



Corporate Guarantee from KinderCare | Absolute Net Lease - Zero Landlord Responsibilities | 22+ Year Operating History



OFFERING MEMORANDUM

MONROEVILLE, PENNSYLVANIA (PITTSBURGH 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

Sam Malato

Director Investments
CHICAGO OAKBROOK
Tel: (630) 570-2263
SMalato@marcusmillichap.com
License: IL 475.179469

Patrick Dluzniewski

Associate Investments
CHICAGO OAKBROOK
Tel: (630) 570-2213
PDluzniewski@marcusmillichap.com
License: IL 475.194110

Broker of Record:

Timothy Stephenson, Jr.
Regional Manager
Philadelphia, PA
License: RMR006104
Firm License: RB062197C

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

KinderCare

2630 Pitcairn Road
Monroeville, PA 15146

OFFERING SUMMARY

Price:	\$2,600,000
Cap Rate:	7.50%
Net Operating Income:	\$195,000
Building Square Footage:	9,600 Sq Ft
Year Built Renovated:	1973 2004
Lot Size:	+/- 3.31 Acres

LEASE SUMMARY

Tenant:	KinderCare
Guaranty:	Corporate
Lease Commencement:	11/30/2004
Current Rent Commencement:	12/1/2019
Lease Expiration:	11/30/2032
Lease Term Remaining:	6+ Years
Lease Type:	Absolute Net
Roof and Structure:	Tenant Responsible
Rental Increases:	5.00% in 2029
Renewal Options:	Four, Five-Year
Right of First Refusal:	15 Business Days

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
21-25	12/1/2024	11/30/2029	\$195,000	7.50%
26-28	12/1/2029	11/30/2032	\$204,750	7.88%
29-33 (Option 1)	12/1/2032	11/30/2037	CPI increase, not to exceed 7%	
34-38 (Option 2)	12/1/2037	11/30/2042	CPI increase, not to exceed 7%	
39-43 (Option 3)	12/1/2042	11/30/2047	CPI increase, not to exceed 7%	
44-48 (Option 4)	12/1/2047	11/30/2052	CPI increase, not to exceed 7%	

INVESTMENT HIGHLIGHTS

- **Corporate Guaranty (NYSE: KLC) from the #1 Corporate Operator in the US**
 - Lease is backed by a corporate guaranty from KinderCare Learning Companies, the largest childcare operator in the U.S., with 2,600+ early learning programs across 42 states & Washington, D.C.
 - As the nation's leading childcare provider, KinderCare benefits from unparalleled brand recognition and operating scale, leveraging centralized operations, proprietary curriculum, and technology investments to support long-term tenant stability and occupancy performance.
- **Absolute NNN Lease | 5% Rental Increase in 2029**
 - Absolute NNN lease structure provides truly passive ownership with no landlord maintenance, repair, or capital expenditure responsibilities.
 - Scheduled 5% rent increase in 2029 increases the property's effective cap rate to approximately 7.88%.
 - Four additional five-year renewal options provide long-term income durability with CPI-based rental increases capped at 7%.
- **22+ Years of Successful Operations on a 3.31-Acre Campus**
 - KinderCare has operated at this location for more than 22 years, demonstrating a long-term commitment to the site and its surrounding community.
 - Originally constructed in 1973 and renovated in 2004 to KinderCare's specifications, the property has been purpose-built to support childcare operations.
 - Situated on a spacious 3.31-acre parcel, providing ample parking, outdoor play areas, and strong underlying real estate fundamentals.
- **Strategic Pittsburgh MSA Location**
 - Monroeville serves as a major commercial and retail destination in the eastern Pittsburgh suburbs, benefiting from strong commuter traffic, established residential neighborhoods, and regional accessibility.
 - Walmart's acquisition of the nearby Monroeville Mall and proposed redevelopment into a modern mixed-use destination highlights strong institutional confidence in the corridor and is expected to further enhance the area's long-term retail, employment, and economic fundamentals.



WHY BUY A DAYCARE CENTER?

High Growth Business - 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.

Recession, E-Commerce & AI Resistant - Early education is considered a recession-resistant asset class, as working parents continue to rely on childcare regardless of economic cycles. Unlike traditional retail properties vulnerable to e-commerce disruption or automation, daycare centers provide an essential service that remains dependent on physical locations, human oversight, and personal interaction.

Sticky Tenant Business Model - Childcare operators benefit from strong customer retention, as parents rarely switch schools after enrollment. Families often enroll multiple children within the same center and become a valuable source of referrals, supporting occupancy and long-term operating performance.

