



Offering Memorandum

SERVICE KING
13820 W TEST DRIVE
GOODYEAR, AZ 85338

Marcus & Millichap









SERVICE KING

13820 W Test Drive
Goodyear, AZ 85338

FINANCIAL SUMMARY

| | |
|---------------|------------------|
| Price | \$5,800,000 |
| Down Payment | 100% \$5,800,000 |
| Cap Rate | 5.50% |
| Building SF | 21,000 SF |
| Net Cash Flow | 5.50% \$319,000 |
| Year Built | 2018 |
| Lot Size | 2.3 Acres |

LEASE SUMMARY

| | |
|-------------------------|-------------------------------------------------------------------|
| Lease Type | Absolute Triple-Net (NNN) Lease |
| Tenant | Service King Paint & Body, LLC, a Texas Limited Liability Company |
| Roof & Structure | Tenant Responsible |
| Lease Commencement Date | November 1, 2018 |
| Lease Expiration Date | October 31, 2038 |
| Lease Term Remaining | 19 Years |
| Rental Increases | 10% Every 5 Years |
| Renewal Options | 4, 5 Year Options |

ANNUALIZED OPERATING DATA

| LEASE YEARS | ANNUAL RENT | CAP RATE |
|-------------|-------------|----------|
| 1 - 5 | \$319,000 | 5.50% |
| 6 - 10 | \$350,900 | 6.05% |
| 11 - 15 | \$386,100 | 6.66% |
| 16 - 20 | \$424,600 | 7.32% |

| OPTIONS | ANNUAL RENT | CAP RATE |
|----------|-------------|----------|
| Option 1 | \$467,280 | 8.06% |
| Option 2 | \$513,920 | 8.86% |
| Option 3 | \$565,180 | 9.74% |
| Option 4 | \$621,720 | 10.72% |

| | |
|-----------------------------|------------------------|
| BASE RENT | \$319,000 |
| Net Operating Income | \$319,000 |
| Total Return | 5.50% \$319,000 |





Service King strives to be the collision repair operator of choice by providing a secure, fulfilling workplace that motivates its teammates to deliver safe, superior repairs with excellent customer service while ensuring sustainable, profitable growth and opportunity.

The Service King story begins more than 40 years ago in Dallas, Texas through the vision of Eddie Lennox, a young businessman and repair technician, who aimed to provide a different type of repair experience for customers. The business began inside a single body shop in West Dallas and through placing the customer at the center of the repair experience, Service King has steadily grown into the premier collision repair provider of choice across the U.S.

In 2014, Service King acquired Sterling Auto Body Centers and its 62 collision repair centers across 16 U.S. states. The deal marked the largest acquisition in collision repair industry history, establishing the national footprint and future strategy for growth. Today, Service King remains the collision repair operator of choice across the U.S. with 343 locations in 24 states and plans to continue growing.

| | |
|--------------|--------------------------------------------------------------|
| Company | Service King Collision Repair |
| Company Type | Private |
| Headquarters | Richardson, Texas |
| Locations | 343 in 24 States |
| Website | www.serviceking.com |

INVESTMENT HIGHLIGHTS

- Absolute Triple-Net (NNN) Lease with Service King – 19 Years Remaining
- 10% Rental Increases Every 5 Years
- 184,051 Residents in Growing Goodyear Trade Area – Phoenix MSA
- Excellent Location Directly Off the I-10 Freeway (182,500+ CPD) – the Primary Connector for the Phoenix Area
- Close Proximity to National Retailers – Target, Michaels, Best Buy, Barnes & Noble, and More
- Situated in the Goodyear Autoplex - Other Tenants Include RideNow Powersports, Ford, Buick, and GMC
- Visible to 34,200+ CPD Along N Litchfield Road
- High Growth Area - Households Projected to Increase 26%+ in 5-Mile Radius Over the next 5 Years
- Average Household Income Exceeds \$83K in 5-Mile Radius

DEMOGRAPHICS

| Population | 1-Mile | 3-Miles | 5-Miles |
|------------------------------------|----------|----------|----------|
| 2023 Projection | 5,922 | 99,216 | 228,842 |
| 2018 Estimate | 5,753 | 81,641 | 184,051 |
| Growth 2018 - 2023 | 2.94% | 21.53% | 24.34% |
| Households | 1-Mile | 3-Miles | 5-Miles |
| 2023 Projections | 1,912 | 33,722 | 73,961 |
| 2018 Estimate | 1,803 | 27,176 | 58,298 |
| Growth 2018 - 2023 | 6.00% | 24.08% | 26.87% |
| Income | 1-Mile | 3-Miles | 5-Miles |
| 2018 Est. Average Household Income | \$65,947 | \$80,574 | \$83,771 |
| 2018 Est. Median Household Income | \$48,090 | \$63,905 | \$66,970 |
| 2018 Est. Per Capita Income | \$21,449 | \$26,892 | \$26,718 |

