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Aerial Video

KINDERCARE EDUCATION

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



1069 MD-3, Gambrills, MD 21054

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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.

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Investment Highlights

PRICE: \$5,040,585 | CAP: 6.15% | RENT: \$309,996

Current Cap Rate Through 10/1023: 6.85%

About the Investment

- ✓ KinderCare Recently Extended the Term of this Lease 3 Years Prior to Lease Expiration for 11 Years After Operating in this Location for Over 12 Years
- ✓ This Offering is Priced Off a Lower, Future Rent Allowing an Investor a Significantly Higher Yield the First 3+ Years of Ownership
- ✓ 14+ Years Remaining on a Triple Net (NNN) With Zero Landlord Responsibilities
- ✓ Phenomenal Location in a Dense Corridor Surrounded by Extremely Wealthy Residents | \$152K+ Average Household Income in Surrounding Area | Ideal Location and Overall Market for KinderCare

About the Location

- ✓ Dense Retail Corridor | McDonald's, CVS, 7-Eleven, Panera Bread, Dick's Sporting Goods, Target, Chick-fil-A, Burger King, Outback Steakhouse, Bank of America, Wells Fargo, Dollar Tree, IHOP, Taco Bell, In Addition to Many More
- ✓ Waugh Chapel Towne Centre | Located Less Than One-Mile Away | Major Anchor Retail Tenants Such as Target, Wegman's, Regal IMAX Cinemas and Dick's Sporting Goods Located Across the Street from Subject Property
- ✓ Highly Traffic Area | MD-3 (Crain Highway) | Average of 75,330 Vehicles Per Day
- ✓ Excellent Demographics | More than 46,700 Individuals Residing Within a Three-Mile Radius & 92,250 Within a Five-Mile Radius
- ✓ Strategic Positioning In Retail Corridor | Crofton Country Club is a Major Country Club Just Under Two Miles South | Host Annual US Open Qualifiers, Amateur Qualifiers, Maryland Opens, Among Many More Active Tournaments and Gatherings

About the Tenant / Brand

- ✓ KinderCare Education | Largest Private Provider of Early Education | Operates Over 40 States and Washington, D.C.
- ✓ Early Childhood Education and Child Care for Ages Six Weeks to 12 Years Old | Provides Over 600 Before-and-After School Programs
- ✓ Staffing Over 37,000 Teachers & Staff | Over 186,000 Children Enrolled In Early Education



INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a KinderCare property located at 1069 MD-3, Gambrills, Maryland. This KinderCare property recently extended the term of their lease for 11 years after operating in this location since 2008. This is an ideal market for KinderCare as both home values and average household income are extremely high. Investors should note that the 11-year extension was secured at a reduced annual rent, allowing investors to benefit by receiving a significantly higher yield through October of 2023. The offering is priced off of the future rent which yields a new owner a Cap Rate 70 basis points higher than the advertised Cap Rate.



Financial Analysis

PRICE: \$5,040,585 | CAP: 6.15% | RENT: \$309,996

Current Cap Rate Through 10/1023: 6.85%

PROPERTY DESCRIPTION	
Property	KinderCare
Property Address	1069 MD-3
City, State ZIP	Gambrills, MD 21054
Year Built / Renovated	2008
Building Size	9,728 SF
Lot Size	+/- 1.96 Acres
Type of Ownership	Fee Simple

THE OFFERING	
Purchase Price	\$5,040,585
CAP Rate	6.15%
Annual Rent (2023)	\$309,996
Annual Rent (Current)	\$345,022

LEASE SUMMARY	
Property Type	Net Leased Education
Tenant / Guarantor	KinderCare Education
Franchisor Ownership	Private
Lease Commencement	October 7 th , 2008
Lease Expiration	September 30 th , 2034
Lease Term Remaining	14+ Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	6% in 2028
Options to Renew	Four (4) Periods of Five (5) Years

