14+ Years Remaining | 2.00% Annual Increases in Rent | BJ's Wholesale Outparcel

RENDERED LOGO

OFFERING MEMORANDUM

MELBOURNE, FLORIDA

Marcus & Millichap
THE SULO GROUP

OFFERING SUMMARY

PROPERTY ADDRESS

Coastal Kids Academy
4950 Dairy Road
Melbourne, FL 32094

OFFERING SUMMARY	
Price:	$3,893,000
Cap Rate:	7.50%
Net Operating Income:	$291,996
Building Square Footage:	9,882 Sq Ft
Year Built | Renovated:	2004 | 2021
Lot Size:	+/- 0.92 Acres

LEASE SUMMARY	
Tenant:	4950 Dairy Rd, Inc.
Guaranty:	Personal
Lease Commencement:	6/1/2026
Rent Commencement:	6/1/2026
Lease Expiration:	5/31/2041
Lease Term Remaining:	14+ Years
Lease Type:	Absolute Net
Roof and Structure:	Tenant Responsible
Rental Increases:	2.00% Annual Increases
Renewal Options:	Two, Five-Year
Right of First Refusal:	None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
1	6/1/2026	5/31/2027	$291,996	7.50%
2	6/1/2027	5/31/2028	$297,840	7.65%
3	6/1/2028	5/31/2029	$303,792	7.80%
4	6/1/2029	5/31/2030	$309,864	7.96%
5	6/1/2030	5/31/2031	$316,056	8.12%
6	6/1/2031	5/31/2032	$322,380	8.28%
7	6/1/2032	5/31/2033	$328,824	8.45%
8	6/1/2033	5/31/2034	$335,400	8.62%
9	6/1/2034	5/31/2035	$342,108	8.79%
10	6/1/2035	5/31/2036	$348,948	8.96%
11	6/1/2036	5/31/2037	$355,932	9.14%
12	6/1/2037	5/31/2038	$363,048	9.33%
13	6/1/2038	5/31/2039	$370,308	9.51%
14	6/1/2039	5/31/2040	$377,712	9.70%
15	6/1/2040	5/31/2041	$385,272	9.90%
16-20 **(Option 1)**	6/1/2026	5/31/2041	$392,977	10.09%
21-25 **(Option 2)**	6/1/2026	5/31/2041	$433,879	11.15%

INVESTMENT HIGHLIGHTS

- **14+ Years Remaining with 2.00% Annual Increases in Rent**
  - Coastal Kids Academy signed a 15-year lease commencing in June of 2026, offering long-term cash flow through 2041 with two, five-year extension options immediately following the Base Term.
  - The lease is absolute net in nature, leaving the Landlord zero obligations with Tenant responsible for all maintenance, repair and replacement of the to the property.
  - 2.00% annual rental increases provide contractual rent growth for the remainder of the base lease term and the two, five-year option periods.

- **High Traffic Outparcel to BJ's Wholesale Club with over 65,000 Cars Per Day**
  - Per Placer.ai, this BJ's Wholesale Club has over 930,000 visitors annually, providing significant traffic through the area.
  - This site also ranks #19 out of 41 in the state of FL.
  - There are combined traffic counts of over 65,000 cars per day along Palm Bay Rd and Dairy Rd.

- **Over $97,000,000 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 are more likely to enroll in college and potentially experience higher earnings in adulthood.

- **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.

