



O2B Kids! (47+ Locations) | 2.00% Annual Increases | 19+ Years Remaining on a 20-Year Lease



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O2B KIDS!
COLUMBIA, MO

Marcus & Millichap
THE SULO GROUP

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any single tenant property to determine to your satisfaction with the suitability of the property for your needs.

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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O2B KIDS!

3250 S. Bearfield Road
Columbia, MO 65201

FINANCIAL SUMMARY

Price	\$5,177,000
Cap Rate	7.00%
Net Operating Income	\$362,372
Building Sq Ft	12,300 Sq Ft
Year Built Renovated:	2013 2023
Lot Size	+/- 1.54 Acres

LEASE SUMMARY

Lease Type	Triple Net
Tenant	o2b Early Education Holdings, Inc.
Guarantor	Corporate
Structure & Foundation	Landlord Responsible
Primary Term	20 Year
Lease Commencement Date	6/20/2023
Rent Commencement Date	9/1/2023
Lease Expiration Date	8/31/2043
Term Remaining	20 Years
Rental Increases	Yes
Renewal Options	Two, Five-Year

OPERATING DATA

Lease Years	Annual Rent	Cap Rate
2	\$362,372	7.00%
3	\$369,619	7.14%
4	\$377,012	7.28%
5	\$384,552	7.43%
6	\$392,243	7.58%
7	\$400,088	7.73%
8	\$408,090	7.88%
9	\$416,252	8.04%
10	\$424,577	8.20%
11	\$433,068	8.37%
12	\$441,729	8.53%
13	\$450,564	8.70%
14	\$459,575	8.88%
15	\$468,767	9.05%
16	\$478,142	9.24%
17	\$487,705	9.42%
18	\$497,459	9.61%
19	\$507,408	9.80%
20	\$517,556	10.00%
Options	Annual Rent	Cap Rate
21-25 (Option 1)	\$527,908	10.20%
26-30 (Option 2)	\$582,853	11.26%

