



20-Year Corporate Lease (145+ Locations) | Brand New 2024 Construction | \$138,000+ AHHL in 5-Miles



OFFERING MEMORANDUM  
BALLWIN, MISSOURI (ST. LOUIS MSA)

Marcus & Millichap  
THE SULO GROUP

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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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# OFFERING SUMMARY

## PROPERTY ADDRESS

### Guidepost Montessori

430 Arbor Spring Dr  
Ballwin, MO 63021

| OFFERING SUMMARY         |                |
|--------------------------|----------------|
| Price:                   | \$6,076,000    |
| Cap Rate:                | 7.00%          |
| Net Operating Income:    | \$425,320      |
| Building Square Footage: | 10,802 Sq Ft   |
| Year Built:              | 2024           |
| Lot Size:                | +/- 1.73 Acres |

| LEASE SUMMARY             |                        |
|---------------------------|------------------------|
| Tenant:                   | Guidepost A LLC        |
| Guaranty:                 | Corporate              |
| Rent Commencement:        | 8/4/2023               |
| Lease Expiration:         | 8/31/2043              |
| Lease Term:               | 20 Years               |
| Lease Type:               | Triple Net             |
| Roof, Structure and HVAC: | Landlord Responsible   |
| Rental Increases:         | 2.00% Annual Increases |
| Renewal Options:          | Four, Five-Year        |
| Right of First Refusal:   | 15 Days                |

| OPERATING DATA |            |           |             |          |
|----------------|------------|-----------|-------------|----------|
| Year           | Start Date | End Date  | Annual Rent | Cap Rate |
| 2              | 9/1/2024   | 8/31/2025 | \$425,320   | 7.00%    |
| 3              | 9/1/2025   | 8/31/2026 | \$433,826   | 7.14%    |
| 4              | 9/1/2026   | 8/31/2027 | \$442,503   | 7.28%    |
| 5              | 9/1/2027   | 8/31/2028 | \$451,353   | 7.43%    |
| 6              | 9/1/2028   | 8/31/2029 | \$460,380   | 7.58%    |
| 7              | 9/1/2029   | 8/31/2030 | \$469,587   | 7.73%    |
| 8              | 9/1/2030   | 8/31/2031 | \$478,979   | 7.88%    |
| 9              | 9/1/2031   | 8/31/2032 | \$488,559   | 8.04%    |
| 10             | 9/1/2032   | 8/31/2033 | \$498,330   | 8.20%    |
| 11             | 9/1/2033   | 8/31/2034 | \$508,296   | 8.37%    |
| 12             | 9/1/2034   | 8/31/2035 | \$518,462   | 8.53%    |
| 13             | 9/1/2035   | 8/31/2036 | \$528,831   | 8.70%    |
| 14             | 9/1/2036   | 8/31/2037 | \$539,408   | 8.88%    |
| 15             | 9/1/2037   | 8/31/2038 | \$550,196   | 9.06%    |
| 16             | 9/1/2038   | 8/31/2039 | \$561,200   | 9.24%    |
| 17             | 9/1/2039   | 8/31/2040 | \$572,424   | 9.42%    |
| 18             | 9/1/2040   | 8/31/2041 | \$583,873   | 9.61%    |
| 19             | 9/1/2041   | 8/31/2042 | \$595,550   | 9.80%    |
| 20             | 9/1/2042   | 8/31/2043 | \$607,461   | 10.00%   |

# INVESTMENT HIGHLIGHTS

- **Brand New 2024 Construction - 20-Year Lease**
  - 2.00% annual rent increases throughout the base term and option periods.
  - The tenant has four, five-year options to renew at the expiration of the 20-year initial term.
  - Landlord responsible for replacement of HVAC & roof/structure.
- **Guidepost Montessori – Largest Montessori in the U.S. with 145+ Locations**
  - Lease guaranteed by Higher Ground Education (HGE), a corporate school operator with significant financial backing and an executive team with 20+ years of experience, on average.
  - Financial Strength of the Guarantor
    - 100% revenue growth year-over-year since 2019
    - \$600M valuation in October 2022, doubled since February 2021
    - Unit level enrollments have increased by 235% since March 2020
- **Demand For Child Care Remains Extremely Strong**
  - The U.S. child care 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 child care services, indicating the high service demand in the U.S.
- **Internet Resistant Tenant**
  - Childcare remains a necessity even for parents who can work from home, as the ability to work while also caring for a child under 5 is nearly impossible. Evidence for this is based on the demand continuing to grow vs. pre-COVID despite a marked increase in people working from home.
  - Early Education centers remain at the forefront of children’s social skills development.



