



Brand New 2025 Construction | 15-Year Lease w/ 2.00% Annual Increases | AHHI Exceeds \$182,000+ in a 1-Mile Radius



OFFERING MEMORANDUM
WAUNAKEE, WISCONSIN (MADISON MSA)

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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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single tenant property.

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WISCONSIN REALTORS® ASSOCIATION
4801 Forest Run Road, Madison, WI 53704

Marcus & Millichap Real Estate
Effective July 1, 2016

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Drafted by Attorney Debra Peterson Conrad

Marcus & Millichap Real Estate Services
13890 Bishop's Drive Suite 300
Brookfield, WI 53005

1 Prior to negotiating on your behalf the brokerage firm, or an agent associated with the firm, must provide you the
2 following disclosure statement:

3 **DISCLOSURE TO CUSTOMERS** You are a customer of the brokerage firm (hereinafter Firm). The Firm is either an agent
4 of another party in the transaction or a subagent of another firm that is the agent of another party in the transaction. A
5 broker or a salesperson acting on behalf of the Firm may provide brokerage services to you. Whenever the Firm is
6 providing brokerage services to you, the Firm and its brokers and salespersons (hereinafter Agents) owe you, the
7 customer, the following duties:

8 (a) The duty to provide brokerage services to you fairly and honestly.

9 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.

10 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request
11 it, unless disclosure of the information is prohibited by law.

12 (d) The duty to disclose to you in writing certain Material Adverse Facts about a property, unless disclosure of the
13 information is prohibited by law (see lines 42-51).

14 (e) The duty to protect your confidentiality. Unless the law requires it, the Firm and its Agents will not disclose your
15 confidential information or the confidential information of other parties (see lines 23-41).

16 (f) The duty to safeguard trust funds and other property held by the Firm or its Agents.

17 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the
18 advantages and disadvantages of the proposals.

19 Please review this information carefully. An Agent of the Firm can answer your questions about brokerage services,
20 but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home
21 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a
22 plain-language summary of the duties owed to a customer under section 452.133(1) of the Wisconsin statutes.

23 **CONFIDENTIALITY NOTICE TO CUSTOMERS** The Firm and its Agents will keep confidential any information given to the
24 Firm or its Agents in confidence, or any information obtained by the Firm and its Agents that a reasonable person
25 would want to be kept confidential, unless the information must be disclosed by law or you authorize the Firm to
26 disclose particular information. The Firm and its Agents shall continue to keep the information confidential after the
27 Firm is no longer providing brokerage services to you.

28 The following information is required to be disclosed by law:

29 1. Material Adverse Facts, as defined in Wis. Stat. § 452.01(5g) (see lines 42-51).

30 2. Any facts known by the Firm or its Agents that contradict any information included in a written inspection
31 report on the property or real estate that is the subject of the transaction.

32 To ensure that the Firm and its Agents are aware of what specific information you consider confidential, you may
33 list that information below (see lines 35-41) or provide that information to the Firm or its Agents by other means. At a
34 later time, you may also provide the Firm or its Agents with other Information you consider to be confidential.

35 **CONFIDENTIAL INFORMATION:** _____

36 _____

37 _____

38 **NON-CONFIDENTIAL INFORMATION** (The following information may be disclosed by the Firm and its Agents): _____

39 _____

40 _____

41 _____ (Insert information you authorize to be disclosed, such as financial qualification information.)

42 **DEFINITION OF MATERIAL ADVERSE FACTS**

43 A "Material Adverse Fact" is defined in Wis. Stat. § 452.01(5g) as an Adverse Fact that a party indicates is of such
44 significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable
45 party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction
46 or affects or would affect the party's decision about the terms of such a contract or agreement.

47 An "Adverse Fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee
48 generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural
49 integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information
50 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a
51 contract or agreement made concerning the transaction.

