KinderCare

Corporate Guaranty (NYSE: KLC) | 2.00% Annual Increases | $126,000+ AHHI in 5-Miles

OFFERING MEMORANDUM

ANKENY, IOWA (DES MOINES MSA)

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OFFERING SUMMARY

PROPERTY ADDRESS

KinderCare
3055 North Ankeny Boulevard
Ankeny, IA 50021

OFFERING SUMMARY	
Price:	$3,808,000
Cap Rate:	7.50%
Net Operating Income:	$285,629
Building Square Footage:	10,782 Sq Ft
Year Built:	2020
Lot Size:	+/- 1.37 Acres

LEASE SUMMARY	
Tenant:	KinderCare Education, LLC
Guaranty:	Corporate
Lease Commencement:	12/21/2018
Rent Commencement:	2/1/2019
Lease Expiration:	1/31/2034
Lease Term Remaining:	7+ Years
Lease Type:	Triple Net
Structure and Foundation:	Landlord Responsible
Rental Increases:	2.00% Annually
Renewal Options:	One, Ten-Year & One, Five-Year
Right of First Refusal:	None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
8	2/1/2026	1/31/2027	$285,629	7.50%
9	2/1/2027	1/31/2028	$291,342	7.65%
10	2/1/2028	1/31/2029	$297,168	7.80%
11	2/1/2029	1/31/2030	$303,112	7.96%
12	2/1/2030	1/31/2031	$309,174	8.12%
13	2/1/2031	1/31/2032	$315,357	8.28%
14	2/1/2032	1/31/2033	$321,665	8.45%
15	2/1/2033	1/31/2034	$328,098	8.62%
16-25 **(Option 1)**	2/1/2034	1/31/2044	$334,660	8.79%
26-30 **(Option 2)**	2/1/2044	1/31/2049	$407,949	10.71%

KinderCare

INVESTMENT HIGHLIGHTS

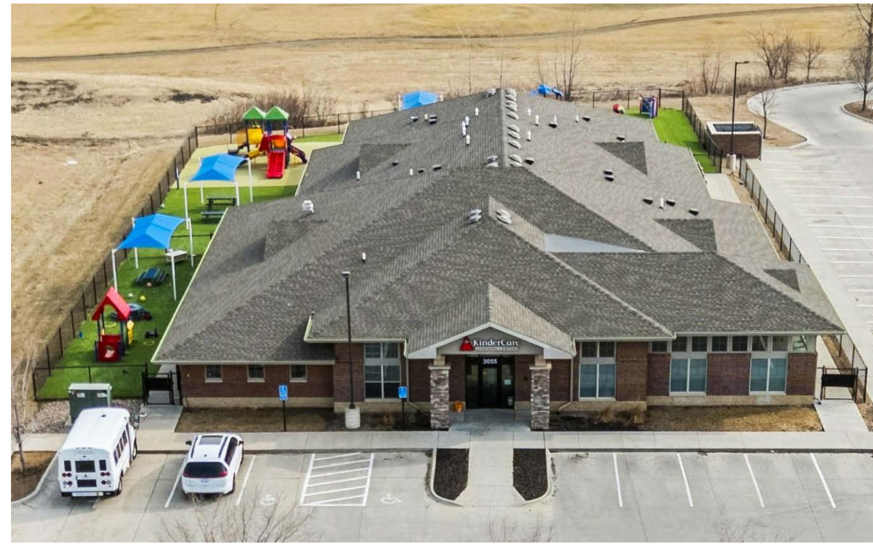
- **Corporate Guaranty (NYSE: KLC) from the #1 Corporate Operator in the Country**
  - KinderCare is the largest private provider of high-quality early childhood education in the US by center capacity with the ability to serve over 200,000 children across its more than 2,400 centers and sites.
  - KinderCare currently operates in over 40 states across the United States.
  - #1 largest childcare brand with $2.66 billion in 2024 reported annual revenue.

- **KinderCare Completed IPO in October 2024**
  - KinderCare completed its IPO in October 2024, raising approximately $616M in proceeds and receiving a credit rating upgrade as a result.
  - FY 2024 revenues of $2.66B, a 5.9% increase over the previous year.

- **7+ Years Remaining with 2.00% Annual Rental Increases**
  - KinderCare has ober 7 years remaining on an original 15-year lease that doesn't expire until 2034.
  - The lease includes 2.00% annual rent increases to hedge inflation and one, ten-year option and one, five-year option to renew.
  - Aside from structure and foundation, 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.

- **Over $169,000,000 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.

- **Des Moines MSA (700,000+ People)**
  - Home to 707,000 people, the Des Moines metro is the largest in the state of Iowa, comprising Dallas, Guthrie, Madison, Polk and Warren counties.
  - The market is approximately 195 miles northeast of Kansas City, 245 miles south of Minneapolis and 330 miles west of Chicago.
  - The population is expanding far quicker than the national average with roughly 32,000 additional people expected over the next five years.