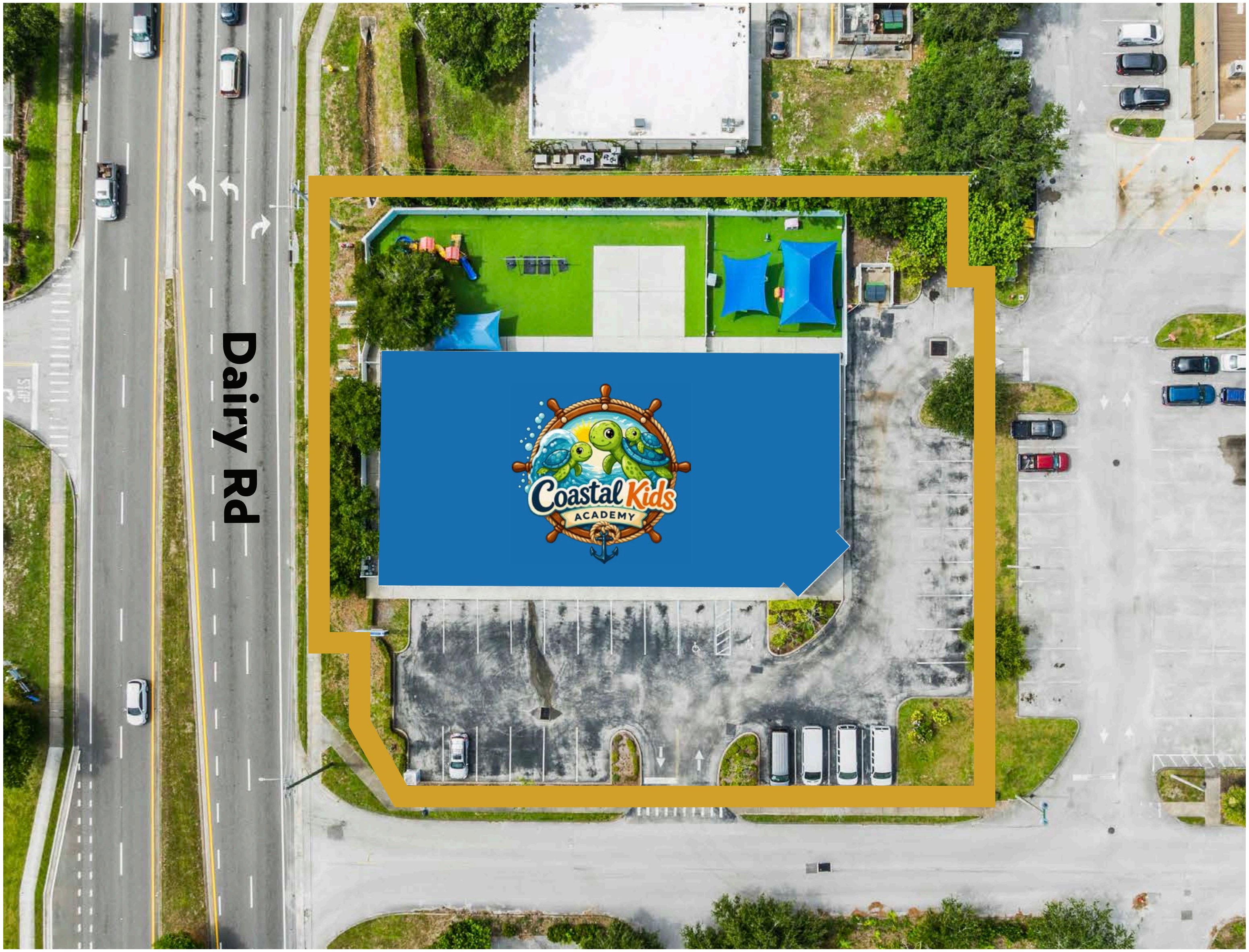
The market is benefiting from the advancement of learning technologies for children. Educational tools like Starfall, based on advanced technology, are transforming the U.S. childcare market by providing engaging activities and games for children to learn art, languages, and mathematics.