HIGHLIGHTS

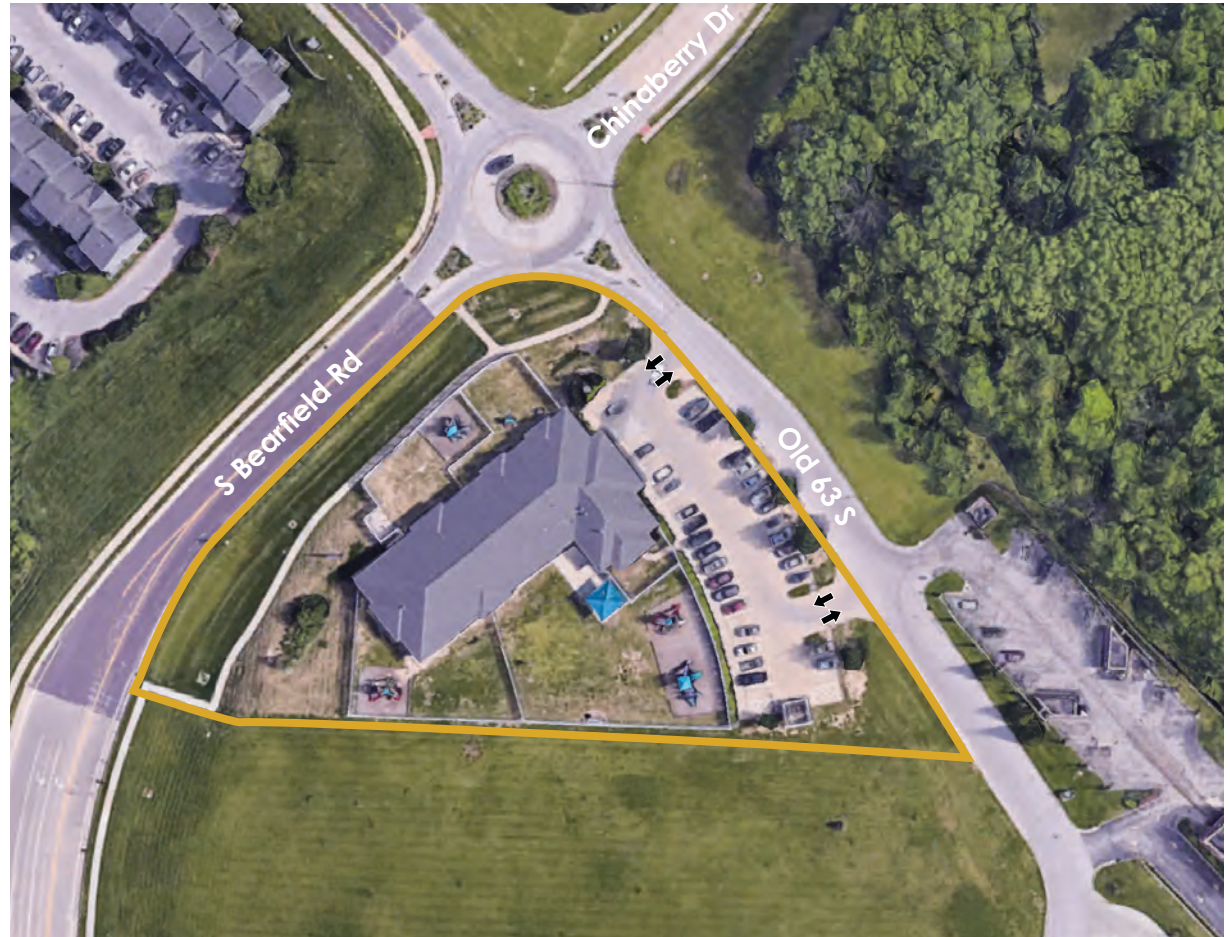
- **19+ Years Remaining on a 20-Year Lease** – O2B Kids! Signed a new 20-year lease at the subject property in 2023. The lease has no day-to-day landlord responsibilities and offers 2.00% annual increases in rent. In addition to the 20-year base lease term, the tenant has two, five-year options to renew with the same rent increase structure annually.
- **O2B Kids! (47+ Locations) – Top 15 Corporate Operator** – O2B Kids! is one of Top 15 Corporate child care companies in the country. O2B Kids! is a place that opens minds, improves self-confidence, develops social skills, and strengthens bodies. O2B Kids! helps children discover hidden talents and promotes a passion for discovery. Friendships are developed and life lessons are learned. O2B Kids encourages kids to try new things and teaches a respect for people, property and ideas. O2B Kids! currently operates over 47 locations across three states.
- **O2B Kids! Acquired an Existing 6-Unit Operator (Bright Start Academy) in 2023** – The subject property had been operating as a Bright Start Academy child care facility, prior to O2B Kids! acquiring the operating business in 2023. Unlike a brand new construction property, O2B Kids! assumed all of the existing enrollment and revenue production that the former operator had built up over years of being in operation. This will allow for O2B Kids! to be profitable at a far more rapid pace than a brand new construction location.
- **State's Fastest-Growing Metro Area Since 2001** – Columbia, Missouri, recognized as the state's fastest-growing metropolitan area since 2001, boasts a population of approximately 125,000 individuals. A hub for education, healthcare, insurance, and technology, its key employers include the University of Missouri, Boone Hospital Center, Shelter Insurance, Veterans United Home Loans, and Carfax.



SITE PLAN

SITE PLAN KEY

Parcel Outline	
Building Sq Ft	12,300 Sq Ft
Lot Size	1.54 Acres
Ingress/Egress	





No. of Locations:	Year Founded	Headquarters:	Website:
47+	1998	Gainesville, FL	https://www.o2bkids.com

We exist to help parents grow happy, successful kids. O2B Kids is a place that opens minds, improves self-confidence, develops social skills, and strengthens bodies. O2B Kids helps children discover hidden talents and promotes a passion for discovery. Friendships are developed and life lessons are learned. O2B Kids encourages kids to try new things and teaches a respect for people, property and ideas.

In the year 1992, two best friends, Andy Sherrard and Danny Stevens, embarked on a one-year journey around the world in search of adventure and excitement...and the meaning of life! During their travels, across oceans and continents, the pair discovered that even at the ripe old age of 25 they were living everyday "learning through play." The concept sparked in each of them a deep interest in education...and they excitedly returned home to the swamps of Gainesville, Florida to begin planning the ultimate learning environment for kids.

