

INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK

DBA. Car Wash USA

- ❖ 20-Year Sale-Leaseback
- ❖ 1.50% Annual Rental Increases
- ❖ #1 Car Wash Operator Globally
- ❖ Absolute Triple-Net (NNN) Lease
- ❖ Corporate Guarantee; More Than 900 Locations
- ❖ Qualifies for Bonus & Accelerated Depreciation

Representative Photo



OFFERING MEMORANDUM



1742 Albert Pike Road, Hot Springs, AR 71913

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Investment Highlights

PRICE: \$1,537,050 | CAP: 5.75% | RENT: \$88,380



About the Investment

- ✓ **20-Year Triple-Net (NNN) Sale-Leaseback:** At Closing the Tenant Will Execute a Brand New 20-Year Absolute Triple-Net Lease. The Lease Will Have No Landlord Responsibilities
- ✓ **Corporate Guarantee:** The Lease will be subject to Corporate Guarantee by International Car Wash Group Ltd. (UK) "ICWG" and the More Than 900 Locations Across Europe, Australia and the U.S.
- ✓ **Accelerated Depreciation:** The Properties Qualify for 15-Year Accelerated Depreciation as well as Bonus Depreciation
- ✓ **Rental Increases:** The Lease will Include 1.50% Annual Rental Increases

About the Tenant / Brand

- ✓ The World's Largest Car Wash Company: ICWG Was Founded In 1965 And Is Now The World's Largest Car Wash Operator, Washing More Than 35 Million Cars Every Year
- ✓ In August 2015, ICWG Entered the U.S. Market and Now Operates More Than 150 U.S. Locations, Making It One of the Country's Largest Operators.
- ✓ Favorable Industry Trends: In the U.S., the Percentage of Drivers That Wash Their Vehicle at a Professional Car Wash has Increased from 47% in 1994 to 72% in 2014.





Financial Analysis

PRICE: \$1,537,050 | CAP: 5.75% | RENT: \$88,380



Property Description

Property	International Car Wash Group
Property Address	1742 Albert Pike Rd
City, State, ZIP	Hot Springs, AR 71913
Year Built	2009
Building Size (SF)	5,400 SF
Lot Size	+/- 0.84 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$1,537,050
CAP Rate	5.75%
Annual Rent	\$88,380
Price / SF	\$285
Rent / SF	\$16.37

Lease Summary

Property Type	Net-Leased Car Wash
Guarantor	International Car Wash Group Ltd. (UK)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually
Options to Renew	Four, Five -Year Tenant Renewal Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$88,380	\$7,365	-
Year 2	\$89,706	\$7,476	1.50%
Year 3	\$91,052	\$7,588	1.50%
Year 4	\$92,417	\$7,701	1.50%
Year 5	\$93,804	\$7,817	1.50%
Year 6	\$95,211	\$7,934	1.50%
Year 7	\$96,639	\$8,053	1.50%
Year 8	\$98,089	\$8,174	1.50%
Year 9	\$99,560	\$8,297	1.50%
Year 10	\$101,053	\$8,421	1.50%
Year 11	\$102,569	\$8,547	1.50%
Year 12	\$104,108	\$8,676	1.50%
Year 13	\$105,669	\$8,806	1.50%
Year 14	\$107,254	\$8,938	1.50%
Year 15	\$108,863	\$9,072	1.50%
Year 16	\$110,496	\$9,208	1.50%
Year 17	\$112,153	\$9,346	1.50%
Year 18	\$113,836	\$9,486	1.50%
Year 19	\$115,543	\$9,629	1.50%
Year 20	\$117,276	\$9,773	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 1742 Albert Pike Road in Hot Springs, Arkansas. The tenant will enter into a brand new, 20-year triple-net (NNN) lease upon close of escrow with absolutely no landlord responsibilities. The base annual rent will be \$88,380 and will be subject to 1.50% annual rental escalations throughout the base term as well as the four, five-year tenant renewal option periods. The lease will have a corporate guarantee. International Car Wash Group operates more than 900 locations throughout the United States and Internationally. The property is 5,400 rentable square feet and is situated on 0.84 acres of land.



Tenant Overview

About International Car Was Group

ICWG is the world's largest car wash company currently operating in 14 countries around the globe, washing more than 35 million cars every year through a network of more than 900 locations. In August 2015, ICWG entered the U.S. market and now operates more than 150 locations, making it one of the country's largest operators. ICWG is led by an experienced team of car wash and investment professionals committed to delivering value, both for their customers and investors. The team is focused on developing and growing ICWG through a combination of market expansion, continuous innovation and investment. The sites are committed to delivering unparalleled service with consistent wash quality to each customer.

The Company has grown significantly in recent years through acquisitions, opening new sites in existing markets, investing in an extensive refurbishment program and expanding its international presence.

TENANT NAME

ICWG

FOUNDED

1965

COUNTRIES

14

LOCATIONS

900+

WEBSITE

ICWG.COM

HEADQUATERS

**Centennial, CO &
London England**

Key Brands

ICWG entered the US in August 2015 and already has over 150 sites which makes us one of the major players in the market. The US sites operate under 3 key brands – Car Wash USA Express, Goo-Goo 3 Minute Express Wash and Supersonic in the state of Utah.

CARWASH USA

Acquired by ICWG in 2015, Car Wash USA Express now consists of over 60 sites covering Alabama, Arkansas, Colorado, Georgia, Ohio, Mississippi, Tennessee and Texas. It is currently the largest express exterior car wash in the Mid-South offering a wash that takes just 3 minutes, coupled with free vacuums.

