



## THE LEARNING EXPERIENCE (16-YEAR NET LEASE)

7.25% CAP RATE • 2020 CONSTRUCTION • \$127,599 AVG HOUSEHOLD INCOME  
1838 FM 359, Richmond, TX 77406



# The Learning Experience

1840 FM 359, Richmond, TX 77406

*Exclusively Listed By:*

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## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Newman Kelly and it should not be made available to any other person or entity without the written consent of Newman Kelly Real Estate Investment Services.

By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to Newman Kelly. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. Newman Kelly has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, Newman Kelly has not verified, and will not verify, any of the information contained herein, nor has Newman Kelly conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

**PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. DO NOT DISTURB TENANT.**



THE LEARNING EXPERIENCE – 16 YEAR NNN LEASE





Newman Kelly Real Estate Investment Services is pleased to present for sale The Learning Experience (TLE) in Richmond, TX. The 10,000 square foot building is ideally located in the heart of the high-income community of Pecan Grove in the rapidly growing Richmond / Sugar Land / Long Meadow Farms submarket of Houston.

The Learning Experience is ideally located off FM 359, the primary north-south thoroughfare in Pecan Grove which ties into Hwy 90 to the south and The Grand Parkway to the north. There are three elementary schools within less than a mile of the property with over 1,700 students. The location is ideal for childcare because it is convenient for parents to drop their children off on the way to work or while dropping older children off at school.

The center is new construction, having a rent commencement date of July 1, 2020. The 16-year lease acts as a natural hedge against protection by boasting 10% rent increases every 5 years throughout the term, including its two 5-year renewal options. This cumulative rent growth is a great benefit to an investor as their NOI continues to increase over time.

The Learning Experience has over 300 locations across the country with dozens more being strategically developed at this time. This particular location was selected due to high existing demand, strong household income, population density, and ongoing demand.

The childcare industry is forecasted to increase revenue at a 3.4% annual rate to an impressive \$62.1 Billion industry. Nationwide, over 60% of the 24 million children under the age of six require childcare as demographics continue the long-standing trend of dual-income households. The Learning Experience has been in the industry for more than 30 years with revenue growing by 210% over the past 5 years alone.

**SPECIAL COVID-19 NOTE:** While many “mom and pop” childcare operators have been forced to close due to being undercapitalized, The Learning Experience has continued to operate and is deemed an “essential business” under current guidance from Texas Governor Abbott. The franchisees for this location are well capitalized, highly energetic, and are excited to take advantage of the current market conditions to build enrollment.

## DEMOGRAPHICS

	1 Miles	3 Miles	5 Miles
<b>POPULATION</b>			
2024 Projection	8,119	47,053	160,956
2019 Population	7,340	39,553	135,011
Population Growth Rate	10.20%	17.65%	17.90%
<b>INCOME</b>			
Average	\$127,599	\$124,981	\$113,135
Median	\$101,045	\$100,974	\$91,006
<b>HOUSEHOLDS</b>			
2024 Projection	2,935	15,487	51,129
2019 Total Households	2,646	12,898	43,425
2010 Census	2,056	16,647	39,171
2000 Census	1,368	11,560	30,464

**\$127,599** Average Household Income Within 1 Mile

**135,011** Population Within 5 Miles

**43,425** Total Households Within 5 Miles

**17.90%** Population Growth Rate Within 5 Miles

## OFFERING SUMMARY

Price	\$3,724,000
Net Operating Income	\$270,000
Capitalization Rate	7.25%
Price / SF	\$372.40
Rent / SF	\$27.00
Lease Type	NNN (Landlord Responsible for Roof & Structure)
Gross Leasable Area	10,000 SF
Year Built / Renovated	2020
Lot Size	1.05 acre(s)

Current →

## RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT PSF	CAP RATE
Year 1	\$270,000	\$22,500	\$27.00	7.25%
Year 2	\$270,000	\$22,500	\$27.00	7.25%
Year 3	\$270,000	\$22,500	\$27.00	7.25%
Year 4	\$270,000	\$22,500	\$27.00	7.25%
Year 5	\$270,000	\$22,500	\$27.00	7.25%
Year 6	\$297,000	\$24,750	\$29.70	7.98%
Year 7	\$297,000	\$24,750	\$29.70	7.98%
Year 8	\$297,000	\$24,750	\$29.70	7.98%
Year 9	\$297,000	\$24,750	\$29.70	7.98%
Year 10	\$297,000	\$24,750	\$29.70	7.98%
Year 11	\$326,700	\$27,225	\$32.67	8.77%
Year 12	\$326,700	\$27,225	\$32.67	8.77%
Year 13	\$326,700	\$27,225	\$32.67	8.77%
Year 14	\$326,700	\$27,225	\$32.67	8.77%
Year 15	\$326,700	\$27,225	\$32.67	8.77%
Year 16	\$326,700	\$27,225	\$32.67	8.77%
Option 1 Years 17-21	\$359,370	\$29,948	\$35.94	9.65%
Option 2 Years 22-26	\$395,307	\$32,942	\$39.53	10.62%