The simple goal of this "new learning playground" was to help children find undiscovered passions, develop important life-skills, make new friends and experience daily laughter on their way to becoming responsible, respectful citizens of our world! No ordinary environment would do. An education "SuperCenter" would be needed; combining a magical play village for unscripted funanigans together with an organized calendar of daily classes, from the arts and sciences to fitness and fun, for specific skill development.

In 1998, the two dreamers saw their vision realized, with the opening of the very first 34,000-square foot O2B Kids SuperCenter. It was a grand celebration with over 1,000 O2B Kids members discovering the original concept of "learning through play."

With the help of generous investors and a dedicated staff, O2B Kids grew...and grew...and grew. We look forward to putting an ever-growing number of children and communities on the path to their very own "...happily ever after."

2023 | TOP 20 CORPORATE CHILD CARE COMPANIES



	ORGANIZATION	HEADQUARTERS	CAPACITY (EST.)	# OF CENTERS (EST.)
1	KinderCare Learning Centers	Oregon	195,000	1,501
2	Learning Care Group	Michigan	161,000	1,071
3	Bright Horizons	Massachusetts	120,000	1,081
4	Cadence Education	Arizona	47,861	285
5	Child Development Schools	Texas	46,000	269
6	Spring Education Group**	California	39,488	182
7	The Learning Experience	Florida	39,038	328
8	The Sunshine House	South Carolina	22,000	132
9	Endeavor Schools	Florida	19,500	94
10	Premier Early Education	Illinois	15,000	90
11	New Horizon Academy	Minnesota	13,811	93
12	Early Learning Academies	Virginia	13,700	74
13	Big Blue Marble Academy	Alabama	12,349	60
14	Children of America**	Florida	11,285	61
15	O2B Kids	Florida	9,675	47
16	The Nest Schools	Florida	7,260	44
17	The Gardner School	Tennessee	6,300	32
18	Never Grow Up, Inc	Tennessee	5,850	40
19	Acelero Learning	New York	5,341	51
20	Learning Jungle	Canada	5,173	50

Based on data supplied by the organizations. Data on capacity is total licensed capacity as of January 1, 2023

**Data from January 2022 report

WHY BUY A CHILD CARE CENTER



Competitive Landscape

The U.S. childcare services industry includes about 54,000 commercial facilities with combined annual revenue of \$25 billion, plus about 21,000 facilities run by nonprofit organizations with combined annual revenue of about \$13 billion. In 2017, 65% of mothers with children under the age of six participated in the workforce in the U.S., according to the Bureau of Labor Statistics.

Demand is driven primarily by growth in the youth population, and secondarily by employment and income. Recognition of the importance of early education is also driving demand for high-quality care. The profitability of individual child care facilities depends on good marketing, reputation, and efficient operations, as well as how saturated the local market is. Large companies have economies of scale in advertising and administration. Smaller companies can compete effectively in local markets by owning convenient locations.

Source: <https://www.sbdcnr.org/small-business-research-reports/daycare-business>
<http://www.hoovers.com>

Child Care Market Size

The global market for child care reached a value of nearly \$339.1 billion in 2018, having grown at a compound annual growth rate (CAGR) of 8.3% since 2014, and is expected to grow at a CAGR of 11.3% to nearly \$520.4 billion by 2022.

Growth in the historic period resulted from economic growth in emerging markets, the rise in awareness of the benefits of early learning, government funding in developed nations towards child care costs and an increase in the number of families with both parents working. Going forward, government initiatives to support child care, rising corporate profits which enable companies to spend more on social benefits to employees, and awareness of the benefits of early-life education due to rising internet penetration, will drive growth.

Child Care Market Drivers

The key driver of the child care market include:

Increase in Two Working Parent Families – An increase in the numbers of families where both parents are employed and a steady change in gender roles occurred in the historic period. For instance, the proportion of families with both parents working in the USA increased from 46% in 2015 to 61.9% in 2017. Improved incomes and the illegality and stress burden of leaving children at home alone led working parents to enroll their children at child care centers or provide other child care, benefitting the child care market.

