



Primrose Schools®
The Leader in Early Education and Care®

New 20-Year Lease with 2.00% Annual Increases | AHHI Exceeds \$146,000 in 1, 3 and 5-Miles



OFFERING MEMORANDUM

ALPHARETTA, GEORGIA (ATLANTA MSA)

Marcus & Millichap
THE SULO GROUP



OFFERING SUMMARY

PROPERTY ADDRESS

Primrose School

9440 Nesbit Ferry Road
 Alpharetta, GA 30022

OFFERING SUMMARY

Price:	\$5,039,000
Cap Rate:	7.00%
Net Operating Income:	\$352,723
Building Square Footage:	10,144 Sq Ft
Year Built Renovated:	1989 2022
Lot Size:	+/- 2.26 Acres

LEASE SUMMARY

Tenant:	Our Good Neighbors, LLC
Guaranty:	Franchise
Rent Commencement:	2/1/2023
Lease Expiration:	1/31/2043
Lease Term:	20 Year
Lease Type:	Triple Net
Structure and Foundation:	Landlord Responsible
Rental Increases:	2.00% Annually
Renewal Options:	Three, Five-Year
Right of First Refusal:	10 Days

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
3	2/1/2025	1/31/2026	\$352,723	7.00%
4	2/1/2026	1/31/2027	\$359,777	7.14%
5	2/1/2027	1/31/2028	\$366,973	7.28%
6	2/1/2028	1/31/2029	\$374,312	7.43%
7	2/1/2029	1/31/2030	\$381,799	7.58%
8	2/1/2030	1/31/2031	\$389,435	7.73%
9	2/1/2031	1/31/2032	\$397,223	7.88%
10	2/1/2032	1/31/2033	\$405,168	8.04%
11	2/1/2033	1/31/2034	\$413,271	8.20%
12	2/1/2034	1/31/2035	\$421,537	8.37%
13	2/1/2035	1/31/2036	\$429,967	8.53%
14	2/1/2036	1/31/2037	\$438,567	8.70%
15	2/1/2037	1/31/2038	\$447,338	8.88%
16	2/1/2038	1/31/2039	\$456,285	9.06%
17	2/1/2039	1/31/2040	\$465,411	9.24%
18	2/1/2040	1/31/2041	\$474,719	9.42%
19	2/1/2041	1/31/2042	\$484,213	9.61%
20	2/1/2042	1/31/2043	\$493,897	9.80%

Lease Comments: Annual increases in options

INVESTMENT HIGHLIGHTS

- **New 20-Year Lease with 2.00% Annual Increases in Rent**
 - Primrose is one year into a new 20-year lease, offering long-term cash flow through September 2043 with three, five-year extension options immediately following the Base Term.
 - Landlord obligations limited to foundation and structural elements only with Tenant responsible for all else including maintenance, repair and replacement of the roof.
 - 2.00% annual rent increases provide contractual rent growth, offering average yield of over 8.11% during the Base Lease Term.

- **Premier Brand in the Early Childhood Education Space**
 - Primrose Schools is a leader in early childhood education with 500+ schools in 34 states.
 - Routinely rated as the #1 childcare franchise nationally and surpassed \$1 billion in systemwide sales for the first time in 2022.
 - Since 2021, 104 new franchise agreements have been awarded, 41 new schools have opened, 17 schools are currently under construction and there are more than 100 projects currently in the pipeline.

- **Only 5-Miles from the Avalon Development (Premier Shopping and Entertainment District)**
 - In the heart of Alpharetta, located about five miles from Primrose School, this sustainably designed, 86-acre development with more than 570,000 square feet of retail, a 12 screen all-premium theater, a full-service hotel, Class A office, single-family residences and luxury rental homes.
 - Avalon infuses resort-level hospitality throughout a walkable, seamlessly connected community of shopping, dining, entertainment, living and working.

