

COLLISION REPAIR CENTER



OFFERING MEMORANDUM

SERVICE KING

11324 POINT EAST DR | RANCHO CORDOVA, CA



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EXECUTIVE OVERVIEW



PROPERTY DETAILS

- Brand new lease with Service King, \pm 8 years on current lease
- Above market 2% annual increases, great hedge against inflation
- Low price point for collision center only \$2,996,352
- Low Rent/SF - Service King is currently only paying about \$5/foot/year, about 45% below market for comparable spaces and substantially below rent in the area



LOCATION

- Strategic located on the busy corner of Lincoln Hwy (US 50) and Sunrise Blvd (E2)
- Close proximity to airport, versatile industrial usage and hospitality usage
- On the same street as Marriott, Holiday Inn, DoubleTree Suites and Crossland hotel
- High Income Market - Average Incomes Above \$85,000



TENANT

- Service King is one of the largest Collision Repair companies in the United States with over 340 Locations in 24 Different States
- Significant Private Equity Funding - Blackstone Group LP and Carlyle LP backed, with Blackstone Group LP with controlling shares
- Service King is estimated to have over \$1 Billion in annual revenue and employs more than 6,000 people
- Service King is capitalizing on the consolidation of the rapidly growing Collision Industry, a \$33+ billion industry in US and Canada
- Great Hedge Against Ecommerce

FINANCIAL OVERVIEW

EXECUTIVE SUMMARY

Property Name	Service King
Property Street	11324 Point East Dr
City, State, Zip	Rancho Cordova, CA 95742
GLA	± 28,558 SF
Lot Size	1.99 AC (86,684 SF)
Year Built	1977

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
Current	\$12,484.80	\$149,817.60	\$5.25	5.00%
2020	\$12,734.50	\$152,813.95	\$5.35	5.10%
2021	\$12,989.19	\$155,870.23	\$5.46	5.20%
2022	\$13,248.97	\$158,987.64	\$5.57	5.31%
2023	\$13,513.95	\$162,167.39	\$5.68	5.41%
2024	\$13,784.23	\$165,410.74	\$5.79	5.52%
2025	\$14,059.91	\$168,718.95	\$5.91	5.63%
2026	\$14,341.11	\$172,093.33	\$6.03	5.74%
2027	\$14,627.93	\$175,535.20	\$6.15	5.86%

FINANCIAL HIGHLIGHTS



LIST PRICE

\$2,996,352



CAP RATE

5.00%



TERM REMAINING

8 YEARS

TENANT SUMMARY

Tenant Trade Name	Service King
Type of Ownership	Fee Simple
Lease Guarantor	Service King Paint and Body, LLC
Lease Type	NN+
Original Lease Term	10.00
Rent Commencement Date	5/6/2017
Lease Expiration Date	5/31/2027
Term Remaining	8 Years
Increases	2% Annual Increases
Options	3, 5-Year Options

TENANT OVERVIEW



SERVICE KING

Service King Collision Repair Centers is a national leader in collision repair, operates in 24 states with over 340 locations, and plans to continue growing. Service King Collision Repair Centers offers high-quality repairs with a lifetime warranty, free estimates, on-site rental cars, and an overall superior customer service experience.

In 2012, as one of the largest independent operator of collision repair centers in the U.S., global asset manager, The Carlyle Group, closes on its acquisition of majority ownership of Service King Collision Repair Centers. In 2014, after Service King triples its revenue over a two-year period, premier global investment and advisory firm Blackstone purchases majority ownership of the company. The Carlyle Group remains a minority investor as do Service King internal shareholders. In 2015, Service King surpasses \$1 billion in annual revenue.

STRATEGY

Service King technicians are rigorously trained and certified to work with every make and model of vehicle on the road. No matter what type of car, the veteran team at Service King is up to the job. The collision repair specialists lead the industry in everything from fender repair to dent repair and everything in between. Many Service King collision repair centers are also certified to perform highly specialized repairs, such as aluminum repair and paintless dent repair.