## WHY BUY A CHILD CARE CENTER?

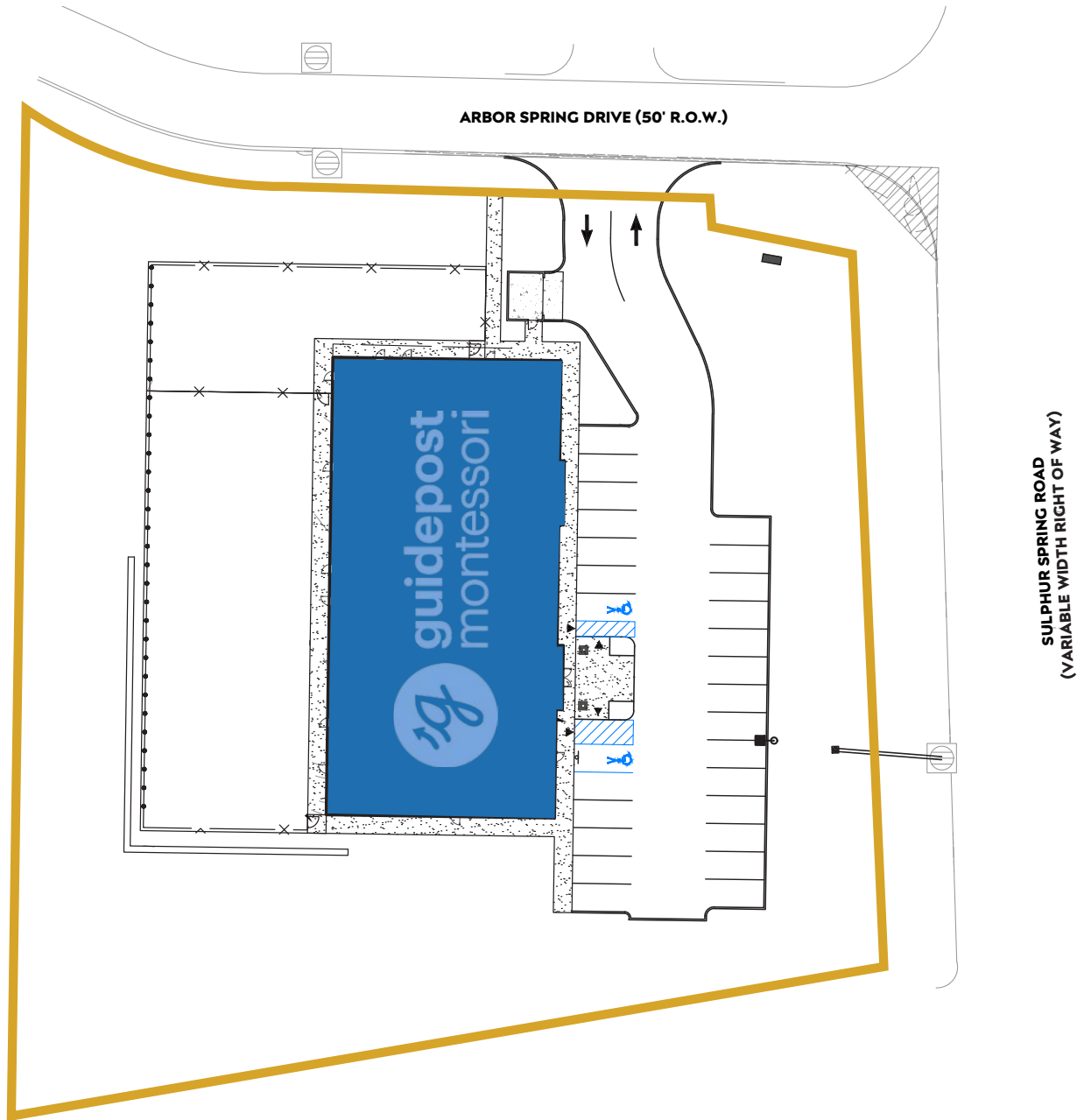
The U.S. child care market is expected to grow at a compound annual growth rate of 4.18% from 2023 to 2030 and is expected to reach USD 83.6 billion by 2030.