RENT SCHEDULE			
Lease Year(s)	Annual Rent	Monthly Rent	Cap Rate (%)
10/2019 – 09/2020	\$345,022	\$28,751	6.85%
10/2020 – 09/2021	\$345,022	\$28,751	6.85%
10/2021 – 09/2022	\$345,022	\$28,751	6.85%
10/2022 – 09/2023	\$345,022	\$28,751	6.85%
10/2023 – 09/2024	\$309,996	\$25,833	6.15%
10/2024 – 09/2025	\$309,996	\$25,833	6.15%
10/2025 – 09/2026	\$309,996	\$25,833	6.15%
10/2026 – 09/2027	\$309,996	\$25,833	6.15%
10/2027 – 09/2028	\$309,996	\$25,833	6.15%
10/2028 – 09/2029	\$328,500	\$27,376	6.52%
10/2029 – 09/2030	\$328,500	\$27,376	6.52%
10/2030 – 09/2031	\$328,500	\$27,376	6.52%
10/2031 – 09/2032	\$328,500	\$27,376	6.52%
10/2032 – 09/2033	\$328,500	\$27,376	6.52%
10/2033 – 09/2034	\$328,500	\$27,376	6.52%
Average Cap Rate Over 14+ Year Lease at List Price:			6.48%







Concept Overview

About KinderCare

KinderCare Education is America's largest private provider of early education and childcare with more than 37,000 teachers and staff serving 186,000 children in 40 states and in Washington, D.C. every day, where they need us:

- In neighborhoods with our KinderCare® Learning Centers and Rainbow Child Care Centers that offer early childhood education and childcare for children six weeks to 12 years old;
- At work through KinderCare Education at Work™, family benefits for employers including on-site and near-site early learning centers and back-up care for last-minute childcare.
- In local schools with our Champions® before and after-school programs.

We are also proud to include Cambridge Schools, Knowledge Beginnings, the Grove School, and Rainbow Child Care Center in our community of learning.

2019 Gallup Great Workplace Award Winner KinderCare Education Remains the First and Only Company in the Early Childhood Education Industry to Be Recognized By Gallup For This Award and One of Only 40 Companies Worldwide to Receive This Distinction; This is KinderCare's Third Year Being Recognized With This Distinction, Making Them One of Only 17 Other Companies to Ever Win Three Consecutive Years in a Row.

Company Type	Private
Founded	1969
No. of Locations	1,270+
Headquarters	Portland, OR
Website	kc-education.com
No. of Employees	37,000+

The KinderCare Education™ Family of Brands



Family Care Benefits
Partners with 560+
organizations to provide
customized family care benefits



