



Corporate Guaranty (NYSE: KLC) | 2.50% Annual Increases | Low Rent at \$17.17/SF



OFFERING MEMORANDUM  
FLORENCE, KENTUCKY (CINCINNATI MSA)

Marcus & Millichap  
THE SULO GROUP

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# OFFERING SUMMARY

## PROPERTY ADDRESS

### KinderCare

1404 Boone Aire Road  
 Florence, KY 41042

### OFFERING SUMMARY

|                          |                |
|--------------------------|----------------|
| Price:                   | \$1,301,000    |
| Cap Rate:                | 7.25%          |
| Net Operating Income:    | \$94,323       |
| Building Square Footage: | 5,492 Sq Ft    |
| Year Built:              | 2000           |
| Lot Size:                | +/- 0.92 Acres |

### LEASE SUMMARY

|                         |                        |
|-------------------------|------------------------|
| Tenant:                 | REE Midwest, Inc.      |
| Guaranty:               | Corporate              |
| Lease Commencement:     | 7/1/2014               |
| Rent Commencement:      | 7/1/2014               |
| Lease Expiration:       | 6/30/2034              |
| Lease Term:             | 7+ Years               |
| Lease Type:             | Absolute Net           |
| Roof and Structure:     | Tenant Responsible     |
| Rental Increases:       | 2.50% Annual Increases |
| Renewal Options:        | Two, Five-Year         |
| Right of First Refusal: | None                   |

### OPERATING DATA

| Year             | Start Date | End Date  | Annual Rent | Cap Rate |
|------------------|------------|-----------|-------------|----------|
| 13               | 7/1/2026   | 6/30/2027 | \$94,323    | 7.25%    |
| 14               | 7/1/2027   | 6/30/2028 | \$96,681    | 7.43%    |
| 15               | 7/1/2028   | 6/30/2029 | \$99,098    | 7.62%    |
| 16               | 7/1/2029   | 6/30/2030 | \$101,575   | 7.81%    |
| 17               | 7/1/2030   | 6/30/2031 | \$104,114   | 8.00%    |
| 18               | 7/1/2031   | 6/30/2032 | \$106,717   | 8.20%    |
| 19               | 7/1/2032   | 6/30/2033 | \$109,385   | 8.41%    |
| 20               | 7/1/2033   | 6/30/2034 | \$112,120   | 8.62%    |
| 21-25 (Option 3) | 7/1/2034   | 6/30/2039 | \$114,923   | 8.83%    |
| 26-30 (Option 4) | 7/1/2039   | 6/30/2044 | \$130,025   | 9.99%    |

# 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 2025 revenues of \$2.73B, a 6.0% increase over the previous year.
- **7+ Years Remaining with 2.50% Annual Rental Increases**
  - KinderCare has over 7 years remaining after extending the lease an additional 5-years that doesn't expire until 2034.
  - The lease includes 2.50% annual rent increases to hedge inflation and two, five-year options to renew.
  - 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 \$83,000,000 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.
- **Cincinnati MSA (2,200,000+ People)**
  - Often called the "Queen City," is a vibrant Ohio River metropolis with over 309,000 residents (2.2 million metro) located at the border of Ohio and Kentucky.
  - The area's traditional employment bases in aerospace, automotive, chemistry and financial services will keep contributing to the metro's economic landscape.
  - The Cincinnati/Northern Kentucky International Airport ranks as one of the nation's largest cargo airports, positioning the metro as a regional distribution hub.



# 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



**DEMOGRAPHICS**

**POPULATION (2024):**

|               |         |
|---------------|---------|
| 1-Mile Radius | 6,457   |
| 3-Mile Radius | 54,790  |
| 5-Mile Radius | 119,815 |

**HOUSEHOLD INCOME (AVERAGE):**

|               |           |
|---------------|-----------|
| 1-Mile Radius | \$108,682 |
| 3-Mile Radius | \$99,881  |
| 5-Mile Radius | \$101,159 |

# 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/>

**\$2.73B**  
 2025 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  | <b>KinderCare Learning Centers</b> | <b>Oregon</b>  | <b>200,000</b>  | <b>2,400</b>        |
| 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                  |

