Montessori Kids Universe™

New 2023 Construction | 14+ Years Remaining w/ 2.00% Annual Increases | AHHI Exceeds $159,000 in 1-Mile

RENDERED SIGNAGE

OFFERING MEMORANDUM

COMMERCE TOWNSHIP, MICHIGAN (DETROIT MSA)

Marcus & Millichap
THE SULO GROUP

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Exclusively Listed by:

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

Broker of Record:
Paul Kerber
Southfield, MI
Tel: (248) 415-2600
License: 6502433613

Marcus & Millichap

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

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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.

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OFFERING SUMMARY

PROPERTY ADDRESS

Montessori Kids Universe
2855 Haggerty Road
Commerce Township, MI 48390

OFFERING SUMMARY	
Price:	$5,510,000
Cap Rate:	7.50%
Net Operating Income:	$413,280
Building Square Footage:	11,860 Sq Ft
Year Built:	2023
Lot Size:	+/- 1.80 Acres

LEASE SUMMARY	
Tenant:	Johnston Montessori LLC
Guaranty:	Personal & Limited Corporate
Lease Commencement:	5/23/2025
Rent Commencement:	9/1/2025
Lease Expiration:	8/31/2040
Lease Term Remaining:	14+ Years
Lease Type:	Triple Net
Structure and Foundation:	Landlord Responsible
Rental Increases:	2.00% Annually
Renewal Options:	Three, Five-Year
Right of First Refusal:	None

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
2	9/1/2026	8/31/2027	$413,280	7.50%
3	9/1/2027	8/31/2028	$421,546	7.65%
4	9/1/2028	8/31/2029	$429,977	7.80%
5	9/1/2029	8/31/2030	$438,576	7.96%
6	9/1/2030	8/31/2031	$447,348	8.12%
7	9/1/2031	8/31/2032	$456,295	8.28%
8	9/1/2032	8/31/2033	$465,420	8.45%
9	9/1/2033	8/31/2034	$474,729	8.62%
10	9/1/2034	8/31/2035	$484,223	8.79%
11	9/1/2035	8/31/2036	$493,908	8.96%
12	9/1/2036	8/31/2037	$503,786	9.14%
13	9/1/2037	8/31/2038	$513,862	9.33%
14	9/1/2038	8/31/2039	$524,139	9.51%
15	9/1/2039	8/31/2040	$534,622	9.70%
16-20 **(Option 1)**	9/1/2040	8/31/2045	$545,314	9.90%
21-25 **(Option 2)**	9/1/2045	8/31/2050	$602,071	10.93%
26-30 **(Option 3)**	9/1/2050	8/31/2055	$664,735	12.06%

***The Corporate Guaranteed Obligations shall be limited to an amount equal to two (2) full years of Rent, and this Guaranty shall terminate on the last day of Lease Year 5.**

INVESTMENT HIGHLIGHTS

- **14+ Years Remaining with 2.00% Annual Increases**
  - Montessori Kids Universe signed a new 15-year lease at the subject property in 2025.
  - The lease has no day-to-day landlord responsibilities and offers 2.00% annual increases throughout the base term.
  - In addition to the 15-year base lease term, the tenant has three, five-year options to renew with the same rent increase structure annually.

- **Over $163,000,000 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.

- **Detroit MSA – Densely Populated with Nearly 160,000 People in 5-Miles**
  - The Detroit Metropolitan Statistical Area (MSA) is quite large, encompassing 6 counties in Southeast Michigan: Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne. Its estimated population in 2024 was 4,400,578, making it the 14th largest metro area in the US.
  - The Detroit MSA anchors the second-largest regional economy in the Midwest, after Chicago.
  - Detroit's economy is diversifying beyond its traditional automotive base, with growth in sectors like technology, healthcare, and manufacturing. This economic revitalization is attracting new residents and increasing the demand for housing, benefiting property investors.
  - The city has seen significant investments in infrastructure, technology, and entrepreneurship, revitalizing areas like Downtown Detroit and the Detroit Riverfront.

- **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.