52 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
53 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at

54 _____ or by telephone at 608-240-583

OFFERING SUMMARY

PROPERTY ADDRESS

The Goddard School

1117 Stephenson Ln
 Waunakee, WI 53597

OFFERING SUMMARY

Price:	\$6,994,000
Cap Rate:	7.15%
Net Operating Income:	\$500,000
Building Square Footage:	12,500 Sq Ft
Year Built:	2025
Lot Size:	+/- 3.00 Acres

LEASE SUMMARY

Tenant:	The Goddard School
Guaranty:	Corporate
Lease Commencement:	Est. 4/1/2026
Rent Commencement:	Est. 4/1/2026
Lease Expiration:	Est. 3/31/2041
Lease Term Remaining:	15 Years
Lease Type:	Absolute Net
Roof and Structure:	Tenant 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
1	4/1/2026	3/31/2027	\$500,000	7.15%
2	4/1/2027	3/31/2028	\$510,000	7.29%
3	4/1/2028	3/31/2029	\$520,200	7.44%
4	4/1/2029	3/31/2030	\$530,604	7.59%
5	4/1/2030	3/31/2031	\$541,216	7.74%
6	4/1/2031	3/31/2032	\$552,040	7.89%
7	4/1/2032	3/31/2033	\$563,081	8.05%
8	4/1/2033	3/31/2034	\$574,343	8.21%
9	4/1/2034	3/31/2035	\$585,830	8.38%
10	4/1/2035	3/31/2036	\$597,546	8.54%
11	4/1/2036	3/31/2037	\$609,497	8.71%
12	4/1/2037	3/31/2038	\$621,687	8.89%
13	4/1/2038	3/31/2039	\$634,121	9.07%
14	4/1/2039	3/31/2040	\$646,803	9.25%
15	4/1/2040	3/31/2041	\$659,739	9.43%
16-20 (Option 1)	4/1/2041	3/31/2046	\$672,934	9.62%
21-25 (Option 2)	4/1/2046	3/31/2051	\$742,974	10.62%
26-30 (Option 3)	4/1/2051	3/31/2056	\$820,303	11.73%

Lease Comments: Annual increases in options

INVESTMENT HIGHLIGHTS

- **Brand-New 15-Year Lease with 2.00% Annual Rental Increases**
 - The tenant will sign a new 15-year lease at the subject property at the close of escrow.
 - The lease has zero landlord responsibilities whatsoever and offers 2% rental increases every year.
 - In addition to the 15-year base lease term, the tenant has two, five-year options to renew the lease with the same rent increase structure annually.
- **The Goddard School - 600+ Locations In 38 States**
 - The Goddard School brand has been in operation for 30+ years.
 - 2024 Entrepreneur Franchise 500 ranks Goddard #68 for its franchise rankings.
 - Goddard serves children as young as 6 weeks old to 6 years old.
- **Madison MSA – Home to University of Wisconsin**
 - The Madison metro sits in south-central Wisconsin, roughly 80 miles west of Milwaukee, 150 miles northwest of Chicago and 270 miles southeast of Minneapolis.
 - Madison is the state's capital city and comprises nearly 40% of the metro's population, with 280,000 citizens.
 - The largest public university in the state is also located in the city of Madison, providing local employers with a stream of young and educated personnel.
 - 2nd largest city in Wisconsin and the 81st largest city in the U.S. Madison is one of only two major U.S. cities built on an isthmus. It's nestled between lakes Mendota and Monona.
- **Demand For Daycare Remains Extremely Strong**
 - The U.S. childcare 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 childcare 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



TENANT PROFILE

Goddard Schools provide your child with a safe and caring environment where they can discover the wonder of learning in its most natural way — through play and exploration.

The distinctive structure positions Schools to support the needs of families and helps ensure that children are known and appreciated for their individual talents and personalities. The Goddard School's educational program encourages children to explore their curiosities and interests as they discover the wonder of learning. Goddard teachers, acknowledged experts in various fields of early childhood education, guide children through lessons using fun learning experiences (F.L.EX.®) that lay the foundation for a lifelong love of learning.

