



Offering Memorandum

Sunrise Preschools (Child Development Schools)

2627 W. Southern Avenue, Phoenix, AZ 85041

In Association with Scott Reid & ParaSell, Inc. | A Licensed Arizona Broker #C0709902000



The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Essential Capital Advisors and ParaSell, Inc. and it should not be made available to any other person or entity without the written consent of Essential Capital Advisors and ParaSell, Inc.

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The information contained herein is not a substitute for a thorough due diligence investigation. Essential Capital Advisors and ParaSell, Inc. has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, Essential Capital Advisors and ParaSell, Inc. has not verified, and will not verify, any of the information contained herein, nor has Essential Capital Advisors and ParaSell, Inc. conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

Exclusively Offered By:

Education Properties Group

Remmington Penn

Associate Director
(702) 469-1474
remmington@ecadvs.com
Lic: CA 02220211

Milo Spector

Executive Managing Partner, Co-Founder
Education Properties Group
(510) 461-4505
milo@ecadvs.com
Lic: CA 01959211

Scott Reid

ParaSell, Inc. | Broker of Record
scott@parasellinc.com
(949) 942-6585
AZ LIC #BR707387000

In Association with Scott
Reid & ParaSell, Inc. | A
Licensed Arizona Broker
#CO709902000

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Sunrise Preschools

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LISTING PRICE
\$3,843,037

CAP RATE
6.75%

INVESTMENT HIGHLIGHTS

- Part of a 2-Property Portfolio | Available Individually or Combined (Contact Broker)
- 14-Years Remaining on an Absolute NNN Lease w/ No Landlord Responsibilities
- Corporate Lease & Corporate Guaranty (Full Duration of the Lease)
- 2020 Build-to-Suit for Sunrise Preschools

LOCATION HIGHLIGHTS

- Strong High Growth Location In the Phoenix Metro
- 226K+ Population Within 5 Miles | ~8% Projected Growth by 2030
- \$118K+ Average HH Income Within 1 Miles | ~16% Projected Growth by 2030
- Nearby National Brands Include Walmart Supercenter, Walgreens, Tractor Supply, Bank of America, Food City
- \$631M+ Spent on Education & Daycare in a 10-Mile Radius
- Feeder School for Maurice C. Cash Elementary School, CJ Jorgensen Elementary School, Ed and Verma Pastor Elementary School, and Ignacio Conchos Elementary School

TENANT HIGHLIGHTS

- Sunrise Preschools' Parent Company, Child Development Schools, Inc., is a Top 50 Corporate Early Education Operator with Over 260 Locations Across 11 States
- Child Development Schools has Been Operating for over 38 Years
- 100% Corporate Operator, No Franchised Location
- Sunrise Preschools' is Deeply Embedded in the Local Market, Operating in Arizona since 1982, Making it One of the Longest-Tenured Childcare Brands in the State.



Advantages of Early Childcare/Education Real Estate

HIGHER CAP RATES WITHOUT SACRIFICE

Over the last 5 years we have seen an 86-basis point spread on average between single-tenant net-leased retail & early education/childcare despite attractive locations & solid tenants due to a lack of knowledge about the property type

HIGH GROWTH BUSINESS

\$60B+ Industry with projected growth to \$83B+ by 2030

RECESSION & E-COMMERCE RESISTANT

Early education is considered recession-resistant because working parents continue to rely on childcare regardless of economic conditions, making it an essential, non-discretionary service as well as "Amazon proof"

EASY TO RE-TENANT

Early education properties are easy to re-tenant, with high demand from other childcare operators and flexible layouts that also appeal to medical and service-based users

"STICKY" BUSINESS MODEL

Parents don't typically switch schools once enrolling, often enroll all their children & recommend other families

RECOGNIZED AS AN "ESSENTIAL BUSINESS"

Early education and childcare are recognized by both federal and state governments as essential services, especially during emergencies, due to their critical role in supporting working families and child development.