Before- & After-School Programs
600+ sites serving
school-age children

Where You'll Find Us



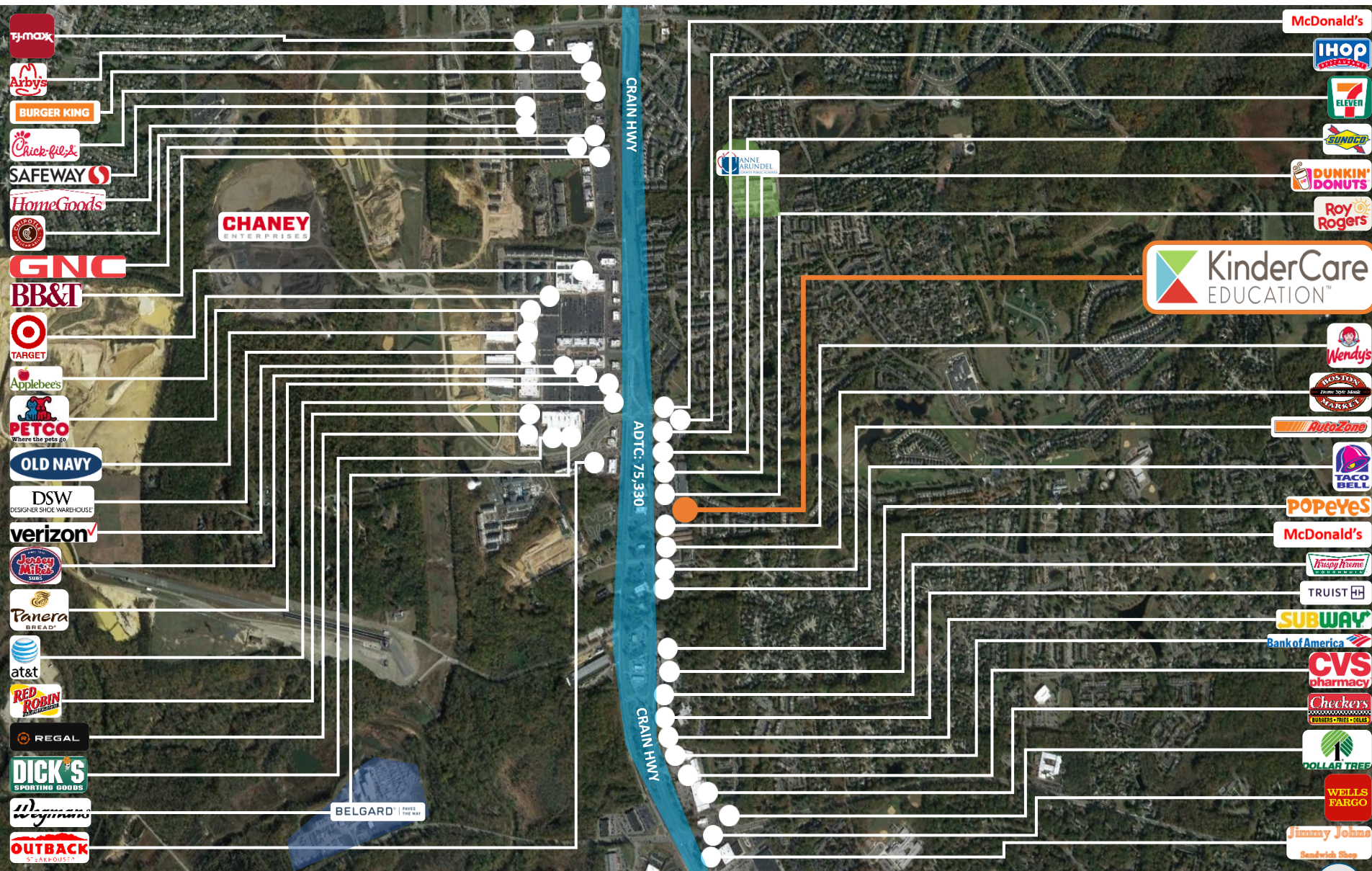
States where
we operate

Headquartered in
Portland, Oregon



Surrounding Area

Property Address: 1069 MD-3, Gambrills, MD 21054





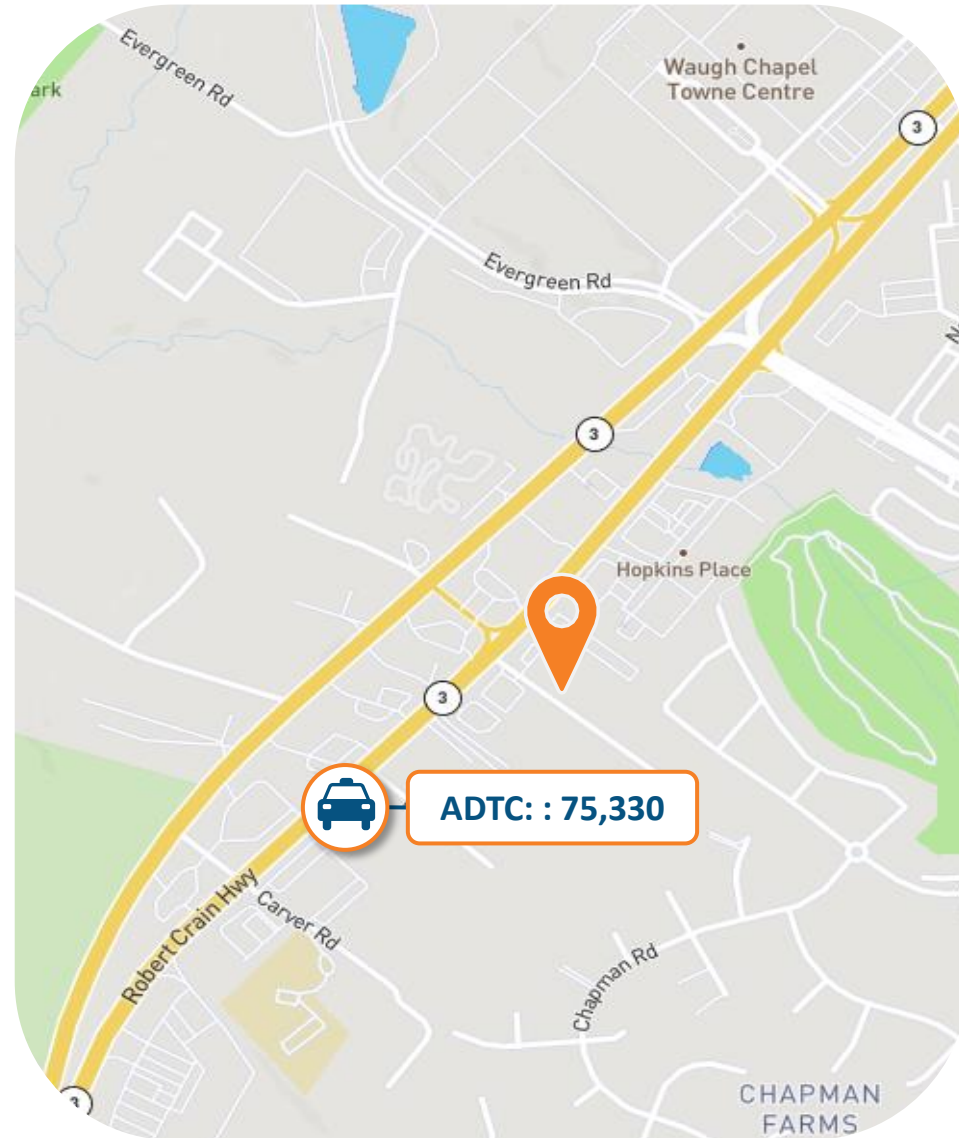
Location Overview

Property Address: 1069 MD-3, Gambrills, MD 21054

The subject investment property is a KinderCare Education Daycare situated on Robert Crain Highway (MD-3 N) which experiences an average daily traffic count of approximately 75,330 vehicles. There are more than 46,700 individuals residing within a three-mile radius of the property and more than 92,250 individuals within a five-mile radius. **Both the average household income (\$152,312) and the average house value (\$410,779) are extremely high and more than double the US average. This is an ideal customer base for KinderCare and part of the reason for their long-term success and recent 11-year extension.**

This KinderCare Education Daycare property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions, and shopping centers. The property offers a high real estate value due to its prime positioning in the corridor. The subject property particularly benefits from being across the street from the major shopping center, the Waugh Chapel Towne Centre, of the premiere Gambrills retail corridor, anchored by major tenants such as Wegman's, Regal IMAX Cinemas, Target and Dick's Sporting Goods. Other major national tenants in the area include: McDonald's, CVS, 7-Eleven, Panera Bread, Dick's Sporting Goods, Target, Chick-fil-A, Burger King, Outback Steakhouse, Bank of America, Wells Fargo, Dollar Tree, IHOP, Taco Bell and many more. Just under two miles south of the subject KinderCare Education Daycare is the Crofton Country Club, a destination golf club that hosts annual US Open Qualifiers, Amateur Qualifiers, Maryland Opens, among various other notable golf tournaments.

