

SINGLE TENANT NNN

Investment Opportunity



1940 US HIGHWAY 22

BOUND BROOK (BRIDGEWATER) NEW JERSEY

ACTUAL SITE





EXCLUSIVELY MARKETING BY

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PROPERTY PHOTO





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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, corporate guaranteed, The Learning Center investment property located in Bound Brook (Bridgewater), New Jersey. The tenant recently executed a brand new 15-year lease with 2 (5-Year) option periods to extend. The lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and heading against inflation. The lease is also corporate guaranteed by The Learning Experience Corporation for the first 5 years. Additionally, the lease is NNN with landlord responsibilities limited to roof and structure. The brand new 2018 construction was completed using high quality materials and includes an enclosed playground.

The Learning Experience is strategically located on U.S. Highway 22 (44,500 VPD), a major commercial thoroughfare for the state of New Jersey. Somerset County has the highest educational attainment and is the 3rd wealthiest county in New Jersey. The 5-mile trade area is supported by a population of more than 108,000 resident and 104,000 employees. The 1-mile area has an affluent average household income of \$136,634, which is the ideal target demographic for any day care brand.



OFFERING SUMMARY



Parcel Map

Offering

| | |
|---------------------------|----------------------------|
| PRICING | \$4,516,000 |
| NET OPERATING INCOME | \$316,100 |
| CAP RATE | 7.00% |
| GUARANTY | Limited Corporate Guaranty |
| TENANT | The Learning Experience |
| LEASE TYPE | NNN |
| LANDLORD RESPONSIBILITIES | Roof and Structure |

Property Specifications

| | |
|------------------|---|
| RENTABLE AREA | 10,900 SF |
| LAND AREA | 1.37 Acres |
| PROPERTY ADDRESS | 1940 U.S. Highway 22 Bound Brook, NJ 08805 |
| YEAR BUILT | 2018 |
| PARCEL NUMBER | 06-00382-0000-00004 |
| OWNERSHIP | Fee Simple (Land & Building) |



INVESTMENT HIGHLIGHTS

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

- Corporate guaranteed by The Learning Experience Corp. limited to 5 years
- The tenant recently executed a brand new 15-year lease with 2 (5-Year) option periods to extend
- Features rare 10% rental increases every 5 years throughout the initial term and at the beginning of each option period

NNN Lease | Fee Simple Ownership | Limited Landlord Responsibilities

- Tenant pays for maintenance, taxes, and insurance
- Landlord responsibilities limited to roof and structure
- Ideal, low-management investment for an out-of-state, passive investor

Brand New 2018 Construction

- The brand new 2018 construction was completed using high quality materials
- The state-of-the-art property is complete with an enclosed playground

U.S. Highway 22 (44,500 VPD) | Primary Thoroughfare

- The Learning Experience is strategically located on U.S. Highway 22, averaging 44,500 vehicles per day
- U.S. Highway 22 is a major commuter thoroughfare for the state of New Jersey

High Educational Attainment | Affluent Trade Area | Ideal Target Market

- Somerset County has the highest educational attainment and is the 3rd wealthiest county in New Jersey
- The 1-mile area has an affluent average household income of \$136,634
- The 5-mile trade area is supported by a population of more than 108,000 residents and 104,000 employees
- Ideal target demographic for any day care brand



BRAND & FRANCHISEE 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
- Franchisee 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

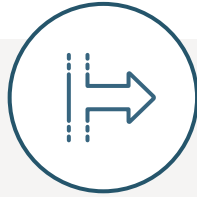


PROPERTY OVERVIEW



Location

Located in
Somerset County



Access

U.S. Highway 22
2 Access Points



Traffic Counts

U.S. Highway 22
44,500 Cars Per Day

State Highway 28
12,000 Cars Per Day



Improvements

There is approximately 10,900 SF
of existing building area



Parking

There are approximately
30 parking spaces on the
owned parcel.

The parking ratio is
approximately 2.75 stalls per
1,000 SF of leasable area.



