

BUSY BEES - 12 YR ABS NNN

3300 E UNION HILLS DR, PHOENIX, AZ 85050

- » 990+ UNIT GLOBAL OPERATOR
- » LOW PRICE POINT CHILDCARE CENTER
- » AFFLUENT DEMOGRAPHICS - \$111,068 AVERAGE HOUSEHOLD INCOME WITHIN A 5 MILE RADIUS



OFFERING MEMORANDUM

Marcus & Millichap



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**SUNSET CANYON
ELEMENTARY SCHOOL**



**QUAIL RUN
ELEMENTARY SCHOOL**

**SHELL OFFICE
CONDOS**



Mission Valley Church



**PARADISE VALLEY
COMMUNITY COLLEGE**
9,477 STUDENTS

**VISTA VERDE
MIDDLE SCHOOL**

PARADISE VALLEY
GOLF COURSE

BROOKDALE
SENIOR LIVING

**CAMPO BELLO
ELEMENTARY SCHOOL**

PARADISE VALLEY
PARK

**PARADISE VALLEY
COMMUNITY CENTER**



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Executive Summary

3300 E Union Hills Dr, Phoenix, AZ 85050

FINANCIAL SUMMARY

Price	\$3,422,000
Cap Rate	6.75%
Building Size	9,492 SF
Net Cash Flow	6.75% \$230,968
Year Built	1990
Lot Size	1.48 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Valley Child Care & Learning Centers, Inc. / Busy Bees
Lease Commencement Date	April 1, 2022
Lease Expiration Date	March 31, 2037
Lease Term Remaining	12 Years
Rental Increases	2% Annual Increases
Renewal Options	5, 5 Year Options
Right of First Refusal	None

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
4/1/2024 – 3/31/2025	\$230,968.00	6.75%
4/1/2025 – 3/31/2026	\$235,587.36	6.88%
4/1/2026 – 3/31/2027	\$240,299.11	7.02%
4/1/2027 – 3/31/2028	\$245,105.09	7.16%
4/1/2028 – 3/31/2029	\$250,007.19	7.31%
4/1/2029 – 3/31/2030	\$255,007.33	7.45%
4/1/2030 – 3/31/2031	\$260,107.48	7.60%
4/1/2031 – 3/31/2032	\$265,309.63	7.75%
4/1/2033 – 3/31/2034	\$270,615.82	7.91%
4/1/2034 – 3/31/2035	\$276,028.14	8.07%
4/1/2035 – 3/31/2036	\$281,548.70	8.23%
4/1/2036 – 3/31/2037	\$287,179.68	8.39%

Base Rent	\$230,968
Net Operating Income	\$230,968
Total Return	6.75% \$230,968



REACH 11
SPORTS COMPLEX

MCDOWELL MOUNTAIN



PARADISE VALLEY PARK

51 110,214 CPD



PARADISE VALLEY GOLF COURSE



PARADISE VALLEY COMMUNITY COLLEGE
9,477 STUDENTS

UNION HILLS CENTRE
OFFICE SUITES



dyson

25,439 CPD
E UNION HILLS RD



PHOENIX MOUNTAIN RESERVE

LOOKOUT MOUNTAIN

38,687 CPD
BELL RD



21,597 CPD
N 32ND ST



25,439 CPD
E UNION HILLS RD



PARADISE VALLEY
COMMUNITY COLLEGE
9,477 STUDENTS



UNION HILLS CENTRE
OFFICE SUITES



Property Description



INVESTMENT HIGHLIGHTS

- » **12 Years Remaining on Absolute NNN Lease**
- » Corporately Run Location from Busy Bees who Operates 990 Centers Globally, with 119 Centers in the US, and Strong Growth Plans.
- » **Tenant is Backed by The Ontario Teacher's Fund, Pension is Invested in Busy Bees, and has Invested in Brands Like 24 Hour Fitness, Flynn Restaurant Group and Several Others**
- » Average Household Income Exceeds \$111,000 within a 5-Mile Radius
- » **2% Annual Increases with Multiple Renewal Options**
- » 261,548 Residents within a 5-Mile Radius
- » **Busy Bees has Acquired 9 Schools in the Phoenix Market, This School Represents Further Market Expansion**
- » BrightPath Kids is one of North America's largest child care providers



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2028 Projection	15,231	128,699	276,178
2023 Estimate	14,707	121,808	261,548
Growth 2023 – 2028	3.57%	5.66%	5.59%

Households

2028 Projection	6,429	53,569	118,439
2023 Estimate	6,174	50,564	111,696
Growth 2023 – 2028	4.13%	5.94%	6.04%

Income

2023 Est. Average Household Income	\$91,486	\$102,932	\$111,068
2023 Est. Median Household Income	\$78,151	\$74,626	\$79,884

Tenant Overview




Busy Bees is a leading international childcare business, focused on providing outstanding early years education to children, from babies, to school age. Founded in the UK in 1983, today Busy Bees operates around 1,000 sites in 10 countries, including the USA, Canada, Australia, Singapore, Malaysia and Italy. Our global diversification has also helped ensure the group's ongoing resilience against economic, political and regulatory volatility in any particular territory. We see North America as a huge growth opportunity, and we aim to become one of the region's top 10 largest childcare providers. Busy Bees entered the market in 2017 with the acquisition of BrightPath Canada, with 78 centres. This was followed by the acquisition of Educational Playcare in the US two years later, with 19 centers. Our leadership team puts children's learning and development at the heart of everything we do, driving best practice and sustained global growth.

Today, Busy Bees - operating under the BrightPath brand - has 80+ centers in the USA across the states of Arizona, Connecticut, Delaware, Kentucky, Massachusetts, New York, Ohio and Pennsylvania. In Canada, Busy Bees has more than 80 sites in large provincial hubs including Toronto, Ottawa and Calgary. Busy Bees centers are mostly found in suburban communities, where they are conveniently positioned for working families.

