



INVESTMENT OPPORTUNITY

SERVICE KING

4000 EAST VALLEY ROAD, RENTON, WA

OFFERING
MEMORANDUM

NAI Puget Sound
Properties



UW Medicine
VALLEY
MEDICAL CENTER

167

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An aerial photograph of a highway interchange with multiple lanes and ramps. A large, dark, semi-transparent rectangular area is centered over the image. Two white diagonal lines cross the dark area, forming an 'X' shape. The text '1 Executive Summary' is written in white serif font, centered within the dark area.

1 Executive Summary

Executive Summary

NAI Puget Sound Properties is pleased to offer a **single-tenant NNN investment opportunity leased to Service King** in Renton, WA.

Service King Collision Repair is one of the nation's largest and most trusted providers of high-quality collision automotive repair service in the United States. The company operates 344 locations in 24 states across the country. Service King is considered one of the "Big 4" collision repair companies in North America, along with Caliber Collision, ABRA, and Boyd Autobody & Glass. The lease at the subject property is a corporate lease with Service King.

Service King has just demonstrated their committed to the subject property by spending approximately \$350,000 significantly remodeling the property in 2018.

The improvements included two new Garmat spray booths and one new Garmat mixing room, among other improvements.

Originally built in 1974, the property was extensively remodeled both in 2012 and 2018. Today, the building is a state-of-the-art full service automotive facility; including fully updated office space, lobby, shop area, roll up doors, spray booths, and mixing rooms.

In addition, **the subject property is ideally located on a signalized corner that also happens to be the on/off ramp to the 167 Highway.** The property offers excellent visibility and massive daily traffic counts. The property is also adjacent to the Valley Medical Center Hospital, as well as a vibrant mix of national retailers and auto dealerships such as Car Max, Mitsubishi, Harley-Davidson, Honda, and Nissan.

Service King took over the current lease from Kirmac Collision in 2014 when Service King acquired Kirmac Collision. The lease is currently in the option period. Service King took their first 5-year extension in 2016, which expires April 30, 2021. Service King has two additional 5-year options to extend. The lease provides 3% annual increases throughout the option periods.

This offering allows an investor to purchase as strong corporate-backed NNN investment in a fantastic location, in which the tenant has financially committed to long term tenancy at the site.

Service King is being offered for sale at **\$3,750,000, at a 5.40% capitalization rate.**