Additionally, this program has earned Cognia Accreditation and Partnership for 21st Century Learning: A Network of Battelle for Kids, for creating policies, programs and standards that help franchised locations meet high standards in early learning, child development and childcare. The Goddard School serves more than 75,000 students from six weeks to six years old in more than 600 Goddard Schools in 37 states and Washington, D.C.

Company Type: Private

Location: King of Prussia, Pennsylvania (600+ in 38 States)

Website: <https://www.goddardschool.com/>

#68

Franchise
500 Rank

600+

Franchised
Academies

77+

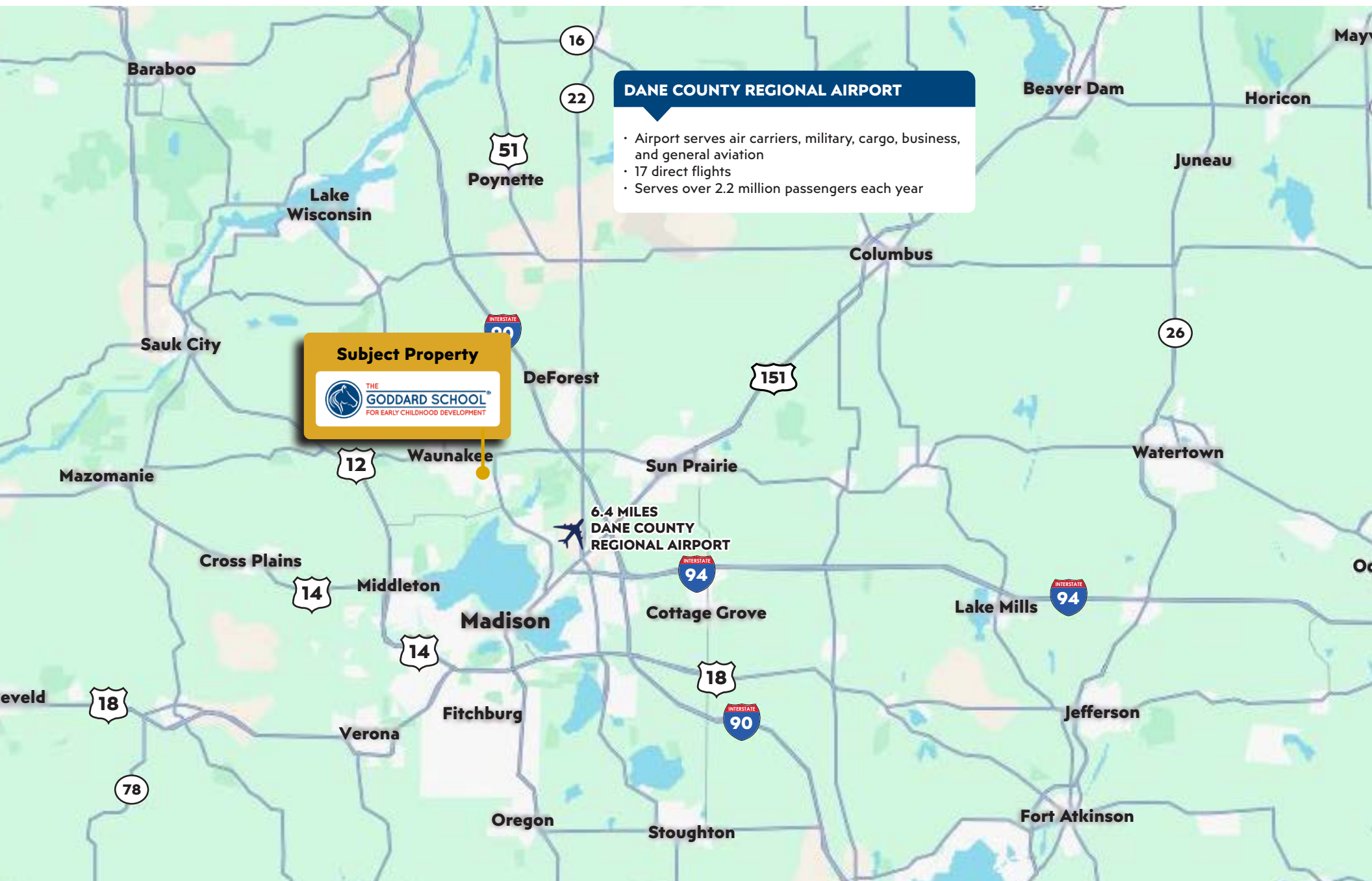
Multi-Unit
Operators



PROPERTY PHOTOS



REGIONAL MAP



AREA OVERVIEW

WAUNAKEE

- Waunakee, WI is a village in Dane County, part of the Madison Metro area, known for its parks like Ripp Park and Governor Nelson State Park.
- Historically a railroad town that grew from a settlement in 1871, it is now an active community with parks, local businesses, and recreational activities like hiking trails, sports fields, and golf courses.
- Waunakee offers a mix of housing and is close to major markets and educational institutions in the Madison area.
- The community has a diverse real estate market and is considered a desirable place to live.
- Waunakee public schools are very well respected. With a 98% graduation rate.

MADISON

- The Madison metro sits in south-central Wisconsin, roughly 80 miles west of Milwaukee, 150 miles northwest of Chicago and 270 miles southeast of Minneapolis.
- Madison is the state's capital city and comprises nearly 40% of the metro's population, with 280,000 citizens.
- The largest public university in the state is also located in the city of Madison, providing local employers with a stream of young and educated personnel.
- 2nd largest city in Wisconsin and the 81st largest city in the U.S. Madison is one of only two major U.S. cities built on an isthmus. It's nestled between lakes Mendota and Monona.