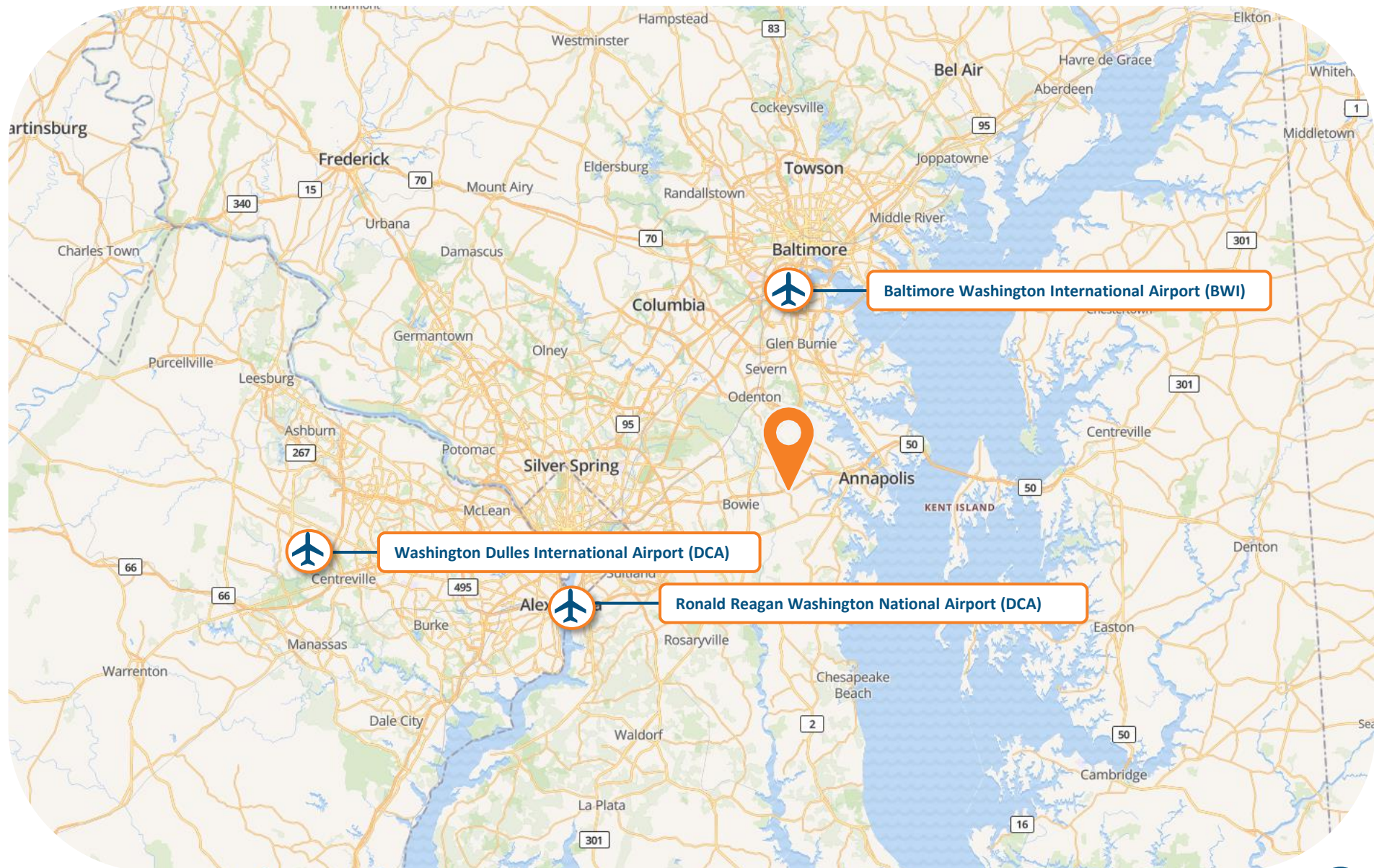
Gambrills, is a township located in Ann Arundel County, Maryland. Anne Arundel is among the densest and wealthiest counties in the state of Maryland which is evidenced by the extremely high household income in the one, three, and five-mile radii detailed on page 10. The wealth and population density found here bodes extremely well for the continued, long term success of KinderCare in Gambrills, Maryland.