ADDRESS 4000 East Valley Road
Renton, Washington

OFFERING PRICE \$3,750,000

NOI \$202,592

CAP RATE 5.40%

OCCUPANCY 100%

YEAR BUILT 1974/2018



Bellevue | Seattle | Tacoma
nai-psp.com

Service King

4000 East Valley Road

Renton, Washington

For Sale



BUILDING SIZE

14,430 SF



LOT SIZE

30,357 SF



ZONING

B-1, Renton



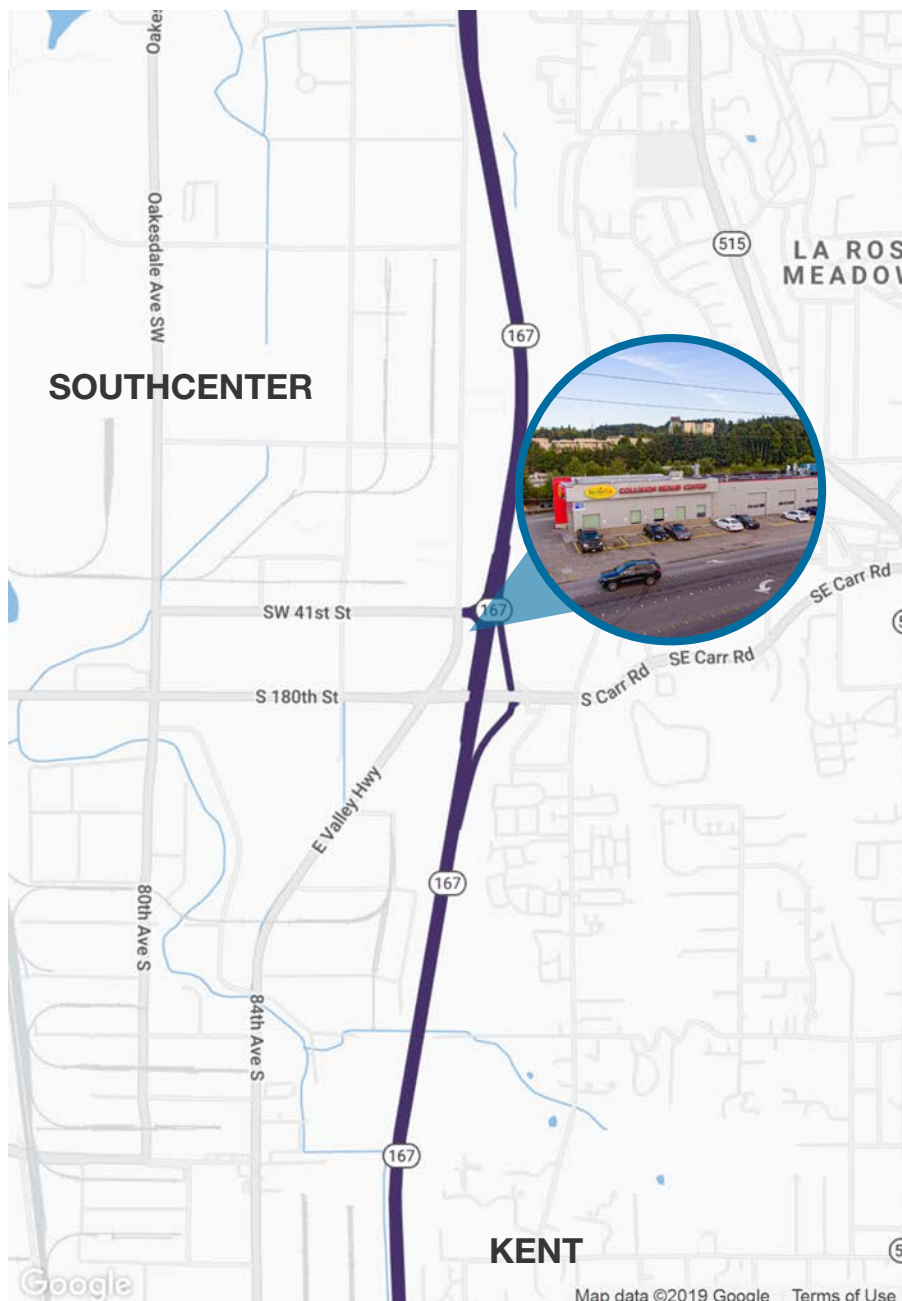
LEASE TYPE

NNN with 3% annual increases



PARCEL NUMBER

312305-9032



Highlights

Corporate Lease

Single-Tenant Service King

Improvements

\$350,000 Tenant Remodel in 2018

Location

Adjacent to on/off Ramp to 167 Hwy and Surrounded by National Retailers and Auto Dealerships

CAP

5.40% Cap Rate

Rent Increases

The tenant pays 3% annual increases throughout the options periods providing a hedge against inflation

Limited Responsibility

Landlord Only Responsible for Roof & Exterior Walls

Aerial Photo





2 Investment Overview

Tenant Profile



Service King Collision Repair is a national automotive collision repair company. It was founded in 1976 by Eddie Lennox in Dallas, Texas. Service King is **one of the largest providers of collision repair services in Texas and the United States.**

In 2012, The Carlyle Group purchased a majority stake in Service King. Around that time, it expanded into Arizona. Global investment and advisory group Blackstone purchased majority ownership in Service King in July 2014. Service King eclipsed the 200-location milestone by December 2014 by purchasing Seattle-headquartered Kirmac Collision Services to expand its footprint in the Pacific northwest. Service King hit the 300-location mark in August 2016. **Currently the company has over 344 locations in 24 states.**

Area served: Texas, Arizona, Illinois, Florida, Michigan, Ohio, Arkansas, Oklahoma, Mississippi, Georgia, Nevada, Pennsylvania, Virginia, Colorado, New York, Indiana, South Carolina, Washington, Delaware, Maryland, North Carolina, Tennessee

ADDRESS	4000 E Valley Rd Renton, WA
BUILDING AREA	14,430
LAND AREA	30,357
CURRENT OPTION EXPIRATION	4/30/2021
MONTHLY BASE RENT	\$16,882.63
\$/SF BASE RENT	\$1.17/SF/Month
RENEWAL OPTION	(2) 5-year
INCREASES	3% Annually

