

Heritage Village Kindercare

13523 Baseline Ave | Fontana, CA 92336

OFFERING MEMORANDUM

Absolute NNN lease with strong performing KinderCare, the largest Child Care group in the US, in a high barriers of entry area of Fontana, CA

OFFERED AT

\$5,130,000

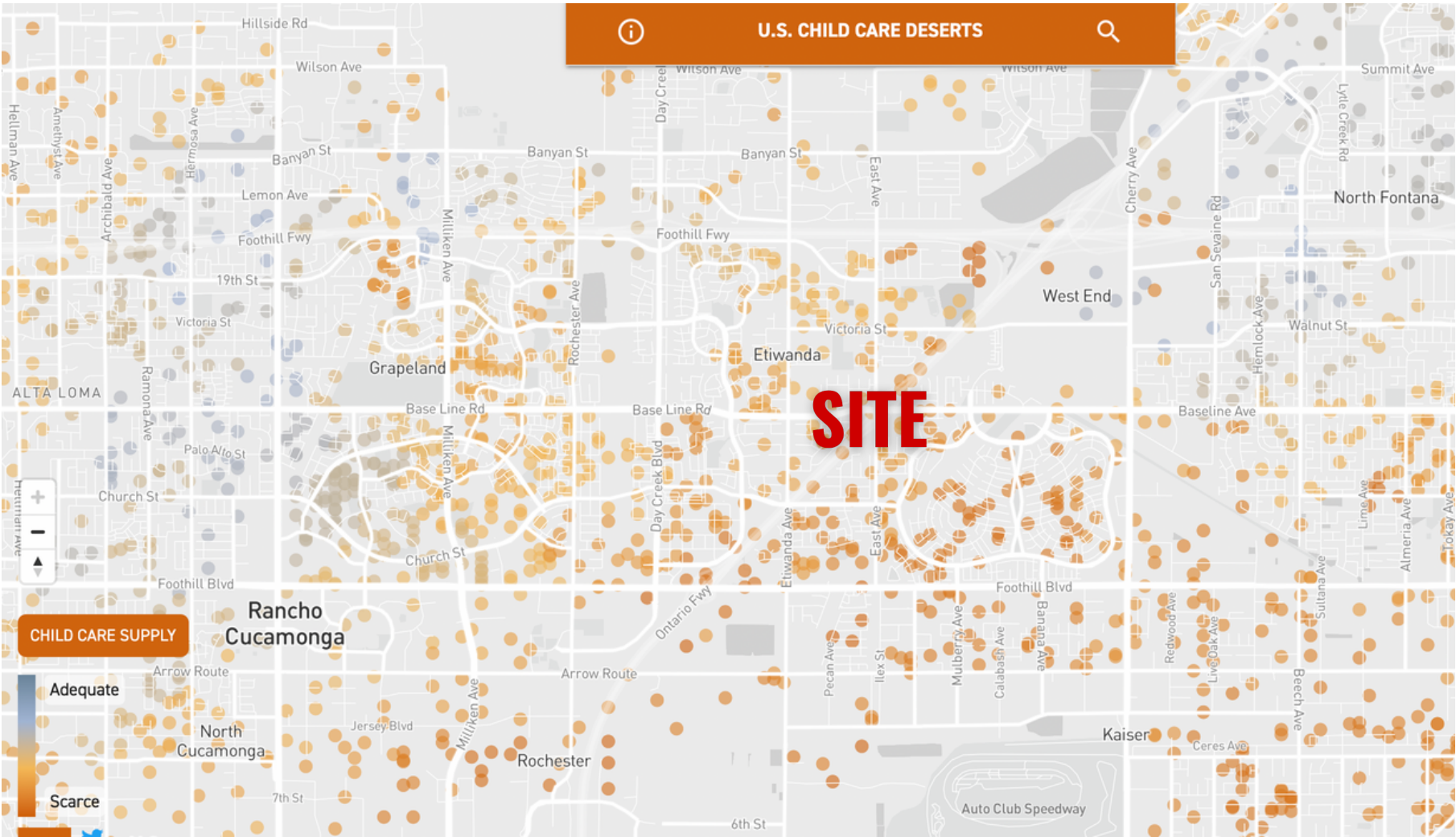
Alan Stahl

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alan@futureinsiterealty.com

PROPERTY OVERVIEW

13523 Baseline Ave, Fontana, CA 92336



Located in a "US Child Care Desert", which is an area that has a "scarce" amount of child care centers given the size of the population, this high performing KinderCare has a strong enrollment, and has increased tuition rates by approximately 25% since 2016, with preschooler rates nearly \$1400 in 2022 (\$1120 in 2016). Fontana is a very high barriers of entry market, with only 4 other national pre-schools within 3.4 miles servicing over 7,600 children.