- **Alpharetta is the #1 Place to Live in Georgia**
 - 40 minutes north of Atlanta, Alpharetta has experienced booming development in recent years between mixed-use development Avalon and the transformation of its downtown now known as Alpharetta City Center.
 - Over the past decades, some of the largest and most innovative companies on the planet have chosen to call Alpharetta their home.
 - 65% of Alpharetta's residents have a bachelor's degree or higher, which is more than double the national average.
 - Alpharetta ranks 3rd nationally for percent daytime population increase (for cities greater than 50,000 people) and boasts a daytime population of over 122,000.
 - With close to 3,000 workers per square mile, worker density in Alpharetta is greater than in Charlotte, Dallas, Austin or Phoenix, and based on having a labor draw area of 1.7 million potential workers, we are sure you will find the right talent for your business needs.



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.




4.18%
Annual
Growth

Expected Growth Rate
from 2023 to 2030



\$60.4B
Industry

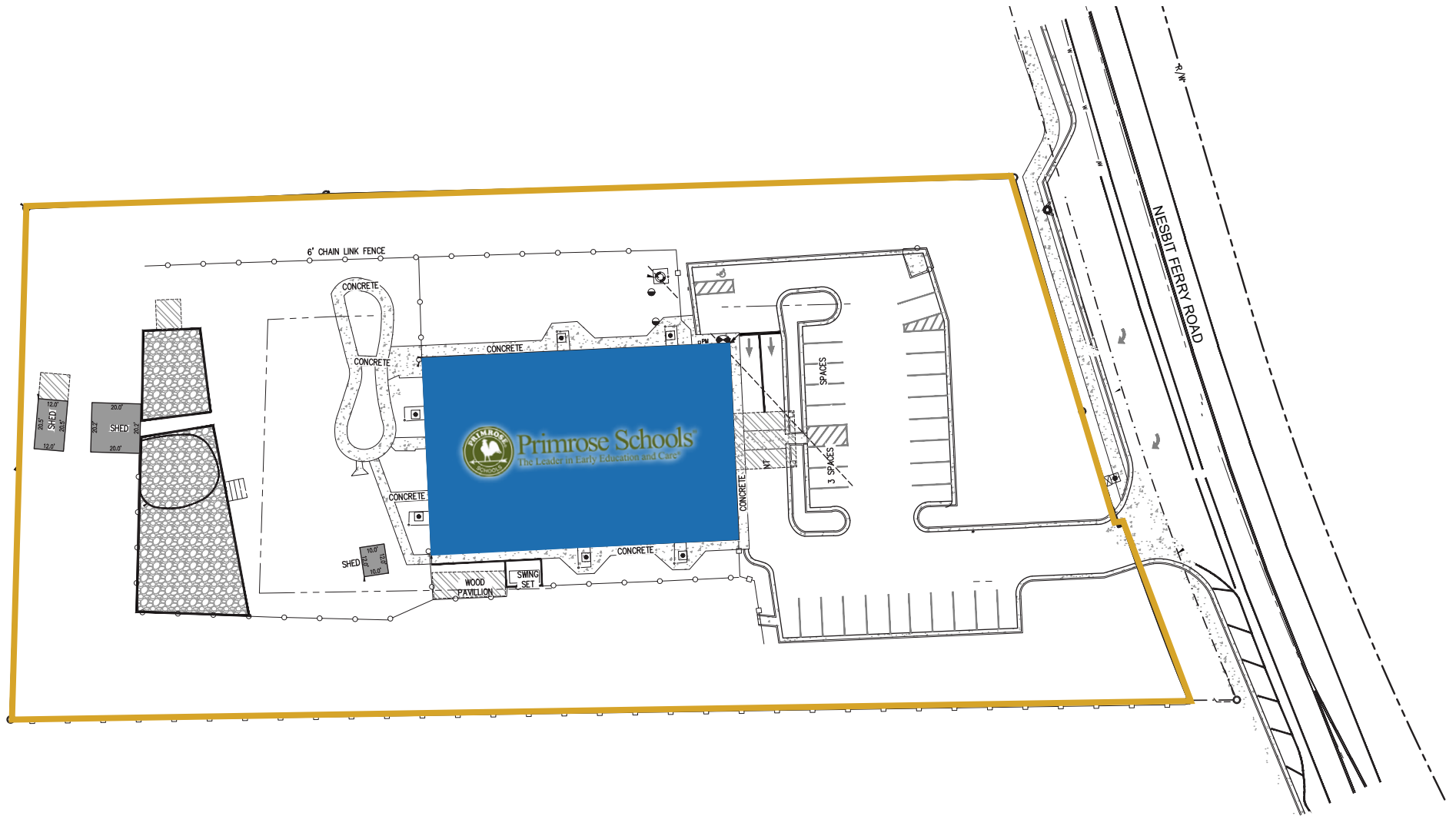
Expected to Grow to
\$83.6B by 2030



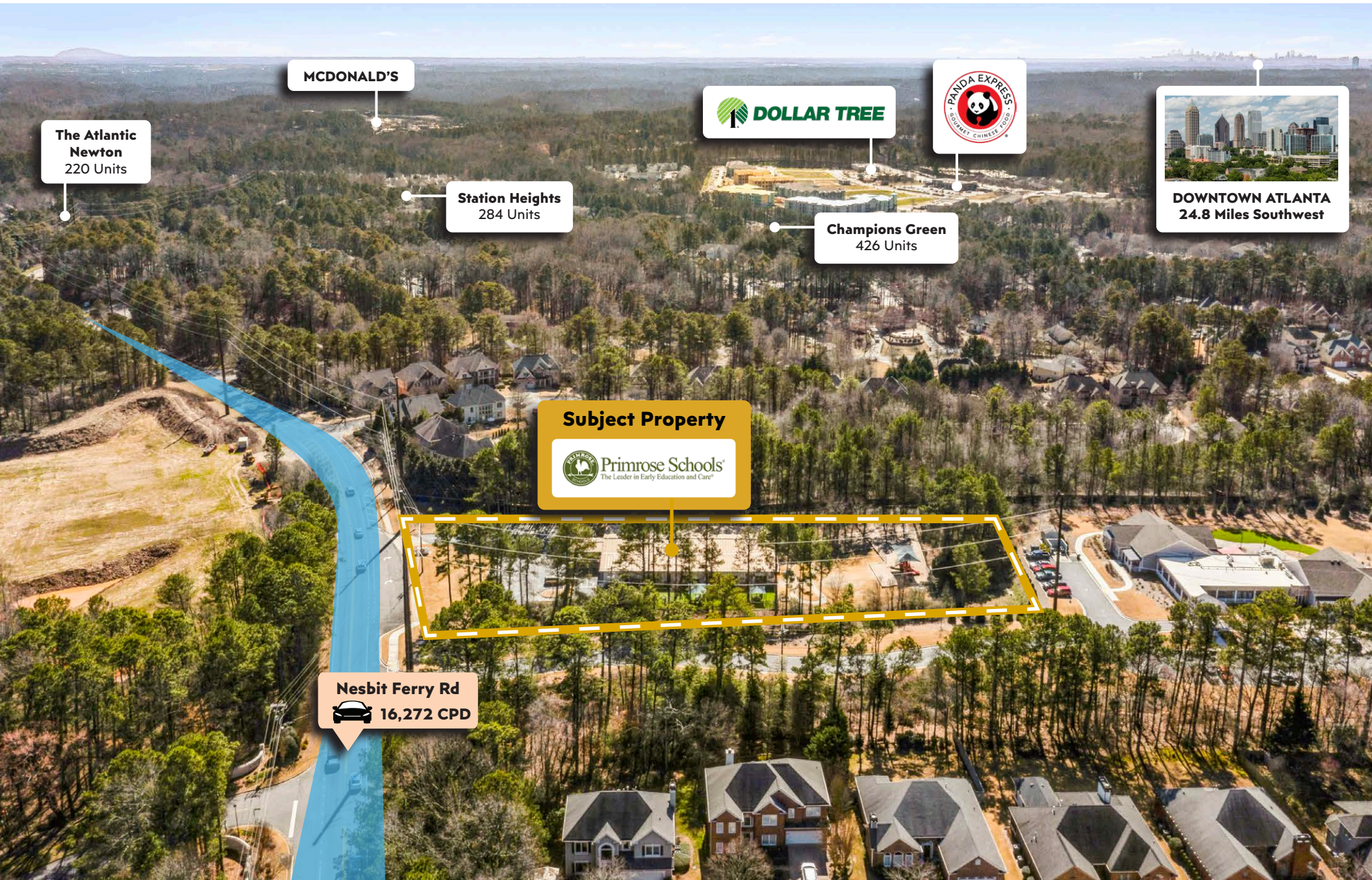
47%
Market
Share

U.S. ECE Segment
in 2022

SITE PLAN



AERIAL OVERVIEW



MCDONALD'S

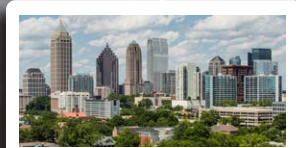
**The Atlantic
Newton**
220 Units

Station Heights
284 Units

 **DOLLAR TREE**



Champions Green
426 Units



DOWNTOWN ATLANTA
24.8 Miles Southwest

Subject Property



Nesbit Ferry Rd
 16,272 CPD

AERIAL OVERVIEW

DEMOGRAPHICS

POPULATION (2022):

1-Mile Radius	13,030
3-Mile Radius	77,658
5-Mile Radius	218,497

HOUSEHOLD INCOME (AVERAGE):

1-Mile Radius	\$146,858
3-Mile Radius	\$175,872
5-Mile Radius	\$150,361



- 86-acre development with 570,000 square feet of retail
- A 12 screen all-premium theater
- 330 room hotel and 44,000 square foot convention center
- Class A office
- Single-family residences and luxury rental homes

Subject Property



Nesbit Ferry Rd
 16,272 CPD

TENANT PROFILE

Primrose Schools® is a national system of accredited private preschools that provides a premier early education and child care experience for children and families. Our Franchise Owners, Leadership Teams and School Staff partner with parents to help children develop the right foundation for continual learning in life.

Founded in 1982, Primrose Schools is the leader in providing premier early education and care to children and families in the United States. For nearly 40 years, Primrose Schools has partnered with parents, children, staff and the communities we serve to foster a love for learning and make a difference in the lives of children.

At Primrose Schools, we exist to forge a path that leads to a brighter future for all children. We accomplish this by striving to deliver the best and most trusted early education and care for children and families across America. By delivering high-quality early learning experiences that lead to the right foundation for continual learning in life, we partner with families to give children everywhere a chance to shine.



Company Type: Private
Location: Atlanta, Georgia (500+ in 34 States)
Website: <https://www.primroseschools.com/>