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

AERIAL OVERVIEW

AERIAL OVERVIEW

TENANT PROFILE

In 1969, the first KinderCare opened its doors in Montgomery, Alabama, to support record numbers of mothers entering the workforce. Over 50 years later, we take pride in providing safe, nurturing care for children of modern working parents so they can pursue their dreams.

Today, KinderCare Learning Companies helps organizations and their employees better integrate work with life as the nation's leading provider of employer-sponsored child care benefits. We've partnered with over 600 organizations to answer their working parents' call for quality child care in the communities where they work and live nationwide.

Explore opportunities across our family of brands—KinderCare® Learning Centers, Champions®, and Crème de la Crème®! We also offer child care solutions that organizations can add to employee benefit packages. And we partner with schools and entire districts to bring extended-day programs to their learning communities, including before- and after-school programs and seasonal break camps.

With over 37,000 teachers and staff across more than 2,400 locations in 40 states and Washington, D.C., there's no limit to what you can achieve here and what we can achieve together. Think competitive, family-friendly benefits, professional development, generous paid time off, and a work-life balance that helps you thrive.

Company Type:	Public
Location:	Lake Oswego, Oregon (2,400+ Locations)
Website:	https://www.kindercare.com/

$2.66B

2024 Total Revenue

NYSE: KLC

Publicly Traded Company

2,400+

Locations Globally

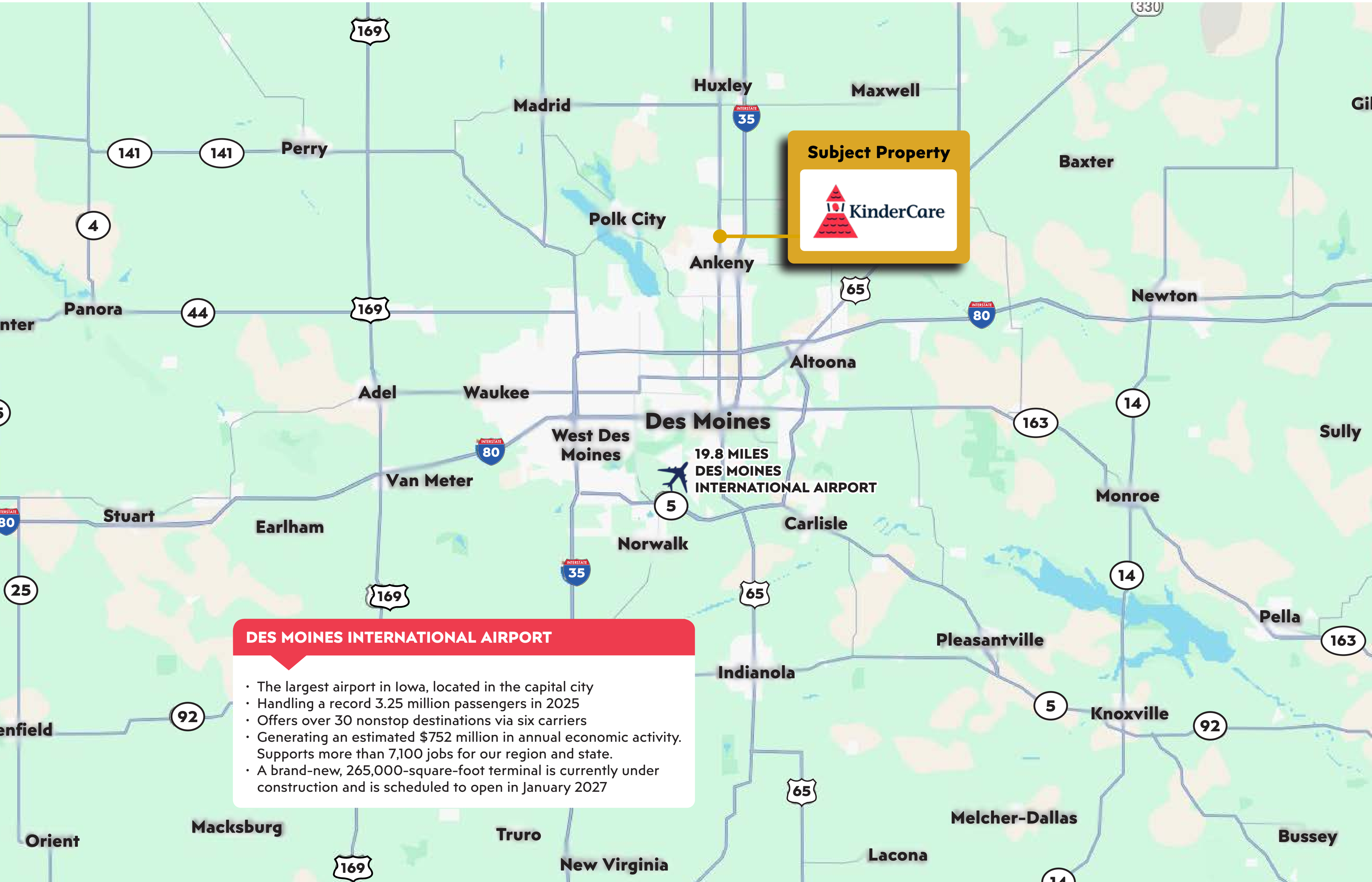
2025 | TOP 20 CORPORATE CHILD CARE COMPANIES