Source: <https://www.thebusinessresearchcompany.com/report/child-care-market>



8.4 million children in the U.S. have two working parents (Child Care Aware of America, 2016), and the demand for high-quality preschools and childcare is increasing



Children's daycare services made a total of **\$48.9 billion** in revenue in 2017 and are projected to earn **\$52.5 billion** by 2021 (Diment, 2016)



Although nearly **15 million** children under the age of six require childcare (Child Care Aware of America, 2016), which is consistent with previous years, indicators show the demand for preschools and childcare will increase



Industry-wide sales grew by **over 6%** between 2008 and 2012, in contrast to a national dip of 5% during 2009

WHY BUY A CHILD CARE CENTER

Demand for Child Care

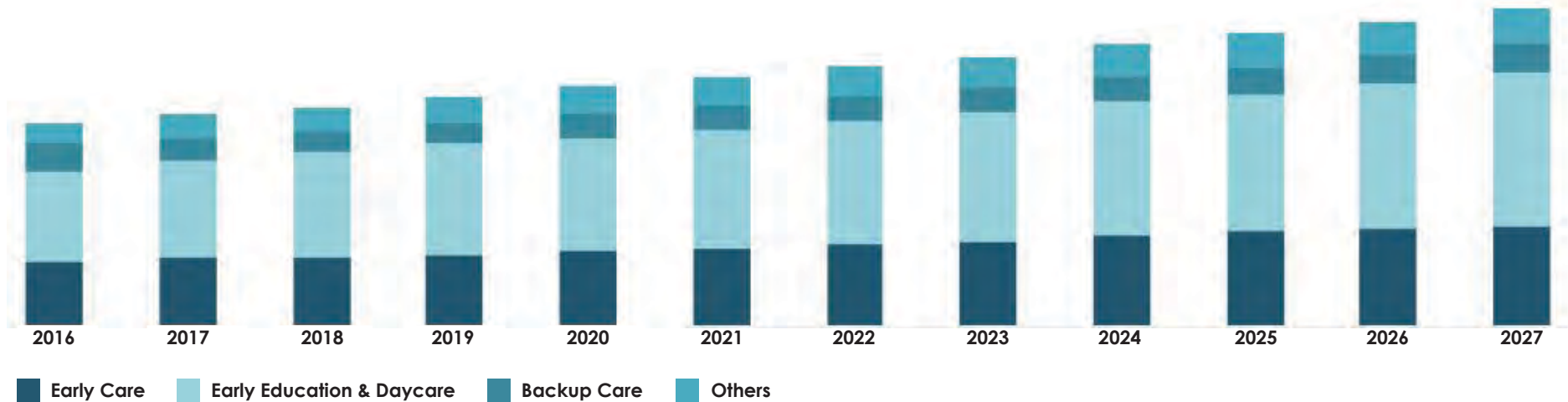
The U.S. child care market size was valued at \$54.3 billion in 2019 and is expected to expand at a compound annual growth rate (CAGR) of 3.9% from 2020 to 2027. The increase in the number of working parents and the subsequent demand for child care are factors that are expected to drive the market in the coming years. A survey conducted by the Center for American Progress reported that around 2.0 million parents had to make career sacrifices due to the childcare-related problems in 2016. There is a rise in awareness regarding the link between economic growth, parental employment, and access to child care, which is expected to increase the availability of child care centers at affordable prices.

The early education and daycare segment dominated the U.S. child care market and accounted for the largest revenue share in 2019. This is owing to an increasing number of daycare and early education centers in the country. The demand for early education is growing rapidly as around 1.4 million and 3.7 million students were enrolled in prekindergarten and kindergarten respectively in 2019.

The key factors driving the U.S. child care market growth include increasing government funding for childcare, rising demand for daycare centers; and an increase in the number of women employment.

Source: https://eflyer.kidder.com/kidder_mathews/team_oleary_liddell/files/Sample_U_S_Child_Care_Market_Analysis_and_Segment_Forecasts_to_2027.pdf

US CHILD CARE MARKET SIZE, BY TYPE, 2016-2017 (USD BILLION)



PROPERTY PHOTOS





Boulder Springs of Columbia
208 Units

Mizzou
University of Missouri
31,318 Students Enrolled
2 Miles North

The Landing at CoMo
172 Units

The Quarters of Columbia
260 Units

25,302 CPD

Fireside Apartments
95 Units

River Birch Apartments
118 Units

Deer Valley Apartments
228 Units

Grindstone Canyon Apartments
201 Units

Subject Property
o2b KIDS!

