

KIDDIE ACADEMY.
EDUCATIONAL CHILD CARE

New Construction 2020 Build-to-Suit | 2.00% Annual Increases | \$186,000+ AHHI in 1-Mile



OFFERING MEMORANDUM
HAWTHORN WOODS, ILLINOIS (CHICAGO 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

Kiddie Academy
105 Roman Lane
Hawthorn Woods, IL 60047

OFFERING SUMMARY

Price:	\$4,669,000
Cap Rate:	7.40%
Net Operating Income:	\$345,423
Building Square Footage:	10,500 Sq Ft
Year Built:	2020
Lot Size:	+/- 1.18 Acres

LEASE SUMMARY

Tenant:	Corcica, Inc.
Guaranty:	Franchise
Rent Commencement:	10/1/2020
Lease Expiration:	9/30/2035
Lease Term:	15 Years
Lease Type:	Double Net
Roof and Structure:	Landlord Responsible
Rental Increases:	2.00% Annual Increases
Renewal Options:	Three, Five-Year
Right of First Refusal:	None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
5	10/1/2024	9/30/2025	\$345,423	7.40%
6	10/1/2025	9/30/2026	\$352,332	7.55%
7	10/1/2026	9/30/2027	\$359,378	7.70%
8	10/1/2027	9/30/2028	\$366,566	7.85%
9	10/1/2028	9/30/2029	\$373,897	8.01%
10	10/1/2029	9/30/2030	\$381,375	8.17%
11	10/1/2030	9/30/2031	\$389,003	8.33%
12	10/1/2031	9/30/2032	\$396,783	8.50%
13	10/1/2032	9/30/2033	\$404,718	8.67%
14	10/1/2033	9/30/2034	\$412,813	8.84%
15	10/1/2034	9/30/2035	\$421,069	9.02%
16-20 (Option 1)	10/1/2035	9/30/2040	\$429,490	9.20%
21-25 (Option 2)	10/1/2040	9/30/2045	\$474,192	10.16%
26-30 (Option 3)	10/1/2045	9/30/2050	\$523,546	11.21%

Lease Comments: Annual increases in options

INVESTMENT HIGHLIGHTS

- **New Construction 2020 Build-to-Suit with 2.00% Annual Increases**
 - Kiddie Academy signed a new 15-year lease at the subject property in 2020.
 - The lease has no day-to-day landlord responsibilities and offers 2.00% annual increases in rent.
 - In addition to the 15-year base lease term, the tenant has three, five-year options to renew with the same rent increase structure annually.
- **Extremely Affluent Northern Suburb of Chicago (\$186,000+ AHHI in 1-Mile)**
 - Consumer Spending on Education in a 5-Mile Radius Exceeds \$154,000,000/Year
 - Located 40 miles northwest of Chicago's Loop, the village has ample space to enjoy the great outdoors.
 - In addition to its natural resources, Hawthorn Woods works to preserve its estate lifestyle with homes set on lots that are at least one acre.
 - The village has 10 community and neighborhood park areas with playgrounds, tennis courts, baseball and soccer fields, and picnic facilities. Avid golfers enjoy the Arnold Palmer-designed 18-hole golf course at Hawthorn Woods Country Club.
- **Chicago MSA – 3rd Largest Metro in the U.S.**
 - Chicago-Naperville-Elgin is one of the largest metros in the nation. The Chicagoland area is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana.
 - The metro houses 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents.
- **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.



