



Brand New 2023 Construction | Huntsville MSA - Over 20% Population Growth Since 2010



OFFERING MEMORANDUM
MADISON, ALABAMA (HUNTSVILLE MSA)

Marcus & Millichap
THE SULO GROUP



CONFIDENTIALITY & DISCLAIMER



Exclusively Listed by:

Dominic Sulo
Senior Managing Director
CHICAGO OAKBROOK
Tel: (630) 570-2171
DSulo@marcusmillichap.com
License: IL 475.134920

Co-Listed With:

Chad Lieber
First Vice President
Tel: (619) 489-9004
Chad.Lieber@srsre.com
License: IL 475.163385

Broker of Record:

Eddie Greenhalgh
Birmingham, AL
License: 000088298-0

Marcus & Millichap
Oakbrook, IL
1 Mid America Plaza #200
Oakbrook Terrace, IL 60181
P: +1 630-570-2200

Information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified 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. Marcus & Millichap 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, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the 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 Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap 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.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

MARCUS & MILLICHAP HEREBY ADVISES ALL PROSPECTIVE PURCHASERS OF SINGLE TENANT NET LEASED PROPERTY AS FOLLOWS:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a single tenant property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a single tenant property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. 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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single tenant property.

OFFERING SUMMARY

PROPERTY ADDRESS

o2b Kids!

11676 County Line Road
Madison, AL 35756

OFFERING SUMMARY	
Price:	\$5,433,000
Cap Rate:	6.50%
Net Operating Income:	\$353,131
Building Square Footage:	10,960 Sq Ft
Year Built:	2023
Lot Size:	+/- 1.20 Acres

LEASE SUMMARY	
Tenant:	o2b Early Education Holding, Inc.
Guaranty:	Corporate
Rent Commencement:	2/1/2024
Lease Expiration:	1/31/2039
Lease Term:	15 Years
Lease Type:	Triple Net
Structure and Foundation:	Landlord Responsible
Rental Increases:	2.00% Annually
Renewal Options:	Two, Five-Year
Right of First Refusal:	None

OPERATING DATA				
Year	Start Date	End Date	Annual Rent	Cap Rate
1	2/1/2024	1/31/2025	\$353,131	6.50%
2	2/1/2025	1/31/2026	\$360,194	6.63%
3	2/1/2026	1/31/2027	\$367,398	6.76%
4	2/1/2027	1/31/2028	\$374,746	6.90%
5	2/1/2028	1/31/2029	\$382,240	7.04%
6	2/1/2029	1/31/2030	\$389,885	7.18%
7	2/1/2030	1/31/2031	\$397,683	7.32%
8	2/1/2031	1/31/2032	\$405,637	7.47%
9	2/1/2032	1/31/2033	\$413,749	7.62%
10	2/1/2033	1/31/2034	\$422,024	7.77%
11	2/1/2034	1/31/2035	\$430,465	7.92%
12	2/1/2035	1/31/2036	\$439,074	8.08%
13	2/1/2036	1/31/2037	\$447,856	8.24%
14	2/1/2037	1/31/2038	\$456,813	8.41%
15	2/1/2038	1/31/2039	\$465,949	8.58%
16-20 (Option 1)	2/1/2039	1/31/2044	\$475,268	8.75%
21-25 (Option 2)	2/1/2044	1/31/2049	\$524,734	9.66%

Lease Comments: Annual increases in options

INVESTMENT HIGHLIGHTS

- **Brand New 2023 Construction - 15-Year Lease**
 - 2.00% annual rent increases, including the option periods.
 - The tenant has two five-year options to renew at the expiration of the 15-year initial term.
- **Corporate Guaranty from Top 15 Operator in the Country**
 - O2B Kids! is one of Top 15 Corporate childcare companies in the country.
 - O2B Kids! currently operates over 57 locations across three states.
- **Spire Capital Invests \$245 Million to Expand O2B Kids!**
 - In 2018, O2B became a portfolio company under Spire Capital Partners, receiving a \$245 million investment to expand its existing school operations, proprietary curriculum and technology management system.
 - Three Spire executives joined O2B's Board of Directors as part of the partnership.
 - Since its inception in 2000, Spire has managed over \$1 billion of committed capital and has completed 32 platform investments and over 115 add-on acquisitions.
- **Huntsville MSA - Over 20% Population Growth Since 2010**
 - Huntsville is a city centrally located in the northernmost part of the U.S. state of Alabama. It is located in Madison County and extends west into neighboring Limestone County. Huntsville is the county seat of Madison County, and the largest city in Alabama.
 - Today, Huntsville, Alabama is one of the most recognized cities in the Southeast – consistently named as one of the best places to live and work by a variety of national publications.
 - Home to several Fortune 500 companies, Huntsville also offers a broad base of manufacturing, retail and service industries.
- **Demand For Daycare Remains Extremely Strong**
 - The U.S. childcare market size was valued at USD 60.4 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 4.18% from 2023 to 2030.
 - The key factor driving the growth is the rising demand for early daycare & education services with more parents returning to working in offices, the rising number of single & working mothers, advancements in learning technologies for children, and the accessibility of government funding.
 - The expenditure on daycare in the U.S. is very high. As per the cost of care survey facilitated by the U.S. Department of Health and Human Services, the expenditure on these services reached up to 7% of the household income in 2021.
 - Families in the U.S. are willing to spend more on childcare services, indicating the high service demand in the U.S.