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



**TREETOP SHOPPING CENTER**

**WALGREENS**

**Big Bend Rd**  
**24,335 CPD**

**Sulphur Spring Rd**  
**10,938 CPD**

**Subject Property**

**DEMOGRAPHICS**

**POPULATION (2022):**

|               |         |
|---------------|---------|
| 1-Mile Radius | 13,326  |
| 3-Mile Radius | 72,199  |
| 5-Mile Radius | 147,048 |

**HOUSEHOLD INCOME (AVERAGE):**

|               |           |
|---------------|-----------|
| 1-Mile Radius | \$119,582 |
| 3-Mile Radius | \$116,953 |
| 5-Mile Radius | \$138,011 |

# TENANT PROFILE

From developing fine and gross motor skills, to learning to read and write, to building concentration and self-control, to setting goals and using time wisely—Guidepost Montessori’s programs support the totality of a child’s early developmental needs to provide a strong foundation for the rest of their life. The key to our approach is the blending of a structured prepared environment, scientifically-designed learning materials that drive inspired inquiry and the child’s freedom to pursue their interests while being guided on their own path to mastery.

The core values of knowledge, work, agency, and trade come together to form the benevolent, aspirational culture that is common to every Guidepost classroom. This culture is at once universally constant—the same whether you visit Guidepost at Foothill Ranch in California, at Hollywood Beach in Florida, or at Magnificent Mile in Chicago—and wholly singular—taking on the unique personality of the individual parents, guides, and children that form each particular community.

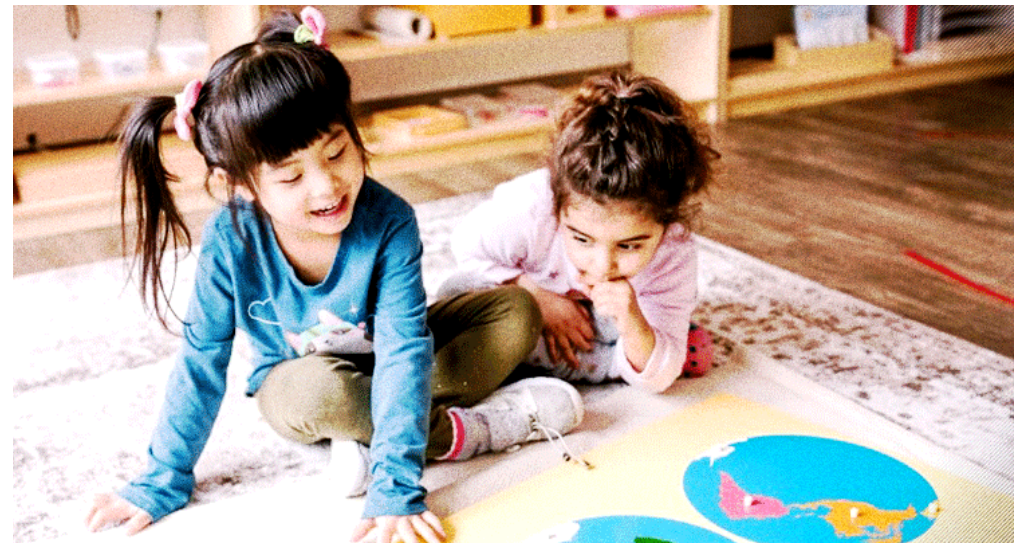
The end result of such a culture is more than children who learn to read, write, and think mathematically years ahead of their peers. The result is more even than children who can think, work, and succeed independently—and enjoy the process. The end result is children who can look across the span of their whole lives, work to understand the infinite texture of choices and paths open to them, and confidently craft a life that is good, purposeful, fully their own and fully lived.

**Company Type:** Private  
**Location:** Lake Forest, California (145+ locations globally)  
**Website:** <https://www.guidepostmontessori.com/>