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

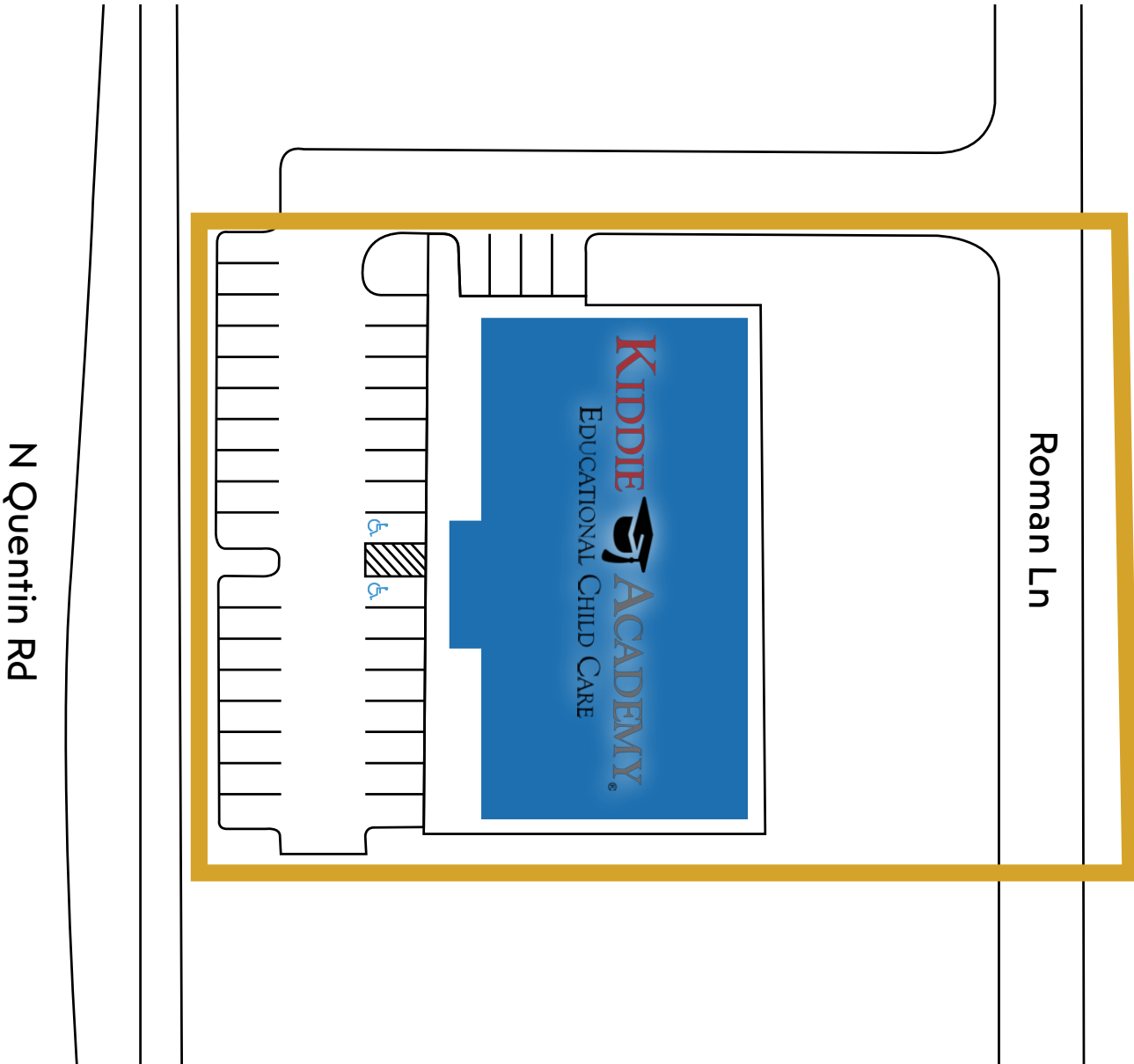
Expected to Grow to
 \$83.6B by 2030



47%
**Market
 Share**

U.S. ECE Segment
 in 2022

SITE PLAN



AERIAL OVERVIEW


DEMOGRAPHICS

POPULATION (2023):

1-Mile Radius	6,220
3-Mile Radius	39,028
5-Mile Radius	138,004

HOUSEHOLD INCOME (AVERAGE):