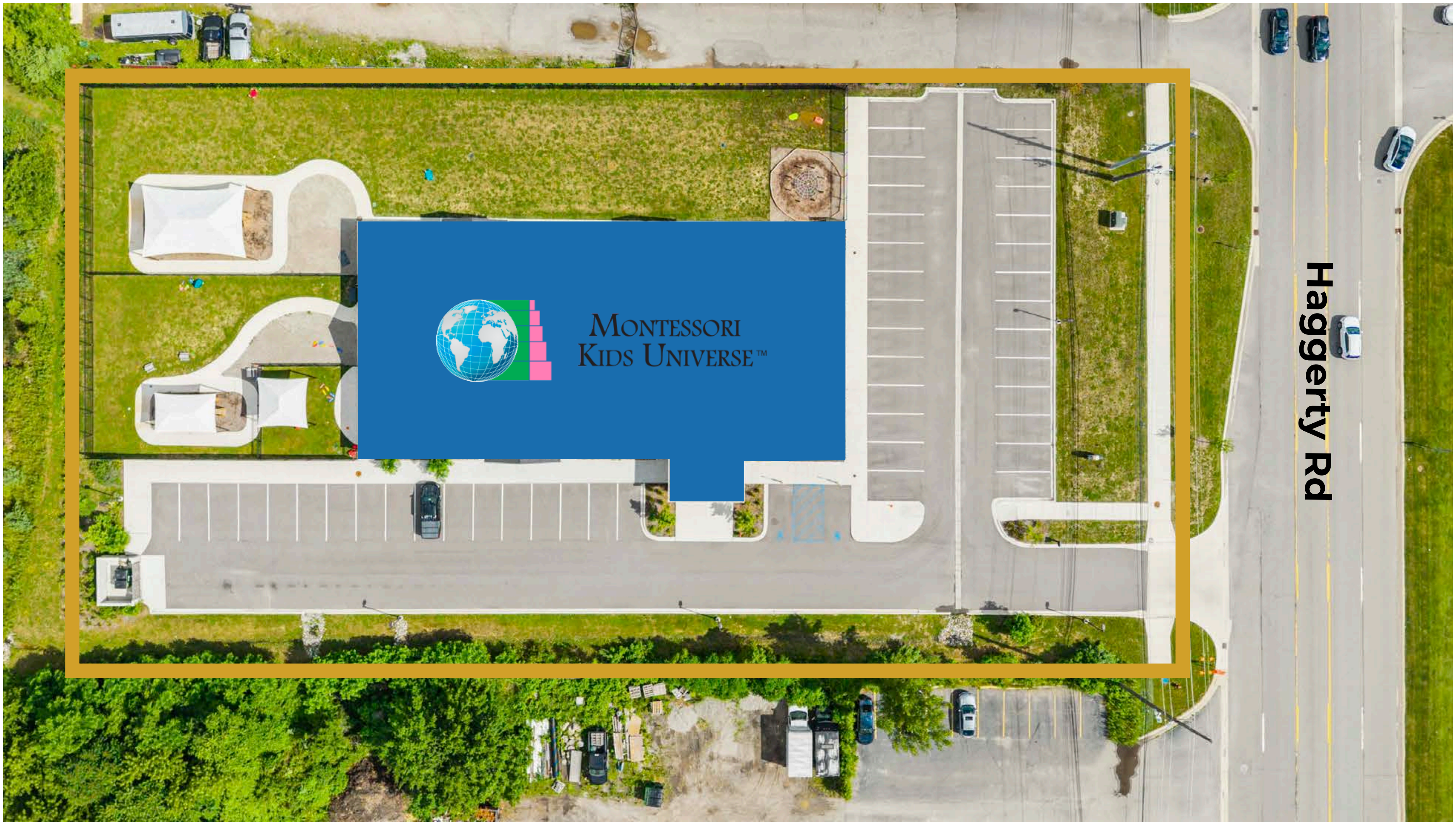
The market is benefiting from the advancement of learning technologies for children. Educational tools like Starfall, based on advanced technology, are transforming the U.S. childcare market by providing engaging activities and games for children to learn art, languages, and mathematics.

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

AERIAL OVERVIEW

DEMOGRAPHICS

POPULATION (2024):

1-Mile Radius	4,459
3-Mile Radius	53,986
5-Mile Radius	157,835

HOUSEHOLD INCOME (AVERAGE):