Strong Re-Tenancing Potential - Early education properties are easy to re-tenant, benefiting from consistent demand among national, regional, and local childcare operators. In addition, the flexible building layouts and ample parking can appeal to a variety of medical, educational, and service-oriented users, supporting long-term residual real estate value.

Institutionally Endorsed Investment Sector - Institutional capital has increasingly targeted the early education sector, investing in both childcare operating platforms and the real estate they occupy. This level of participation underscores investor confidence in the industry's long-term fundamentals and defensive characteristics driven by its essential-service nature, resilient demand profile, and favorable net lease characteristics.



4.18%
Annual Growth

Expected Growth Rate
from 2023 to 2030



\$60.4B
Industry

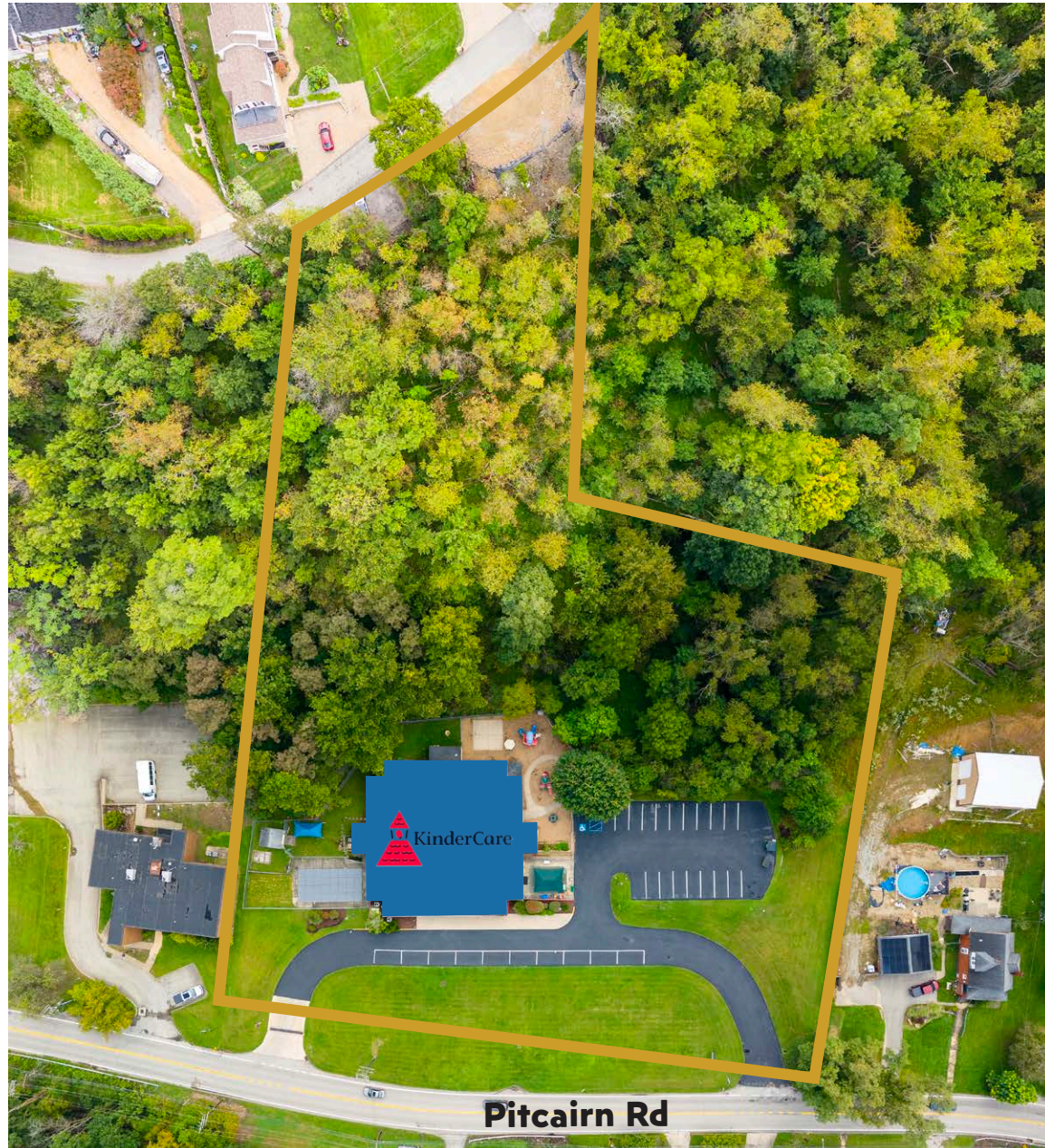
Expected to Grow to
\$83.6B by 2030



47%
Market Share

U.S. ECE Segment
in 2022

SITE PLAN



AERIAL OVERVIEW



AERIAL OVERVIEW



AERIAL OVERVIEW



TENANT PROFILE

Founded in 1969, KinderCare Learning Companies (NYSE: KLC) is the nation's largest private provider of early childhood education and care by center capacity. Through its family of brands, including KinderCare® Learning Centers, Champions®, and Crème de la Crème®, the company serves families across neighborhood-based