OWNERSHIP
NON-PUBLIC



PARENT COMPANY TRADE NAME
SERVICE KING HOLDINGS, LLC



WEBSITE
WWW.SERVICEKING.COM



OF LOCATIONS
± 340



HEADQUARTERED
RICHARDSON, TEXAS



YEAR FOUNDED
2012

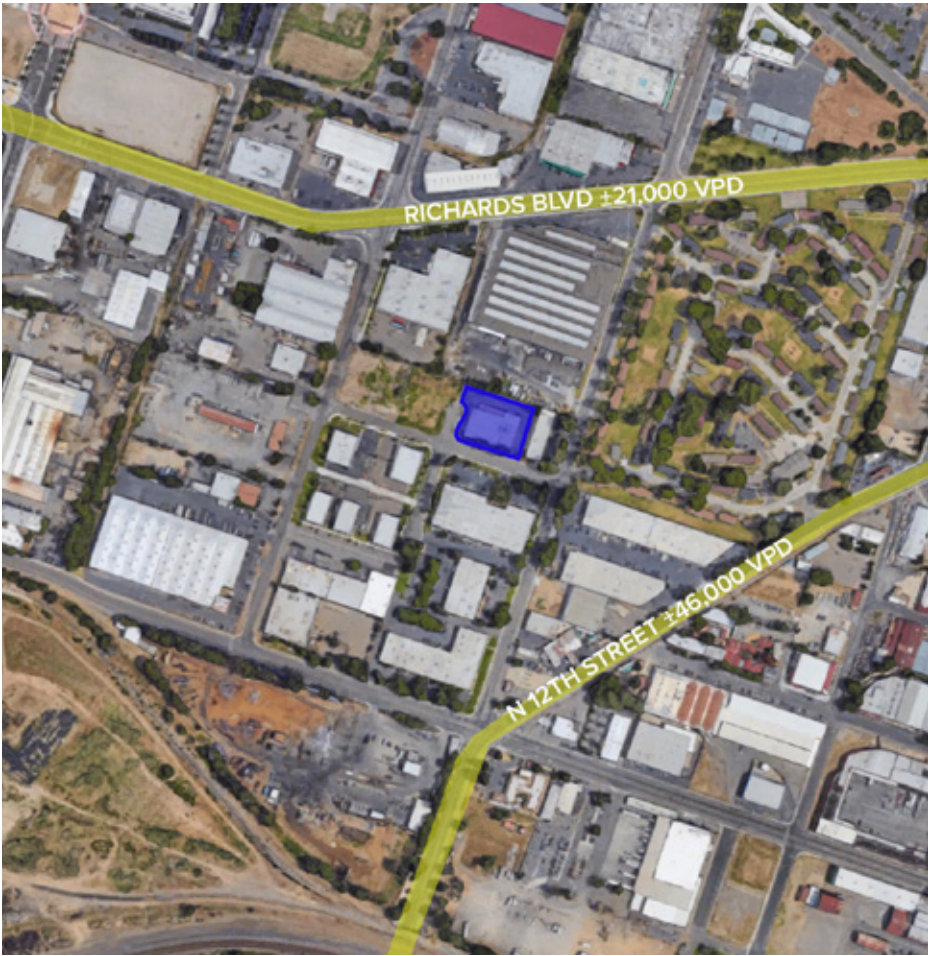


THE OFFERING

Property Name	Service King
Property Address	11324 Point East Dr Rancho Cordova, CA 95742

Site Description	
Number of Stories	One
Year Built	1977
GLA	±28,558
Lot Size	±1.99 Acres (86,684 SF)
Type of Ownership	Fee Simple
Landscaping	Professional
Topography	Generally Level