WHY BUY A DAYCARE CENTER?

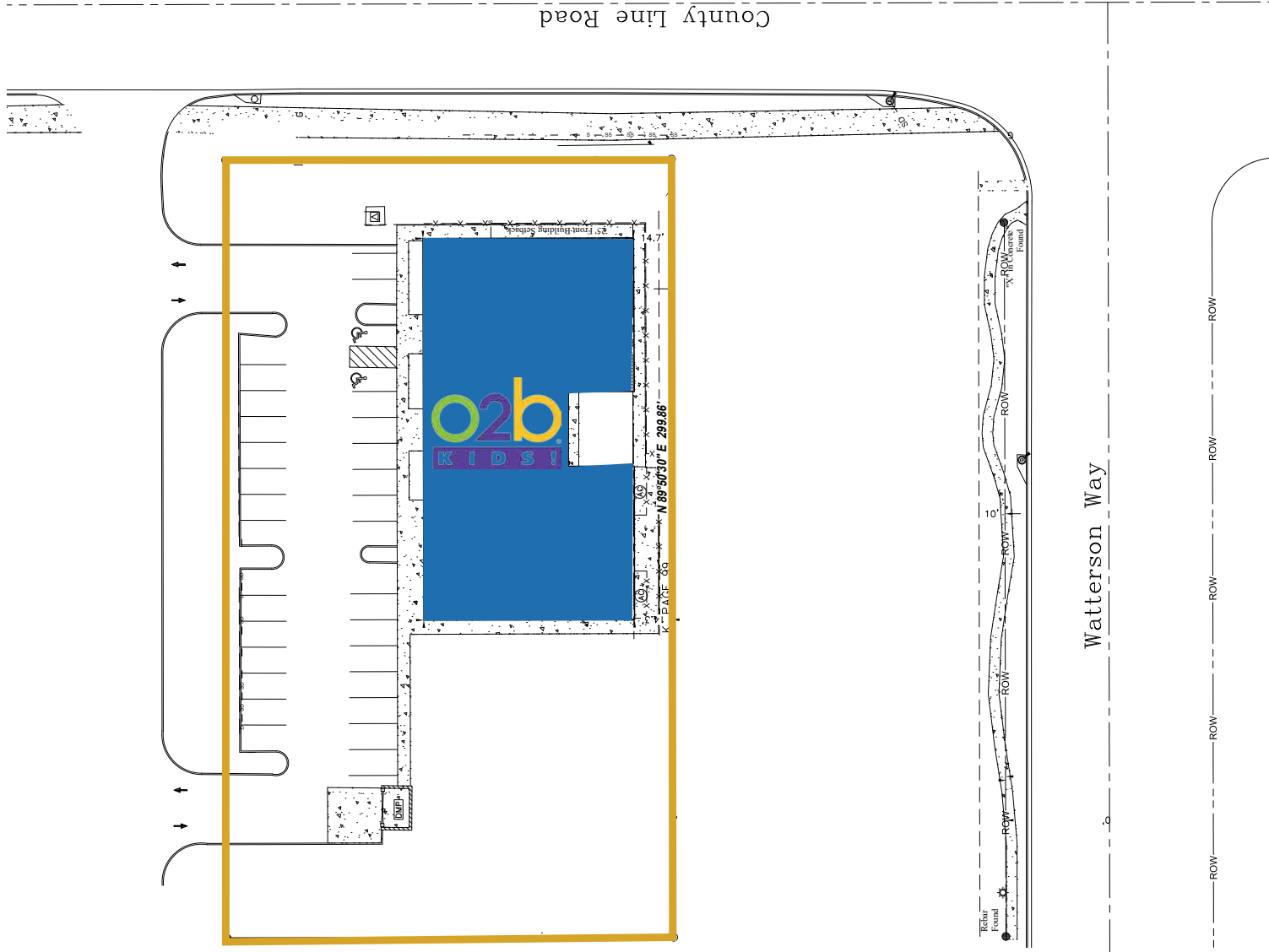
The U.S. child care market is expected to grow at a compound annual growth rate of 4.18% from 2023 to 2030 and is expected to reach USD 83.6 billion by 2030.

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.