Company Snapshot

Type	Industry	Founded	Founder	Headquarters	Number of Locations	Revenue
Private	Auto repair service	1976; 43 years ago	Eddie Lennox	Richardson, TX	344	\$710 million (US) (2013)

Lease Abstract & Pricing

Pricing

Actual Net Operating Income

Scheduled Rent	\$	202,592
(+) NNN Charges	\$	54,816
(=) Effective Gross Income	\$	257,408
(-) Operating Expenses	\$	54,816
Net Operating Income	\$	202,592
Offering Price	\$	3,750,000
Cap Rate		5.40%



Tenant Information

Lease Years Monthly Rent Annual Rent Cap Rate

Current Option

2019-2020	\$16,882.63	\$202,591.56	5.40%
2020-2021	\$17,389.11	\$208,669.32	5.56%

Option #2

2021-2022	\$17,910.78	\$214,929.40	5.73%
2022-2023	\$18,448.11	\$221,377.28	5.90%
2023-2024	\$19,001.55	\$228,018.60	6.08%
2024-2025	\$19,571.60	\$234,859.16	6.26%
2025-2026	\$20,158.74	\$241,904.93	6.45%

Option #3

2026-2027	\$20,763.51	\$249,162.08	6.64%
2027-2028	\$21,386.41	\$256,636.94	6.84%
2028-2029	\$22,028.00	\$264,336.05	7.05%
2029-2030	\$22,688.84	\$272,266.13	7.26%
2030-2031	\$23,369.51	\$280,434.12	7.48%

An aerial photograph of a city landscape. In the foreground, there are several large industrial or commercial buildings with flat roofs, surrounded by parking lots. A multi-lane highway runs diagonally from the bottom right towards the center. To the left of the highway, there are more buildings and green spaces. In the background, a large body of water (likely a lake or bay) is visible under a clear sky. The entire image is overlaid with a dark, semi-transparent diagonal band that runs from the top left to the bottom right, creating a split effect. The text '3 Market Overview' is centered within this dark band.

3 Market Overview

Renton Market Overview



The Puget Sound Region is considered one of the **fastest growing markets** in the United States. Home to innovative industry leaders Amazon, Microsoft, Costco, Starbucks, Boeing, Nordstrom, Expedia, Concur Technologies, UW Medicine, Nintendo, and T-Mobile. The presence of these global leaders has attracted companies from all over the country including tech giants Facebook, Google, Apple, Uber, and Salesforce. Exponential growth from these companies has allowed many cities within the Seattle submarket to flourish.

Renton is emerging as the next hot neighborhood since it is zoned appropriately and has the room to grow. It offers convenient access to Seattle, Bellevue, Tacoma and SeaTac International Airport. Home to 99,692 residents, this industrial city has transformed into one of the most affluent areas in the region. The city's close proximity to Seattle (11 miles) and Bellevue (9 miles) factor into being such a desirable location for commercial tenants. Renton is **well known for manufacturing, technology, and healthcare organizations**, including the Boeing 737 family of commercial airplanes, Valley Medical Center, Amazon Fulfillment Center, IKEA, Wizards of the Coast and Providence Health & Services. Boeing currently occupies 1.1 million square feet of factory space, which is next to the Renton Municipal Airport.

Renton is also adjacent to Tukwila's Westfield Southcenter, which is the largest shopping center in Washington and the Pacific Northwest. The 2-level indoor shopping mall has over 200 stores and eateries. In addition to the mall, the surrounding area offers a plethora of retail amenities and activities. Some include: iFLY Indoor Skydiving, Acme Bowl, Northwest Seaplanes, Flying Circus, Family Fun Center and The Museum of Flight.

