



**Childcare Network**

Corporate Guaranty (272+ Locations) | 10.00% Increase in 2+ Years | AHFI Exceeds \$137,000 in 1-Mile

OFFERING MEMORANDUM  
**ROANOKE, VIRGINIA**

*Marcus & Millichap*  
THE SULO GROUP

## Exclusively Listed by:

### **Dominic Sulo**

Senior Managing Director  
CHICAGO OAKBROOK  
Tel: (630) 570-2171  
DSulo@marcusmillichap.com  
License: IL 475.134920

## **Broker of Record:**

Brian Hosey  
License: 0225247494

## Marcus & Millichap

Oakbrook, IL  
1 Mid America Plaza #200  
Oakbrook Terrace, IL 60181  
P: +1 630-570-2200

Information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap Real Estate Investment Services of North Carolina, Inc and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

### **NON-ENDORSEMENT NOTICE**

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

### **ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**

### **SPECIAL COVID-19 NOTICE**

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

### **MARCUS & MILLICHAP HEREBY ADVISES ALL PROSPECTIVE PURCHASERS OF SINGLE TENANT NET LEASED PROPERTY AS FOLLOWS:**

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a single tenant property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a single tenant property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

**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.**

# OFFERING SUMMARY



## PROPERTY ADDRESS

### Childcare Network

5220 Starkey Rd  
Roanoke, VA 24018

### OFFERING SUMMARY

Price:	\$1,879,862
Cap Rate:	7.25%
Net Operating Income:	\$136,290
Building Square Footage:	3,088 Sq Ft
Year Built   Renovated:	1987   2018
Lot Size:	+/- 3.20 Acres

### LEASE SUMMARY

Tenant:	Child Development Schools, Inc.
Guaranty:	Corporate
Rent Commencement:	9/1/2018
Lease Expiration:	8/31/2033
Lease Term Remaining:	7+ Years
Lease Type:	Absolute Net
Roof and Structure:	Tenant Responsible
Rental Increases:	10.00% Increase Every 5 Years
Renewal Options:	Four, Five-Year
Right of First Refusal:	None

### OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
6-10	9/1/2023	8/31/2028	\$136,290	7.25%
11-15	9/1/2028	8/31/2033	\$149,919	7.97%
16-20 <b>(Option 1)</b>	9/1/2033	8/31/2038	\$164,911	8.77%
21-25 <b>(Option 2)</b>	9/1/2038	8/31/2043	\$181,402	9.65%
26-30 <b>(Option 3)</b>	9/1/2043	8/31/2048	\$199,542	10.61%
31-25 <b>(Option 4)</b>	9/1/2048	8/31/2053	\$219,496	11.68%

# INVESTMENT HIGHLIGHTS

- **Corporate Guaranty from Top 5 Operator in the Country (272+ Locations)**
  - Child Development Schools, Inc. is one of the Top 5 Corporate childcare companies in the country.
  - Child Development Schools, Inc. currently operates over 272 locations across eleven states.
- **7+ Years Remaining | Absolute NNN Lease**
  - The CDS Inc. corporately guaranteed lease, has over 7 years remaining with four, five-year options to extend.
  - The lease features 10.00% rental increases every 5 years and continuing into the option periods, growing NOI and hedging against inflation.
  - The lease features zero landlord responsibilities, allowing for a passive investment for a new landlord.
- **Affluent Area with AHHI Exceeding \$137,000 in 1-Mile**
  - Roanoke, Virginia, known as the “Star City of the South,” is a vibrant mountain city of nearly 100,000 residents located in the Blue Ridge Mountains.
  - As the largest city in Western Virginia, it offers a blend of urban amenities, rich railroad heritage, and easy access to outdoor recreation, including the Blue Ridge Parkway and over 1,000 miles of trails.
  - Situated in the Roanoke Valley between the Blue Ridge and Allegheny Mountains along Interstate 81, the city serves as a hub for industry, finance, and healthcare in southwestern Virginia.
  - The economy has transitioned from a focus on railroad manufacturing to a mix of services, technology, healthcare, and tourism.
- **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.



 <p><b>4.18%</b> Annual Growth</p> <p>Expected Growth Rate from 2023 to 2030</p>	 <p><b>\$60.4B</b> Industry</p> <p>Expected to Grow to \$83.6B by 2030</p>	 <p><b>47%</b> Market Share</p> <p>U.S. ECE Segment in 2022</p>
--	--	---

# AERIAL OVERVIEW



# TENANT PROFILE

Childcare Network was founded in 1988 in Columbus, Georgia with the initial acquisition of just two schools. Today, Childcare Network is the fourth largest private child care provider in the United States.

Comprised of over 260 schools in 11 southern states—with an enrollment of 30,000+ children—Childcare Network is committed to being the “Working Parent’s Best Friend!” We achieve this mission by providing high quality services at an affordable price and utilizes a proprietary curriculum known as High Reach that is individualized for each age group.