**145+**  
 Schools Across  
 the U.S.

**\$150 M**  
 2022 Total  
 Revenues

**\$600 M**  
 April 2023  
 Valuation

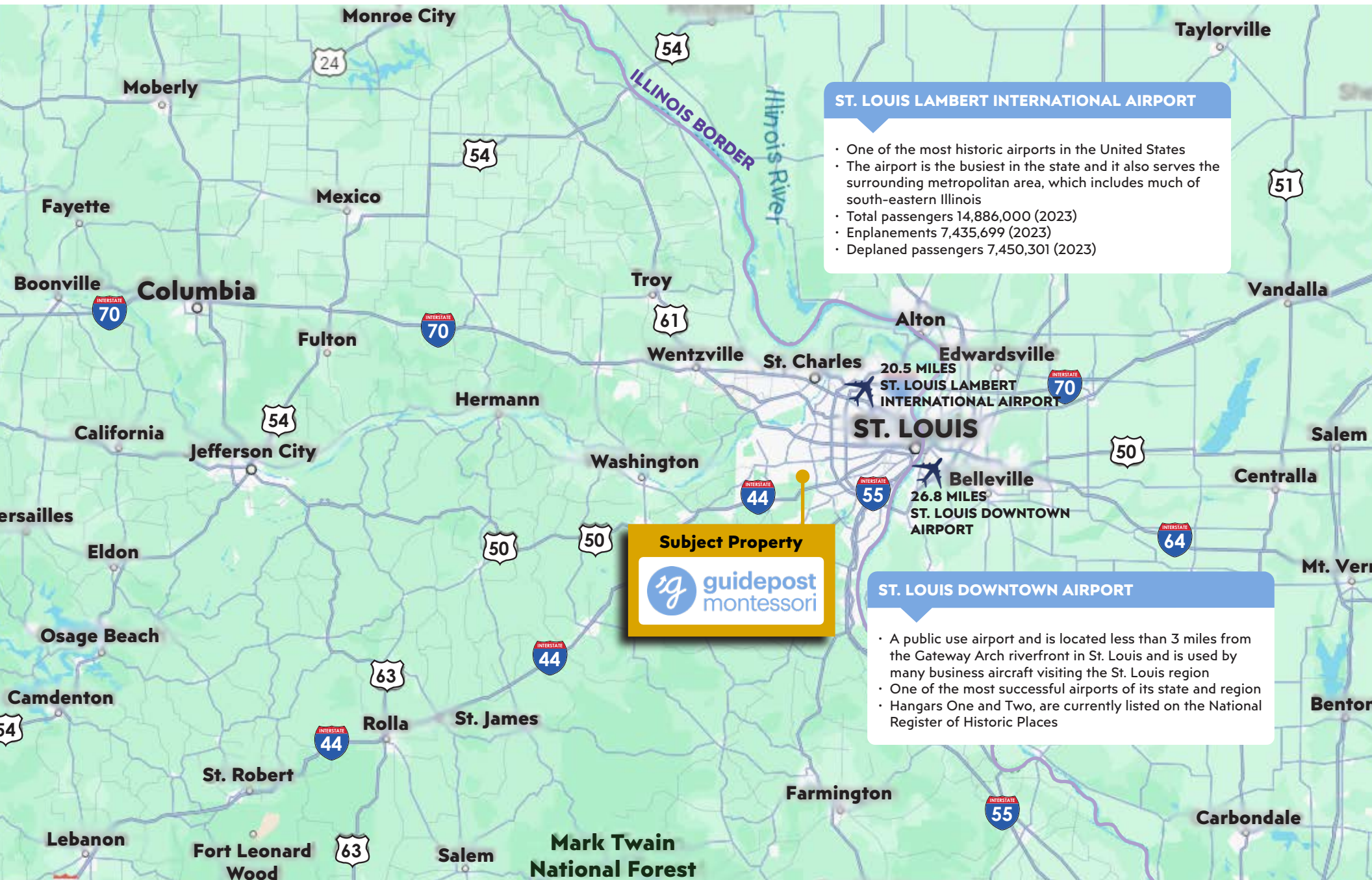




# PROPERTY PHOTOS



# REGIONAL MAP



## AREA OVERVIEW

### BALLWIN

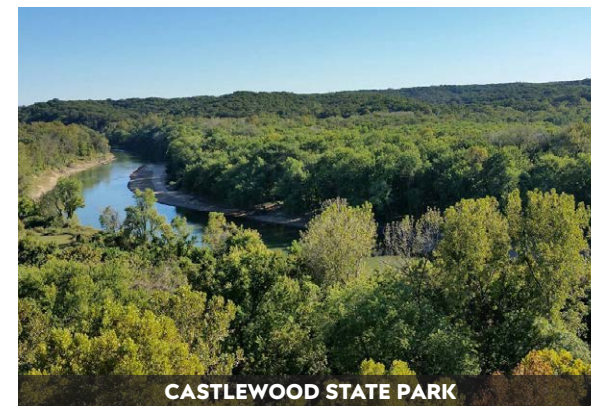
- 30 minutes from St. Louis–Lambert International Airport and 40 minutes to downtown St. Louis.
- Served by AAA-rated Rockwood and Parkway School Districts.
- Within 30 minutes of five major universities and colleges.
- Continually working to promote and facilitate commercial development while strengthening the relationship with the business community.
- A state of the art community center, The Pointe at Ballwin Commons, with a double gymnasium, leisure pool, fitness center, and other facilities.
- Outdoor community aquatic center North Pointe and five parks with lakes, tennis courts, game fields, and other amenities.

### ST. LOUIS

- Known for its iconic Gateway Arch, the St. Louis metro is situated near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and it has nearly 2.8 million residents.
- The metro encompasses the city of St. Louis; the Missouri counties of St. Charles, Jefferson, Franklin, St. Louis, Lincoln, Warren and Washington; and the Illinois counties of Madison, St. Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun.
- St. Louis is the most populous county, with 992,300 people.
- The city of St. Louis contains around 300,000 citizens and is the only city in the metro with a population of more than 100,000 residents.
- In North St. Louis, the U.S. National Geospatial-Intelligence Agency has a major expansion underway. The \$1.7 billion 97-acre campus is set to be completed in 2025.
- St. Louis is also home to the Federal Reserve Bank of St. Louis.

### ECONOMY

- St. Louis is highly ranked for its logistics infrastructure, bolstered by its central location and easy access to major waterways. It is a significant inland port.
- The region is emerging as a large financial services center, with seven Fortune 500 companies headquartered there: Centene Corp., Emerson Electric, Reinsurance Group of America, Jones Financial, Olin, Ameren and Graybar Electric.
- Government entities pursue business development and provide resources for startups, along with incubators, with guidance and low-cost office and lab space.



CASTLEWOOD STATE PARK



GATEWAY ARCH




MARYVILLE UNIVERSITY