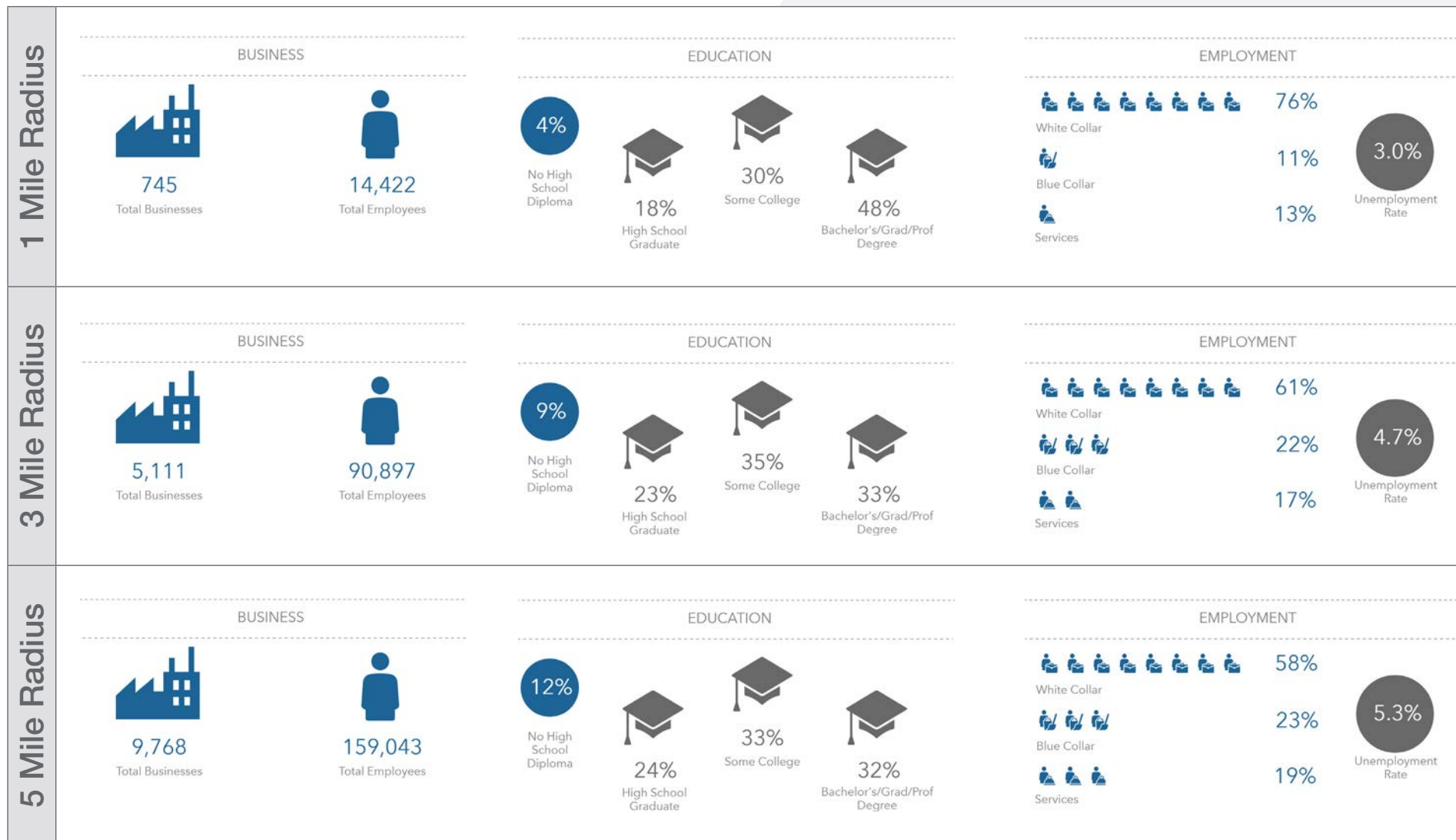
Retail Map



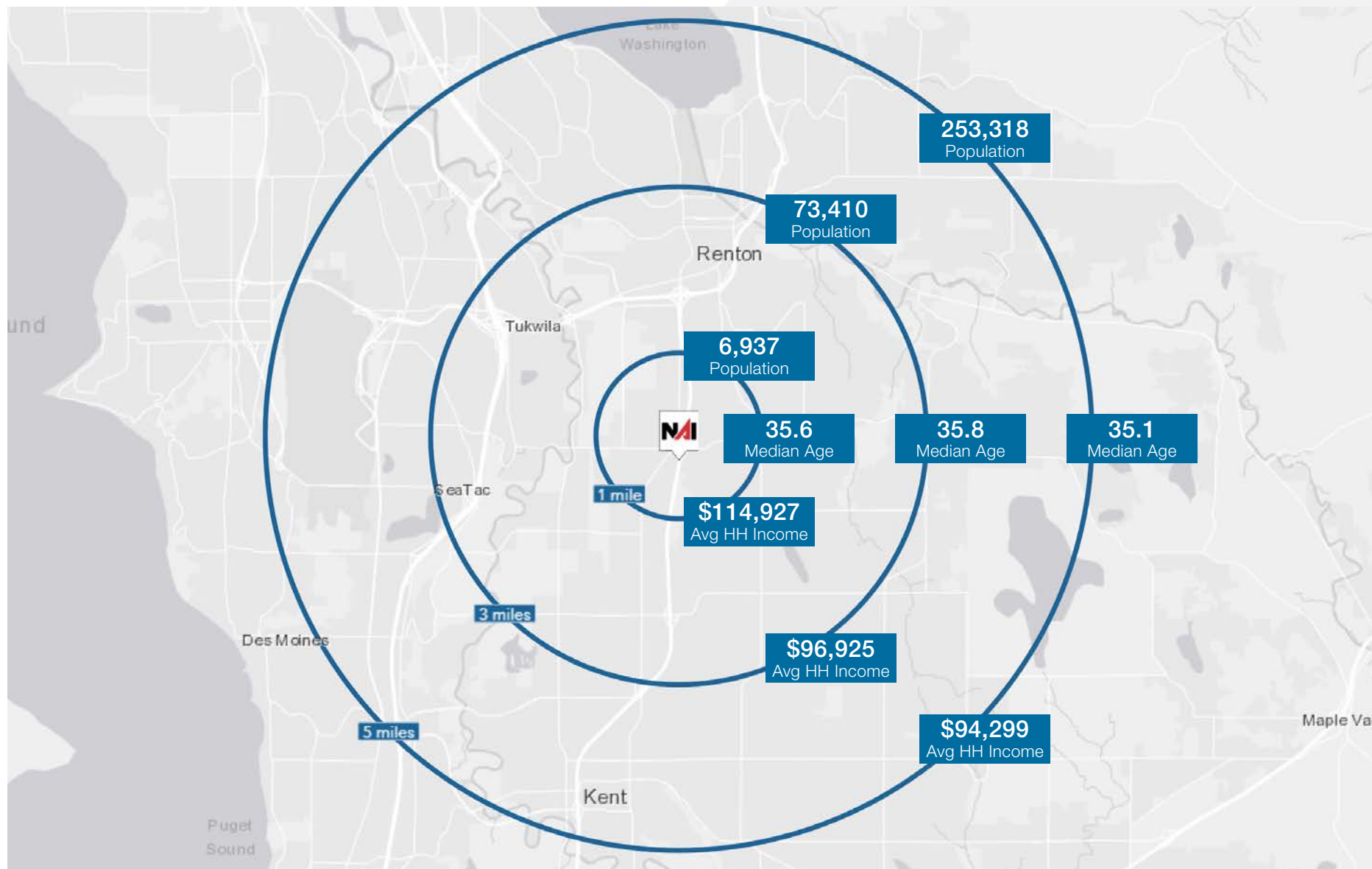
Location Overview



Demographics



Demographics Map





4 Offering Terms



Offering Terms & Procedures

Terms of Sale

The Property is being offered “as is”, “where is” and subject to all faults. Seller makes no representation or warranty with respect thereto. Buyer acknowledges that buyer is not relying on any representation or warranty of Seller or of any agent or representative of Seller. All information furnished regarding property for sale is from sources deemed reliable, but no warranty or representation is made as to the accuracy thereof and the same is subject to errors, omissions, changes of prices, rental or other conditions, prior sale or lease or withdrawal without notice.

No Contact with Seller

All contact with seller shall be conducted through listing agents with prior written approval.

