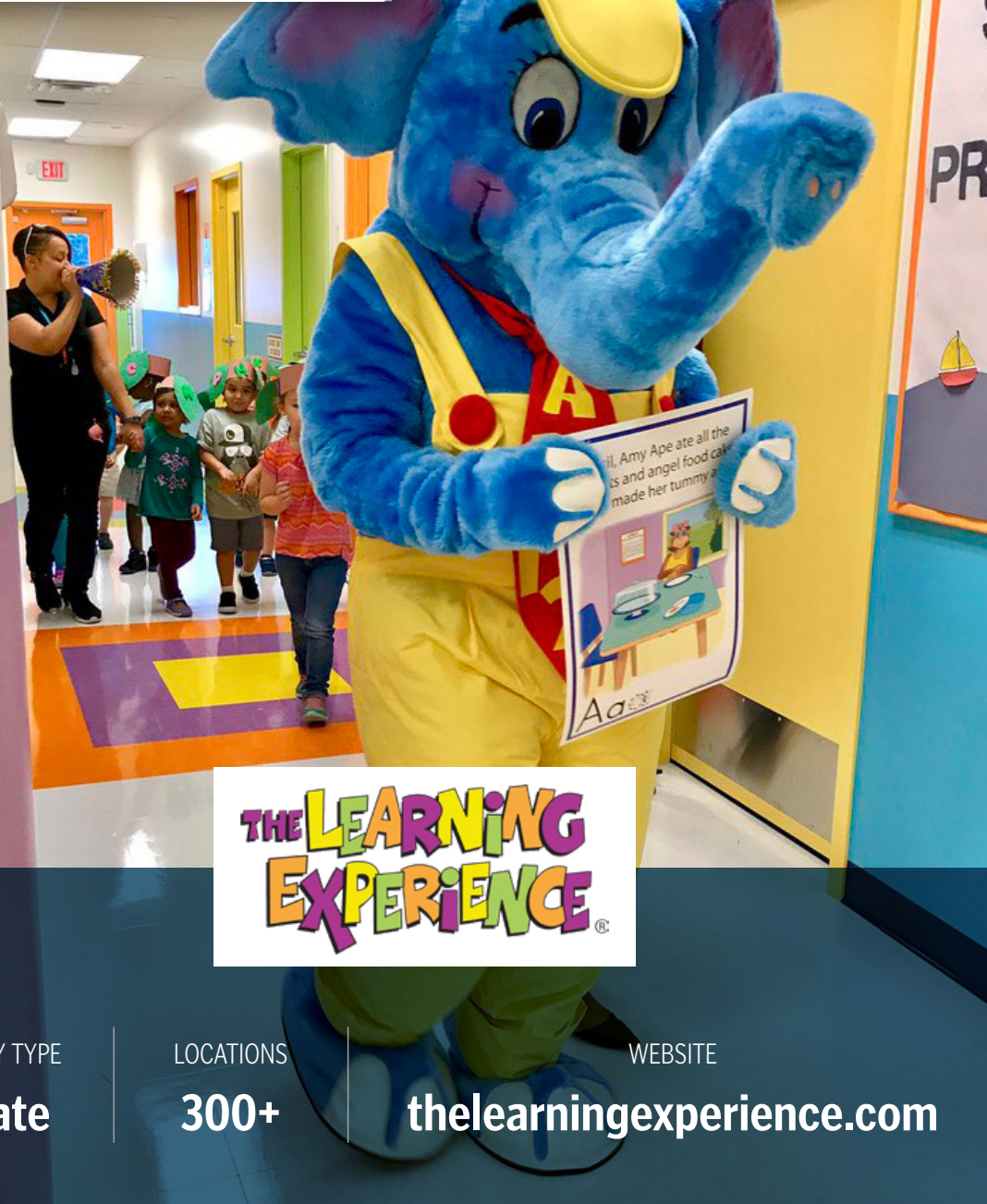


For financing options and loan quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com.



BRAND PROFILE



COMPANY TYPE

Private

LOCATIONS

300+

WEBSITE

thelearningexperience.com

The Learning Experience

The Learning Experience, with more than 300 centers operating or under development, is one of the nation's fastest-growing Academies of Early Education for children ages six weeks to six years old. With a greater national emphasis on educational development during the most crucial years of a child's growth, The Learning Experience places a prominent focus on programs that advance scholastic preparation. The Learning Experience prepares children academically and socially via innovative scholastic and enrichment programs such as the L.E.A.P. curriculum, a cutting-edge proprietary approach to learning which has 9 out of 10 of its children entering Kindergarten already reading. To complement the academic curriculum, The Learning Experience utilizes various enrichment programs crucial to advancing learning and overall balance, such as philanthropy, Yippee 4 Yoga, Music 4 Me, Movin' N Groovin', manners and etiquette, and foreign language.



NATIONAL NET LEASE GROUP

SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.

275+

**RETAIL
PROFESSIONALS**

25+

OFFICES

#1

**LARGEST REAL ESTATE
SERVICES FIRM**
in North America
exclusively dedicated to retail

1500+

RETAIL LISTINGS
in 2018

\$2.6B

**TRANSACTION
VALUE**
in 2018

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

*Statistics are for 2018

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