NEW HAVEN ELEMENTARY SCHOOL
254 Students

Grindstone Pkwy
16,614 CPD

HyVee
BIG LOTS!
JOANN
SUBWAY

KOHL'S

ALDI

goodwill

HAWAIIAN BROS

COURTYARD Marriott

planet fitness
Hallmark

POPEYES

HUHOT

AutoZone
FIREHOUSE SUBS
YOUR PIE
First Midwest Bank
verizon
PLAZA TIRE SERVICE

Elevate 231 Apartments
318 Units

S Providence Rd
13,003 CPD

MCDONALD'S
TACO BELL
Andy's
O'Reilly
TIRE PLUS

ROCK BRIDGE HIGH SCHOOL
1,980 Students

Grayson Cottages
145 Units

Columbia Sports Fieldhouse

MU Health Care

Aria Apartments
397 Units

LOCATION OVERVIEW



COLUMBIA

Columbia, Missouri, recognized as the state's fastest-growing metropolitan area since 2001, boasts a population of approximately 125,000 individuals. A hub for education, healthcare, insurance, and technology, its key employers include the University of Missouri, Boone Hospital Center, Shelter Insurance, Veterans United Home Loans, and Carfax. The city's economic stability is evidenced by a low unemployment rate of 3.0%, significantly lower than Missouri's average of 6.0%. Columbia's residents earn an average per capita income of \$32,784, with a median household income standing at \$57,463.

Praised for its quality of life, Columbia offers affordable living combined with a plethora of cultural, recreational activities, and a bustling downtown district. Throughout the year, residents and visitors can enjoy events like the True/False Film Fest, the Roots N Blues N BBQ Festival, and the Art in the Park Festival. The Columbia Regional Airport (COU), providing flights to major cities such as Chicago and Denver, is undergoing expansion to meet the increasing demand for air travel.

Lastly, Columbia takes pride in hosting the Regional Economic Development Inc. (REDI). This pivotal public-private partnership focuses on bolstering job creation and nurturing business development in the region, offering a suite of services from market research to financing aid for the entrepreneurial community.



2.9 MILES
DOWNTOWN
COLOMBIA, MO



8 MILES
COLOMBIA REGIONAL
AIRPORT



2 MILES
ROCK BRIDGE SHOPPING
CENTER



2 MILES
UNIVERSITY OF MISSOURI



LOCATION OVERVIEW



COLUMBIA

Located in the U.S. state of Missouri, Columbia serves as the county seat for Boone County and is the proud host of the University of Missouri. Established in 1821, Columbia is the main city within its five-county metropolitan region. It ranks as the fourth-largest city in Missouri. Nestled among the forested hills and undulating prairies of Mid-Missouri, the city lies close to the Missouri River valley, where the Ozark Mountains gradually give way to plains and savannas. Columbia emerged as a pivotal transportation hub following the establishment of U.S. Routes 63 and 40 through its heart, leading to the subsequent inauguration of the Columbia Regional Airport.



Central Location

The central location within the heart of its five-county metropolitan region gives Columbia superb domination over its marketplace.



Excellent Transportation System

Columbia has an impressive transportation system in Missouri that is bolstered by U.S. Routes 63 & 40 that give it unparalleled access to the rest of the state.



Affordable Cost-Of-Living

Columbia Housing prices are approx. 16% lower than the national average. Providing residents with excellent housing affordability.



QUALITY OF LIFE

Columbia, Missouri, offers a vibrant cultural and arts scene, with the Missouri Theatre Center for the Arts and Jesse Auditorium standing out as its premier fine arts venues. The city celebrates cinema with the annual True/False Film Festival at the Ragtag Cinema. In the North Village Arts District, one can find a mix of galleries, eateries, theaters, and music spots, with the Missouri Contemporary Ballet being a highlight. Art enthusiasts can explore the University of Missouri's Museum of Art and Archaeology, which showcases an impressive collection of 14,000 items free to the public. The city is enriched by various libraries, including the Columbia Public Library and the expansive collection at the University of Missouri Libraries. The University's School of Music is a magnet for talent, and its sports teams, notably the Missouri Tigers, significantly shape the city's sports ethos, with Faurot Field at Memorial Stadium being a focal point for football. Other significant sports venues include the Hearnes Center, Mizzou Arena, and Taylor Stadium. The city's culinary scene is diverse, reflecting its collegiate atmosphere. Landmarks like the historic Booches, established in 1884, and the locally-renowned Shakespeare's Pizza, exemplify Columbia's rich blend of tradition and youthful energy.