INSTITUTIONAL INVESTMENT

Institutional investors are heavily invested in early education businesses and are the predominant owners of early education/childcare real estate

APPRECIATION POTENTIAL

Early education properties offer strong upside potential, with cap rate compression at market peak and added value if a smaller tenant improves credit or gets acquired

PROPERTY OVERVIEW

PROPERTY DETAILS

Address	2627 W. Southern Avenue, Phoenix, AZ 85041
Ownership Type	Fee Simple (Land & Building)
Tenancy	Single
Building Size (SF)	8,843
Lot Size (AC)	1.39
Year Built	2020

LEASE ABSTRACT

Tenant	Sunrise Preschools
Guarantor/Signator	Corporate
Base Lease Term	20.00
Remaining Term	14.54
Rent Commencement	10/19/2020
Lease Expiration	10/31/2040
Net Operating Income**	\$259,405
Increases	3.33% Every 2 Years
Options	5, 2 Yrs
Lease Type	Absoulute NNN
Taxes	Tenant
Maintenance	Tenant
Insurance	Tenant

RENT SCHEDULE

Year	Annual Rent	Monthly Rent	Rental Increases
1-2	\$235,125	\$19,594	
3-4	\$242,955	\$20,246	3.33%
5-6	\$251,045	\$20,920	3.33%
7-8	\$259,405	\$21,617	3.33%
9-10	\$268,043	\$22,337	3.33%
11-12	\$276,969	\$23,081	3.33%
13-14	\$286,192	\$23,849	3.33%
15-16	\$295,722	\$24,644	3.33%
17-18	\$305,570	\$25,464	3.33%
19-20	\$315,745	\$26,312	3.33%