## INVESTMENT HIGHLIGHTS

High Income, High Growth Submarket

“Recession-Proof” Fastest Growing Childcare Company in the USA

New Construction with Warranties Transferred to Buyer at Closing

Robust Demographics and High Barriers to Entry

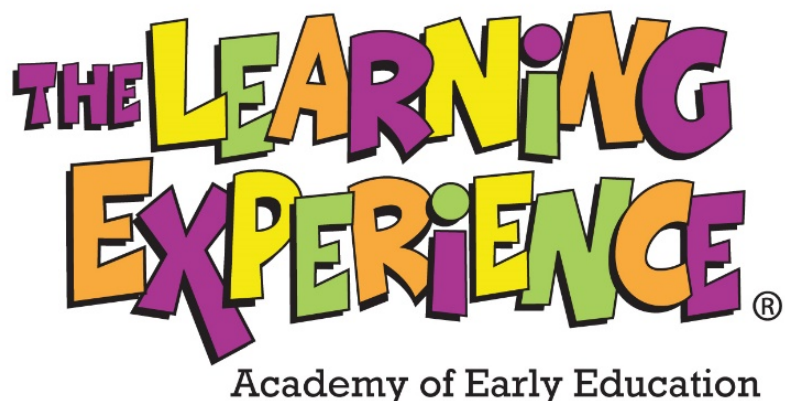
Corporate Guaranty of \$500,000 with a Burn-Off of \$100,000 Per Year

No State Income Tax

Innovative Construction: Interior walls are not load-bearing, so this center could be re-configured for a different tenant or use.

An additional 2-10 Structural Warranty is available and has been approved for purchase due to the builder’s extensive third-party Construction Testing/Inspection Program.





For more than 30 years, the founders of The Learning Experience®, the Weissman family, have been positively impacting the lives of children by developing and implementing ground-breaking care and early education programs throughout the country. Starting in 1980 with a single location in Boca Raton, FL, the unique and proprietary programs that the Weissmans developed quickly caught on and expansion soon followed.

The Learning Experience focuses on high-income demographic areas and provides best-in-class education and childcare. They also provide before and after school care as well as summer camps. There are currently 19 locations in Houston and over 300 locations open or under development nationwide.

#### MINIMUM OPERATOR REQUIREMENTS

Liquid Capital	\$150,000
Upfront Costs	\$60,000 Franchise Fee + \$30,000 Development Costs
Total Investment Cost	\$500,000 - \$800,000

#### MINIMUM DEMOGRAPHIC REQUIREMENTS

	3-Mile	5-Mile
Population	30,000+	75,000+
Children Under 6 Years	3,500+	5,000+
Average Household Income	\$75,000+	

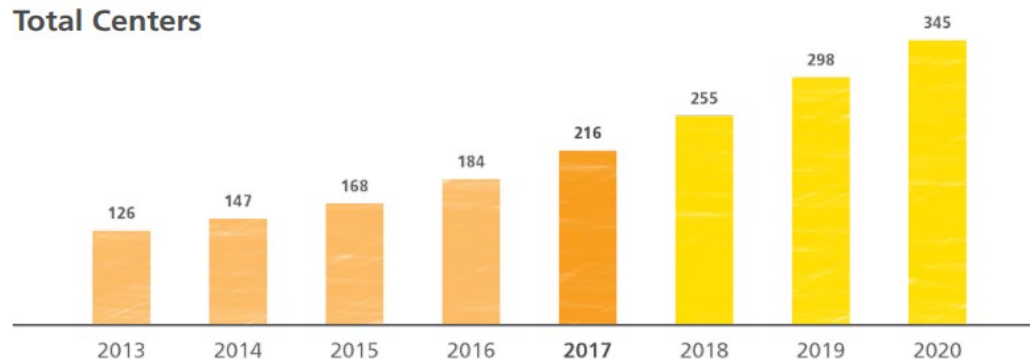
## Historical and Future Growth

### System Wide Sales

(in thousands)



### Total Centers





## LEASE ABSTRACT

**TAXES:** Tenant shall be responsible for all Real Estate Taxes during the term. Tenant shall reimburse the Landlord for Real Estate Taxes on a monthly basis, by paying to the landlord one twelfth (1/12) of the Landlord's estimate of Real Estate Taxes for each tax year. Tenant shall pay to Landlord the difference within thirty (30) days following Tenant's receipt of Landlord's Statement. Landlord shall refund any overpayment to Tenant contemporaneously with such statement.