#141
Franchise
500 Rank

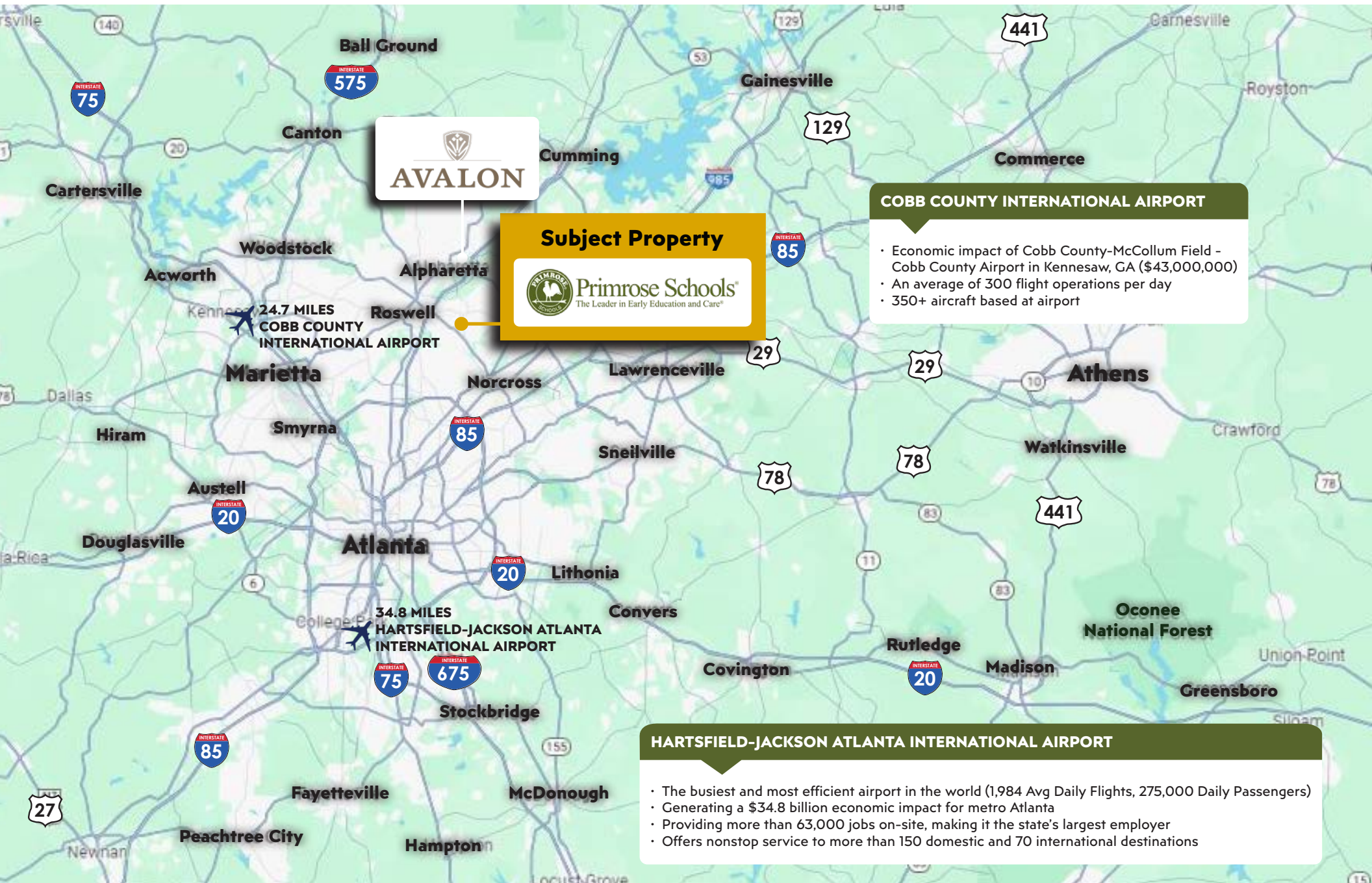
40+
Years of Experience
in the Industry

500+
Franchised
Academies

PROPERTY PHOTOS




REGIONAL MAP



AVALON

Subject Property



Primrose Schools
The Leader in Early Education and Care®

COBB COUNTY INTERNATIONAL AIRPORT

- Economic impact of Cobb County-McCollum Field - Cobb County Airport in Kennesaw, GA (\$43,000,000)
- An average of 300 flight operations per day
- 350+ aircraft based at airport

24.7 MILES
COBB COUNTY INTERNATIONAL AIRPORT

34.8 MILES
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT

HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT

- The busiest and most efficient airport in the world (1,984 Avg Daily Flights, 275,000 Daily Passengers)
- Generating a \$34.8 billion economic impact for metro Atlanta
- Providing more than 63,000 jobs on-site, making it the state's largest employer
- Offers nonstop service to more than 150 domestic and 70 international destinations