At Childcare Network, our goal is to give every child a strong start in life by providing a safe and caring environment while they are with us. We focus on offering an innovative educational experience that will benefit them for years to come. We believe that we are more than just a daycare; we create a nurturing and supportive space that helps children grow not only academically but also socially and emotionally. Our dedicated and passionate teachers work hard to help each child reach their full potential, sparking their curiosity and imagination while encouraging a lifelong love of learning.

Our child-centric educators are adventure-architects. They help your child grow by creating exciting adventures, crafting engaging activities and sparking curiosity to ignite a sense of wonder in every child. Our proprietary HighReach Learning curriculum is based around the idea that children learn best when they are actively engaged in hands-on experiences, exploration and play. Through a combination of structured activities and child-initiated play, we foster a love for learning and help children develop essential skills.



**Company Type:** Private  
**Location:** Austin, Texas (272+ Locations)  
**Website:** <https://childcarenetwork.com/>

**#5**  
 Top Ranked  
 Corporate Operator

**30,000+**  
 Serving Children  
 Aged 6-12

**272+**  
 Locations in  
 11 States

## 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
<b>5</b>	<b>Child Development Schools</b>	<b>Texas</b>	<b>46,916*</b>	<b>272*</b>
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

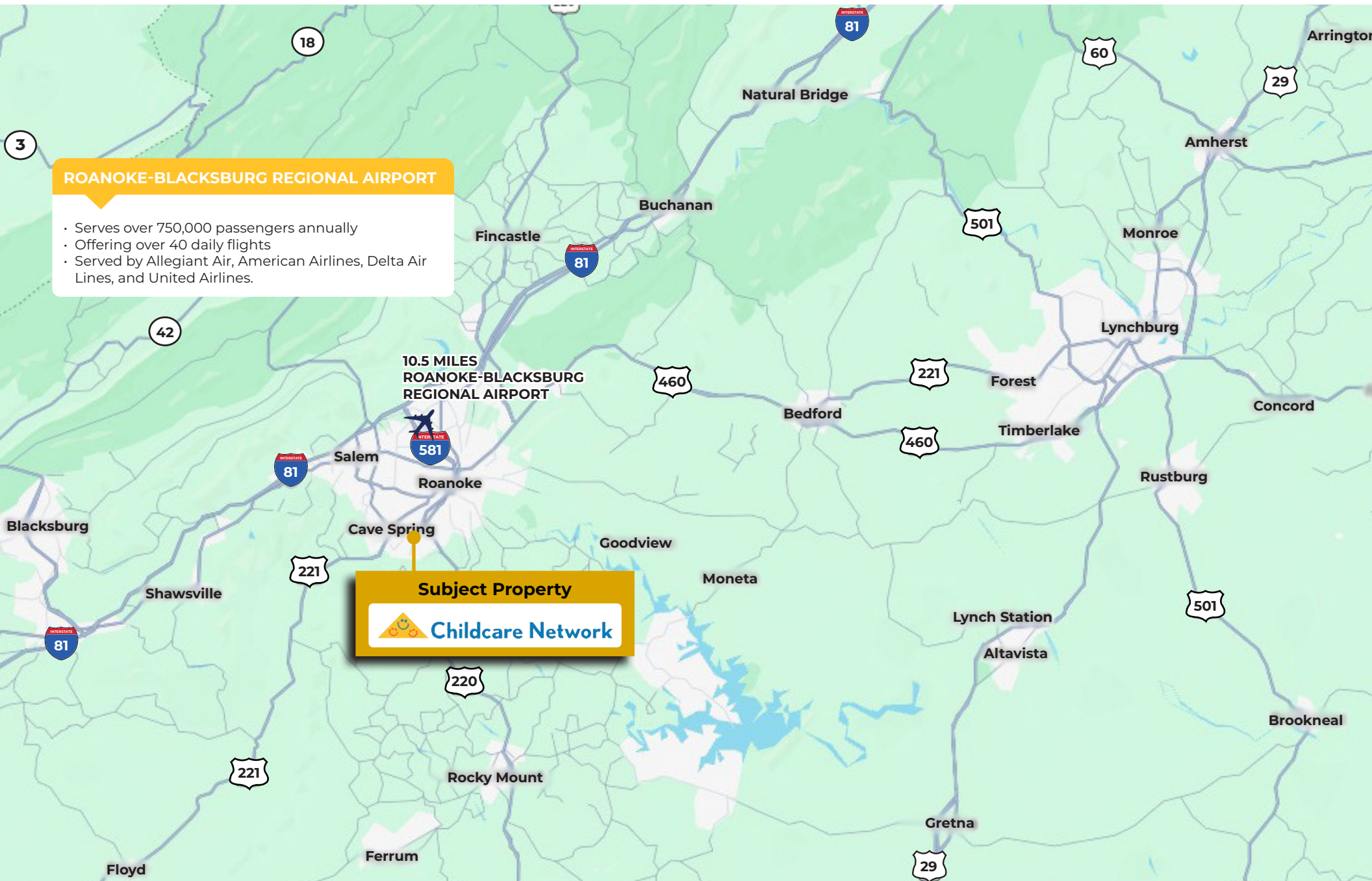
Based on data supplied by the organizations. Data on capacity is total licensed capacity as of January 1, 2025

\*Data from January 2024 report. \*\*Data from January 2023 report.