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



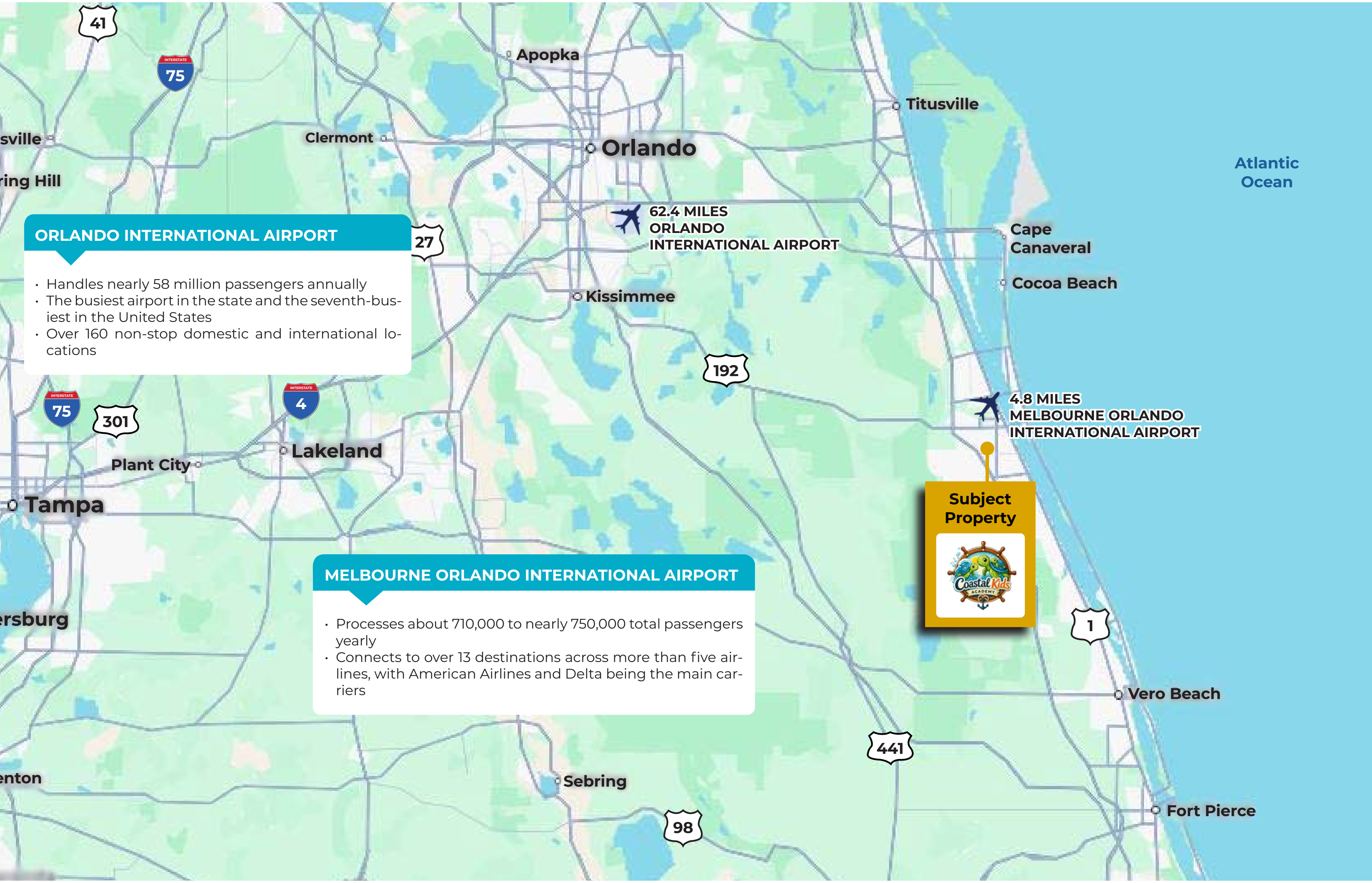
AERIAL OVERVIEW

AERIAL OVERVIEW

Trillium Apartments
256 Units
Mode at Melbourne
166 Units
ANYTIME FITNESS
RAC
Jersey Mike's SUBS
metro by T-Mobile
Publix
U-HAUL
chili's
PAPA JOHNS
BANK OF AMERICA
boostmobile
Domino's
FAMILY DOLLAR
NAPA
BURGER KING
CITI TRENDS
Bubbakoo's Burritos
WING STOP
tropical SMOOTHIE CAFE
Harvard Apartments
276 Units
Marin at Harvard
112 Units
O'Reilly AUTO PARTS
TACO BELL
FRESENIUS KIDNEY CARE
The Park at Topaz Tuscana
224 Units
Shore Lanes
Parasol Melbourne
159 Units
WALGREENS
Dairy Rd
19,095 CPD
Subject Property
Coastal Kids Academy
Oakwood Villas
Palm Bay Rd NE
46,296 CPD
Cracker Barrel Old Country Store

