



13+ Years Remaining | High Performing Location - Operating at 97% of Capacity | 12.00% Increases Every 5 Years



OFFERING MEMORANDUM
SPRING HILL, TENNESSEE (NASHVILLE 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

The Learning Experience
2832 Duplex Rd
Spring Hill, TN 37174

OFFERING SUMMARY	
Price:	\$5,407,000
Cap Rate:	6.75%
Net Operating Income:	\$365,000
Building Square Footage:	10,000 Sq Ft
Year Built:	2023
Lot Size:	+/- 1.00 Acres

LEASE SUMMARY	
Tenant:	TLE at Spring Hill, LLC
Guaranty:	Limited Corporate
Lease Execution:	1/26/2021
Rent Commencement:	10/16/2023
Lease Expiration:	10/31/2038
Lease Term Remaining:	13+ Years
Lease Type:	Triple Net
Structure and Foundation:	Landlord Responsible
Rental Increases:	12.00% Every Five Years
Renewal Options:	Two, Five-Year
Right of First Refusal:	20 Days

OPERATING DATA				
Year	Start Date	End Date	Annual Rent	Cap Rate
1-5	10/16/2023	10/31/2028	\$365,000	6.75%
6-10	11/1/2028	10/31/2033	\$408,800	7.56%
11-15	11/1/2033	10/31/2038	\$457,856	8.47%
16-20 (Option 1)	11/1/2038	10/31/2043	\$512,799	9.48%
21-25 (Option 2)	11/1/2043	10/31/2048	\$574,335	10.62%

Lease Comments: Guaranty Burnoff, \$800,000 Reduced by \$100,000 Every Year

INVESTMENT HIGHLIGHTS

- **13+ Years Remaining with 12.00% Increases Every 5 Years**
 - The Learning Experience signed a new 15-year lease at the subject property in 2023.
 - The lease has no day-to-day landlord responsibilities and offers 12.00% increases every five years throughout the base term.
 - In addition to the 15-year base lease term, the tenant has two, five-year options to renew with the same rent increase structure annually.
- **Multi-Unit Franchisee for The Learning Experience - Operating at 97% of Capacity**
 - As of year-end 2024, this location was performing at 97% of capacity (147/152)
 - The franchisee is a multi-unit operator for The Learning Experience and were recently awarded the Chairman's Award of Excellence—the highest distinction a franchisee can receive at The Learning Experience franchise conference, held annually.
- **Nashville MSA - 500%+ Population Growth Since 2000**
 - Spring Hill, located just 35 miles south of Nashville, is a rapidly expanding suburban city within the Nashville Metropolitan Statistical Area (MSA).
 - Known as the epicenter of country music, the Nashville metro contains a population of about two million within 14 counties.
 - The population will increase at a faster pace than the nation over the next five years.
- **Over \$61,000,000 Spent on Education and Daycare in a 5-Mile Radius**
 - A strong focus on education and early childhood development can make a city more attractive to businesses and skilled workers, contributing to overall economic growth.
 - Participants in early childhood programs are more likely to enroll in college and potentially experience higher earnings in adulthood.
- **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.



SITE PLAN



AERIAL OVERVIEW



AERIAL OVERVIEW

DEMOGRAPHICS

POPULATION (2024):

1-Mile Radius	16,103
3-Mile Radius	53,769
5-Mile Radius	68,832

HOUSEHOLD INCOME (AVERAGE):

1-Mile Radius	\$115,720
3-Mile Radius	\$126,853
5-Mile Radius	\$132,307



**SUMMIT
HIGH SCHOOL**
1,648 Students



**ALLENDALE
ELEMENTARY SCHOOL**
600 Students



**New 36,000 Sq Ft
Medical Office Building**



Subject Property



Port Royal Rd
8,206 CPD

Duplex Rd
8,222 CPD

**FUTURE
DEVELOPMENT**

AERIAL OVERVIEW



AERIAL OVERVIEW



TENANT PROFILE

The Learning Experience, a leader in early childhood education and developmental offerings, has successfully created one of the most trusted brands in the childcare industry. With nearly 400 operating centers and 250 more under development, The Learning Experience delivers a safe and joyful environment where more than 50,000 children are happy to learn, play and grow!

Since 1980, TLE® has positively impacted the lives of children by developing and implementing ground-breaking care and early childhood education programs throughout the country. The Weissman family had a groundbreaking vision for early childhood education. The unique and proprietary programs they developed quickly caught on and expansion soon followed.

Our proprietary L.E.A.P (Learning Experience Academic Program) curriculum encourages children to learn in their favorite way: by exploring and doing. They achieve success independently while developing intellectually, socially and cognitively through varied early educational materials, activities and social interactions. Our Curriculum is created to meet nationwide standards and it's all-inclusive—with all curriculum programs and enrichment programs offered at no additional charge.