1-Mile Radius	$159,216
3-Mile Radius	$137,686
5-Mile Radius	$137,863

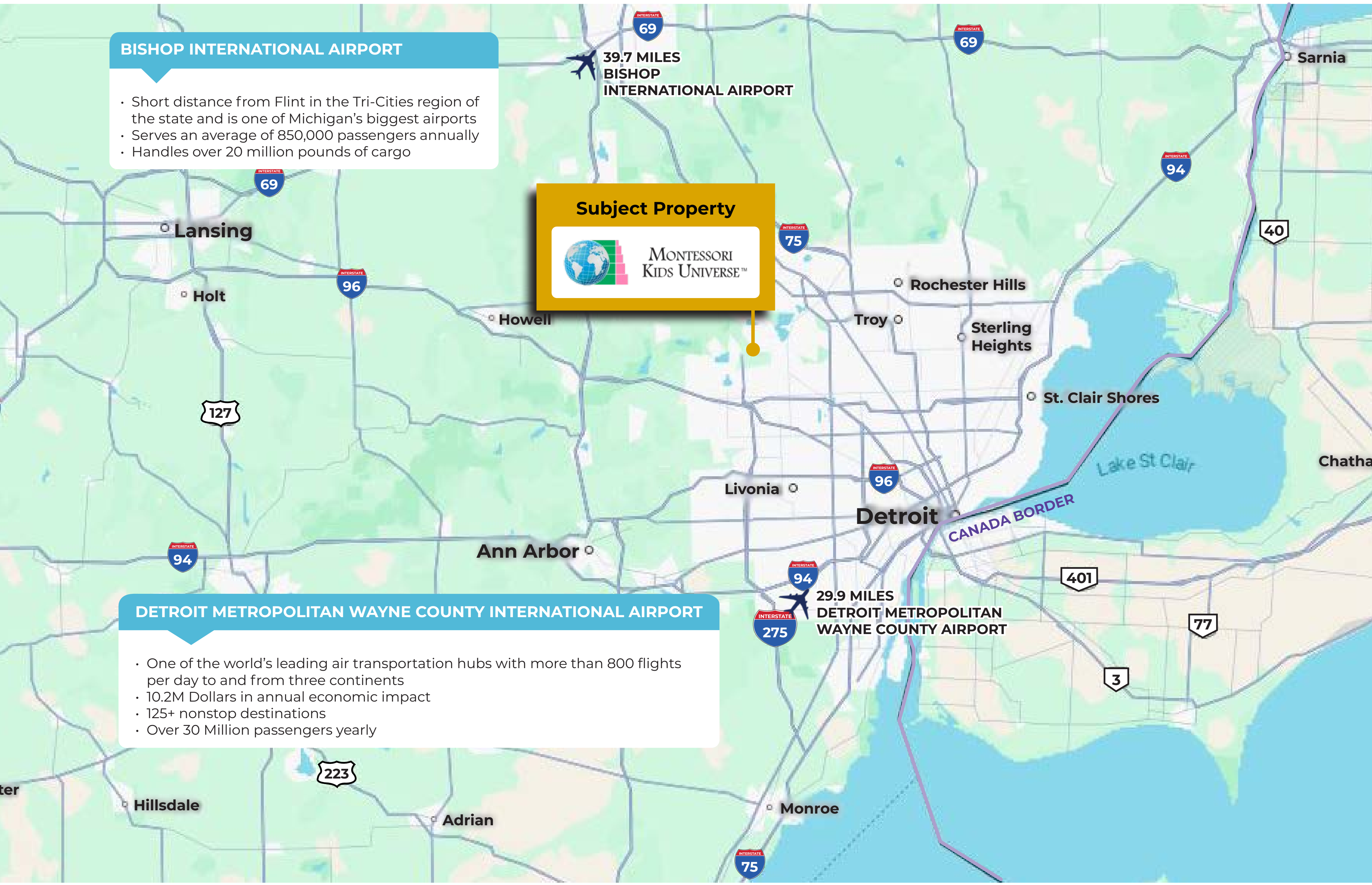
TENANT PROFILE

Montessori Kids Universe family of schools strives to create an authentic Montessori and Reggio inspired environment by following the highest and best industry practices aligning with the teachings of Dr. Maria Montessori, Reggio Emilia and the National Association for the Education of Young Children (NAEYC). It is a goal of every Montessori Kids Universe school to create a safe, nurturing environment that fosters independence, creativity and support for the whole child.

Through our time-tested authentic Montessori curriculum, integrated with our Reggio inspired enrichment component; the child's young mind ignites with creativity. Our children are free to make decisions through guidance from our nurturing teachers. Our proprietary enrichment curriculum; DaVinci Kids inspires children to explore the world through the arts and sciences. This time-tested approach instills a love of learning and independent thinking in our children.