AREA OVERVIEW

ALPHARETTA

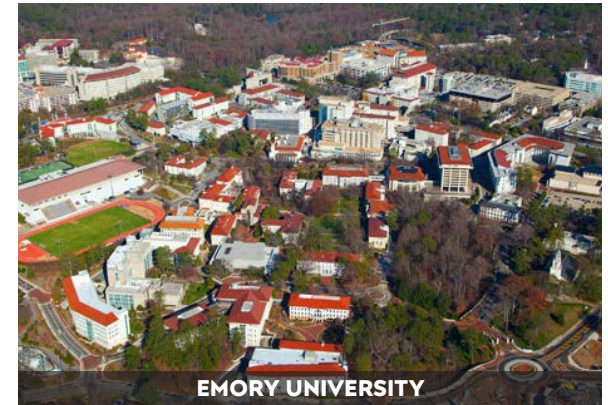
- Alpharetta is located in northern Fulton County and is 26 miles north of downtown Atlanta.
- Explore 250 shops within a five-mile radius. Experience Avalon with stores that include Anthropologie, Arhaus, Kendra Scott and Orvis. Head north on Main for more finds and upscale resellers Queen of Hearts and Designer Consigner among others.
- Alpharetta, Georgia offers visitors an eclectic mix of awesome cuisine and family-friendly affordability that makes for the perfect dining experience.
- From southern comfort favorites to trendy culinary choices, the more than 200 restaurants in Alpharetta are sure to satisfy every appetite.

ATLANTA

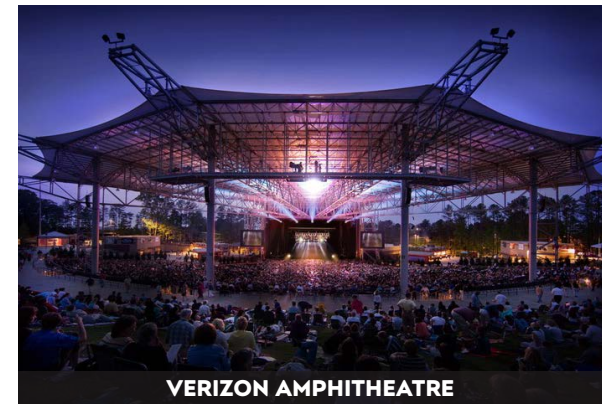
- The Atlanta metro encompasses 29 counties in northwestern Georgia.
- With few natural barriers to limit development, tremendous population growth over the past decade expanded the metro's borders, and the region now has a population of roughly 6.1 million people.
- Over the next five years, the region is expected to add approximately 298,000 residents.
- Meanwhile, Mercedes-Benz Stadium has been a catalyst for redevelopment in the urban core of Atlanta, while Truist Park has prompted new development northwest of downtown Atlanta.
- In 2023, the metro remained a top market nationally for commercial construction.
- The volume of new projects in the downtown and midtown sections of the metro will present additional housing, entertainment and retail opportunities. This will entice residents back into the city and provide options for people moving to the metro.

ECONOMY

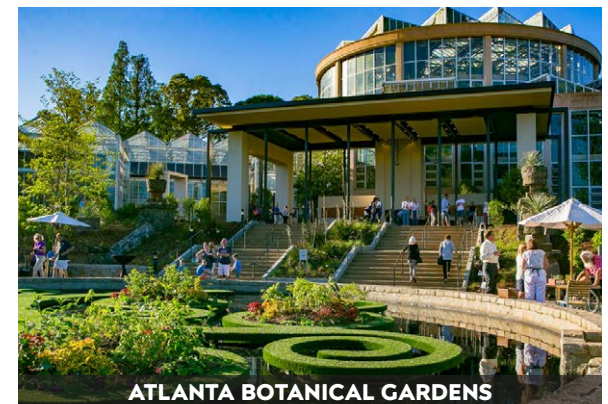
- Gross metropolitan product and retail sales progress above national levels.
- The area serves as an economic hub for the Southeast. Many large corporations have selected the Atlanta metro for their headquarters.
- Atlanta is favored by businesses for its low corporate taxes, pro-business climate, and access to national and global markets. Among the numerous corporate headquarters are those for Southern Company, PulteGroup and Genuine Parts. Other major firms include NCR, Mercedes-Benz and Porsche.