Lease dated Dec. 5, 2003 by KinderCare Real Estate, LLC just extended another 10 years, with 4 (5) year options as follows**:

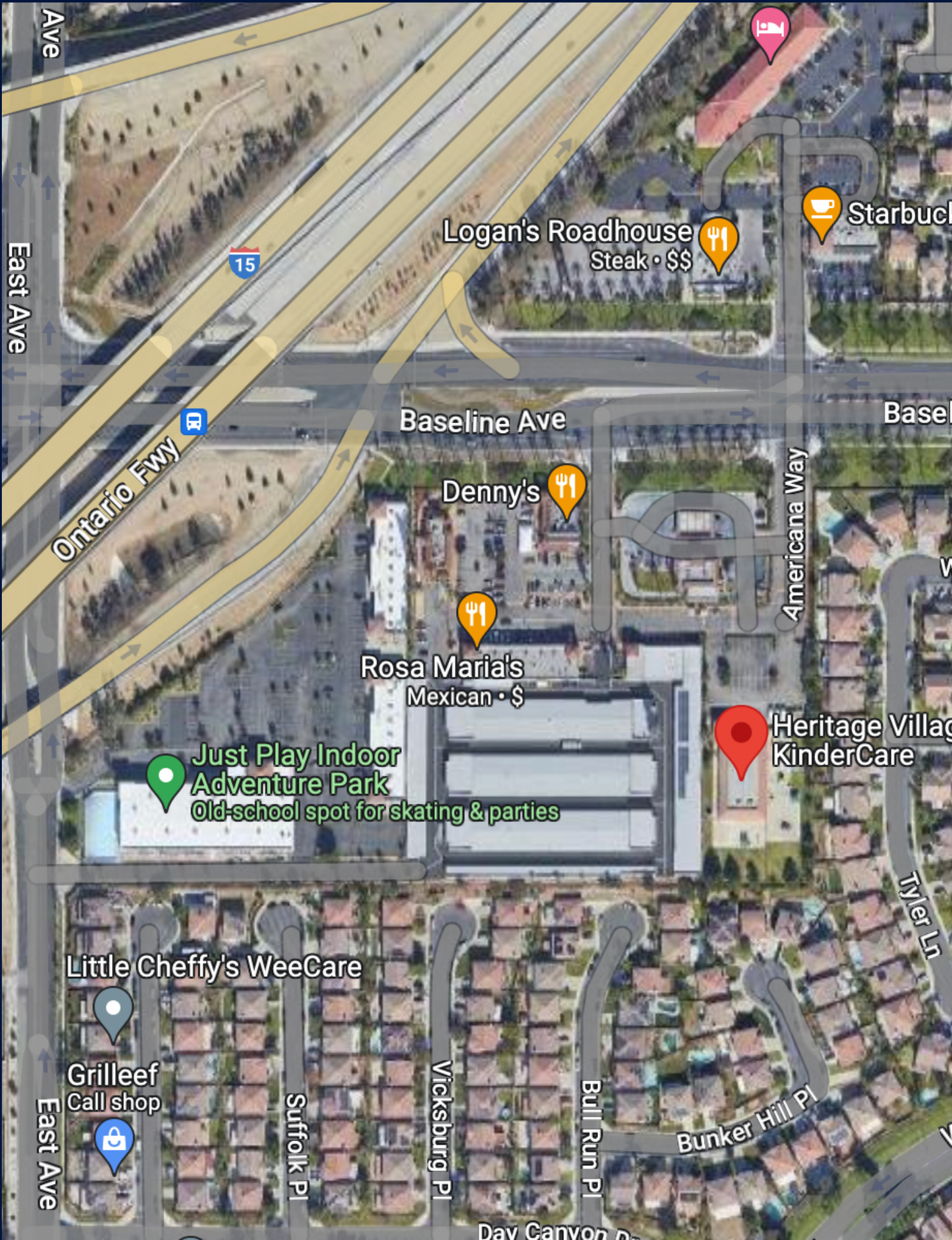
Year 6 of Term: 1/2029 at 8% bump -	\$318,600 (6.2% cap)
Option 1: 1/2034 at 8% bump -	\$ 344,088 (6.7% cap)
Option 2: 1/2039 at 9% bump -	\$ 375,056 (7.3% cap)
Option 3: 1/2044 at 10% bump -	\$ 412,562 (8% cap)
Option 4: 1/2049 at 10% bump -	\$ 453,818 (8.8% cap)

