Chesterbrook Academy®

15-Year Lease Extension | 26+ Year Operating History | Corporate Guaranty (182+ Locations)

OFFERING MEMORANDUM

LISLE, ILLINOIS (CHICAGO MSA)

Marcus & Millichap
THE SULO GROUP

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Chesterbrook Academy®

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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.

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OFFERING SUMMARY

PROPERTY ADDRESS

Chesterbrook Academy
4622 Lacey Avenue
Lisle, IL 60532

OFFERING SUMMARY	
Price:	$3,752,000
Cap Rate:	7.25%
Net Operating Income:	$272,000
Building Square Footage:	8,500 Sq Ft
Year Built:	1999
Lot Size:	+/- 1.35 Acres

LEASE SUMMARY	
Tenant:	Spring Education Group, Inc.
Guaranty:	Corporate
Lease Commencement:	7/26/1999
Rent Commencement:	7/1/2025
Lease Expiration:	6/30/2040
Lease Term Remaining:	14+ Years
Lease Type:	Absolute Net
Roof and Structure:	Tenant Responsible
Rental Increases:	10.00% Every 5 Years Starting in Year 11
Renewal Options:	Three, Five-Year
Right of First Refusal:	None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
1-10	7/1/2025	6/30/2035	$272,000	7.25%
11-15	7/1/2035	6/30/2040	$299,200	7.97%
16-20 **(Option 1)**	7/1/2040	6/30/2045	$329,120	8.77%
21-25 **(Option 2)**	7/1/2045	6/30/2050	$362,032	9.65%
26-30 **(Option 3)**	7/1/2050	6/30/2055	$398,235	10.61%

Lease Comments: Seller to credit a buyer at closing three months of abated rent that occur during the 13th, 14th, & 15th months of the new lease extension.

INVESTMENT HIGHLIGHTS

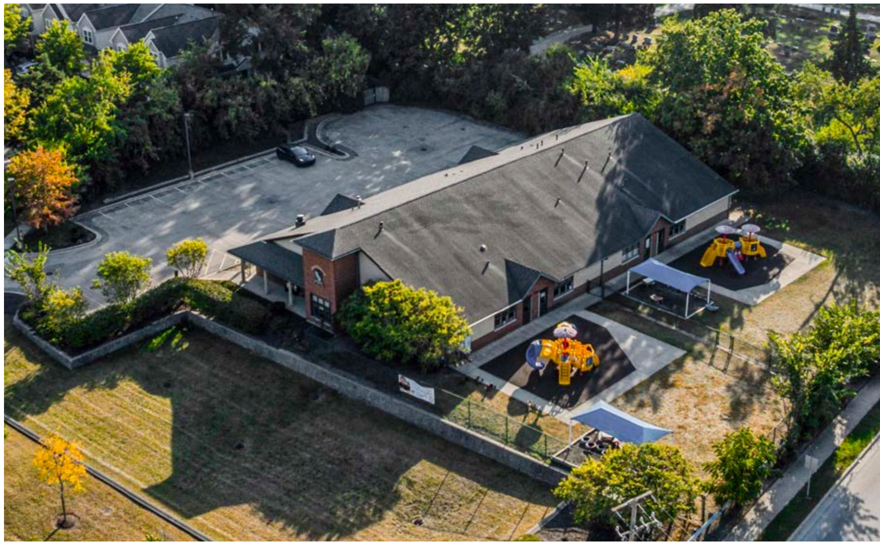
- **14+ Years Remaining on a New 15-Year Extension**
  - Chesterbrook Academy signed a new 15-year lease extension, offering long-term cash flow through June 2040 with three, five-year extension options immediately following the Base Term.
  - The tenant is responsible for all maintenance as well as real estate taxes, insurance, common areas, utilities, etc making this a prime opportunity for out-of-state investors.
  - 10.00% rental increases every 5 years, starting in Year 11 provide contractual rent growth for the remainder of the base lease term and the three, five-year option periods.

- **Long-Term Commitment to Location - 26+ Year Operating History**
  - Chesterbrook Academy has occupied the property since 1999 and has renewed their lease multiple times.
  - The tenant most recently renewed their lease for a period of fifteen years in 2025.
  - Chesterbrook Academy has a modest occupancy cost with rents of only $32.00 per square foot, well below new construction daycare rents.