- Madison is home to the world's largest Brat Fest, held annually on Memorial Day weekend. More than 4 million brats have been sold at the festival since 1983.
- The city is home to over 260 parks, 6,000 acres of parkland and more than 200 miles of off-road and multi-use paths and trails.

ECONOMY

- The University of Wisconsin-Madison is a boon for startups and collaborative research endeavors.
- Madison's deep pool of educated workers supports major software and insurance operations, such as Epic Systems, WPS Health Insurance and American Family Insurance.
- The headquarters and research and development center for Sub-Zero is in Madison, while the Lands' End headquarters is located just south of Madison in Dodgeville.
- Many tourists pass through the Madison metro to vacation in the Wisconsin Dells to the northwest of the market.



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	2,992	16,000	35,485
2020 Population	3,517	18,953	41,405
2024 Population	3,704	20,460	43,817
2029 Population	3,912	21,588	45,677
HOUSEHOLDS			
2010 Households	952	6,072	14,229
2020 Households	1,148	7,182	16,529
2024 Households	1,240	7,804	17,686
2029 Households	1,308	8,257	18,529
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	83.7%	72.6%	67.9%
2020 Owner Occupied Housing Units	90.0%	75.1%	67.8%
2024 Owner Occupied Housing Units	90.1%	75.6%	68.1%
2029 Owner Occupied Housing Units	90.1%	75.7%	68.2%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	13.3%	23.5%	27.1%
2020 Renter Occupied Housing Units	8.2%	21.2%	27.6%
2024 Renter Occupied Housing Units	8.1%	20.6%	27.3%
2029 Renter Occupied Housing Units	8.0%	20.5%	27.2%
AVERAGE HOUSEHOLD INCOME	\$182,501	\$156,975	\$132,763

AREA SNAPSHOT



43,817
POPULATION (5-MILE)



40,160
DAYTIME POPULATION (5-MILE)



3.7%
POPULATION GROWTH (2024-2029)



\$182,501
AVERAGE HOUSEHOLD INCOME (1-MILE)