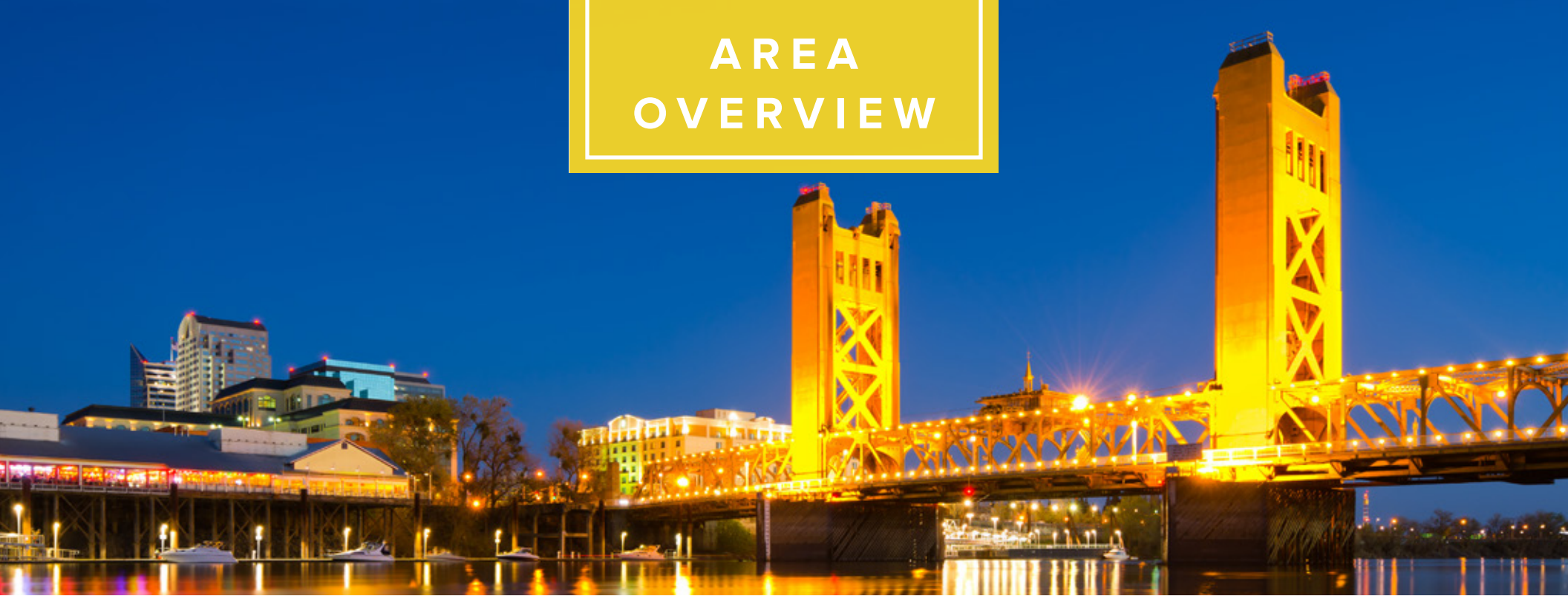
PARCEL MAP



SURROUNDING TENANTS



AREA OVERVIEW



RANCHO CORDOVA, CA

Rancho Cordova is a city in Sacramento County, CA which incorporated in 2003. Located in the eastern part of Sacramento County, Rancho Cordova is a community with a rich history including the first 12 miles of railroad in California, a thriving military base, and the home of a successful aerospace company.

Rancho Cordova is the area's largest employment sub-center attracting over 50,000 commuters with top employers including Health Net, Verizon and GenCorp (Aerojet).

Rancho Cordova won the All-American City Award in 2010.

DEMOGRAPHICS

POPULATION	1 Mile	3 Mile	5 Mile
2024 Projection	8,615	70,631	216,507
2019 Estimate	8,313	67,924	208,539
Percent Change: 2019-2024	3.63%	3.98%	3.82%
HOUSEHOLDS	1 Mile	3 Mile	5 Mile
2024 Projection	3,583	27,608	85,402
2019 Estimate	3,452	26,581	82,371
Percent Change: 2019-2024	3.79%	3.86%	3.68%
INCOME	1 Mile	3 Mile	5 Mile
2019 Est. Average Household Income	\$84,191	\$100,629	\$99,380

SACRAMENTO MSA

As the capital of the world's 6th largest economy, Sacramento is undergoing a transition, with technological and cultural developments breathing new life into the city. Sacramento is seeing a growth in population, especially young professionals who are drawn to the reasonable cost of living, abundant sunshine and ethnic diversity. Sacramento beckons many visitors as well, due to its strategic location at the heart of the Central Valley, the metro area is at the forefront of the farm-to-fork movement. Residents have access to an abundance of fresh, locally sourced foods from nearby farms, wineries and breweries.

ECONOMY

Sacramento has experienced economic growth in the last ten years. Unemployment has fallen below 6 percent and job growth is very evident in industries like technology, construction and healthcare. Healthcare is a major industry and Sutter Memorial Hospital and UC Davis Medical center employ a large number of residents. The government continues to be the region's largest employer and continues to remain stable.

Sacramento's economy has been fueled by recent job growth in leisure and hospitality, which saw a 12 percent increase in 2016 compared to 2015. This growth in tourism is largely due to Sacramento's ability to host large events and conventions. Recently these large events have been professional sporting events, like the yearly cycling competition, the Amgen Tour of California and the California International Marathon.



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Service King** located at **11324 Point East Drive, Rancho Cordova, CA 95742** (“**Property**”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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