The early education and daycare segment dominated the U.S. child care market with a share of around 47% in 2022. This is attributable to the increase in the rising demand along with the government funding to child care centers.

The market is benefiting from the advancement of learning technologies for children. Educational tools like Starfall, based on advanced technology, are transforming the U.S. childcare market by providing engaging activities and games for children to learn art, languages, and mathematics.





AERIAL OVERVIEW

HUNTSVILLE



- One of the fastest growing cities in the Southeastern USA
- 100 miles north of Birmingham and 110 miles south of Nashville
- Home to several Fortune 500 companies



JAMES CLEMENS HIGH SCHOOL
2,142 Students

Subject Property



Watterson Way

Grand Oaks Blvd

County Line Rd
 21,147+ CPD

AERIAL OVERVIEW

DEMOGRAPHICS

POPULATION (2022):

1-Mile Radius	5,625
3-Mile Radius	35,889
5-Mile Radius	75,249

HOUSEHOLD INCOME (AVERAGE):

1-Mile Radius	\$136,125
3-Mile Radius	\$121,266
5-Mile Radius	\$118,030

HERITAGE ELEMENTARY SCHOOL
881 Students

SpineCare
CHIROPRACTIC MEDICINE

Subject Property

Grand Oaks Blvd

Watterson Way

County Line Rd
21,147+ CPD

TENANT PROFILE

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.

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."



Company Type: Private
Location: Gainesville, Florida (60+ Locations)
Website: <https://o2bkids.com/>

#15
 Top Ranked
 Corporate
 Operator

\$100M+
 2023
 Annual Revenue

\$245M+
 Spire Capital
 Partnership in
 2018

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

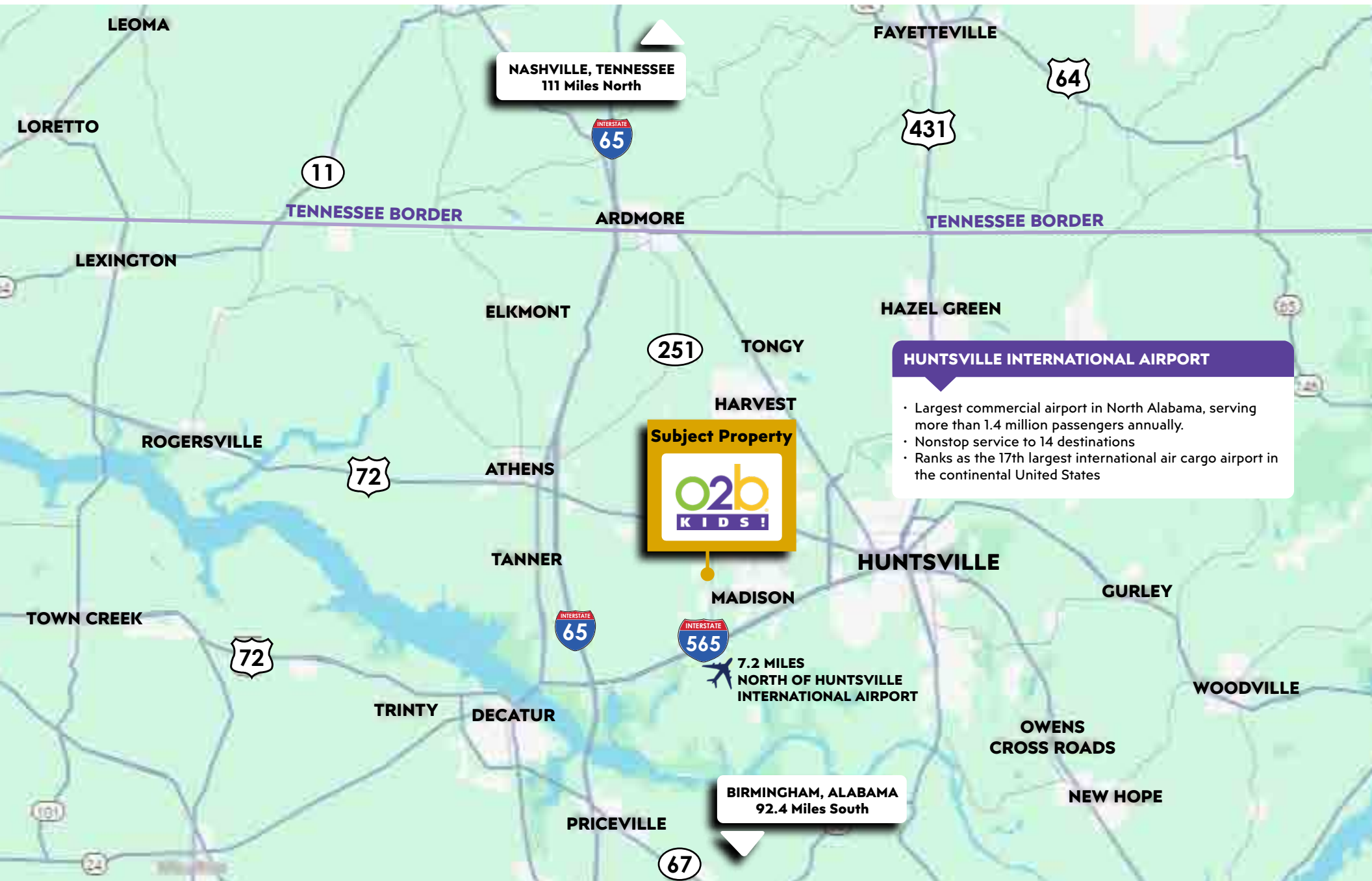
Based on data supplied by the organizations. Data on capacity is total licensed capacity as of January 1, 2023