Parcel

Parcel Number:
06-00382-0000-00004
Acres: 1.37
Square Feet: 59,677 SF



Year Built

2018



Zoning

C-3 Office & Service Zone



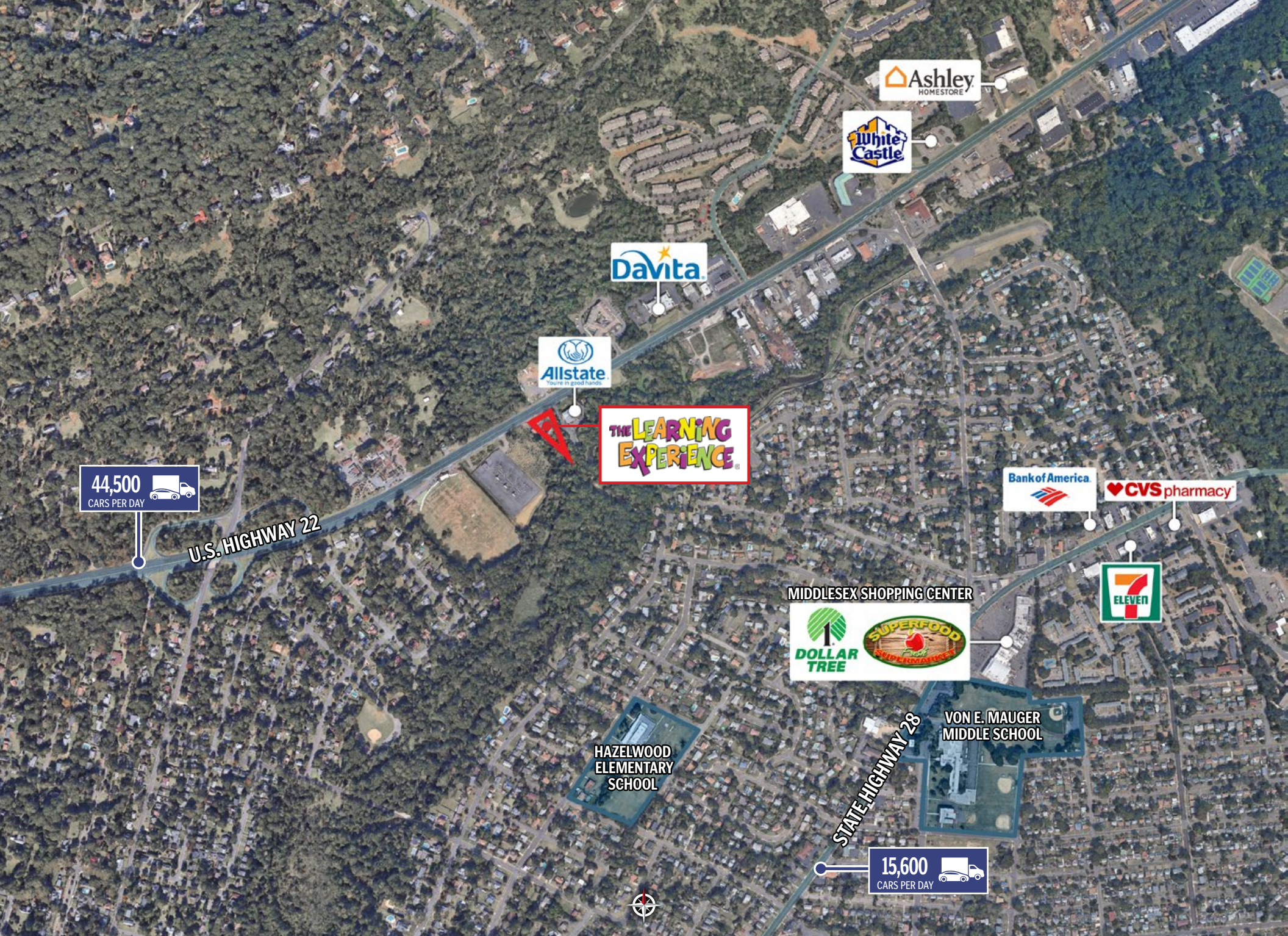


THE LEARNING
EXPERIENCE

U.S. HIGHWAY 22

44,500
CARS PER DAY

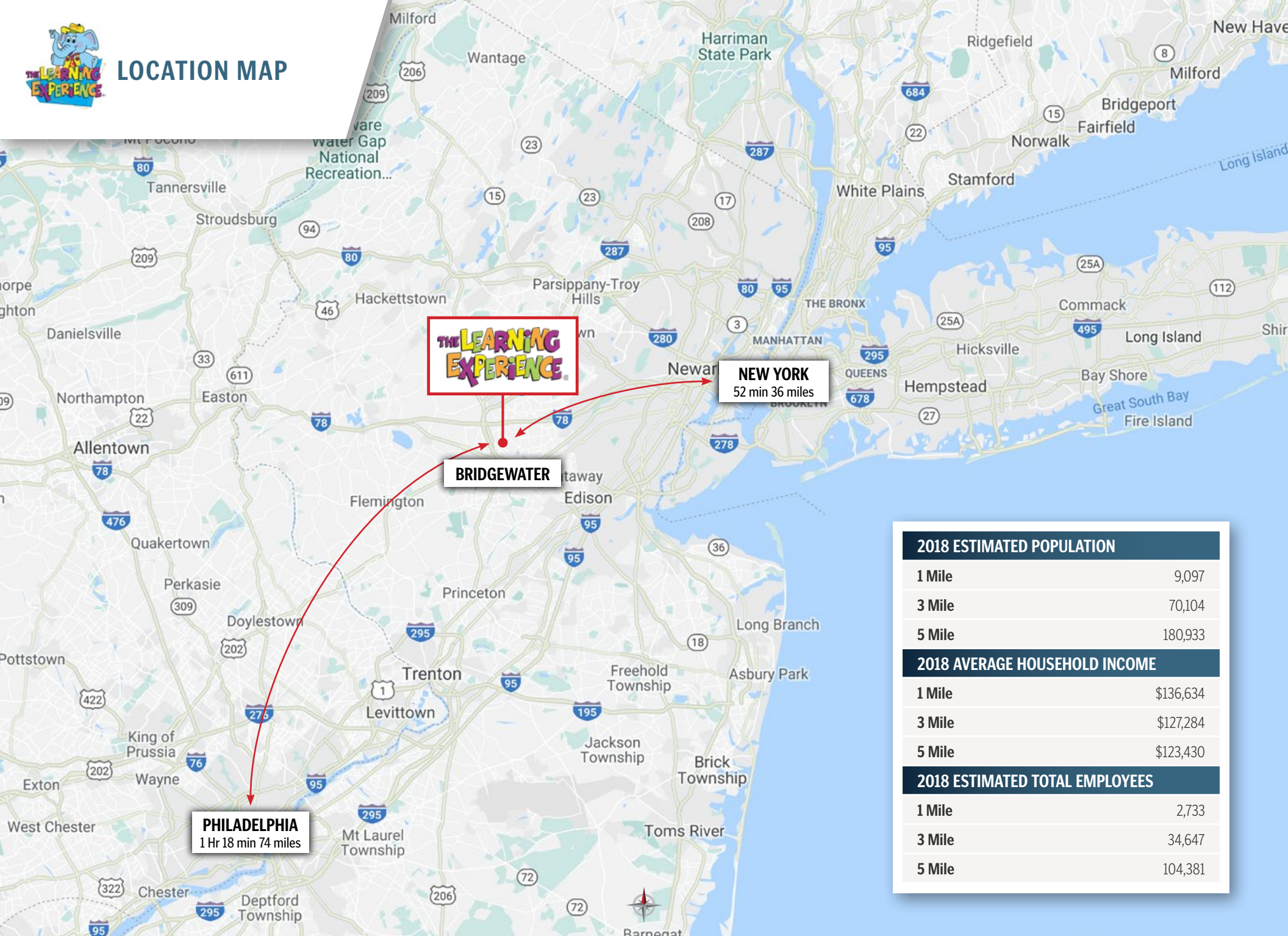
Allstate
You're in good hands.







LOCATION MAP



2018 ESTIMATED POPULATION

| | |
|--------|---------|
| 1 Mile | 9,097 |
| 3 Mile | 70,104 |
| 5 Mile | 180,933 |

2018 AVERAGE HOUSEHOLD INCOME

| | |
|--------|-----------|
| 1 Mile | \$136,634 |
| 3 Mile | \$127,284 |
| 5 Mile | \$123,430 |

2018 ESTIMATED TOTAL EMPLOYEES

| | |
|--------|---------|
| 1 Mile | 2,733 |
| 3 Mile | 34,647 |
| 5 Mile | 104,381 |



AREA OVERVIEW



Bridgewater, New Jersey

Just an hour west of New York City, Bridgewater Township is located in beautiful Somerset County, New Jersey with a diverse and thriving municipality that provides its residents with a well-balanced mix of rural and suburban living.

The community is home to 3,600 acres of public and private parks; a Blue Ribbon public school system (Bridgewater-Raritan Regional School District); employment opportunities and numerous points of interest from shopping and dining, to historical sites and minor league baseball.

This township is not only filled with beauty but also history: Tradition holds that the first version of the first American flag was unfurled at Middlebrook Encampment in Bridgewater in 1777.

Home to several points of interest, Bridgewater is the perfect township to lay down roots. The population has been steadily growing for decades as an influx of families have discovered this well-kept secret. Despite the growing number residents, Bridgewater has a relatively low population density, keeping the city feeling personal.

Located right next door to Fairway 28 is the Green Knoll Golf Course, an 18-hole, 6,443-yard course that is challenging to both experienced and novice players.

Shopping, dining and entertainment are all within reach, whether it is enjoying some fine dining on the favorite E Main St. strip, or out at the local Bridgewater Commons mall, a 16-year-old three-level enclosed mall that includes Bloomingdale's, Macy's, Lord & Taylor and 160 specialty stores. Additional retail opportunities are located at Somerset Shopping Center, Bridgewater Promenade and Bridgewater Town Centre. The Middlebrook trail is home to many fantastic plants and animals, but the biggest contributions which have made the trail increase in popularity are the many projects done by Eagle Scouts and other contributors. The Somerset Patriots play Professional Baseball at TD Bank Ball Park making it one of the township's most notable tourist attractions which welcomes thousands of people each year.