**MAINTENANCE:** Landlord, at its sole cost and expense, shall be responsible for the maintenance, repair, and replacement of all the beams, columns, structural portions of the roof, underground utility lines, and the water tightness of the Building. Tenant, at its sole cost and expense, shall keep clean and maintain in good order, condition and repair and replace the Leased Premises and every part thereof, except as specified as Landlord's responsibility. Including, without limitation, the Building front and exterior portions of all doors, windows, and plate glass surrounding the Leased Premises, all plumbing within the Building, fixtures and interior walls, floors, systems, interior building appliances, air conditioning and heating units and systems, and shall refurbish, and remodel the Leased Premises and any part and portion thereof from time to time to assure that the same are kept in first class, tenantable and attractive condition through the Term.

**NOTE TO PURCHASER:** *The Property is new construction and includes a new 20-Year Warranty for the roof. There are additional warranties for the other construction items. All warranties will be transferred to the buyer upon closing.*

**INSURANCE:** During the Term, Tenant, at its sole cost and expense, shall obtain and maintain with reputable insurance companies licensed in the State, the following policies of insurance: Special Form Cause of Loss; Commercial General Liability; and All Risk insurance.

**CORPORATE GUARANTY:** The Guaranty of Rent shall be limited to a maximum of \$500,000 in the aggregate. The aggregate amount shall be reduced by \$100,000 each anniversary of the Rent Commencement Date.





## ACQUISITION BY GOLDEN GATE CAPITAL

The Learning Experience was just purchased by Golden Gate Capital, a San Francisco-based private equity investment firm with over \$15 billion of capital under management.

Golden Gate Capital has a long and successful history of investing in high growth, high margin consumer sector businesses such as Red Lobster, Eddie Bauer, and Express Oil Change.

This new capital infusion will give The Learning Experience greater experience to execute on their expansion plan, as well as strengthening the company financially.

The Learning Experience has consistently generated double-digit annual growth for the past 15 years, a remarkable record in the childcare industry that underscores that it is a clear leader in the early childhood education sector.

Golden Gate Capital's acquisition will permit the company to continue to grow and develop while remaining focused on the firm's roots of providing the highest standards of excellence in academic, physical, and social education to TLE children.

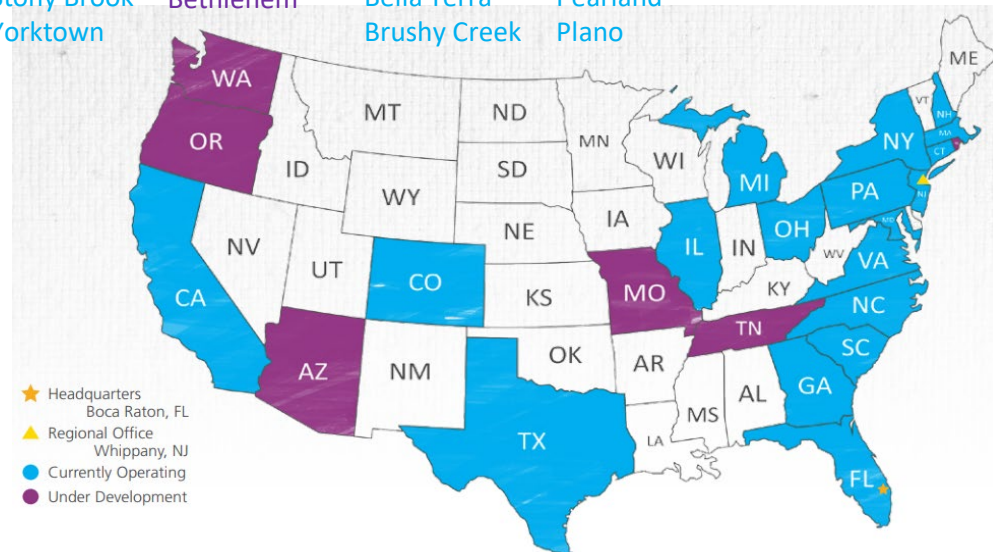
Website: [www.goldengatecap.com](http://www.goldengatecap.com)