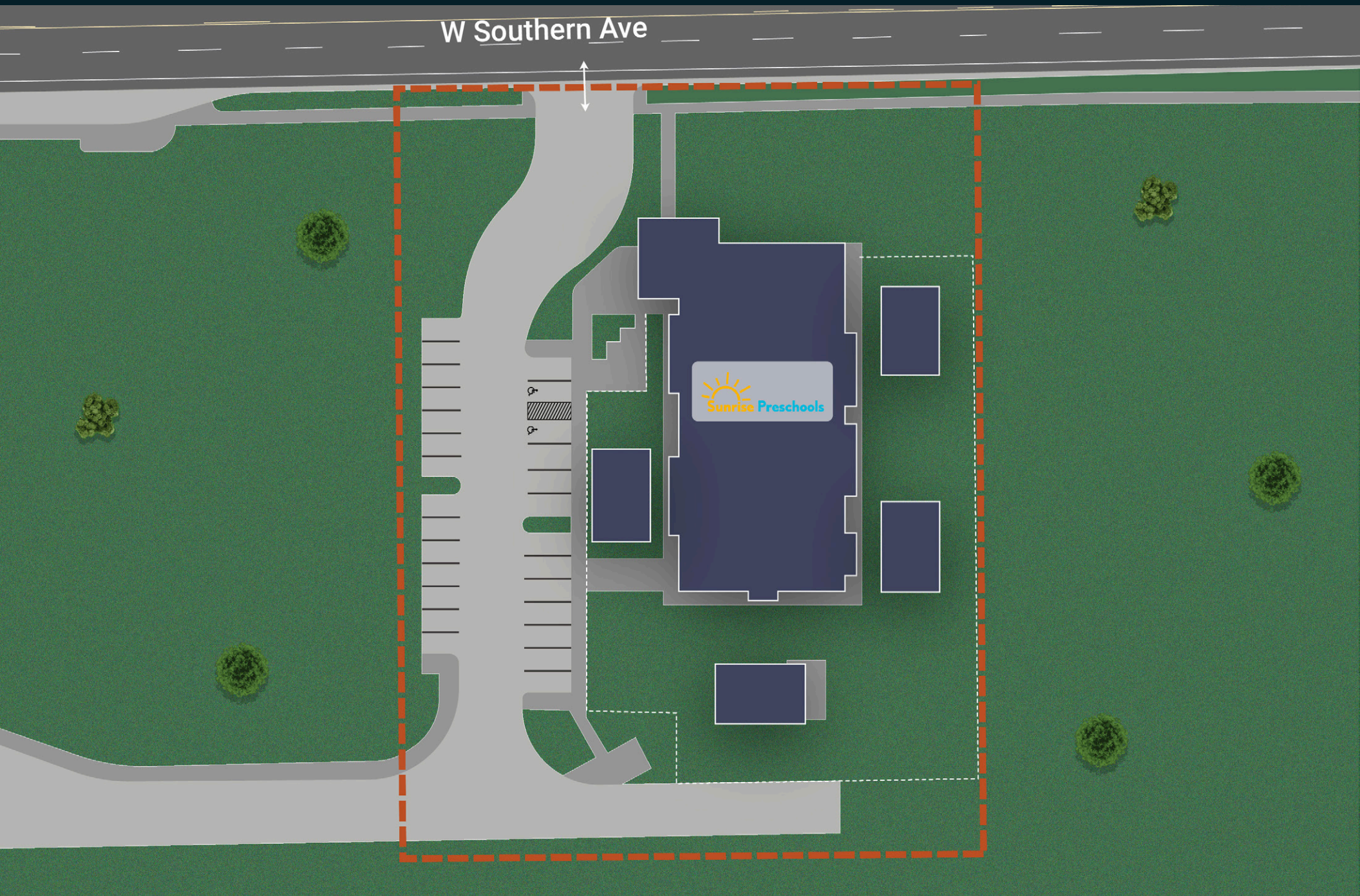


*All property & lease information to be independently verified by Buyer during Due Diligence Period.

**Based on upcoming rental escalation of 11/1/2026



SITE PLAN



EXTERIOR PHOTOS



SURROUNDING PHOTOS



ABOUT CHILD DEVELOPMENT SCHOOLS

Established in 1988, **Child Development Schools** operates as three early childhood education brands – Childcare Network, Sunrise Preschools, and My Small Wonders



CHILD DEVELOPMENT SCHOOLS



Enrollment

30,000+ Children



Age Range

6 Weeks to 12 Years



Childcare Centers

260+



of States

11



Headquarters

Austin, TX



Website

[Click Here >>](#)

Growing Our Legacy of Excellence

Our mission is to give every child a great start in life, a safe and caring environment during their time with us, and an innovative educational experience that stays with them for life.



Childcare Network provides children from infancy to school age with a safe, fun environment to learn and grow. With over 230 schools across 10 states, children are encouraged and guided in order to thrive.

Programs

- Bright Baby
- Smart Steps Toddler Academy
- Free Pre-K
- Ready 2 Learn
- Young Achiever's Club
- PREKPA
- Adventure Summer Camp



Sunrise Preschools is a network of 29 schools located in Phoenix, Arizona and surrounding areas. They proudly provide families in Arizona with a safe, educational environment for children ages infancy to school age.

Programs

- Infant (6 Weeks - 12 Months)
- Toddler (12 Months - 24 Months)
- 2 Year Old (24 Months - 36 Months)
- 3 Year Old (Preschool)
- 4 Year Old (Pre-K)
- School Age Child (5 - 12 Year Olds)
- Adventure Summer Camp



With centers in Texas and Oklahoma, **My Small Wonders** uses their proprietary curriculum and principles of whole child development to promote the growth and education of children, from infancy to school age.

Curriculum Highlights

- Enhancing social-emotional skills
- Growing speech and language development
- Practicing self-expression through creative arts
- Learning critical thinking skills
- Building number recognition and math confidence
- Encouraging early literacy skills
- Developing problem solving skills
- Honing hand-eye coordination
- Expanding communication skills through Spanish and Sign Language

TRADE NAME	Sunrise Preschools
PARENT COMPANY	Child Development Schools
COMPANY TYPE	Private
LOCATIONS	29 +/-
FOUNDED	1982
HEADQUARTERED	Tempe, AZ
WEBSITE	www.sunrisepreschools.com



ABOUT SUNRISE PRESCHOOLS

Sunrise Preschools is a well-established early childhood education provider specializing in preschool and childcare services. Founded in 1982, the company has built a strong reputation for delivering structured learning programs in a safe and nurturing environment. The brand operates under its parent company, Child Development Schools, which manages a network of childcare centers across the United States. Headquartered in Tempe, Arizona, Sunrise Preschools has a significant presence throughout the Greater Phoenix area, serving families with convenient, community-focused locations.

Sunrise Preschools offers a range of programs including infant care, toddler development, preschool, and pre-kindergarten education, catering to working families and supporting early childhood development. Its long-standing market presence and affiliation with a national operator contribute to its stability as a reliable retail tenant in the education and childcare sector.

LOCATION OVERVIEW



PHOENIX, AZ

- Phoenix is the county seat of Maricopa County in the Salt River Valley and Arizona Sun Corridor and is the capital and most populous city of the U.S. state of Arizona.
- Part of the fast-growing Phoenix Metropolitan Area (Valley of the Sun).. Strong connectivity via major highways: I-10, I-17, Loop 101, Loop 202.
- Strategic position for access to West Coast markets (California) and Southwest U.S.
- Phoenix has a 2026 population of 1,703,449.