Offering Procedure

NAI Puget Sound Properties hereby solicits offers to purchase Service King located at 4000 E Valley Road, Renton, WA. Owner shall consider all offers to purchase or lease the property as seller receives such offers. Inquiries concerning the procedures outlined in this Offering Memorandum may be directed to:

Kyle Sterling

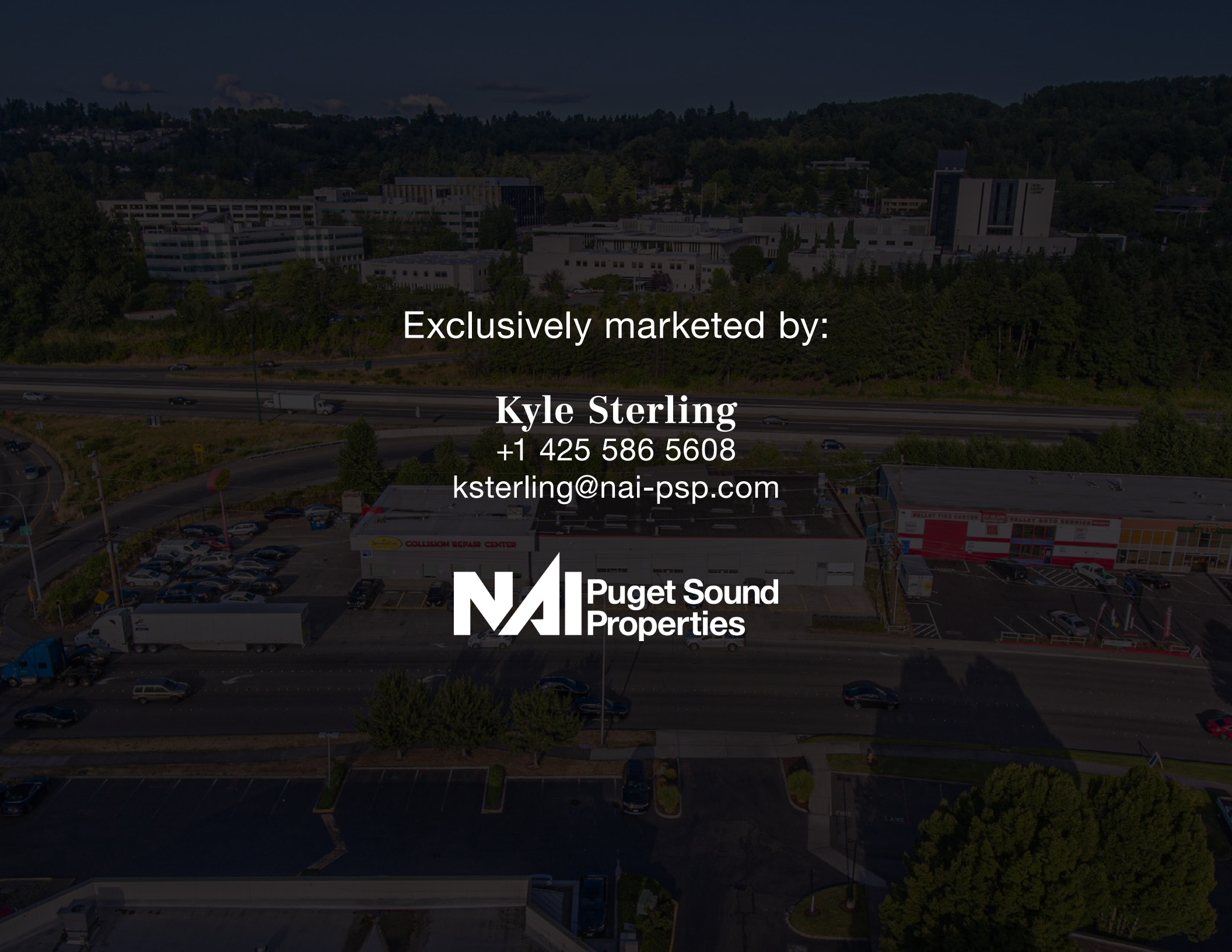
+1 425 586 5608

ksterling@nai-psp.com



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An aerial photograph of a commercial area. In the foreground, there's a large parking lot with several cars and a semi-truck. A building with a sign that says "COLLISION REPAIR CENTER" is visible. To the right, there's another building with signs for "VALLEY TIRE CENTER" and "VALLEY AUTO SERVICE". In the background, a multi-lane highway runs horizontally. Above the highway, there are more commercial buildings and a densely forested hillside under a clear sky.

Exclusively marketed by:

Kyle Sterling

+1 425 586 5608

ksterling@nai-psp.com