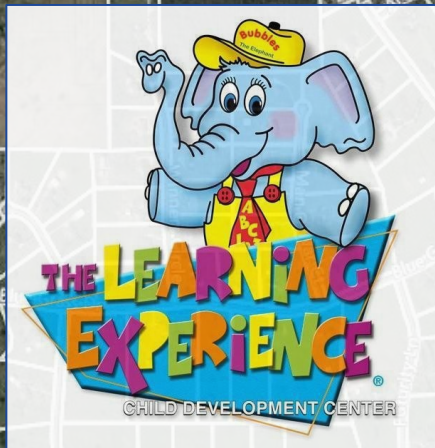
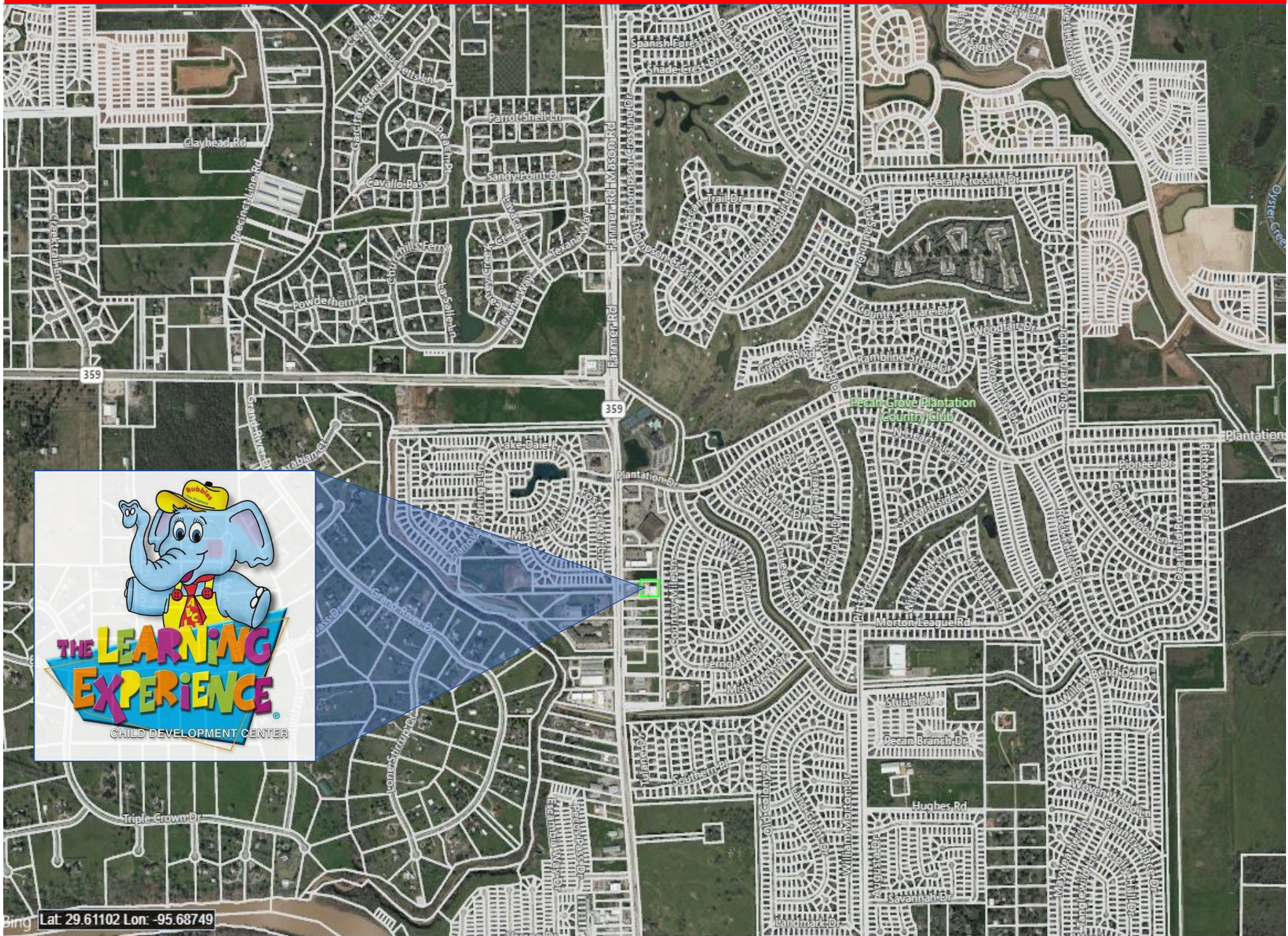


# With more than 300 locations open, or under development, The Learning Experience has become the Nation's fastest growing childcare franchise!