ECONOMIC OVERVIEW

- Growth is driven by technology, semiconductor manufacturing, finance, healthcare, and logistics.
- Emerging as a major semiconductor hub, led by large-scale chip manufacturing investments.
- Major employers include Intel, TSMC, Amazon, Banner Health, and Wells Fargo.
- Home to Arizona State University (ASU), one of the largest public universities in the U.S., with multiple campuses including Downtown Phoenix.
- Phoenix Sky Harbor International Airport is the primary airport serving Phoenix and one of the busiest airports in the U.S. which contributes significantly to the local economy and employment base.
- Home to major hospital systems including Banner Health, one of the largest employers in the state.

NOTABLE DEVELOPMENTS/UPCOMING PROJECTS

- Massive semiconductor expansion projects (multi-billion-dollar chip manufacturing campuses) drive long-term growth.
- Significant data center pipeline with hyperscale campuses under construction across the metro.
- Expansion in aviation, manufacturing, and industrial sectors across the region. New mixed-use and redevelopment projects adding residential, retail, and hospitality space.



PHOENIX MSA

- The Phoenix metropolitan area, also known as the Valley of the Sun, the Salt River Valley, metro Phoenix, or The Valley, is the largest metropolitan statistical area in the Southwestern United States, with its largest principal city being the city of Phoenix.
- Region is known for its accessibility, vibrant workforce, and exceptional quality of life as well as being one of the best cities for various industries and operations.
- Phoenix-Mesa metro maintains momentum as nation's No. 1 industrial market – AZ Big Media 2025

ECONOMIC OVERVIEW

- Phoenix Area - Real GDP: \$322.794B as of 2023.
- The Phoenix MSA is home to 68% of the state's population and has been one of the top growth areas in the nation.
- The current metro area population of Phoenix in 2025 is 4,834,000, a 1.19% increase from 2024.
- The Phoenix MSA has a diverse economy with major employers in healthcare, aerospace, technology, and retail. Banner Health, Freeport-McMoRan, Honeywell Aerospace, Intel, and Sprouts Farmers Market are among the largest employers.
- Phoenix-Mesa metro's economy is one of the best in the US, study finds. - AZ Central 2025
- Phoenix-Mesa metro ranked No. 1 in nation for manufacturing growth- Phoenix Business Journal –2024
- Top Employers of Phoenix MSA are State of Arizona, Banner Health, Amazon, Walmart, Frys Food Stores, Maricopa County, Wells Fargo, Maricopa County Community College District and Arizona State University.

NOTABLE DEVELOPMENTS/UPCOMING PROJECTS

- In Phoenix, TSMC is ramping up its multibillion-dollar chip manufacturing campus, contributing over 1,000 new high-tech jobs and reinforcing the city's global role in semiconductor production.
- In Chandler, Applied Materials completed the \$41 million acquisition of a newly constructed industrial facility developed by GO Industrial. The building, located in a key technology corridor, is expected to support Applied's expansion of semiconductor equipment production and related R&D activities.