1-Mile Radius	\$186,819
3-Mile Radius	\$197,934
5-Mile Radius	\$162,975

N Quentin Rd
 **16,366 CPD**

N Quentin Rd
 **10,422 CPD**

Lake Zurich Rd
 **13,344 CPD**

**HAWTHORN WOODS
 COMMUNITY BANK™**
A Branch of BancFirst Bank & Trust Company, N.A.
 A WINTRUST COMMUNITY BANK

Subject Property

KIDDIE
ACADEMY.
 EDUCATIONAL CHILD CARE

 **PNC BANK**

 **MCDONALD'S**

 **MARIANO'S™**

 **LightMart**

 **ALPHA
 TEKNIKO**

 **JUSTTIRES**

 **Termax**
A [S] AUTOMOTIVE company

 **Termax**
A [S] AUTOMOTIVE company

 **ECHO**
 Outdoor Power Equipment

 **SUNBERRY
 ORCHARD**

 **ROSATT'S
 7-ELEVEN**


 **UNITED STATES
 POSTAL SERVICE**

AERIAL OVERVIEW



 **SETH PAINE
ELEMENTARY SCHOOL**
436 Students

 **LAKE ZURICH
HIGH SCHOOL**
1,788 Students

 **MAY WHITNEY
ELEMENTARY SCHOOL**
666 Students

**Landings of
Lake Zurich**
206 Units

**Watersedge
Apartments**
64 Units

 **SARAH ADAMS
ELEMENTARY SCHOOL**
377 Students

N Quentin Rd
 10,422 CPD

Subject Property

EDUCATIONAL CHILD CARE

Lake Zurich Rd
 13,344 CPD

**HAWTHORN WOODS
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N Quentin Rd
 16,366 CPD

N Rand Rd
 37,488 CPD

TENANT PROFILE

Founded in 1981, Pauline Miller and Kiddie Academy brought her vision of combining fun with learning to life. Our original learning program served as a launching point for the developmentally appropriate curriculum, character education, health and fitness and technology education that was the original foundation of our proprietary Life Essentials® philosophy.

For over 40 years, Kiddie Academy® Educational Child Care has been a leader in education-based child care. The company serves families and their children ages 6 weeks to 12 years old, offering full-time care, before- and after-school care and summer camp programs. Kiddie Academy's proprietary Life Essentials® curriculum, supporting programs, methods, activities and techniques help nurture a lifelong love of learning.

In 2022 Kiddie Academy opened up their 300th location. Kiddie Academy is committed to quality education and the highest standards in child care. We are also frequently honored as a leader in the franchising and business industries.



Company Type: Private
Location: Abingdon, Maryland (360+ Locations)
Website: <https://kiddieacademy.com/>