*Monthly rent for remainder of 2023 is based on \$243,645.60/year and free rent is provided to KinderCare for January - April 2024. Seller will provide Buyer with a credit at purchase for the 2023 shortfall of rent (\$4280/month of closing before January 1, 2024) and \$98,333 to compensate for the free rent between January - April 2024.

**Bumps assume rent adjustments are less than CPI

OFFERING SPECIFICS

Term Remaining	10+ Years + 4 (5) year options
NOI	\$295,000 Absolute NNN*
Sales Price	\$5,130,000
Cap Rate	5.75%
Year Built	2001
Building Size	9,967 +/-
Lot Size (Assessed)	1.69 Acres +/-



DEMOGRAPHICS

13523 BASELINE AVE | FONTANA, CA 92336

RESIDENTIAL POPULATION

	1-MILE	3-MILES	5-MILES
	18,167	120,630	291,654

POPULATION AGE 4 & UNDER

	1,102	7,567	20,355
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AVERAGE HOUSEHOLD INCOME

	\$134,573	\$129,236	\$110,719
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5 YEAR PROJECTED POP GROWTH

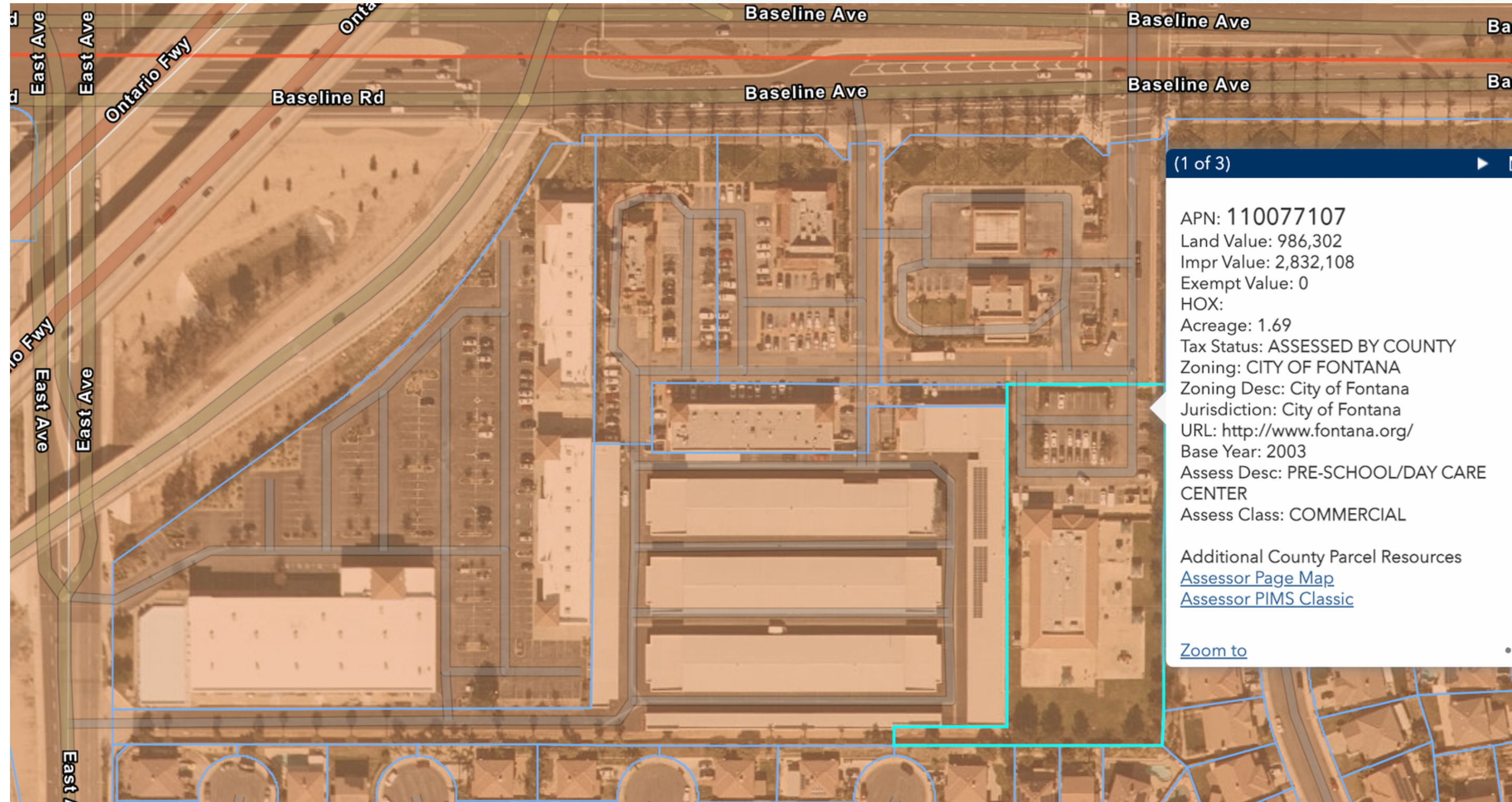
	1.7%	3.9%	3.7%
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MEDIAN AGE