EMORY UNIVERSITY



VERIZON AMPHITHEATRE



ATLANTA BOTANICAL GARDENS

AREA OVERVIEW



In the heart of Alpharetta, located about five miles from Primrose School, this sustainably designed, 86-acre development with more than 570,000 square feet of retail, a 12 screen all-premium theater, a full-service hotel, Class A office, single-family residences and luxury rental homes. Avalon infuses resort-level hospitality throughout a walkable, seamlessly connected community of shopping, dining, entertainment, living and working. It's more than just another place to go, it's a place to be; a hub of activity that delivers the luxury of the modern south.

Choose from more than a dozen local chef-driven restaurants perfect for a romantic date, a fun night out with friends or a cozy night with the whole family. A 330 room hotel and 44,000 square foot convention center caters to business and leisure travelers who want to meet, mingle, work and stay someplace unlike anyplace else.

This is a place where memories are made, new traditions emerge, families gather and community happens. Take a stroll down the Boulevard, make a wish at the fountain, catch a concert, play some lawn games with the family, and drink in the beauty of every season while you experience the ultimate in shopping, dining, and just enjoying. There are many amenities including a bocce court, children's play area, community fire pit, Palmer Plaza and family lounge.

Source: <https://www.experienceavalon.com/about/>



71
Retailers

26
Restaurants



Haven features one and two-bedroom apartment homes with a selection of three rich interior finishes. Take advantage of every amenity you can imagine along with concierge that delivers the best of the Avalon lifestyle, time-saving, life-enhancing, resort-level services.



Veranda offers many distinctive one and two-bedroom home options, all of which deliver the comforts of modern luxury. Veranda is designed around you, offering a lifestyle enhanced by unmatched amenities, plus access to the best Avalon has to offer through concierge services.



Settle into luxury all your own in Avalon's exclusive courtyard neighborhood of 25 single-family homes and more than 75 courtyard-attached residences. Environmentally friendly living, open floor plans and flexible spaces allow you to define how you live.

AREA OVERVIEW

DOWNTOWN ALPHARETTA

The award-winning Alpharetta City Center (ACC) is a 26-acre mixed-use destination developed in partnership with the city of Alpharetta to expand the existing downtown historic district by six city blocks. The development is home to Alpharetta City Hall; Fulton County Library; 74,000 square feet of retailers and restaurants; 36,000 square feet of office space; and 168 luxury apartments. Additionally, visitors of the property have access to several on-site greenspaces, including the five-acre Brook Street Park and the one-acre Town Green.

Lakeview Park

Lakeview Park is a 62-acre parcel located at the intersection of Haynes Bridge Road and Ga. 400. Fully zoned for 630,000 sq. ft. of office, 32,000 square feet of retail, 255 multi-family units and 60 single family townhome units. This development will connect to the planned Alpha Loop greenway, an inner 3-mile loop and outer 5-mile loop of multi-use paths that would link Downtown Alpharetta to the popular Avalon mixed-use development and to the Northwinds area.