centers, employer-sponsored child care facilities, and before and after school programs. KinderCare operates more than 2,600 centers and sites nationwide and maintains a presence in over 42 states and Washington, D.C.

KinderCare's national platform, established brand recognition, and extensive operating infrastructure have positioned the company as a leader within the highly fragmented early education industry. In 2024, KinderCare completed its initial public offering, further enhancing its access to capital and reinforcing its long-term growth strategy. With more than five decades of operating experience, a broad geographic footprint, and a proven track record of serving communities throughout the country, KinderCare remains one of the most established and recognizable names in the early childhood education sector.



Company Type: Public
Location: Lake Oswego, Oregon (2,600+ Locations)
Website: <https://www.kindercare.com/>

\$2.73B
 2025 Total Revenue

NYSE: KLC
 Publicly Traded Company

2,600+
 Locations Nationally



2025 | TOP 20 CORPORATE CHILD CARE COMPANIES

	ORGANIZATION	HEADQUARTERS	CAPACITY (EST.)	# OF CENTERS (EST.)
1	KinderCare Learning Centers	Oregon	200,000	2,600
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

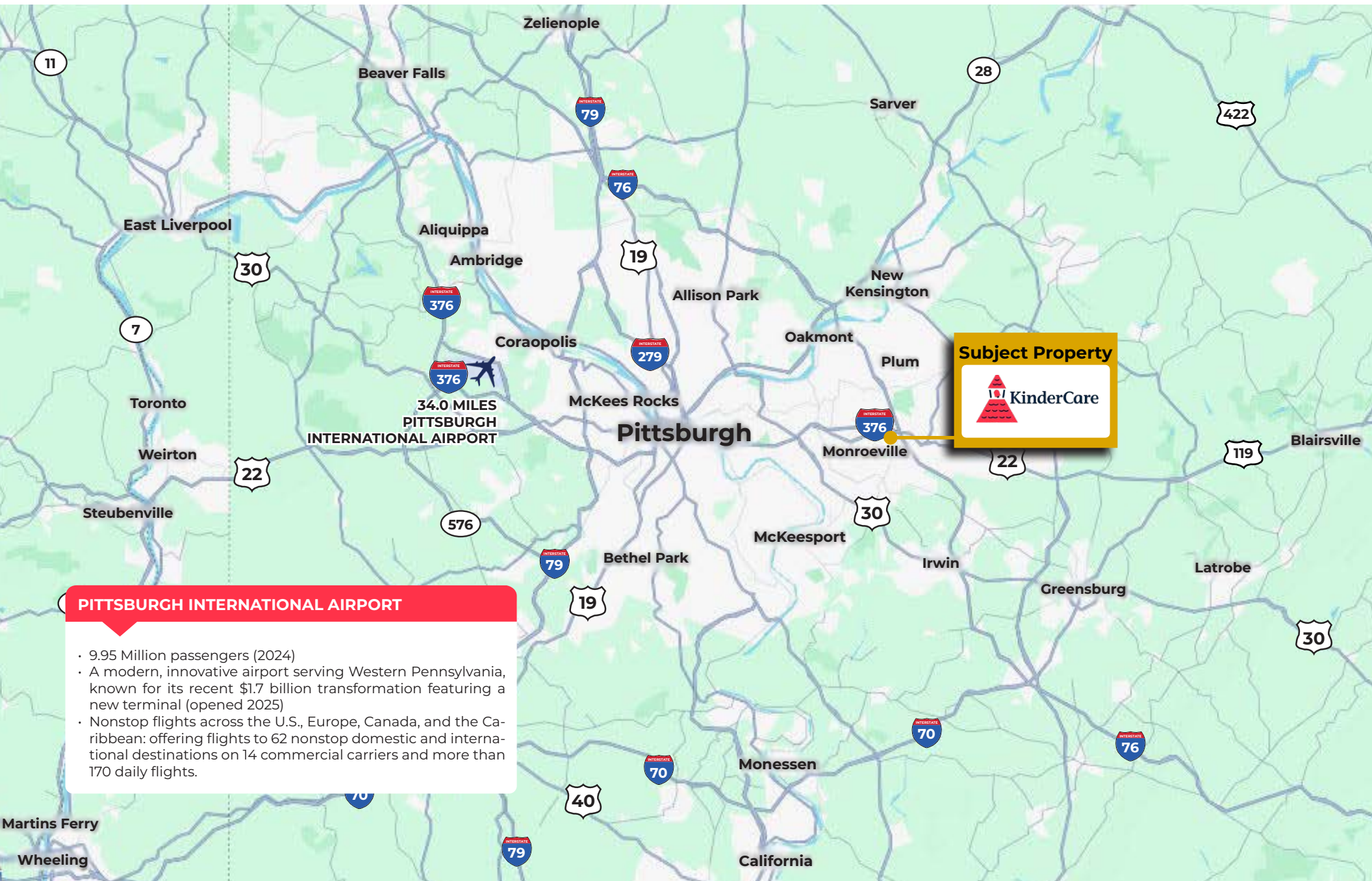
Based on data supplied by the organizations. Data on capacity is total licensed capacity as of January 1, 2025