<b>Arizona</b>	<b>Florida</b>	Lemont	Sterling Heights	Marlton	Bronx	<b>North Carolina</b>	Downingtown	Buda	Plano II
Chandler	Apopka	Naperville	Troy	Matawan	Brooklyn	Apex	Doyles Town	Castle Hills	<b>Richmond</b>
Eastmark	Boca Raton	Suaganash		Middletown	Brooklyn II	Cary	Exton	Cedar Park	Sachse
Gilbert	Boynton Beach	South Elgin	<b>Missouri</b>	Monmouth	Brooklyn III	Cary II	Levittown	Coppell	San Marcos
Gilbert II	Brandon	West Loop	Manchester	Montgomery	Brooklyn IV	Chapel Hill	Limerick	Cypress	Sienna Plantation
Goodyear	Clearwater		St. Peters	Montvale	Centereach	Charlotte	Macungie	Dickinson	Spring
Mesa	Coral Springs	<b>Maryland</b>	Ellisville	Mt. Laurel	Deer Park	Charlotte II	Nazareth	Eldridge	Spring II
	Davie	Bel Air		North Bergen	Dobbs Ferry	Charlotte III	Philadelphia	Frisco	Spring III
<b>California</b>	Deerfield Beach	Gambrills	<b>New Hampshire</b>	N. Brunswick	East Islip	Durham	Warminster	George Town	Sugar Land
Antioch	Fish Hawk	Millersville	Merrimack	N. Haledon	E. Northport	Fuquay Varina	West Chester	Hickory Creek	Sugar Land II
Brentwood	Heathrow	Owings Mills		Old Bridge	Islandia	Holly Springs		Humble	Tomball
Eastvale	Jacksonville	Parkville	<b>New Jersey</b>	Paramus	Long Island	Huntersville	<b>Rhode Island</b>	Hurst	West University
Lincoln	Jacksonville II	Waldorf	Basking Ridge	Parsippany	Manhattan	Mooreville	Warwick	Hutto Gattis	
Oceanside	Jacksonville III		Berkeley	Piscataway	Massapequa	Raleigh		Katy	<b>Virginia</b>
Redlands	Jacksonville IV	<b>Massachusetts</b>	Blackwood	Princeton	Medford	Raleigh II	<b>South Carolina</b>	Keller	Aldie
Riverside	Jacksonville V	Andover	Bridgewater	Ramsey	Middle Island	Stallings	Tega Cay	Kingwood	Ashburn
Rocklin	Lake Worth	Ashland	Cedar Grove	River Vale	Monroe	Wake Forest		League City	Chantilly
Rohnert Park	Lakewood Ranch	Billerica	Cherry Hill	Roseland	Mount Sinai		<b>Tennessee</b>	Magnolia	Glen Allen
Simi Valley	Miami Biscayne	Chelmsford	Denville	Sayreville	New York City	<b>Ohio</b>	Hendersonville	Mansfield	Manassas
Vacaville	Miramar	Danvers	East Brunswick	Sewell	Northpoint	Dublin	Mount Juliet	Manvel	Richmond
Walnut Creek	Miramar II	Foxboro	East Rutherford	Somerset	Riverdale	Lewis Center	Spring Hill	McKinney	Sterling
	New Tampa	Franklin	East Windsor	Tenafly	Wilmington	New Albany		McKinney II	Woodbridge
<b>Colorado</b>	Nocatee	Hingham	Eatontown	Tinton Falls	Rocky Point	<b>Pennsylvania</b>	<b>Texas</b>	McKinney III	<b>Washington</b>
Arvada	Odessa	Littleton	Edison	Toms River	Ronkonkoma	Aubrey	Allen	Murphy	Mill Creek
Aurora	Oldsmar	Marlborough	Englewood Cliffs	Union	Staten Island	Bensalem	Atascocita	N. Flower Mound	
Brighton	Orlando	Milford	Franklin Lakes	Voorhees	Stony Brook	Bethlehem	Audubon	N. Katy	<i>Subject Property</i>
Centennial	Palm Beach	Shrewsbury	Hackensack	Waldwick	Yorktown		Bella Terra	Pearland	
Fort Collins	Palm Harbor	South Easton	Hamilton	Wall			Brushy Creek	Plano	
Lafayette	Riverview	Tewksbury	Hillsborough	Warren					
Littleton	Sunrise	Tyngsboro	Hoboken	Wayne					
Littleton II	West Palm Beach	Wilmington	Hopewell	Windsor					
Reunion	Windermere		Howell	Westhampton					
Thornton		<b>Michigan</b>	Jackson	Whippany					
Westminster		Canton	Lawrenceville	Woodbridge					
Westminster II	<b>Illinois</b>	Farmington Hills	Ledgewood		<b>New York</b>				
	Aurora	Independence	Livingston		Bayport				
<b>Connecticut</b>	Backtown	Northville	Lyndhurst		Bayside				
Cromwell	Crest Hill	Northville II	Manahawkin		Bellmore				
Danbury	Gurnee	Novi	Manalapan		Bellrose				
New Town	Lake in the Hills	Shelby	Manasquan		Bronx				
	Lake Zurich	South Lyon	Mansfield						