Company Type: Private
Location: Deerfield Beach, Florida (400 Centers & 250 Under Development)
Website: <http://thelearningexperience.com/>



#1

Childcare Franchise in 2024

\$700M+

2023 System Wide Sales

50,000+

Students Served Daily

PROPERTY PHOTOS



REGIONAL MAP



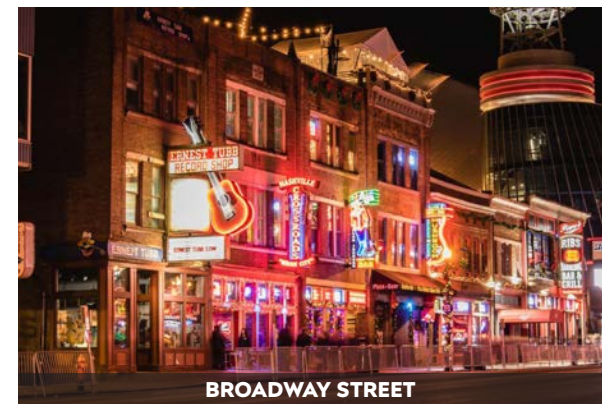
AREA OVERVIEW

SPRING HILL

- One of the fastest growing cities in Tennessee, Spring Hill is known for offering a mix of old and new.
- Located just south of Nashville, between Franklin and Columbia, Spring Hill provides a convenient location for businesses and residents looking to be close to major attractions and distribution channels.
- Potential residents will find vast and rapidly expanding subdivisions and new commercial centers sprinkled amongst historic properties and a Civil War battlefield.
- The city of Spring Hill blends rustic Tennessee countryside and historic sites with specialty local shops and fun activities, appealing to the interests of any visitor.
- Explore the thriving community of today with charming storefronts, Southern eateries, and family-friendly attractions; then step back into history to learn about the Battle of Spring Hill and its significance in the Civil War.
- Amble through the backroads as you make your way to Spring Hill, which is just south of Franklin, and be sure to make a stop in nearby Thompson's Station.

NASHVILLE


- Known as the cultural epicenter of country music, the Nashville metro contains roughly 2.1 million residents across 14 counties that span from highly urban to rural and sparsely populated.
- Davidson is the most populous county, with about 755,000 people, and is home to a large portion of Nashville, the capital city, which has over 727,000 residents.
- The metro is located in the north-central portion of the state of Tennessee, in a topographical region called the Central Basin.
- The Cumberland River, which juts through the region, adds to the local economic base and enhances Nashville's quality of life.
- Contributing to its economy, the metro has a strong intermodal infrastructure network, linking it to other population hubs in the south, midwest and northeast. E-commerce is also a growing presence, with Amazon's Operations Center of Excellence in the metro.
- Music may be an integral piece of Nashville's cultural identity, the Music City has a lot more to offer, including history, cuisine, professional sports, education institutions, natural beauty and Southern charm.
- Music is alive not only at the Grand Ole Opry, but also at the Ryman Auditorium, Fontanel Mansion, Schermerhorn Symphony Center and the Tennessee Performing Arts Center.
- For country music fans, there is the Country Music Hall of Fame and Museum. Performing arts include the Nashville Ballet, Nashville Symphony, Nashville Opera, Nashville Repertory Theatre, Nashville Children's Theatre and ACT 1 (Artist's Cooperative Theatre). Museums in the metro include the Tennessee State Museum, the Vanderbilt University Fine Arts Gallery and Frist Art Museum.



DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	8,904	28,233	34,521
2020 Population	14,178	47,311	60,057
2024 Population	16,103	53,769	68,832
2029 Population	17,489	58,345	75,282
HOUSEHOLDS			
2010 Households	3,003	9,670	11,814
2020 Households	4,763	16,157	20,629
2024 Households	5,558	18,700	24,116
2029 Households	6,140	20,557	26,662
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	75.8%	78.0%	77.6%
2020 Owner Occupied Housing Units	56.1%	67.8%	71.4%
2024 Owner Occupied Housing Units	55.3%	67.2%	71.1%
2029 Owner Occupied Housing Units	54.7%	66.7%	70.8%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	17.3%	15.6%	15.6%
2020 Renter Occupied Housing Units	39.0%	28.2%	24.5%
2024 Renter Occupied Housing Units	39.6%	28.6%	24.7%
2029 Renter Occupied Housing Units	40.1%	29.0%	25.0%
AVERAGE HOUSEHOLD INCOME	\$115,720	\$126,853	\$132,307

AREA SNAPSHOT




68,832

POPULATION (5-MILE)




41,762

DAYTIME POPULATION (5-MILE)



9.6%

POPULATION GROWTH (2023-2028)



\$115,720

AVERAGE HOUSEHOLD INCOME (1-MILE)