- **Corporate Guaranty from Top 10 Operator in the Country (182+ Locations)**
  - Chesterbrook Academy is one of the Top 10 Corporate childcare companies in the country.
  - Chesterbrook Academy currently operates over 182 locations across nineteen states.
  - 6th largest childcare brand by number of locations.

- **Over $293,000,000 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, including Tulsa's universal pre-K program, are more likely to enroll in college and potentially experience higher earnings in adulthood.

- **Affluent ($134K+ AHHI in 1, 3 & 5-Miles) and Dense Marketplace (260K+ People in 5-Miles)**
  - A Chicago suburb in DuPage County known for its natural beauty, including the Lisle Arboretum, and convenient access to major highways like I-88 and I-355, linking Lisle to Oak Brook, Naperville, and O'Hare.
  - Transit-Oriented: Metra BNSF line connects Lisle to downtown Chicago in under 40 minutes — attracting commuters and hybrid workers.
  - 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.



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.

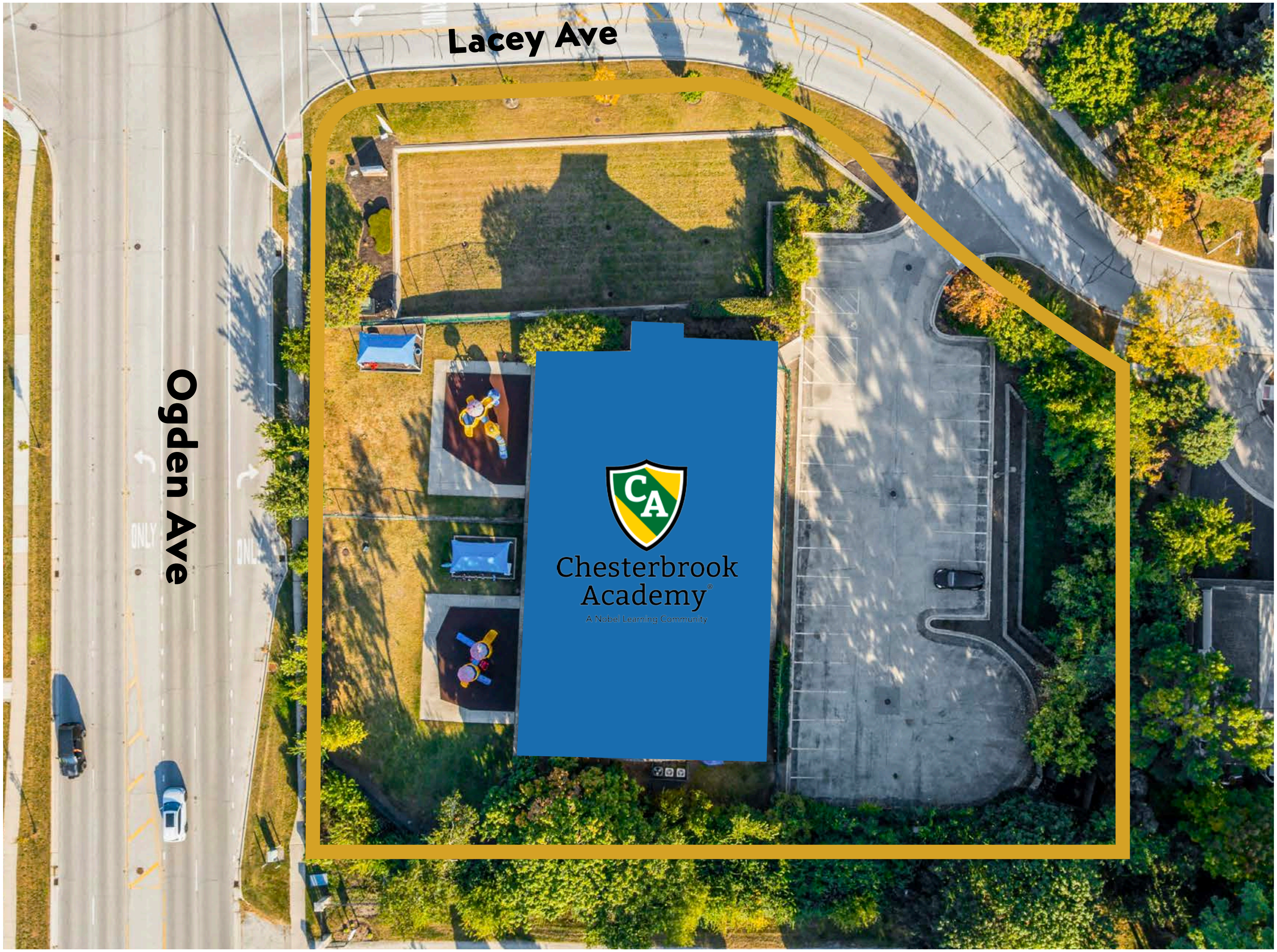
The market is benefiting from the advancement of learning technologies for children. Educational tools like Starfall, based on advanced technology, are transforming the U.S. childcare market by providing engaging activities and games for children to learn art, languages, and mathematics.