PROPERTY PHOTOS

REGIONAL MAP



ORLANDO INTERNATIONAL AIRPORT

- Handles nearly 58 million passengers annually
- The busiest airport in the state and the seventh-busiest in the United States
- Over 160 non-stop domestic and international locations

MELBOURNE ORLANDO INTERNATIONAL AIRPORT

- Processes about 710,000 to nearly 750,000 total passengers yearly
- Connects to over 13 destinations across more than five airlines, with American Airlines and Delta being the main carriers

AREA OVERVIEW

MELBOURNE

- It sits astride the Indian River Lagoon, with a large portion of the city located on Florida's mainland, and a portion located on a barrier island. The Indian River Lagoon separates the mainland from the beachside barrier island.
- The city of Melbourne is 70 miles southeast of Orlando and 180 miles north of Miami.
- Melbourne is the economic engine of Brevard County, capitalizing on high-tech industries, location on the Space Coast and our established relationships with the region's educational and research leaders.
- Melbourne's historic downtowns provide ever increasing entertainment options and unique retail choices.
- Melbourne's unparalleled natural amenities and a strong sense of community stewardship make the city one of the best places to live, work and raise a family.
- Visitors and residents alike can enjoy a host of activities four seasons long, including quaint downtowns filled with shopping, arts, dining, and local theater; hiking or cycling on miles of trails; kayaking, stand-up paddle boarding, sailing or boating on the scenic Indian River Lagoon; and surfing, fishing or strolling beaches along the Atlantic.
- Top local attractions include the Brevard Zoo, named one of the top 10 zoos in the United States by USA Today, and Kennedy Space Center Visitor Complex, named one of the top 10 museums in the United States by Trip Advisor.
- Cruise-seekers need look no further than Port Canaveral, located just 20 minutes north of Melbourne. One of the busiest cruise ports in the world, Port Canaveral is a hub for Disney, Norwegian, Royal Caribbean and Carnival cruise lines.
- Historic Downtown Melbourne is a vibrant shopping and entertainment destination on Florida's Space Coast. Home to unique stores like Downtown Divas, The Flop Shop, The Irish Shop, Indian River Soap, and many more, you'll be able to find one-of-a-kind items and gifts. And while down there, enjoy a meal at one of the 20 places to choose from.
- Kennedy Space Center and Cape Canaveral Air Station are economic drivers, drawing companies such as SpaceX and Boeing to the area, which creates many high-paying, technically skilled jobs.
- Warm winter weather, sandy beaches, and an abundance of activities and attractions support a robust tourism industry that brings in billions of dollars annually.

KENNEDY SPACE CENTER VISITOR COMPLEX

UNIVERSITY OF CENTRAL FLORIDA

BREVARD ZOO

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	7,632	66,595	125,200
2020 Population	10,082	77,216	145,178
2024 Population	10,828	81,271	157,723
2029 Population	11,394	83,874	165,222
HOUSEHOLDS			
2010 Households	3,725	28,225	51,690
2020 Households	4,812	32,451	59,032
2024 Households	5,354	34,908	65,270
2029 Households	5,636	36,190	68,529
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	44.7%	58.7%	59.2%
2020 Owner Occupied Housing Units	47.6%	59.1%	61.4%
2024 Owner Occupied Housing Units	46.9%	59.2%	62.0%
2029 Owner Occupied Housing Units	46.7%	59.2%	62.2%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	34.8%	27.6%	27.3%
2020 Renter Occupied Housing Units	38.8%	31.6%	29.7%
2024 Renter Occupied Housing Units	39.3%	31.5%	29.2%
2029 Renter Occupied Housing Units	39.4%	31.4%	29.0%
AVERAGE HOUSEHOLD INCOME	**$76,928**	**$87,017**	**$88,281**

AREA SNAPSHOT

157,723
POPULATION (5-MILE)

157,022
DAYTIME POPULATION (5-MILE)

4.3%
POPULATION GROWTH (2024-2029)

$76,928
AVERAGE HOUSEHOLD INCOME (1-MILE)

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