Local Map

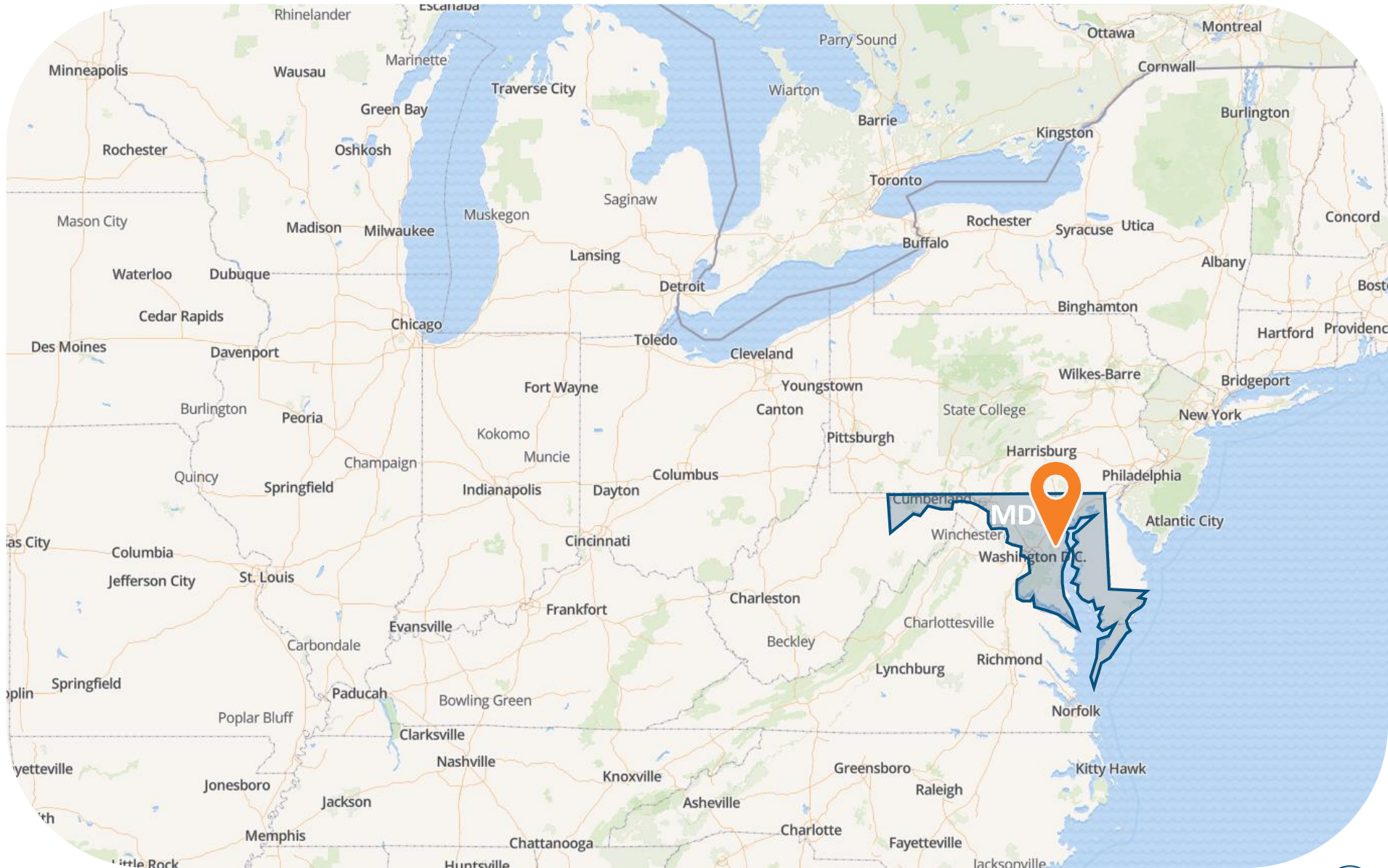
Property Address: 1069 MD-3, Gambrills, MD 21054