# DEMOGRAPHICS

| <b>POPULATION</b>                    | <b>1-MILE</b>    | <b>3-MILE</b>    | <b>5-MILE</b>    |
|--------------------------------------|------------------|------------------|------------------|
| 2000 Population                      | 12,801           | 72,947           | 147,438          |
| 2010 Population                      | 13,263           | 72,564           | 147,531          |
| 2022 Population                      | 13,326           | 72,199           | 147,048          |
| 2027 Population                      | 13,246           | 71,764           | 146,548          |
| <b>HOUSEHOLDS</b>                    |                  |                  |                  |
| 2000 Households                      | 4,637            | 27,399           | 54,242           |
| 2010 Households                      | 5,062            | 28,797           | 57,037           |
| 2022 Households                      | 5,137            | 28,920           | 57,460           |
| 2027 Households                      | 5,173            | 28,984           | 57,668           |
| <b>OWNER OCCUPIED HOUSING UNITS</b>  |                  |                  |                  |
| 2000 Owner Occupied Housing Units    | 91.4%            | 78.9%            | 81.6%            |
| 2010 Owner Occupied Housing Units    | 88.2%            | 77.7%            | 82.3%            |
| 2022 Owner Occupied Housing Units    | 86.3%            | 75.6%            | 80.9%            |
| 2027 Owner Occupied Housing Units    | 86.2%            | 75.5%            | 80.8%            |
| <b>RENTER OCCUPIED HOUSING UNITS</b> |                  |                  |                  |
| 2000 Renter Occupied Housing Units   | 7.3%             | 18.3%            | 15.7%            |
| 2010 Renter Occupied Housing Units   | 11.8%            | 22.3%            | 17.7%            |
| 2022 Renter Occupied Housing Units   | 13.7%            | 24.4%            | 19.2%            |
| 2027 Renter Occupied Housing Units   | 13.8%            | 24.5%            | 19.2%            |
| <b>AVERAGE HOUSEHOLD INCOME</b>      | <b>\$119,582</b> | <b>\$116,953</b> | <b>\$138,011</b> |


AREA SNAPSHOT



147,048

POPULATION (5-MILE)


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148,998

DAYTIME POPULATION (5-MILE)


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1.3%

POPULATION GROWTH (2022-2027)

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\$119,582

AVERAGE HOUSEHOLD INCOME (1-MILE)