360+
 Locations
 Across the
 United States

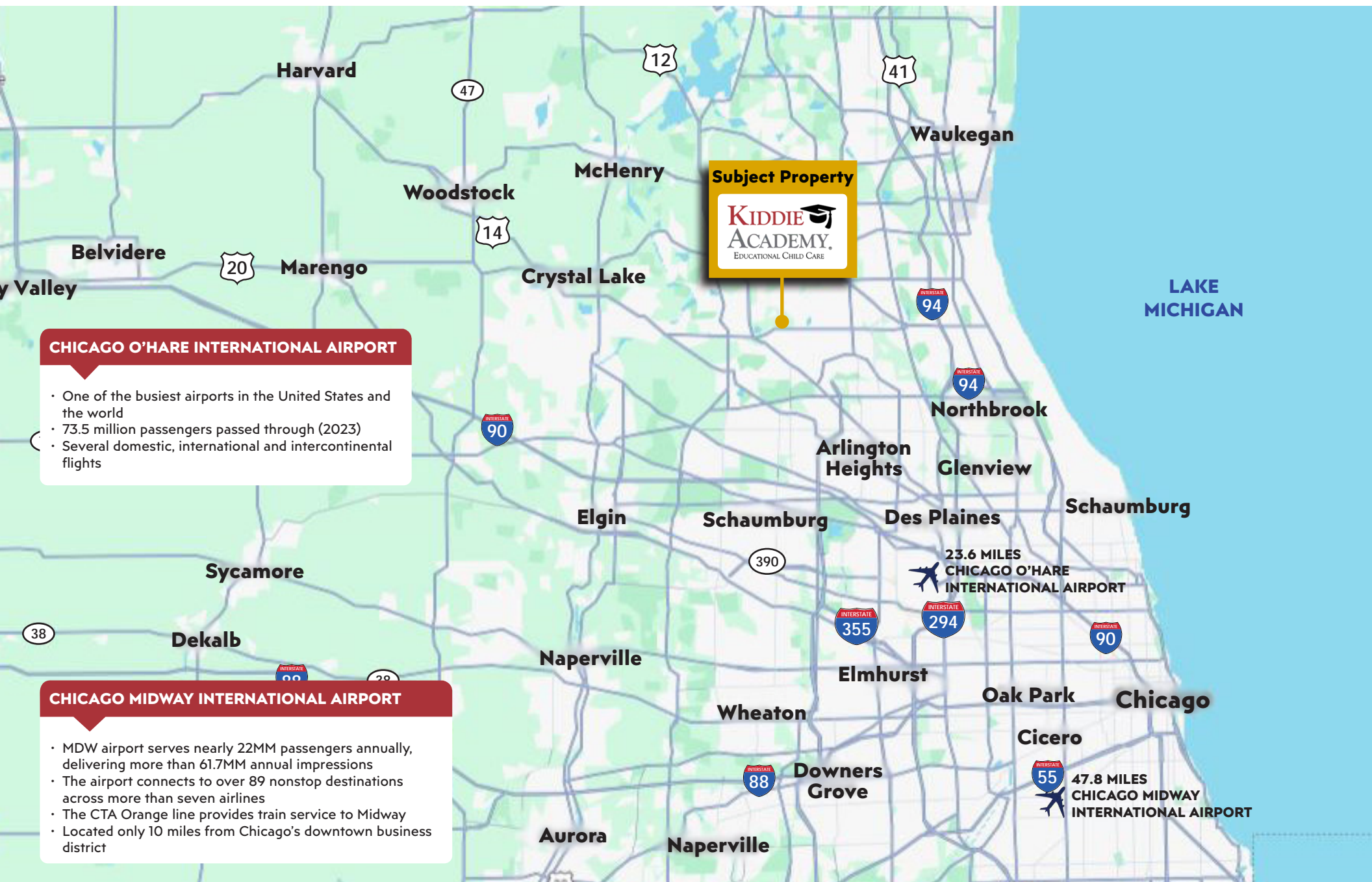
#96
 Entrepreneur's 2023
 Franchise 500 list

40+
 Years of
 Serving
 Families

PROPERTY PHOTOS



REGIONAL MAP



CHICAGO O'HARE INTERNATIONAL AIRPORT

- One of the busiest airports in the United States and the world
- 73.5 million passengers passed through (2023)
- Several domestic, international and intercontinental flights

CHICAGO MIDWAY INTERNATIONAL AIRPORT

- MDW airport serves nearly 22MM passengers annually, delivering more than 61.7MM annual impressions
- The airport connects to over 89 nonstop destinations across more than seven airlines
- The CTA Orange line provides train service to Midway
- Located only 10 miles from Chicago's downtown business district