# PROPERTY PHOTOS



# REGIONAL MAP



**ROANOKE-BLACKSBURG REGIONAL AIRPORT**

- Serves over 750,000 passengers annually
- Offering over 40 daily flights
- Served by Allegiant Air, American Airlines, Delta Air Lines, and United Airlines.

**Subject Property**  
 **Childcare Network**

## ROANOKE

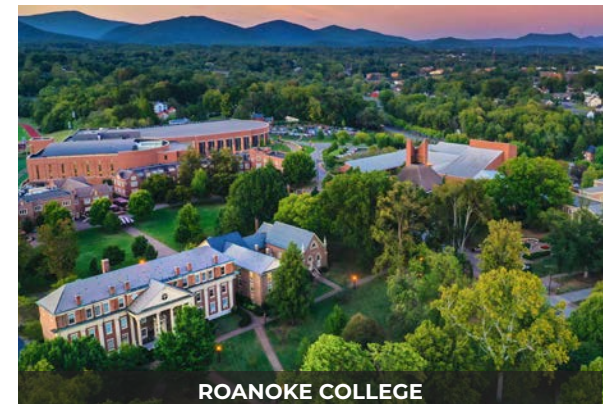
- Known as a premier mountain biking destination on the East Coast, the area boasts over 1,000 miles of trails for hiking and paddling.
- With ready access to the Appalachian Trail and the Blue Ridge Parkway, Roanoke draws visitors interested in activities like hiking, mountain biking and horseback riding.
- Roanoke's location allows for access within one day to most markets in the Southeast, Northeast, mid-Atlantic and Ohio Valley. Its location along Interstate 81 also gives easy driving access to Richmond and Washington, D.C.
- Offering an expansive collection of public art, captivating galleries, and daily live entertainment throughout the city, Roanoke offers a vibrant and artistic community.
- Roanoke and the surrounding cities and counties that make up the Roanoke Valley host more festivals and cultural events than any place west of Richmond, and there's a vibrant nightlife scene that continues to grow.
- Today, Roanoke County remains dedicated to promoting a high quality of life and ample opportunity for over 90,000 residents.
- Maintaining excellent schools, ensuring effective public safety, and promoting competitive economic development remain top priorities for the county.
- In the center of it all is the Historic Market District including a Farmers' Market, unique shopping and several restaurants. Overlooking downtown, the iconic Hotel Roanoke & Conference Center, a grand Tudor-style hotel, stands as a beloved landmark and a nod to the region's railroad history, offering luxurious accommodations, dining, and scenic views of the valley.

## ECONOMY

- Blue Ridge Parkway tourism was estimated to create \$1.8 billion in economic benefits in 2023. Approximately 16.8 million visitors come to the national park, supporting roughly 19,000 jobs.
- Major employment sectors in the market include health care, government positions and education. Three of the largest metro employers include Carilion Medical Center, the County of Roanoke and the Franklin County School Board.
- UPS maintains a major facility at the Roanoke Regional Airport, as the metro offers distribution advantages. For similar reasons, the metro serves as a regional center for transportation-related manufacturing.



APPALACHIAN TRAIL



ROANOKE COLLEGE




HISTORIC ROANOKE CITY MARKET

# DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	5,028	33,854	82,696
2020 Population	5,935	35,951	86,857
2024 Population	5,896	36,001	86,372
2029 Population	5,891	36,085	86,614
HOUSEHOLDS			
2010 Households	2,400	15,273	36,569
2020 Households	2,713	15,846	39,055
2024 Households	2,728	15,989	39,625
2029 Households	2,736	16,063	39,921
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	68.1%	63.3%	56.9%
2020 Owner Occupied Housing Units	64.0%	61.6%	53.6%
2024 Owner Occupied Housing Units	65.2%	62.2%	53.9%
2029 Owner Occupied Housing Units	65.4%	62.3%	53.9%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	22.9%	29.4%	34.1%
2020 Renter Occupied Housing Units	29.2%	31.8%	38.3%
2024 Renter Occupied Housing Units	28.1%	31.2%	38.0%
2029 Renter Occupied Housing Units	27.9%	31.0%	38.0%
AVERAGE HOUSEHOLD INCOME	<b>\$137,829</b>	<b>\$120,044</b>	<b>\$103,868</b>


AREA SNAPSHOT



86,372

POPULATION (5-MILE)


---



104,536

DAYTIME POPULATION (5-MILE)


---



86,372

HOUSEHOLDS (5-MILE)

---



\$137,829

AVERAGE HOUSEHOLD INCOME (1-MILE)