Regional Map

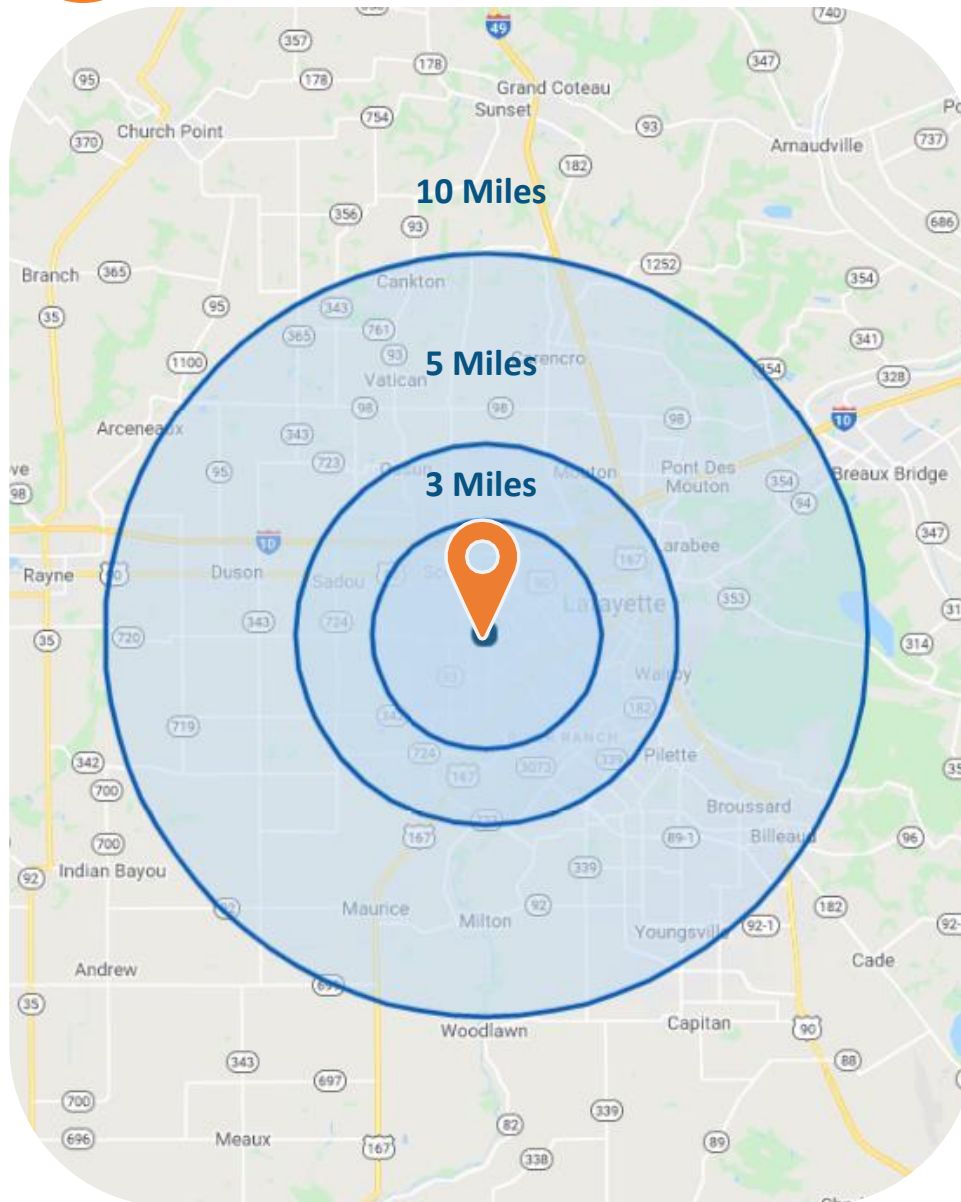
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Demographics

Property Address: 1069 MD-3, Gambrills, MD 21054



POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	13,451	47,850	95,278
2019 Estimate	13,304	46,712	92,255
2010 Census	12,974	44,391	86,533
2000 Census	10,599	35,831	74,939

INCOME

Average	\$143,337	\$152,312	\$146,158
Median	\$117,295	\$119,986	\$115,157
Per Capita	\$56,488	\$57,255	\$54,592

HOUSEHOLDS

2024 Projection	5,322	18,134	35,874
2019 Estimate	5,243	17,539	34,313
2010 Census	5,110	16,679	31,999
2000 Census	4,176	13,029	26,863

HOUSING

2019	\$390,555	\$410,779	\$385,393
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EMPLOYMENT

2019 Daytime Population	7,785	30,802	80,321
2019 Unemployment	2.14%	2.14%	2.46%
2019 Median Time Traveled	37 Mins	36 Mins	36 Mins

RACE & ETHNICITY

White	68.62%	74.06%	69.50%
Native American	0.16%	0.12%	0.09%
African American	15.95%	13.80%	18.74%
Asian/Pacific Islander	7.49%	5.99%	5.33%



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

MD BOR
Bryn Merrey
Marcus & Millichap
7200 Wisconsin Ave, Suite 1101
Bethesda, MD 20814
Tel: 202-536-3700
Fax: 202-536-3710
License: 646476



1069 MD-3, Gambrills, MD 21054