AREA OVERVIEW

HAWTHORN WOODS

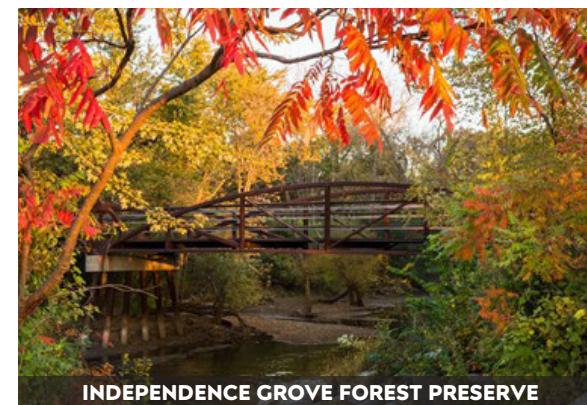
- Hawthorn Woods remains a highly desirable place to live, work, and shop in a natural setting among trees, lakes, and parks.
- Hawthorn Woods is recognized for its beautiful open spaces and park amenities as well as great schools, friendly business districts, and professional services.
- With the addition of the Hawthorn Woods Country Club, the Village has continued along a controlled population growth trend with many estates on one acre or larger.
- The Village of Hawthorn Woods built a state-of-the-art aquatic center that has become the central gathering place for residents each summer. Future plans include bike trails designed to connect the neighborhoods to the parks, and a downtown sustainable community to create a hometown appeal.

CHICAGO

- Chicago-Naperville-Elgin is one of the largest metros in the nation. The Chicagoland area is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana.
- The Chicago metro has something to offer each of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, dining, entertainment, shopping or recreational amenities.
- The Chicago area's relative affordability is largely due to its lower housing costs. The median home price is significantly less than in other cities of its size and is below that of many smaller cities, including Seattle and Denver.
- The region is home to various well-known museums, including the world-class Field Museum, Shedd Aquarium, the Museum of Science and Industry, the Art Institute of Chicago and Adler Planetarium.
- The theater scene rivals the world's best, and troupes, dance companies, symphony orchestras and music venues abound.
- Chicago is also home to the upcoming Obama Presidential Center, which is set to open in 2026.

ECONOMY

- The metro has one of the biggest economies in the nation, and is buoyed by its distribution, finance, manufacturing operations and growing high-technology sectors.
- Fortune 500 companies headquartered in the metro include Walgreens, State Farm Insurance and McDonald's.
- The area is a major global tourist and convention destination. Typically, more than 50 million people visit the metro annually and support nearly 500,000 jobs in the leisure and hospitality sector. Although suppressed during the pandemic, visitations and employment have rebounded substantially.
- Large tech firms operating in the metro, such as Amazon and Google, attract a wide array of startup companies.



INDEPENDENCE GROVE FOREST PRESERVE



LAKE FOREST COLLEGE




BESS BOWER DUNN MUSEUM OF LAKE COUNTY

DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	5,886	36,599	132,610
2020 Population	6,475	38,664	136,350
2023 Population	6,220	39,028	138,004
2028 Population	6,237	39,980	139,113
HOUSEHOLDS			
2010 Households	1,909	12,241	46,995
2020 Households	2,118	13,416	49,856
2023 Households	2,122	13,646	50,089
2028 Households	2,132	14,007	50,531
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	93.6%	91.5%	78.8%
2020 Owner Occupied Housing Units	0.9%	0.9%	0.7%
2023 Owner Occupied Housing Units	92.7%	90.0%	76.0%
2028 Owner Occupied Housing Units	92.6%	89.9%	76.0%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	6.4%	8.5%	21.2%
2020 Renter Occupied Housing Units	0.1%	0.1%	0.3%
2023 Renter Occupied Housing Units	7.3%	10.0%	24.0%
2028 Renter Occupied Housing Units	7.4%	10.1%	24.0%
AVERAGE HOUSEHOLD INCOME	\$186,819	\$197,934	\$162,975

AREA SNAPSHOT




138,004

POPULATION (5-MILE)




116,194

DAYTIME POPULATION (5-MILE)



0.5%

POPULATION GROWTH (2023-2028)



\$186,819

AVERAGE HOUSEHOLD INCOME (1-MILE)