LOCATION OVERVIEW

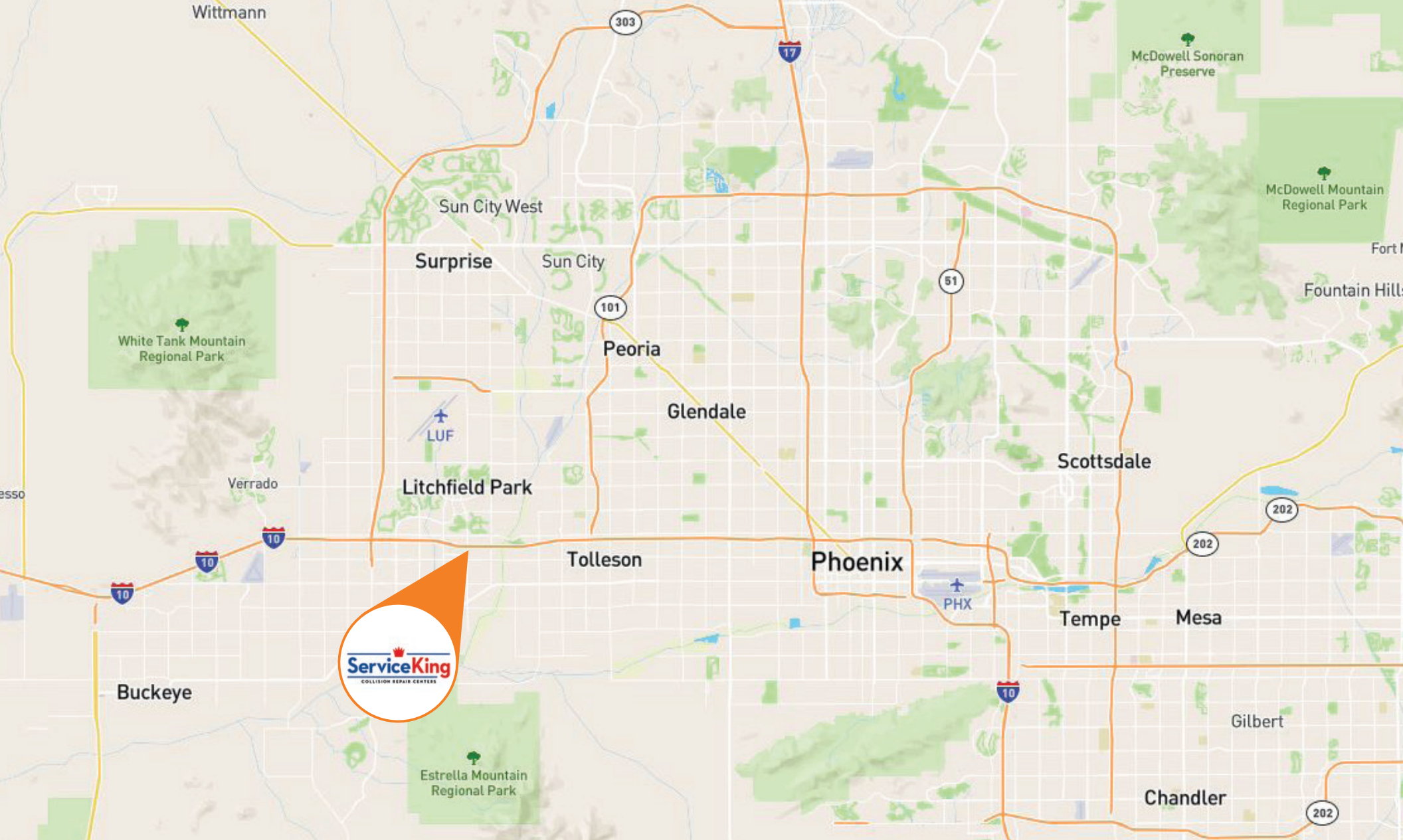
Only 20 minutes from downtown Phoenix, Goodyear offers all the advantages of a growing community with all the cultural and entertainment resources that the Phoenix metro has to offer.

The highly educated and skilled workforce, affordable housing, low costs of doing business and plenty of southwest charm, create a prime economic environment for businesses to thrive. Goodyear boasts a 1.56 million person workforce that gives area businesses a leg up in recruiting qualified talent; companies like Amazon and Cancer Treatment Centers of America have operations in Goodyear. The city's workforce is adept in various sectors including aerospace, advanced manufacturing, medical services, and logistics/distribution. The top employers in Goodyear include Abrazo Hospital, Macy's fulfillment center, Amazon fulfillment center, Cancer Treatment Centers of America, Chewy.com fulfillment center, and Sub-Zero manufacturing center.

Goodyear offers a vast array of lifestyle amenities and necessities, from award-winning golf courses and spring training, to a 2,500-acre Medical Innovation Corridor that houses world-renowned Cancer Treatment Centers of America. The city is in close proximity to both the Sierra Estrella and White Tank Mountains that offer residents and visitors alike a plethora of outdoor adventure and sightseeing. The mountain vistas and beautiful desert landscapes are complemented by 300 days of sunshine, 20,000 acres of outdoor space, 33 miles of trails, and 18 parks. Goodyear also possesses affordable housing, high education attainment levels, and a median household income well above the national average.







5 MILES
Avondale
Auto Mall

11 MILES
Westgate
Entertainment District

17 MILES
Downtown
Phoenix

21 MILES
Phoenix Sky Harbor
International Airport

Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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.

Confidentiality Agreement

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 Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap 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 the 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 to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap 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.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

exclusively listed

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