	35	34	33
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Arial

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KINDERCARE OVERVIEW

Established in 1969, KinderCare is the largest for-profit provider of early childhood education in the United States. It corporately operates over 1,500 childcare centers across the country, primarily serving nearly 200,000 children ages six weeks to 12 years old in 40 States. It employs approximately than 35,000 people, including teachers and support staff.

In 2022, KinderCare was named Gallup's Exceptional Workplace for sixth consecutive year - one of only four companies to receive this recognition worldwide six years in a row. Additionally, their programs are accredited by organizations such as the National Association for the Education of Young Children (NAEYC) and the Council on Accreditation (COA), which recognize excellence in early childhood education.

Overall, KinderCare has established a strong reputation in the early childhood education industry for its commitment to quality, safety, and affordability, and it is a popular choice among families across the United States.

North America’s Largest For-Profit Child Care Organizations

ORGANIZATION	HEADQUARTERS	CEO/EXECUTIVE DIRECTOR	CENTERS	CAPACITY
KinderCare Learning Centers	Oregon	Tom Wyatt	1501	195000
Learning Care Group	Michigan	Mark Bierley	1071	161000
Bright Horizons	Massachusetts	Stephen Kramer	1081	120000
Primrose School Franchising Co.	Georgia	Mary Jo Kirchner	487	89563
Goddard Systems, Inc.	Pennsylvania	Dennis Maple	598	88878
Kiddie Academy	Maryland	Michael Miller	311	50907
Cadence Education	Arizona	Leigh-Ellen Louie	285	47861
Child Development Schools	Texas	David Evans	269	46000
Kids R Kids	Georgia	David Vinson	177	40000
Spring Education Group	California	Michael Collins	182	39488
The Learning Experience	Florida	Richard Weissman	220	39038
Busy Bees North America	Canada	Mary Ann Curran	150	22000
The Sunshine House	South Carolina	Wes Wooten	132	22000
Endeavor Schools	Florida	Ricardo Campo	94	19500
Premier Early Education	Illinois	George Fogel	90	15000
New Horizon Academy	Minnesota	Chad Dunkley	93	13811
Early Learning Academies	Virginia	Ron Packard	74	13700
Kids and Company, Ltd.	Canada	Victoria Sopik	141	13046
Big Blue Marble Academy, LLC	Alabama	Jeff Wahl	60	12349
Children of America	Florida	Ted Hockenberry	61	11285
Lightbridge Franchise C. LLC	New Jersey	Gigi Schweikert	68	11130
Children's Lighthouse	Texas	Patrick Brown	52	11000