	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

REGIONAL MAP



DES MOINES INTERNATIONAL AIRPORT

- The largest airport in Iowa, located in the capital city
- Handling a record 3.25 million passengers in 2025
- Offers over 30 nonstop destinations via six carriers
- Generating an estimated $752 million in annual economic activity. Supports more than 7,100 jobs for our region and state.
- A brand-new, 265,000-square-foot terminal is currently under construction and is scheduled to open in January 2027

AREA OVERVIEW

ANKENY

- Located just ten minutes from downtown Des Moines, Ankeny is one of Iowa's fastest growing and most advanced communities. Ankeny has a premier location at the crossroads of Interstate 80 and Interstate 35, allowing the community a location advantage for those needing coast to coast or border to border access.
- Known for a high quality of life, it features over 100 miles of trails connecting over 50 parks, excellent schools, and a strong local economy.
- Access to area trails for walking, running and biking like the High Trestle, Gay Lea Wilson Trail and Neal Smith Trail, thanks in part to the new Ankeny Pedestrian Bridge.
- You'll find flourishing community pride at the annual Ankeny Summerfest celebration and a full list of unique places to shop and eat: the largest Costco in the Midwest opened in November 2022 while Uptown Ankeny and The District at Prairie Trail are full of locally owned businesses, including delicious restaurants like Magee's Irish Pub & Eatery and Trailside Tap.
- Ankeny is also the headquarters of Casey's General Stores, an Iowa employer that serves 2,400+ convenience stores across 16 states.
- Another important landmark in Ankeny is the John Deer Des Moines Works, which has been a major employer in the area for over a century.


DRAKE UNIVERSITY


HIGH TRESTLE TRAIL


THE DISTRICT AT PRAIRIE TRAIL

DES MOINES

- Home to 707,000 people, the Des Moines metro is the largest in the state of Iowa, comprising Dallas, Guthrie, Madison, Polk and Warren counties.
- The market is approximately 195 miles northeast of Kansas City, 245 miles south of Minneapolis and 330 miles west of Chicago.
- The population is expanding far quicker than the national average with roughly 32,000 additional people expected over the next five years.
- Median household incomes are also above the national average, supporting growth in goods and services.

ECONOMY

- Boosted by a diverse agriculture and research environment, John Deere and Corteva Agriscience employ more than 5,000 people combined.
- Hy-Vee, a regional retail grocery and drugstore chain, is headquartered in West Des Moines.
- In addition to Wells Fargo and Principal Financial Group, Nationwide provides thousands of jobs.
- Major tech companies, including Meta, have invested billions of dollars into local data centers. Microsoft operates five large-scale facilities in the metro and received approval for a sixth in 2024, with additional sites proposed for future development.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	4,402	33,038	50,684
2020 Population	9,297	46,965	72,670
2024 Population	10,955	52,864	81,023
2029 Population	11,337	55,419	85,041
HOUSEHOLDS			
2010 Households	1,587	12,960	19,285
2020 Households	3,702	18,864	28,073
2024 Households	4,211	21,391	31,669
2029 Households	4,477	22,715	33,554
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	88.3%	71.5%	75.5%
2020 Owner Occupied Housing Units	66.2%	63.6%	67.5%
2024 Owner Occupied Housing Units	67.4%	64.6%	68.2%
2029 Owner Occupied Housing Units	67.6%	64.9%	68.3%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	5.9%	23.6%	19.8%
2020 Renter Occupied Housing Units	29.3%	30.6%	26.9%
2024 Renter Occupied Housing Units	28.1%	29.6%	26.2%
2029 Renter Occupied Housing Units	27.8%	29.3%	26.1%
AVERAGE HOUSEHOLD INCOME	**$131,444**	**$123,708**	**$126,862**

AREA SNAPSHOT

81,023
POPULATION (5-MILE)

77,070
DAYTIME POPULATION (5-MILE)

4.5%
POPULATION GROWTH (2024-2029)

$131,444
AVERAGE HOUSEHOLD INCOME (1-MILE)