Company Type:	Private
Location:	Palm Beach Gardens, Florida (43+ Locations in the U.S.)
Website:	https://montessorikidsuniverse.com/

REGIONAL MAP



BISHOP INTERNATIONAL AIRPORT

- Short distance from Flint in the Tri-Cities region of the state and is one of Michigan's biggest airports
- Serves an average of 850,000 passengers annually
- Handles over 20 million pounds of cargo

DETROIT METROPOLITAN WAYNE COUNTY INTERNATIONAL AIRPORT

- One of the world's leading air transportation hubs with more than 800 flights per day to and from three continents
- 10.2M Dollars in annual economic impact
- 125+ nonstop destinations
- Over 30 Million passengers yearly

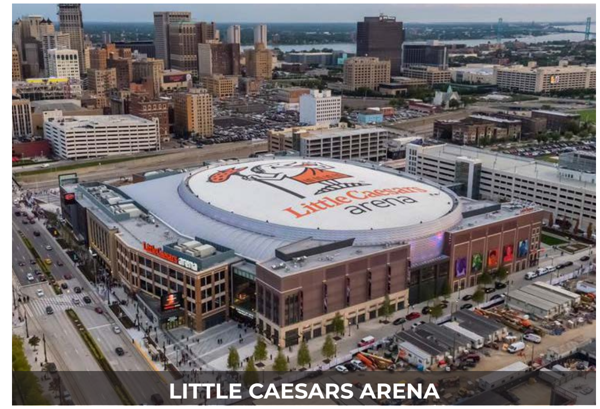
AREA OVERVIEW

COMMERCE TOWNSHIP

- As a western suburb of Metro Detroit, Commerce Township is about 32 miles northwest of the city of Detroit.
- The cities of Walled Lake and Wixom border to the south, and the township contains the village of Wolverine Lake.
- Originally settled as a resort destination, the township has seen a large population increase of permanent residents due to the township's rural environment and recreation areas, including most of Proud Lake State Recreation Area.
- Proud Lake Recreation Area, with just over 3,000 acres, is located on the scenic Huron River in Oakland County and offers diverse and plentiful recreational opportunities.
- The Huron River runs mostly north–south through the township, and the township also contains numerous lakes.
- The West Oakland Railroad Museum and see the history and artifacts affiliated with the Chi-Town Union Station, world's largest O-scale model railroad layout 10,000 square feet five to seven layers deep, and home of the world record longest model train, (1205 freight cars and 26 locomotives).

DETROIT

- Known for Motown and the auto industry, the Detroit metro is located in the southeastern portion of Michigan along the Detroit River, which connects Lake St. Clair and Lake Erie. Across the Detroit River lies the city of Windsor, Ontario, which provides easy access to the Canadian market.
- The Detroit Center for Innovation and the Michigan Central Innovation Center are under construction downtown, aiming to make the region competitive in a variety of tech industries.
- Revitalization has included sports facilities, such as Comerica Park for the Tigers, Ford Field for the Lions, and Little Caesars Arena for the Red Wings and Pistons. Additionally, new entertainment and retail venues are reshaping downtown Detroit. The region is also home to the Detroit Institute of Arts, the Detroit Historical Museum and the Michigan Science Center.
- Universities and colleges located nearby include the University of Michigan, Wayne State University, University of Detroit Mercy, and Lewis College of Business.
- Fortune 500 companies based in the metro include many in the auto industry, such as Ford Motor Co., General Motors Corp. and Penske Automotive Group.
- A growing knowledge-based economy is supplementing the manufacturing and automotive industries. The New Economy Initiative for Southeast Michigan provides support and networking for entrepreneurial activity.



LITTLE CAESARS ARENA


UNIVERSITY OF MICHIGAN


PROUD LAKE STATE RECREATION AREA

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	4,025	52,932	151,143
2020 Population	4,493	54,841	159,653
2024 Population	4,459	53,986	157,835
2029 Population	4,503	54,261	158,511
HOUSEHOLDS			
2010 Households	1,395	20,658	59,385
2020 Households	1,541	22,005	64,761
2024 Households	1,564	22,287	65,660
2029 Households	1,581	22,496	66,321
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	85.6%	73.1%	71.0%
2020 Owner Occupied Housing Units	89.6%	73.4%	70.5%
2024 Owner Occupied Housing Units	89.1%	73.4%	70.4%
2029 Owner Occupied Housing Units	89.0%	73.4%	70.4%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	8.6%	19.8%	21.9%
2020 Renter Occupied Housing Units	6.6%	20.9%	24.4%
2024 Renter Occupied Housing Units	7.0%	21.0%	24.4%
2029 Renter Occupied Housing Units	7.1%	20.9%	24.4%
AVERAGE HOUSEHOLD INCOME	**$159,216**	**$137,686**	**$137,863**

AREA SNAPSHOT

157,835
POPULATION (5-MILE)

129,353
DAYTIME POPULATION (5-MILE)

0.7%
POPULATION GROWTH (2023-2028)

$159,216
AVERAGE HOUSEHOLD INCOME (1-MILE)