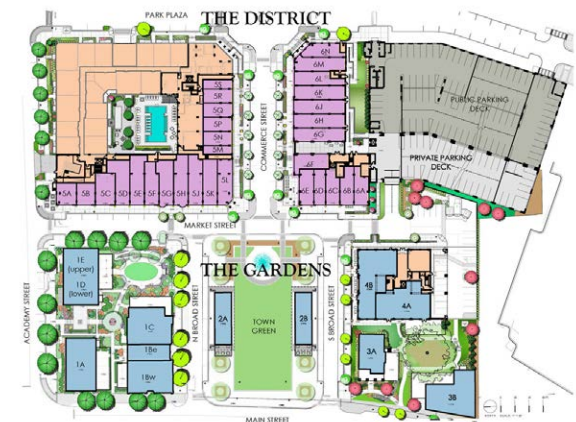
Northwinds Summit

Located at the northwest corner of Georgia 400 and Haynes Bridge Road, the mixed-use development includes 1.2 million sq. ft. of office space, along with a 150 room limited service hotel, 30,000 sq. ft. of retail and restaurant space, 140 multi-family units and 23 townhomes. Planned amenities include Alpha Loop trail connecting Northwinds Summit with Downtown Alpharetta and Big Creek Trail, outdoor parks and seating area.

The Gathering

A mixed-used development of residential, retail, restaurant and office space at located at Morrison Parkway and Haynes Bridge Road. Plans include 144 townhomes, 37 detached single-family lots and nearly 42,000 sq. ft. of commercial space for restaurant, retail, offices and an Alpha Loop trail connection.

Source: <https://www.awesomealpharetta.com/about/coming-soon-alpharetta/>, <http://www.citycentral-pharetta.com/>



ALPHARETTA CITY CENTER

In the Gardens:

- Chiringa
- Central City Tavern
- Citizen Soul
- Curry UpNow
- Standard At Alpharetta
- Holmes

- Jekyll Brewing
- Jinya Ramen Bar
- Lapeer, a seafood market
- Never Enough Thyme
- Sammy's Pizzeria on the Green

In the District:


- Al's European Barber Shop
- Anna Bella
- The Ballog
- Chic Evolution in Art
- Core 57
- Dress Up
- Exquisite Living
- Hemline
- The Hope Network
- Kilwin's
- Magnolia Moon Modern Outfitters

- Mountain High Outfitters
- Natural Body Spa and Shoppe
- Perched Clothing & Gifts
- The Pink Valise Boutique
- The Red Hound
- SkinReMEDI
- Southern Local
- Spirited Boutique
- Vitality Bowls
- LWD


DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2000 Population	10,258	66,304	178,426
2010 Population	11,168	69,749	197,334
2022 Population	13,030	77,658	218,497
2027 Population	13,792	80,454	225,912
HOUSEHOLDS			
2000 Households	4,004	24,170	70,260
2010 Households	4,497	26,267	77,425
2022 Households	5,237	29,513	86,668
2027 Households	5,551	30,748	89,957
OWNER OCCUPIED HOUSING UNITS			
2000 Owner Occupied Housing Units	54.0%	70.0%	58.0%
2010 Owner Occupied Housing Units	55.2%	69.3%	60.6%
2022 Owner Occupied Housing Units	55.7%	70.0%	59.8%
2027 Owner Occupied Housing Units	55.6%	69.9%	59.8%
RENTER OCCUPIED HOUSING UNITS			
2000 Renter Occupied Housing Units	41.9%	26.7%	38.2%
2010 Renter Occupied Housing Units	44.8%	30.7%	39.5%
2022 Renter Occupied Housing Units	44.3%	30.0%	40.2%
2027 Renter Occupied Housing Units	44.4%	30.1%	40.2%
AVERAGE HOUSEHOLD INCOME	\$146,858	\$175,872	\$150,361


AREA SNAPSHOT




218,497
POPULATION (5-MILE)



285,511
DAYTIME POPULATION (5-MILE)



4.9%
POPULATION GROWTH (2022-2027)



\$146,858
AVERAGE HOUSEHOLD INCOME (1-MILE)

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:

John Leonard
Regional Manager
License: 252904

Marcus & Millichap

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

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