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

PROPERTY PHOTOS



REGIONAL MAP



AREA OVERVIEW

MONROEVILLE

- Located just 12 miles east of downtown Pittsburgh, Monroeville serves as one of the premier retail, health-care, and commercial hubs in the eastern Pittsburgh suburbs, drawing consumers, employees, and visitors from across Allegheny and Westmoreland Counties.
- Monroeville benefits from exceptional regional connectivity via Interstates 376 and 76, with proximity to major employment centers throughout the Pittsburgh metropolitan area.
- Walmart recently acquired the 186-acre Monroeville Mall property and has proposed a transformative mixed-use redevelopment featuring retail, dining, entertainment, and public gathering spaces, underscoring significant institutional investment and long-term confidence in the corridor.
- Affluent local demographics include more than 57,000 households and average household incomes exceeding \$94,000 within a five-mile radius, supporting sustained demand for essential services such as childcare.

PITTSBURGH MSA

- The Pittsburgh MSA is supported by a highly diversified economy anchored by healthcare, higher education, technology, financial services, and advanced manufacturing, providing a stable foundation for long-term growth.
- Home to globally recognized institutions including UPMC, Carnegie Mellon University, and the University of Pittsburgh, the region continues to attract a highly educated workforce and foster innovation across multiple industries.
- Pittsburgh's resilient economic base, mature infrastructure, and historically stable real estate fundamentals have made the market a favored destination for investors seeking long-term stability and predictable demand drivers.

ECONOMY

- Once known primarily for steel production, Pittsburgh has successfully transformed into one of the nation's most diversified metropolitan economies, with leadership in healthcare, technology, education, robotics, and advanced manufacturing.
- The region is home to 10 Fortune 500 companies, including PNC Financial Services, WESCO International, U.S. Steel, PPG Industries, EQT Corporation, and Dick's Sporting Goods, supporting a deep and diverse employment base.
- The technology sector continues to expand through advancements in robotics, automation, life sciences, software development, biotechnology, and artificial intelligence, positioning Pittsburgh as a leading innovation hub in the Northeast.



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	6,420	39,624	128,447
2020 Population	6,574	39,380	127,354
2024 Population	6,486	38,611	124,321
2029 Population	6,527	38,649	123,962
HOUSEHOLDS			
2010 Households	3,212	17,612	56,830
2020 Households	3,232	17,649	56,980
2024 Households	3,269	17,786	57,151
2029 Households	3,297	17,885	57,281
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	27.4%	62.7%	65.0%
2020 Owner Occupied Housing Units	27.3%	61.3%	62.9%
2024 Owner Occupied Housing Units	27.6%	61.4%	62.9%
2029 Owner Occupied Housing Units	27.7%	61.4%	63.0%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	63.7%	30.1%	27.2%
2020 Renter Occupied Housing Units	65.7%	31.9%	29.6%
2024 Renter Occupied Housing Units	65.4%	31.8%	29.5%
2029 Renter Occupied Housing Units	65.3%	31.8%	29.5%
AVERAGE HOUSEHOLD INCOME	\$81,863	\$98,404	\$94,389

AREA SNAPSHOT



124,321
POPULATION (5-MILE)



57,151
DAYTIME POPULATION (5-MILE)



0.4%
POPULATION GROWTH (2025-2029)



\$94,389
AVERAGE HOUSEHOLD INCOME (5-MILE)