 **LONDON, UNITED KINGDOM**
Headquarters

 **BUSYBEEGLOBAL.COM**
Website

 **1,000+**
Centers Open or
Under Development

 **1983**
Founded

Property Photos



Location Overview



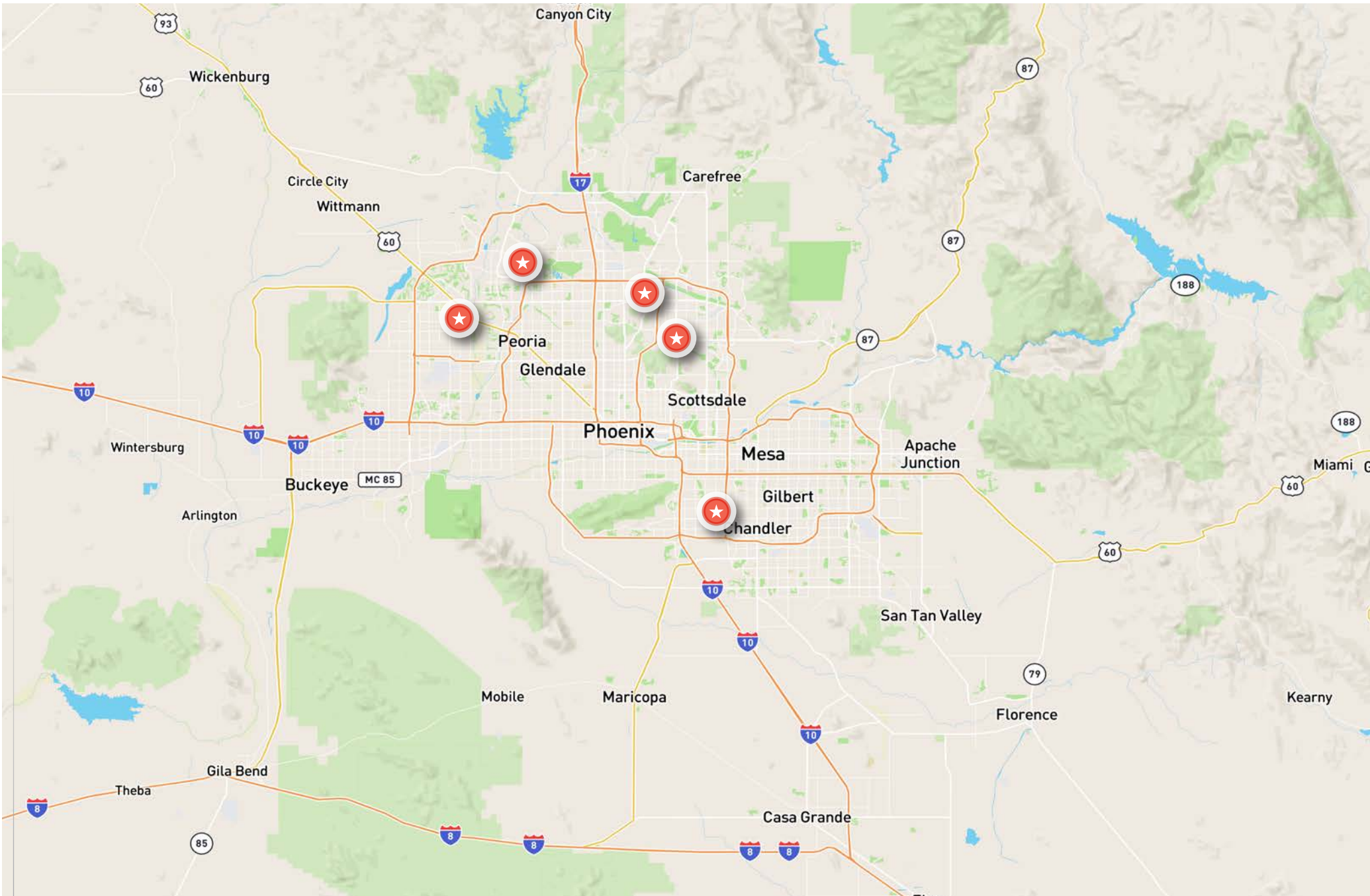
The Phoenix metro consists of Maricopa and Pinal counties, and includes more than 30 incorporated and more than 30 unincorporated towns and cities. As of 2020, Metro Phoenix had 4.8 million residents, making it the nation's 11th-largest metropolitan area. The largest city is Phoenix, which encompasses about 520 square miles and boasts a population of more than 1.6 million.

As one of the primary beneficiaries of the massive shift in the U.S. population from north to south, the Phoenix metro has had little difficulty finding workers. Phoenix claims six Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet, Magellan Health, and PetSmart. Construction, high-tech manufacturing, healthcare and tourism dominate the Phoenix economy. Phoenix was the fastest growing large city in the US between 2010 and 2020 as it added over 163,000 residents.

High-tech manufacturing has been a powerful driver in the local economy for two decades. The region's relatively low cost of doing business has encouraged several manufacturers to remain and expand in the area, while luring others. The strengthening economy has drawn job seekers to the area, boosting the housing market. Phoenix offers a lower cost of living than other metros its size, a moderate climate, and a wide variety of recreational and cultural activities.

The Phoenix region boasts almost 300 days of sunshine annually, low humidity and mild winters. In addition to hiking, camping and boating, sports enthusiasts can enjoy one of the most complete lineups of major league teams found in any city, including teams in all four major sports. The Cactus League holds spring training baseball throughout the Valley, and the area has numerous golf courses and tennis courts.

Additional Properties Available in Portfolio



[exclusively listed by]

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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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