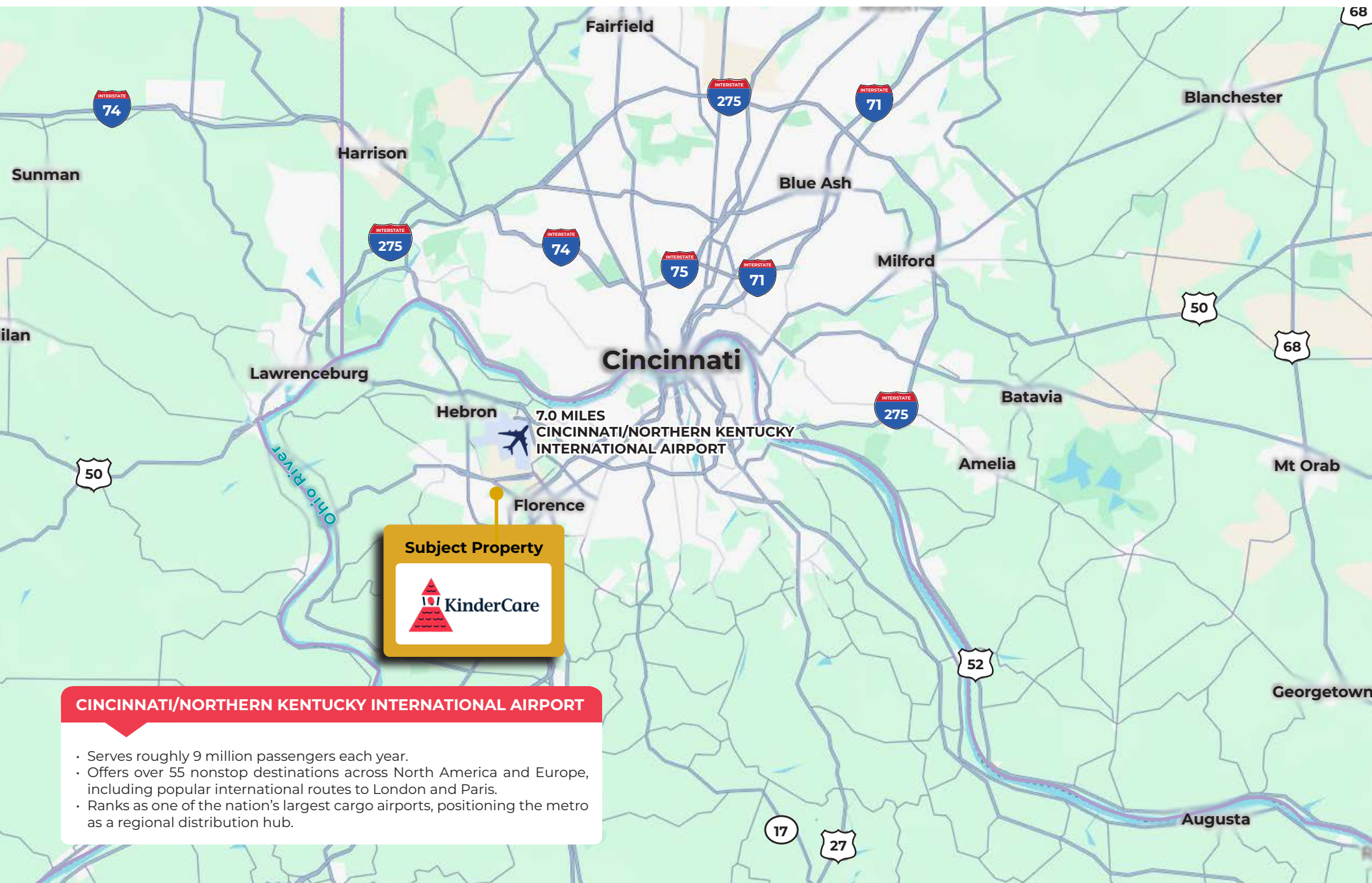
Based on data supplied by the organizations. Data on capacity is total licensed capacity as of January 1, 2025

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

# PROPERTY PHOTOS



# REGIONAL MAP



**Subject Property**



**KinderCare**

## CINCINNATI/NORTHERN KENTUCKY INTERNATIONAL AIRPORT

- Serves roughly 9 million passengers each year.
- Offers over 55 nonstop destinations across North America and Europe, including popular international routes to London and Paris.
- Ranks as one of the nation's largest cargo airports, positioning the metro as a regional distribution hub.

# AREA OVERVIEW

## FLORENCE

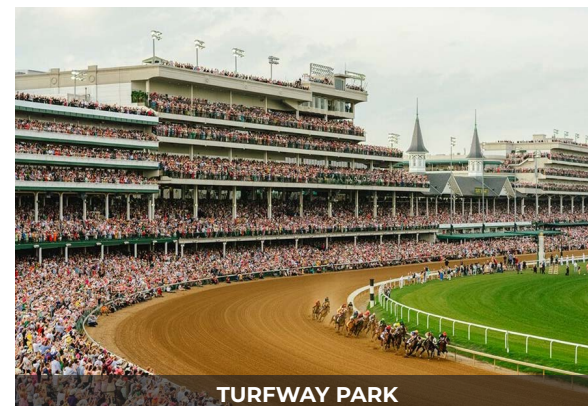
- Florence is Kentucky’s second-largest Northern Kentucky city. Situated along I-75 just south of Cincinnati, it is famous for its iconic “Florence Y’all” water tower.
- Catch a minor league baseball game at the Florence Y’alls ballpark or live harness racing and gaming at Turfway Park.
- Enjoy over 170 acres of park space, including the local skate park, disc golf courses, and aquatic center.
- The city is just a short drive from major regional destinations like the Ark Encounter and Creation Museum.
- The Florence Mall and the surrounding Mall Road district act as a regional shopping hub.
- The city sits directly adjacent to the Cincinnati/Northern Kentucky International Airport (CVG), making travel exceptionally easy.