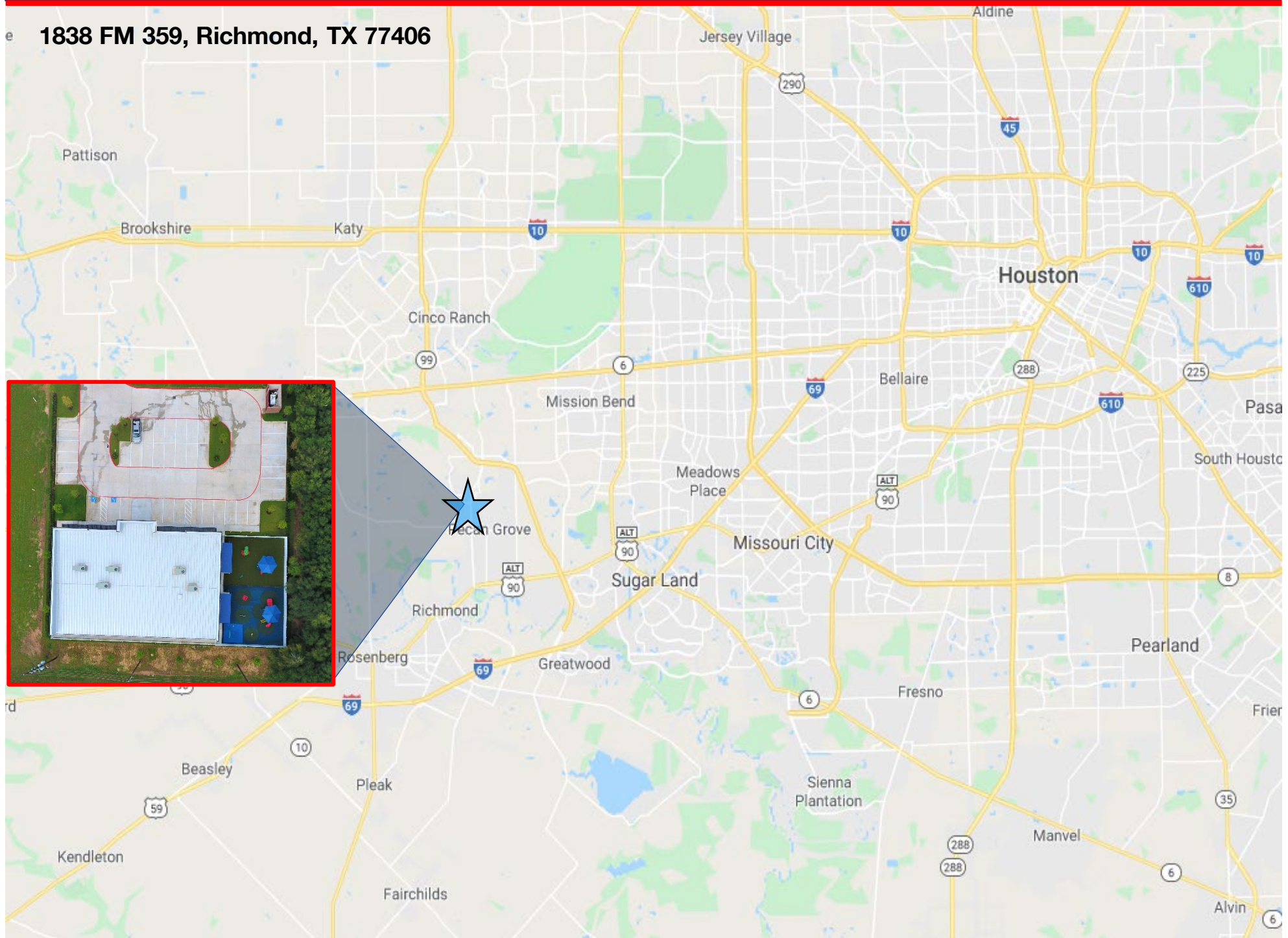




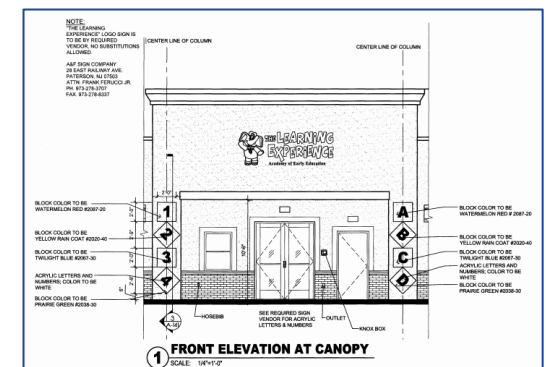