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



Lacey Ave
Ogden Ave
Chesterbrook Academy
A Nobel Learning Community

Chesterbrook Academy

AERIAL OVERVIEW

Chesterbrook Academy®

TENANT PROFILE

Spring Education Group is a multi-brand education network of superior private school institutions spanning infant care through high school. The network (currently composed of approximately 204 schools) brings together some of the best private school programs in the country, with proven track records educating children through unique and carefully crafted curricula.

Headquartered in Campbell, California, Spring Education Group's best-in-class platform was created by uniting four premier school organizations – Stratford School, LePort Montessori Schools, Nobel Learning Communities, and BASIS Independent Schools. The Spring Education Group network extends across 19 states in the U.S. with an international presence in Asia.

Spring Education Group is organized into 3 divisions:
The Early Childhood Education Division includes 132 schools offering infant care through Pre-K/K programs. Our locations span a nationwide geographic footprint and a diverse array of pedagogical approaches.

The K-12 Division includes 72 schools, with programs spanning Preschool, Elementary, Middle School and High School. Across all of our K-12 schools, the common theme is our dedication to providing high-quality education and delivering superior educational outcomes through a variety of acclaimed pedagogical approaches.

The Online Division features Laurel Springs School, a WASC-accredited pioneer in online private school education since 1991 that provides flexible and personalized learning experiences for students in kindergarten through 12th grade and beyond.

Company Type:	Private
Location:	Campbell, California (182+ Locations)
Website:	https://www.springeducationgroup.com/

182+
Locations Across the U.S.

#6 Largest
Corporate Operator in the U.S.