Comparable Sales

13523 Baseline Ave | Fontana, CA 92336

Tenant	Property Address	Property City	State	Sale Price	Building SF	PPSF	Cap Rate	Yr Built	Sale Date
Kindercare	855 Paseo Westpark	Irvine	CA	\$6,300,000	9,783	\$ 644	4.40	2002	1/28/2022
KinderCare	932 Heatherpark Dr	Garner	NC	\$3,360,000	11,400	\$ 295	5.37	1998	5/26/2022
Kindercare	20245 N 67th Ave	Glendale	AZ	\$4,280,000	10,400	\$ 412	5.45	1995	8/19/2022
Kindercare	30061 Mound Rd	Warren	MI	\$4,126,000	10,782	\$ 383	5.50	2018	8/5/2022
KinderCare	3055 N Ankeny Blvd	Ankeny	IA	\$4,798,000	11,961	\$ 401	5.50	2018	4/11/2022
Kindercare	431 Drysdale Dr	Orange Park	FL	\$4,640,000	10,782	\$ 430	5.50	2018	6/29/2022
KinderCare	16780 Forest Rd	Forest	VA		10,782		5.75	2019	8/25/2022
KinderCare	55 Catalina Isle Dr	Merritt Island	FL	\$1,873,500	7,901	\$ 237	5.75	1985	9/23/2021
Kindercare	10406 N 51St Ave	Glendale	AZ	\$2,015,000	7,280	\$ 277	5.80	1982	10/29/2021
KinderCare	100 Pfund Ct	Oswego	IL	\$3,126,000	10,184	\$ 307	5.99	2000	6/20/2022

CONTACT INFORMATION



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MANAGING BROKER OF FUTURE IN-SITE REALTY ASSOCIATES, INC.

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Disclaimer: The information provided herein was obtained from sources believed reliable; however, Future In-Site Realty Associates, Inc. and Seller make no guarantees, warranties or representations as to the completeness or accuracy thereof including, but not limited to, the tuition rates, current occupancy, and demographics. The presentation of this property is submitted subject to errors, omissions, change of price or conditions, prior sale or lease, or withdrawal without notice.

ALAN STAHL

PRESCHOOL LANDLORD REPRESENTATIVE

Alan has been recognized as one of the most knowledgeable brokers in the child care industry. He personally owned and operated two schools over 18 years, and managed to develop, buy, sell, lease and renegotiate more than 50 child care leases for clients such as Kindercare, Tutor Time, The Learning Experience, and boutique Montessori preschools.

Previously, Alan has worked in the investment world for more than 50 years. He started his career running one of the most successful municipal and government bond firms over the course of 30 years, after which, in 1992, he founded Future In-Site Realty Associates, Inc. This company became a cornerstone for developing more than 50 preschools, as well as nearly 2,500 multi family units, and senior-housing projects.



"If you're interested in buying or selling a pre-school, Alan is the most knowledgeable person you can find. He owned and operated his own school, and as such his experience is invaluable. As a real estate developer for himself and for others, he is a true authority in the marketplace. I was fortunate to be able to invest with Alan in real estate several years ago. He became my teacher and my friend. Alan is honest and forthright. He's a great mentor and a guide, and most certainly an advisor you can trust."

- Adrienne Rubin

Tutor Time Landlord

HOW WE CAN HELP

SELL YOUR BUILDING

We've developed a deep understanding of the child care space through personally developing, operating, and representing countless preschools. Needless to say, we leverage that knowledge to best represent you in selling your child care building.

RENEGOTIATE YOUR EXISTING PRESCHOOL LEASE

Whether your tenant's option is up for renewal, or they are asking for a rental reduction, bring us in to level the playing field so you make the right decision.

PURCHASE OPERATING PRESCHOOLS

As specialists in the child care industry, we know when a new child care center will be sold, for how much, and the likelihood it will perform well. We have selected locations for child care centers in over 15 States - leverage our national experience.

DEVELOP CHILD CARE CENTERS

Do you have a site that you believe would work for a child care center? With our relationship with The Learning Experience, we are able to write a Letter of Intent and enter into leases within weeks of receiving a site submittal nationwide.

SELL YOUR PRESCHOOL BUSINESS

We have franchised and sold many child care businesses over the years, and would be able to advise you on what the market rate is for selling a preschool operation.



"When I first co-founded Tutor Time, Alan was the highest producing developer in California. Later on when electing to expand in CA again with The Learning Experience, we tapped Alan as a real estate broker, who has been integral to our site expansion in CA."

- Richard Weissman | CEO and Founder of The Learning Experience