## CINCINNATI

- Often called the “Queen City,” is a vibrant Ohio River metropolis with over 309,000 residents (2.2 million metro) located at the border of Ohio and Kentucky.
- Renowned for its affordability, booming culinary scene, and rich German heritage, it is famous for its unique regional chili, historic architecture, and massive street art collection.
- Neighborhoods like Over-the-Rhine (OTR) feature the largest collection of Italianate architecture in the country and are packed with acclaimed restaurants and breweries.
- Cincinnati is famous for its namesake chili (served over spaghetti or hot dogs) and is an emerging Midwest culinary destination boasting multiple James Beard finalists.
- It is home to world-class institutions like the Cincinnati Museum Center housed in the iconic Art Deco Union Terminal. The city also hosts Oktoberfest Zinzinnati, the largest Oktoberfest celebration in the country.
- The region is a major economic powerhouse, home to eight Fortune 500 company headquarters including Procter & Gamble, Kroger, and Fifth Third Bank.
- Cincinnati offers professional baseball, football, hockey, soccer and horse racing.
- A number of universities have main campuses in the area: the University of Cincinnati, Xavier University, Northern Kentucky University and Miami University.

## ECONOMY

- State tax credit initiatives like the Job Creation Tax Credit, Research and Development Tax Credit, and the Ohio Opportunity Zones Tax Credit Program help to attract businesses to the state and to Cincinnati.
- The area’s traditional employment bases in aerospace, automotive, chemistry and financial services will keep contributing to the metro’s economic landscape.
- The Cincinnati/Northern Kentucky International Airport ranks as one of the nation’s largest cargo airports, positioning the metro as a regional distribution hub.



**TURFWAY PARK**



**NORTHERN KENTUCKY UNIVERSITY**




**GREAT AMERICAN BALL PARK**

# DEMOGRAPHICS

| POPULATION                         | 1-MILE           | 3-MILE          | 5-MILE           |
|------------------------------------|------------------|-----------------|------------------|
| 2010 Population                    | 5,166            | 49,779          | 107,504          |
| 2020 Population                    | 6,012            | 53,573          | 117,857          |
| 2024 Population                    | 6,457            | 54,790          | 119,815          |
| 2029 Population                    | 6,674            | 56,167          | 122,375          |
| HOUSEHOLDS                         |                  |                 |                  |
| 2010 Households                    | 2,176            | 19,409          | 40,809           |
| 2020 Households                    | 2,576            | 20,818          | 44,841           |
| 2024 Households                    | 2,825            | 22,163          | 47,374           |
| 2029 Households                    | 2,956            | 22,863          | 48,689           |
| OWNER OCCUPIED HOUSING UNITS       |                  |                 |                  |
| 2010 Owner Occupied Housing Units  | 73.2%            | 62.8%           | 65.7%            |
| 2020 Owner Occupied Housing Units  | 65.3%            | 62.6%           | 64.0%            |
| 2024 Owner Occupied Housing Units  | 66.2%            | 63.5%           | 65.0%            |
| 2029 Owner Occupied Housing Units  | 66.4%            | 63.7%           | 65.2%            |
| RENTER OCCUPIED HOUSING UNITS      |                  |                 |                  |
| 2010 Renter Occupied Housing Units | 21.9%            | 31.2%           | 28.2%            |
| 2020 Renter Occupied Housing Units | 30.4%            | 33.5%           | 31.2%            |
| 2024 Renter Occupied Housing Units | 29.3%            | 32.5%           | 30.3%            |
| 2029 Renter Occupied Housing Units | 29.1%            | 32.3%           | 30.0%            |
| AVERAGE HOUSEHOLD INCOME           | <b>\$108,682</b> | <b>\$99,881</b> | <b>\$101,159</b> |


AREA SNAPSHOT



119,815

POPULATION (5-MILE)


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164,135

DAYTIME POPULATION (5-MILE)


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0.9%

POPULATION GROWTH (2025-2029)

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\$108,682

AVERAGE HOUSEHOLD INCOME (1-MILE)