39,000+
Capacity to Serve

2025 | TOP 20 CORPORATE CHILD CARE COMPANIES

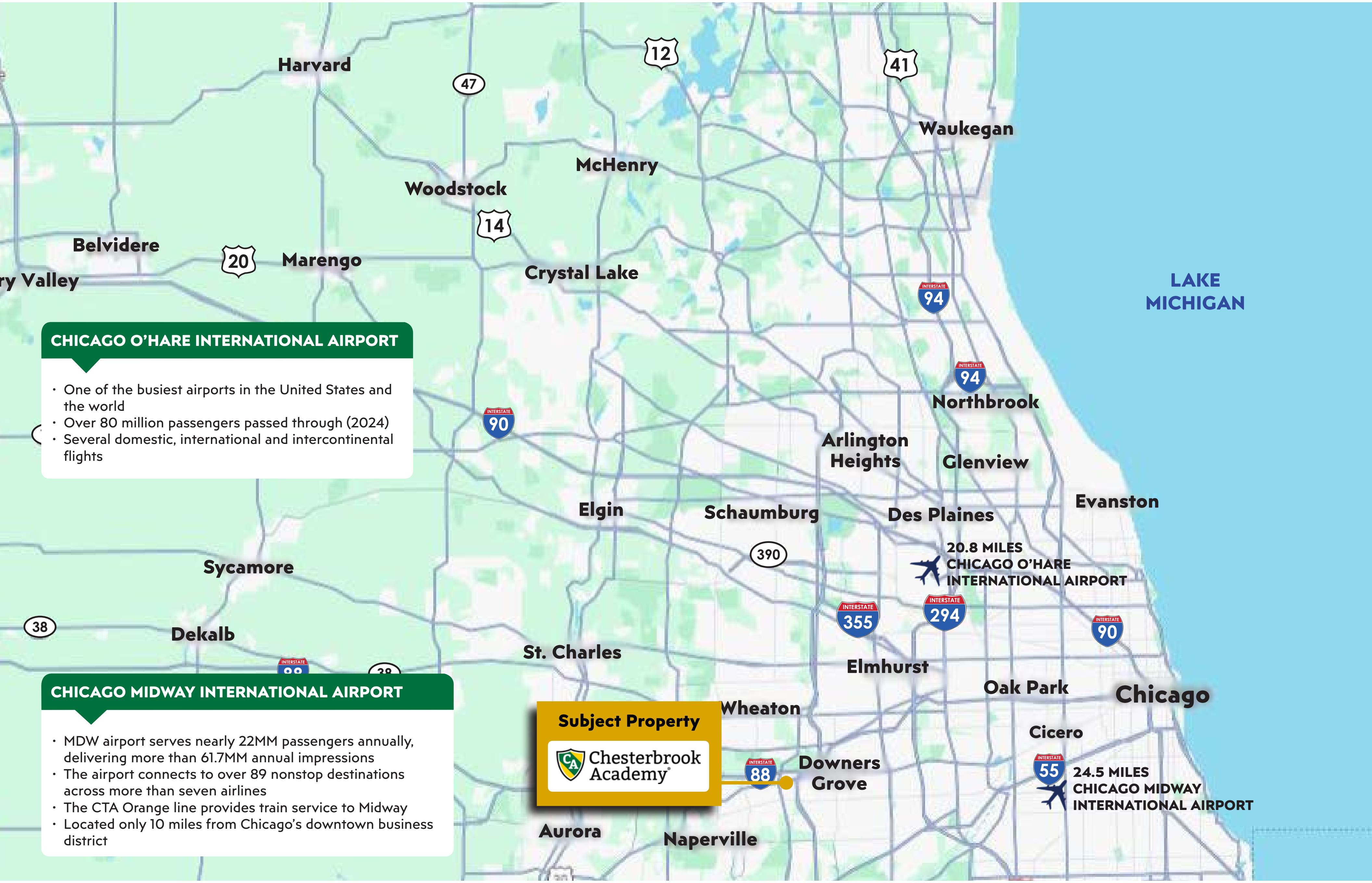
	ORGANIZATION	HEADQUARTERS	CAPACITY (EST.)	# OF CENTERS (EST.)
1	KinderCare Learning Centers	Oregon	200,000	2,400
2	Learning Care Group	Michigan	167,000	1,103
3	Bright Horizons	Massachusetts	115,000	1,028
4	Cadence Education	Arizona	53,400	326
5	Child Development Schools	Texas	46,916*	272*
6	**Spring Education Group**	**California**	**39,488****	**182****
7	Busy Bees North America	Canada	32,784	223
8	Premier Early Education	Illinois	25,000	160
9	Endeavor Schools	Florida	22,000	110
10	The Sunshine House	South Carolina	21,000	140
11	Kids and Company, Ltd.	Canada	14,612	159
12	New Horizon Academy	Minnesota	15,673	103
13	Big Blue Marble Academy	Alabama	15,149	83
14	O2B Kids	Florida	14,078	75
15	Early Learning Academies	Virginia	13,294	77
16	Otter Learning	South Carolina	10,500	76
17	The Nest Schools	Florida	9,300	54
18	The Gardner School	Tennessee	7,600	39
19	LLE Educational Group	Virginia	7,000	47
20	Never Grow Up, Inc.	Tennessee	6,613	46

Based on data supplied by the organizations. Data on capacity is total licensed capacity as of January 1, 2025
*Data from January 2024 report. **Data from January 2023 report.