LOCATION OVERVIEW



ECONOMY

Education, healthcare, and insurance have traditionally been the pillars of Columbia's economy. Many also find employment in government roles, either within Columbia or in Jefferson City, which is just a 30-minute drive to the south. The Columbia Regional Airport and the Missouri River Port of Rocheport serve as key transportation and trade connectors for the region.

In 2018, the city's Gross Metropolitan Product reached \$9.6 billion, accounting for 3% of Missouri's total Gross State Product. To put this into perspective, Columbia's metropolitan economy is marginally larger than Rwanda's. Notable insurance firms based in Columbia are Shelter Insurance and Columbia Insurance Group. The city also hosts prominent entities like StorageMart, Veterans United Home Loans, MFA Incorporated, the Missouri State High School Activities Association, and MFA Oil. Moreover, companies such as Socket, Slackers CDs and Games, Carfax, and MBS Textbook Exchange originated in Columbia.



DEMOGRAPHICS

The metro is expected to add more than 6,639 people through 2027, which corresponds to a 5.3% increase in the population.

Columbia Housing prices are approx. 16% lower than the national average.

Providing residents with excellent housing affordability. Roughly 24.38% of people ages 25 and older hold bachelor's degrees; 24.15% have also earned a graduate or professional degree.

TOP EMPLOYERS

EMPLOYER	INDUSTRY
University of Missouri	Higher Education
University Hospital and Clinics	Health services
Columbia Public Schools	Education
Veterans United Home Loans	Mortgage lender
Harry S. Truman Memorial Veterans' Hospital	Health services
City of Columbia	Government
Boone Hospital Center	Health services
Shelter Insurance Companies	Insurance
Joe Machens Dealerships	Automobile dealership
MBS Textbook Exchange	Textbook operation

DEMOGRAPHICS



POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	7,690	41,433	92,039
2022 Population	9,263	48,829	104,878
2027 Population	10,091	52,145	110,875

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2010 Households	3,094	15,399	37,223
2022 Households	3,796	18,252	42,574
2027 Households	4,160	19,779	45,429

INCOME	1-MILE	3-MILE	5-MILE
Median Household Income	\$38,189	\$42,386	\$50,855
Per Capita Income	\$25,242	\$29,815	\$33,504
Average Household Income	\$60,533	\$73,545	\$79,641

POPULATION

Columbia boasts a vibrant community characterized by its varied and evolving demographic. As of September 2023, the city's populace stood at an estimated 123,139 individuals. It's important to recognize that population numbers may fluctuate due to aspects like births, deaths, relocations, and urban expansion.

HOUSEHOLDS

Columbia extends a spectrum of housing alternatives catering to diverse financial capacities. Ranging from budget-friendly apartments to expansive individual homes, our mission is to ensure every resident finds a cozy and economically feasible dwelling.

INCOME

Columbia prides itself on delivering a superior living standard for its citizens, irrespective of their income bracket. The city is abundant in amenities, from top-tier schools to recreational areas and cultural facilities, all aimed at uplifting the community's holistic well-being.

EDUCATION

Education remains a cornerstone for Columbia, with a commitment to furnishing outstanding learning avenues for all age groups. The city encompasses an array of both public and private educational institutions, promising quality learning experiences for every learner.

HOUSING

From bustling urban apartments to serene suburban residences and family-centric neighborhoods, Columbia showcases an eclectic mix of housing solutions tailored to various preferences and financial plans.

EMPLOYMENT

With a multifaceted and vibrant employment landscape, Columbia presents job seekers with myriad opportunities spanning sectors like healthcare, IT, manufacturing, academia, and commerce, ensuring a comprehensive scope for career growth and exploration.