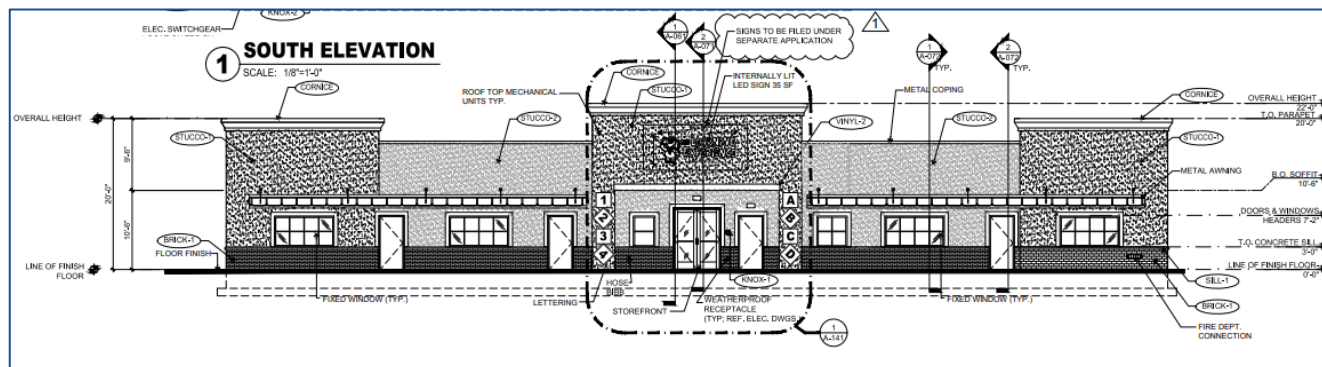
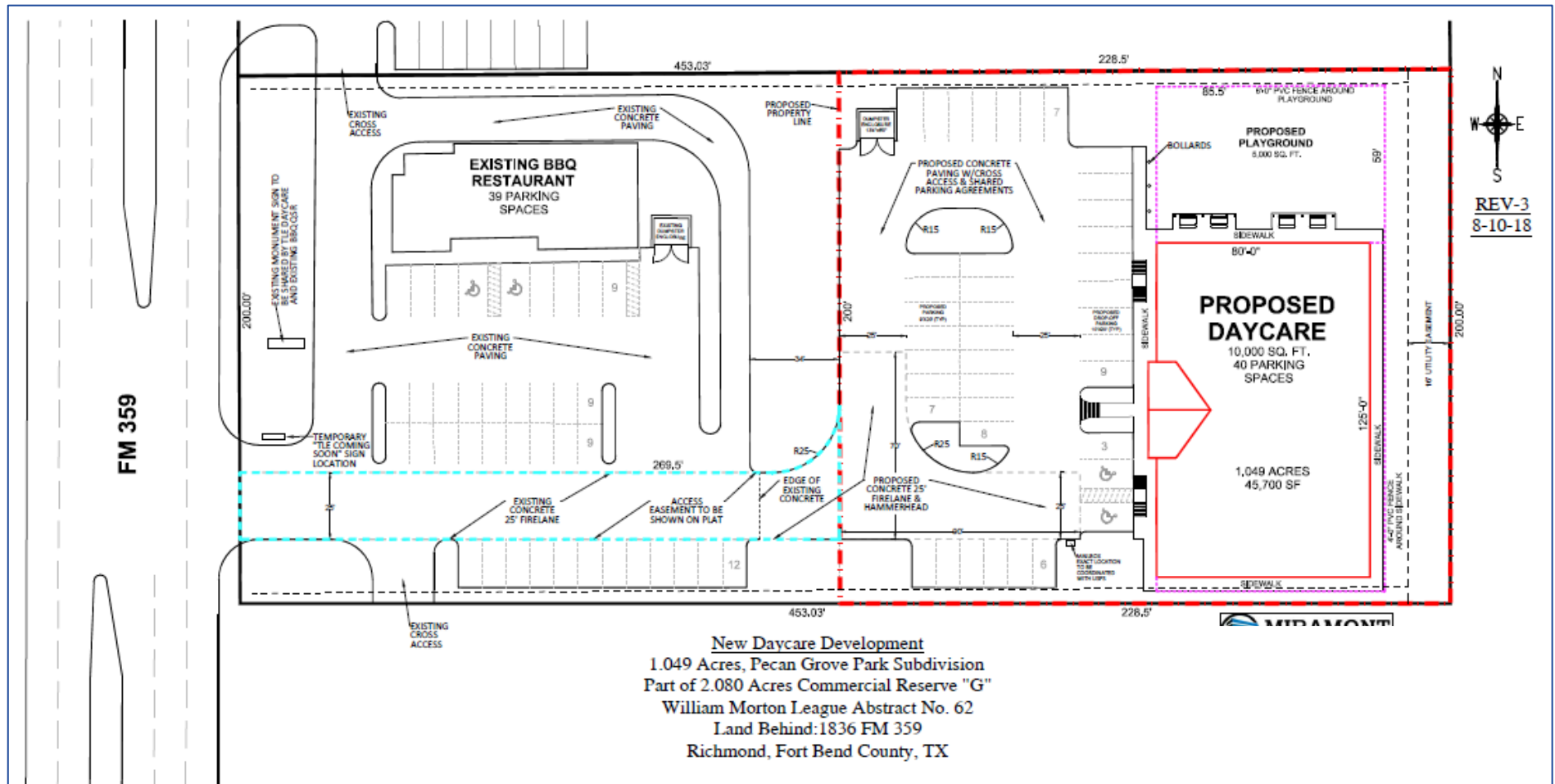