PROPERTY PHOTOS

Chesterbrook Academy®

REGIONAL MAP



CHICAGO O'HARE INTERNATIONAL AIRPORT

- One of the busiest airports in the United States and the world
- Over 80 million passengers passed through (2024)
- 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

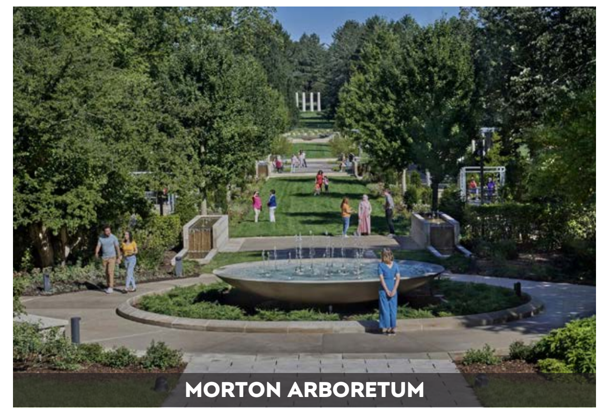
LISLE

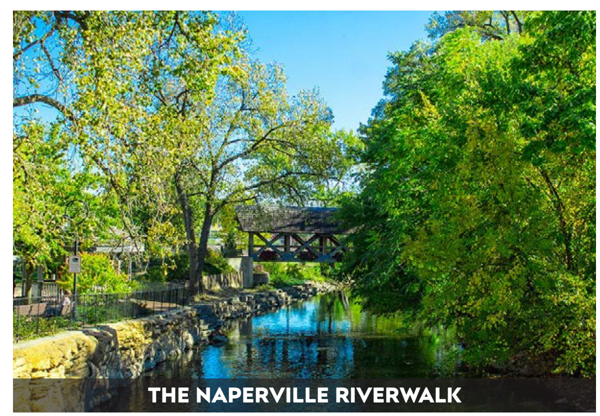
- A Chicago suburb in DuPage County known for its natural beauty, including the Lisle Arboretum, and convenient access to major highways like I-88 and I-355.
- The village offers a blend of recreation, a charming downtown with a Metra station, diverse dining, and shopping options, making it a desirable community for residents and visitors alike.
- The village is now a centre for high-technology industries (computer software, electronics, and telecommunications) and corporate headquarters.
- Benedictine University is a private Catholic university with campuses in Lisle, Illinois, and Mesa, Arizona, United States. It was founded in 1887 by the Benedictine monks of St. Procopius Abbey in the Pilsen community on the West Side of Chicago.
- Immediately north is Morton Arboretum, an outdoor park with more than 3,600 varieties of systematically arranged trees, shrubs, and vines. The arboretum covers some 1,700 acres.
- Each July Lisle hosts a popular balloon festival. Historical attractions include the Depot Museum, which preserves the village's history, and Beaubien Tavern, originally built in the 1830s.

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 metro houses 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents.
- During the past 20 years, the greatest growth occurred in the western portion of the region and was exemplified between 2020-2021.
- Since then, movement back into downtown Chicago is gaining headway as employers increasingly push for in-person work attendance, while progressing tourism levels support activity in the urban core.
- The metro population trails only Los Angeles in size. Slowing population growth, however, has been noted over the previous decade.
- Illinois trails only New York City, Texas and California in total corporate headquarters. There are over 30 Fortune 500 companies based locally.
- 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.
- 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.


BENEDICTINE UNIVERSITY


MORTON ARBORETUM


THE NAPERVILLE RIVERWALK

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	5,865	73,239	254,113
2020 Population	6,301	75,431	261,519
2024 Population	6,313	75,515	260,030
2029 Population	6,243	75,313	260,221
HOUSEHOLDS			
2010 Households	2,478	30,385	99,820
2020 Households	2,865	32,011	103,505
2024 Households	2,842	31,927	103,757
2029 Households	2,825	31,869	103,950
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	70.9%	64.1%	67.5%
2020 Owner Occupied Housing Units	60.3%	62.3%	66.1%
2024 Owner Occupied Housing Units	61.1%	62.5%	66.3%
2029 Owner Occupied Housing Units	61.2%	62.6%	66.3%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	23.9%	30.1%	26.8%
2020 Renter Occupied Housing Units	34.4%	32.9%	28.8%
2024 Renter Occupied Housing Units	33.7%	32.6%	28.6%
2029 Renter Occupied Housing Units	33.5%	32.6%	28.6%
AVERAGE HOUSEHOLD INCOME	**$134,583**	**$145,271**	**$149,602**

AREA SNAPSHOT

260,030
POPULATION (5-MILE)

324,583
DAYTIME POPULATION (5-MILE)

103,757
HOUSEHOLDS (5-MILE)

$134,583
AVERAGE HOUSEHOLD INCOME (1-MILE)