CLOSE AERIAL



Ignacio Conchos Elementary School

Ed and Verma Pastor Elementary School

Valley View Leadership Academy

E6S FITNESS
McDonald's
OUTPOST

Southwest School

Phoenix Regional Police Academy

EAGLE College Prep: South Mountain

FOOD CITY
planet fitness
fray's
DAISO
DOLLAR TREE
99¢ ONLY STORES

LOWE'S
goodwill
BURGER KING
Starbucks
ups
SUBWAY

SUBJECT PROPERTY
Sunrise Preschools

S 27th Ave
6,113 VPD

PHOENIX
6.3 MILES



CLOSE AERIAL



S 27th Ave
6,113 VPD

Bernard Black
Entrepreneurial
Academy

QuikTrip

SAJAD
BLACK & ROCK

Cesar
Chavez
High School

Paseo
Pointe Dual
Language
Academy

SAFeway
LAIFITNESS
Firestone
DISCOUNT
TIRE

Arizona
Lutheran
Academy

BIG 5
ACE
Wendy's
DOLLAR TREE
POPEYES

FAS
TRAINING
HOME
IMPROVEMENT
FRYS
DOLLAR TREE
AutoZone
petco

SUBJECT PROPERTY
Sunrise Preschools

Southern Ave
28,035 VPD

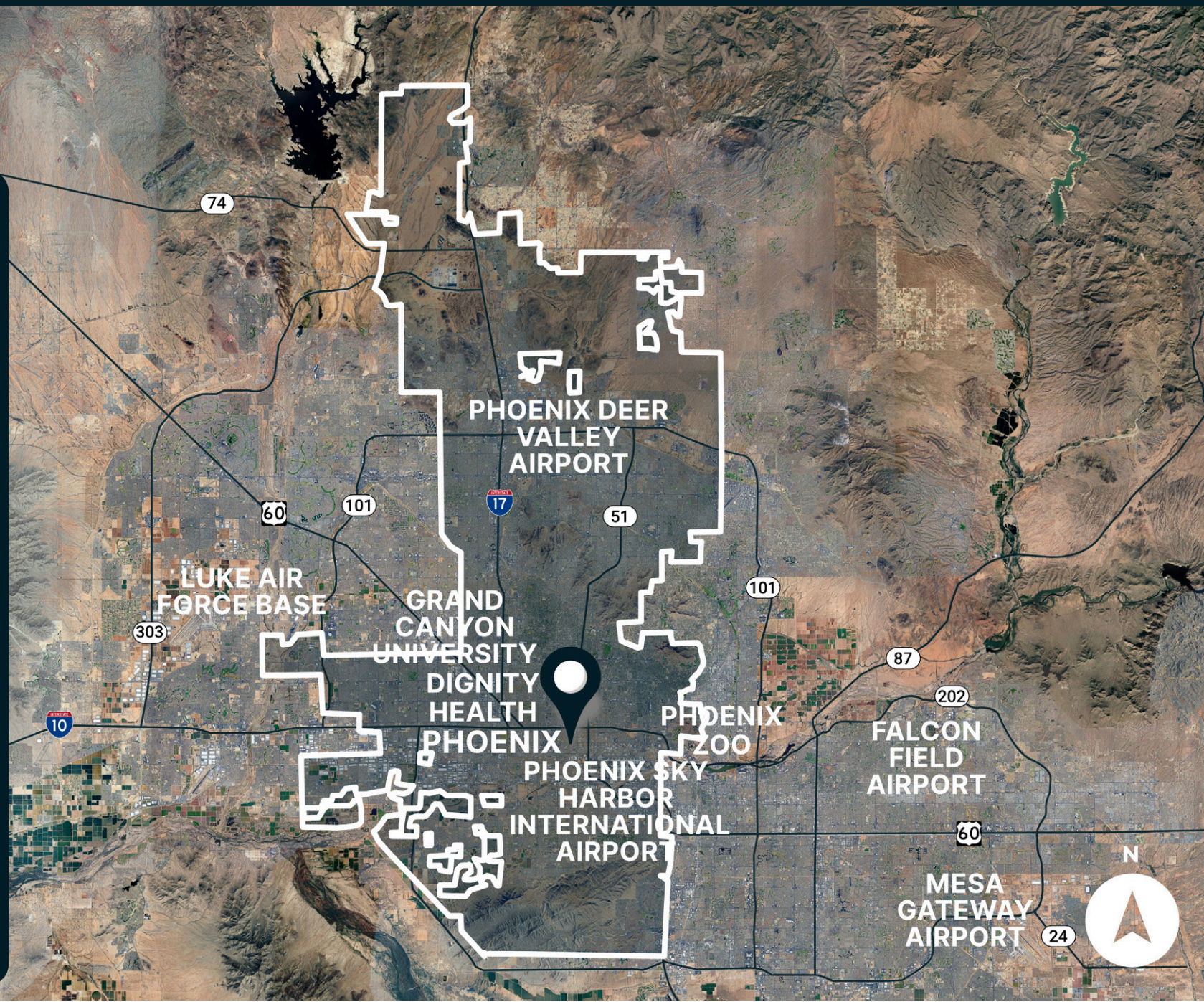
PHOENIX
6.3 MILES

LOCATION MAP

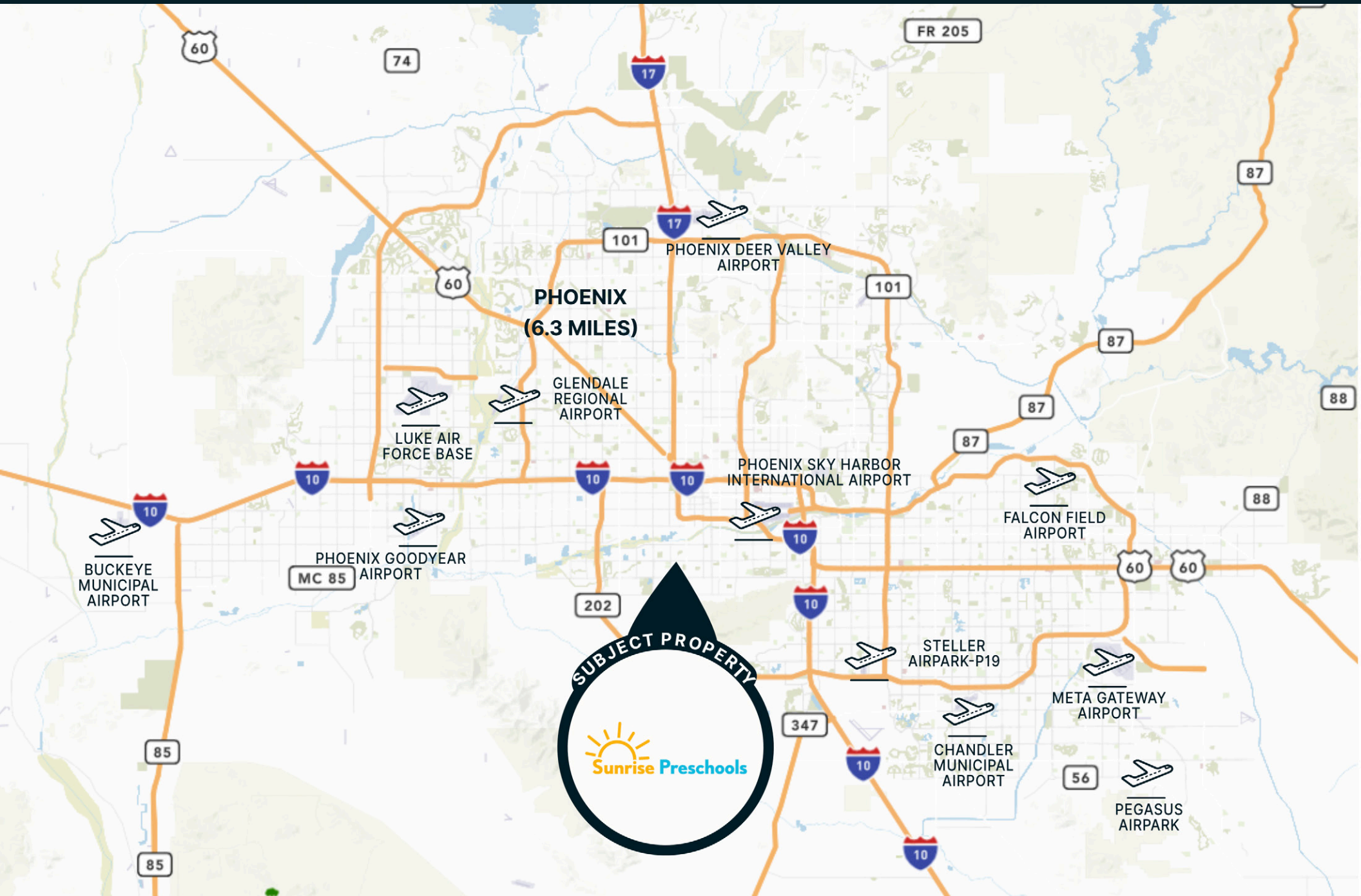
LEGEND

- City of Phoenix
- ▭ Major Roadways

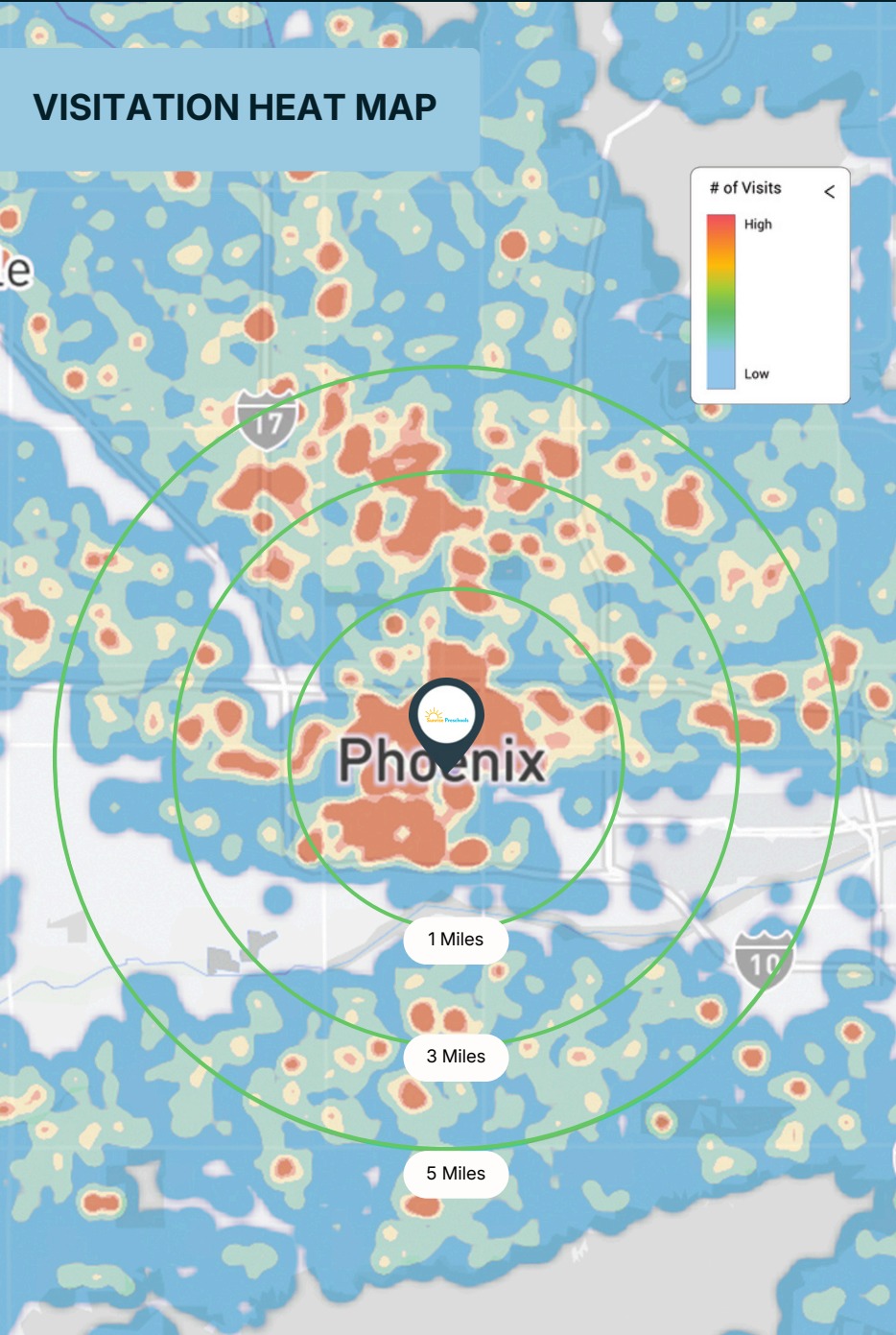
- 24 AZ State Route 24
- 51 AZ State Route 51
- 74 AZ State Route 74
- 85 AZ State Route 85
- 87 AZ State Route 87
- 101 AZ State Route 101
- 202 AZ State Route 202
- 303 AZ State Route 303
- 60 U.S. Highway 60
- 10 Interstate 10
- 17 Interstate 17



REGIONAL MAP



VISITATION HEAT MAP



Demographics

2627 W. Southern Avenue, Phoenix, AZ 85041



POPULATION	1 MILES	3 MILES	5 MILES
2025 Population	18,974	100,202	226,392
2030 Population	20,015	104,754	245,075
% Change	5.49%	4.54%	8.25%



AVERAGE HOUSEHOLD INCOME	1 MILES	3 MILES	5 MILES
2025 Average HH Income	\$118,827	\$101,298	\$102,557
2030 Average HH Income	\$138,084	\$117,821	\$120,190
% Change	16.21%	16.31%	17.19%



HOUSEHOLDS	1 MILES	3 MILES	5 MILES
2025 Households	5,332	27,848	67,581
2030 Households	5,671	29,474	74,545
% Change	6.36%	5.84%	10.30%

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