Bridgewater is part of the Bridgewater-Raritan Regional School District, which serves students in pre-kindergarten through twelfth grade from Bridgewater and Raritan Borough. It is the home of the Somerset County Vocational and Technical High School, a four-year magnet school that provides occupational and academic training to students from Somerset County. The headquarters of the Somerset County Library System is located in Bridgewater.



AREA DEMOGRAPHICS

| | 1 MILE | 3 MILES | 5 MILES |
|--|-----------|-----------|-----------|
| 2018 Estimated Population | 9,097 | 70,104 | 180,933 |
| 2023 Projected Population | 9,474 | 73,790 | 187,903 |
| 2010 Census Population | 8,376 | 65,635 | 169,462 |
| Projected Annual Growth 2018 to 2023 | 0.82% | 1.03% | 0.76% |
| Historical Annual Growth 2010 to 2018 | 1.01% | 0.80% | 0.80% |
| 2018 Estimated Households | 3,373 | 24,622 | 62,971 |
| 2023 Projected Households | 3,499 | 25,748 | 65,160 |
| 2010 Census Households | 3,138 | 23,278 | 59,390 |
| Projected Annual Growth 2018 to 2023 | 0.74% | 0.90% | 0.69% |
| Historical Annual Growth 2010 to 2018 | 0.88% | 0.68% | 0.71% |
| 2018 Estimated White | 84.99% | 65.51% | 55.70% |
| 2018 Estimated Black or African American | 3.12% | 8.94% | 14.60% |
| 2018 Estimated Asian or Pacific Islander | 8.86% | 16.07% | 18.56% |
| 2018 Estimated American Indian or Native Alaskan | 0.12% | 0.30% | 0.35% |
| 2018 Estimated Other Races | 3.94% | 8.09% | 7.64% |
| 2018 Estimated Hispanic | 12.27% | 23.58% | 22.04% |
| 2018 Estimated Average Household Income | \$136,634 | \$127,284 | \$123,430 |
| 2018 Estimated Median Household Income | \$108,554 | \$96,194 | \$92,059 |
| 2018 Estimated Per Capita Income | \$49,934 | \$45,544 | \$43,337 |
| 2018 Estimated Total Businesses | 320 | 2,972 | 7,186 |
| 2018 Estimated Total Employees | 2,733 | 34,647 | 104,381 |





RENT ROLL

| TENANT NAME | Lease Term | | | | | Rental Rates | | | | | |
|------------------------------|-------------|-------------|-----------|----------|----------|--------------|--------|-----------|---------|---------------|------------------------|
| | SQUARE FEET | LEASE START | LEASE END | BEGIN | INCREASE | MONTHLY | PSF | ANNUALLY | PSF | RECOVERY TYPE | OPTIONS |
| The Learning Experience | 10,900 | 1/1/2019 | 1/31/2034 | Current | - | \$26,342 | \$2.42 | \$316,100 | \$29.00 | NNN | 2 (5-Year) |
| (Limited Corporate Guaranty) | | | | 1/1/2024 | 10% | \$28,976 | \$2.66 | \$347,710 | \$31.90 | | Option 1: \$420,729/YR |
| | | | | 1/1/2029 | 10% | \$31,873 | \$2.92 | \$382,481 | \$35.09 | | Option 2: \$462,802/YR |

FINANCIAL INFORMATION

| | |
|----------------------|-------------|
| Price | \$4,516,000 |
| Net Operating Income | \$316,100 |
| Cap Rate | 7.00% |
| Lease Type | NNN |

PROPERTY SPECIFICATIONS

| | |
|---------------|---|
| Year Built | 2018 |
| Rentable Area | 10,900 SF |
| Land Area | 1.37 Acres |
| Address | 1940 U.S. Highway 22 Bound Brook, NJ 08805 |



For financing options and loan quotes:

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



BRAND PROFILE



COMPANY TYPE

Private

LOCATIONS

241

WEBSITE

thelearningexperience.com

The Learning Experience

The Learning Experience Corp. operates child development centers in the United States. It offers child care services to infants, toddlers, twaddlers, preppers, preschoolers, and pre K and kindergarten children. The company also provides after school care services for children up to eight years of age. The Learning Experience Corp. was formerly known as The Learning Experience Holding Corp. and changed its name to The Learning Experience Corp. in November 2014. The company was founded in 1980 and is based in Boca Raton, Florida. It has other locations in the United States.



NATIONAL NET LEASE GROUP

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

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**LARGEST REAL ESTATE
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exclusively dedicated to retail

1500+

RETAIL LISTINGS
in 2018

\$2.6B

**TRANSACTION
VALUE**
in 2018

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*Statistics are for 2018

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