**Data from January 2022 report

PROPERTY PHOTOS



REGIONAL MAP



AREA OVERVIEW

HUNTSVILLE

- Known for its aerospace, defense and auto manufacturing industries, Huntsville's economy has been steadily expanding as new companies and residents relocate to the region.
- The cost-of-living in the Huntsville metro remains below that of many other nearby markets, attracting new households and allowing roughly 69 percent of residents to own their home.
- The Huntsville metro encompasses Limestone and Madison counties, and is located roughly 100 miles north of Birmingham and 110 miles south of Nashville.
- The city of Huntsville itself contains more than 220,000 individuals.
- Step into the past with Huntsville's Guided Walking Tours, book a Civil Rights Tour with SceneThat Tours, or visit the recreated 1819 Alabama Constitution Hall Historic Park & Museum, which showcases the birth of the state.
- As one of the fastest growing cities in the Southeastern USA, Huntsville can aptly be described as unexpected. Huntsville seamlessly marries the rich history of southern hospitality with innovative high-tech ventures and cultural diversity.
- Explore the largest spaceflight museum in the world to see more than 1,500 artifacts including Explorer I, a prototype of the first U.S. satellite, and a rare "full stack," a massive space shuttle, external tank and two solid rocket boosters.
- Huntsville's location in the expansive Tennessee Valley makes day tripping for mountain adventures easy. Venture up Round Top Mountain (also known as Monte Sano Mountain), home to Monte Sano State Park, to enjoy the tranquil Japanese garden, or to hike trails blanketed with azaleas in the spring and colorful leaves in the fall.
- Unique culinary experiences abound. Dine in an old jail cell, Savor Southern comfort food at G's Country Kitchen or Blue Plate Cafe. To quench your thirst, hop over to one of Huntsville's breweries, Straight to Ale, for a Monkeynaut IPA, or check out Campus No. 805.

ECONOMY


- Government contractors, such as Boeing, Northrop Grumman, Lockheed Martin and Raytheon Technologies, are leading employers, supporting the area's space and defense industry.
- Huntsville has a growing STEM workforce, driven by local employers that include the HudsonAlpha Institute for Biotechnology and Redstone Arsenal.
- The metro is being reinvented as a tech center, and many buildings are being redeveloped to attract new companies and workers to the area. Facebook has launched a major expansion of its data center campus in Huntsville, with total investment possibly exceeding \$1.5 billion.




DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2000 Population	2,115	17,546	41,727
2010 Population	4,053	28,396	60,686
2022 Population	5,625	35,889	75,249
2027 Population	6,433	39,901	82,728
HOUSEHOLDS			
2000 Households	694	6,536	15,993
2010 Households	1,288	10,321	23,502
2022 Households	1,832	13,234	29,649
2027 Households	2,100	14,727	32,797
OWNER OCCUPIED HOUSING UNITS			
2000 Owner Occupied Housing Units	87.8%	68.8%	67.1%
2010 Owner Occupied Housing Units	91.8%	78.4%	72.1%
2022 Owner Occupied Housing Units	91.2%	77.8%	71.3%
2027 Owner Occupied Housing Units	91.2%	77.9%	71.3%
RENTER OCCUPIED HOUSING UNITS			
2000 Renter Occupied Housing Units	7.3%	23.3%	25.3%
2010 Renter Occupied Housing Units	8.2%	21.6%	27.9%
2022 Renter Occupied Housing Units	8.8%	22.2%	28.7%
2027 Renter Occupied Housing Units	8.9%	22.1%	28.7%
AVERAGE HOUSEHOLD INCOME	\$136,125	\$121,266	\$118,030


AREA SNAPSHOT




75,249
POPULATION (5-MILE)



74,284
DAYTIME POPULATION (5-MILE)



7.0%
POPULATION GROWTH (2022-2027)



\$136,125
AVERAGE HOUSEHOLD INCOME (1-MILE)