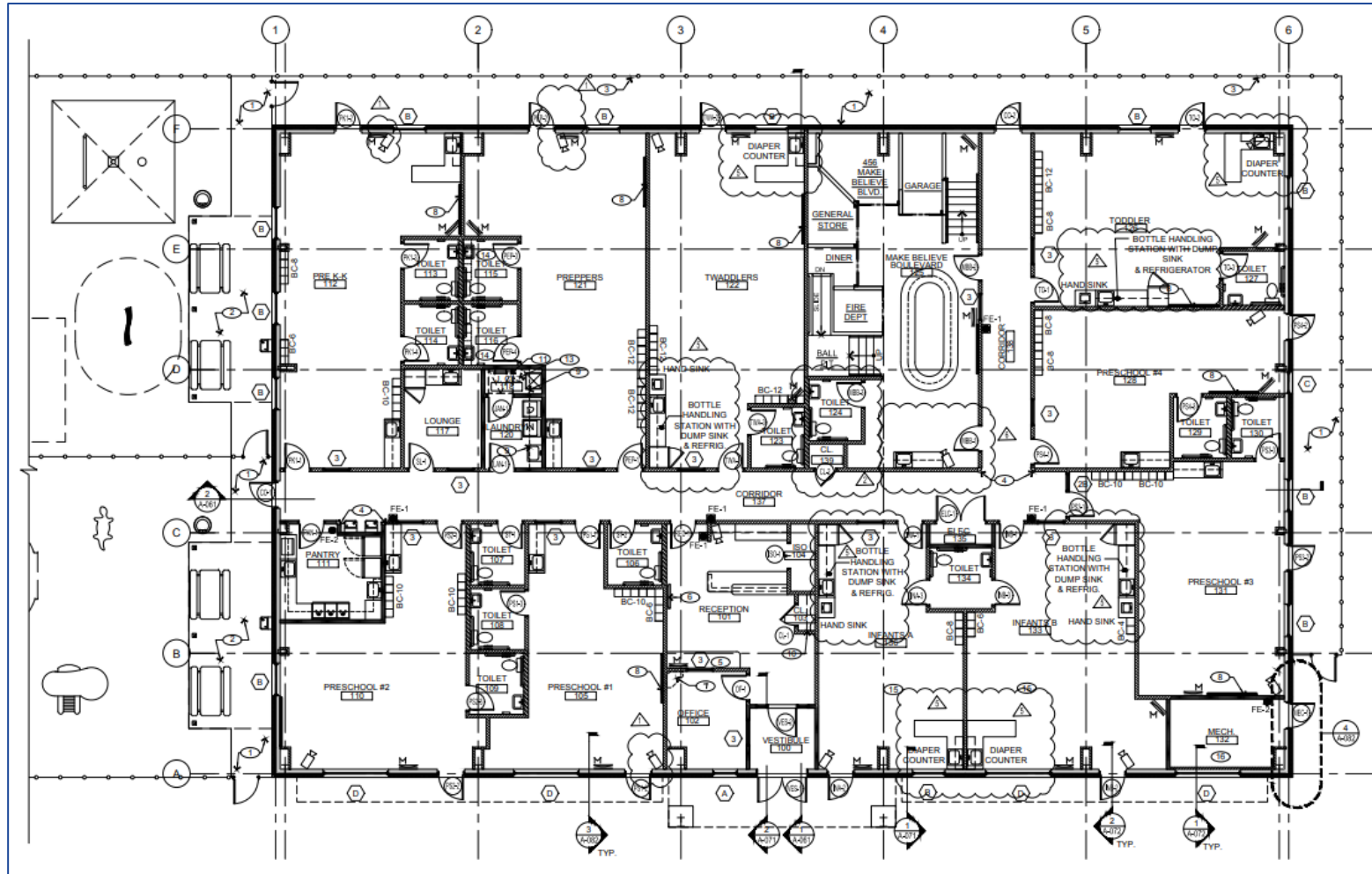
**1838 FM 359, Richmond, TX 77406**











### Construction Notes Per Developer:

1. Metal building is clear span pre-engineered, outside sheathing is densglass with adhered EIFS, all framing interior and exterior is metal, roof is metal standing seam, only wood in the building is the blocking in the walls. This is very high quality construction.
2. An additional 2-10 Structural Warranty is available and has been approved for purchase due to the builder's extensive third-party Construction Testing/Inspection Program.





















## INFORMATION ABOUT BROKERAGE SERVICES

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

11-2-2015

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
_____ Licensed Supervisor of Sales Agent/Associate	_____ License No.	_____ Email	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date