GOO-GOO

Since 1945 Goo-Goo 3 Minute Express Wash has met the needs of the driving public by giving customers a quality carwash with fast, economical, great service. As one of the oldest car wash brands in the United States, Goo-Goo has led the way by developing the concept to meet the needs of the driving public for over 60 years. Acquired by ICWG in July 2017, there are over 50 express wash outlets in seven states primarily in the southern United States and Ohio.

SUPERSONIC

Supersonic Car Wash was founded in Ogden, Utah in 1959 and was Utah's only full service car wash at the time. Supersonic now has both full-service and express exterior locations in Salt Lake, Utah and Weber Counties. Acquired by ICWG in August 2015, Supersonic provides additional opportunities to grow within the state of Utah with a number of locations already identified.





Depreciation Benefits

Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$88,380
Cap Rate	5.75%
Purchase Price	\$1,537,050
Loan Amount	\$999,082
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$66,299
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$81,976
Potential Tax Savings	\$30,331

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$88,380
Cap Rate	5.75%
Purchase Price	\$1,537,050
Loan Amount	\$999,082
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$66,299
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$31,529
Potential Tax Savings	\$11,666

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$88,380
Cap Rate	5.75%
Purchase Price	\$1,537,050
Loan Amount	\$999,082
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$66,299
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$1,229,640
Potential Tax Savings	\$454,967

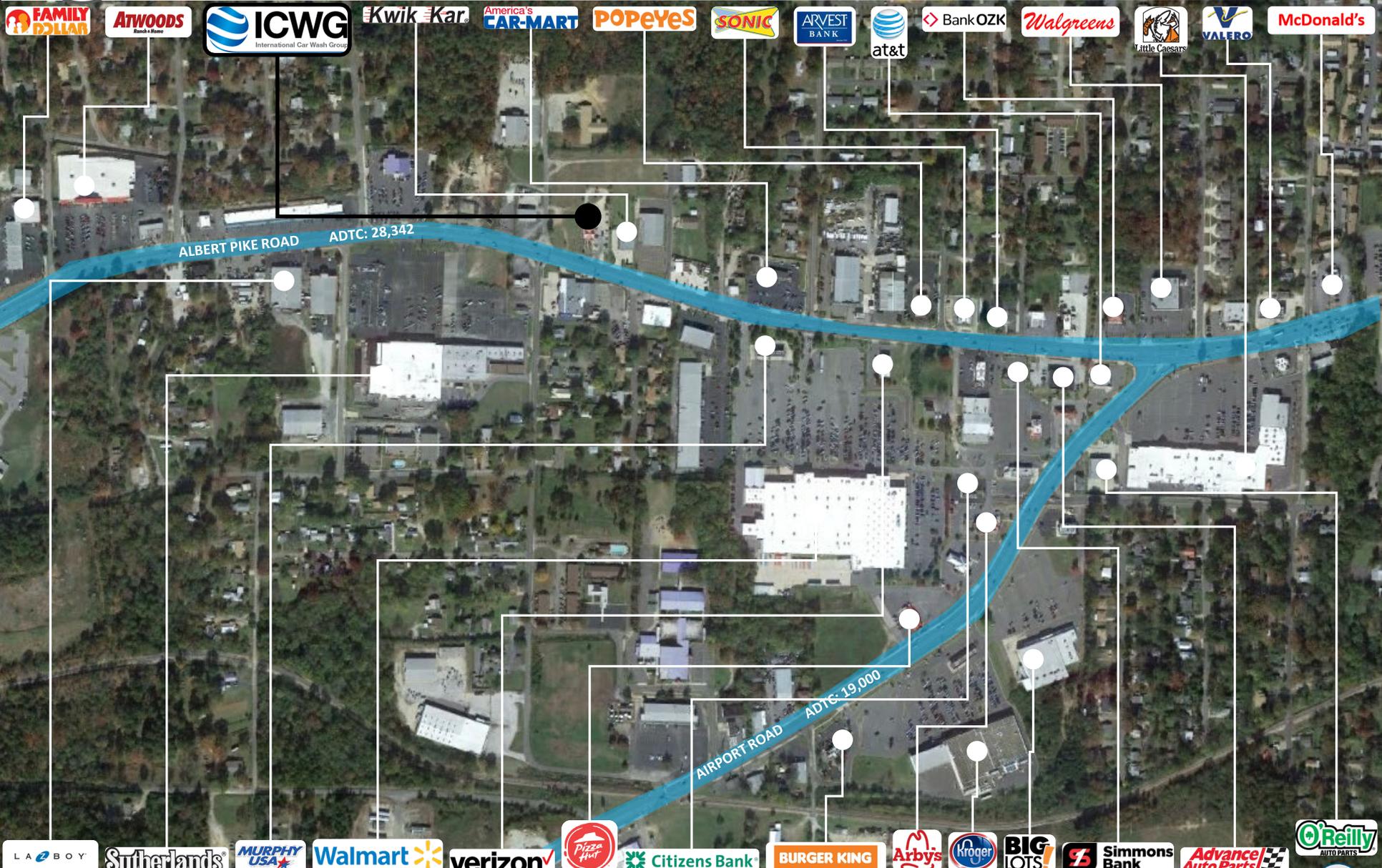
Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$88,380
Cap Rate	5.75%
Purchase Price	\$1,537,050
Loan Amount	\$999,082
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$66,299
Depreciable Basis for Improvements	0.00%
Useful Life	0
Federal Tax Rate	37.00%
Year 1 Depreciation	\$0
Potential Tax Savings	\$0



Surrounding Area

Property Address: 1742 Albert Pike Rd, Hot Springs, AR 71913





Location Overview

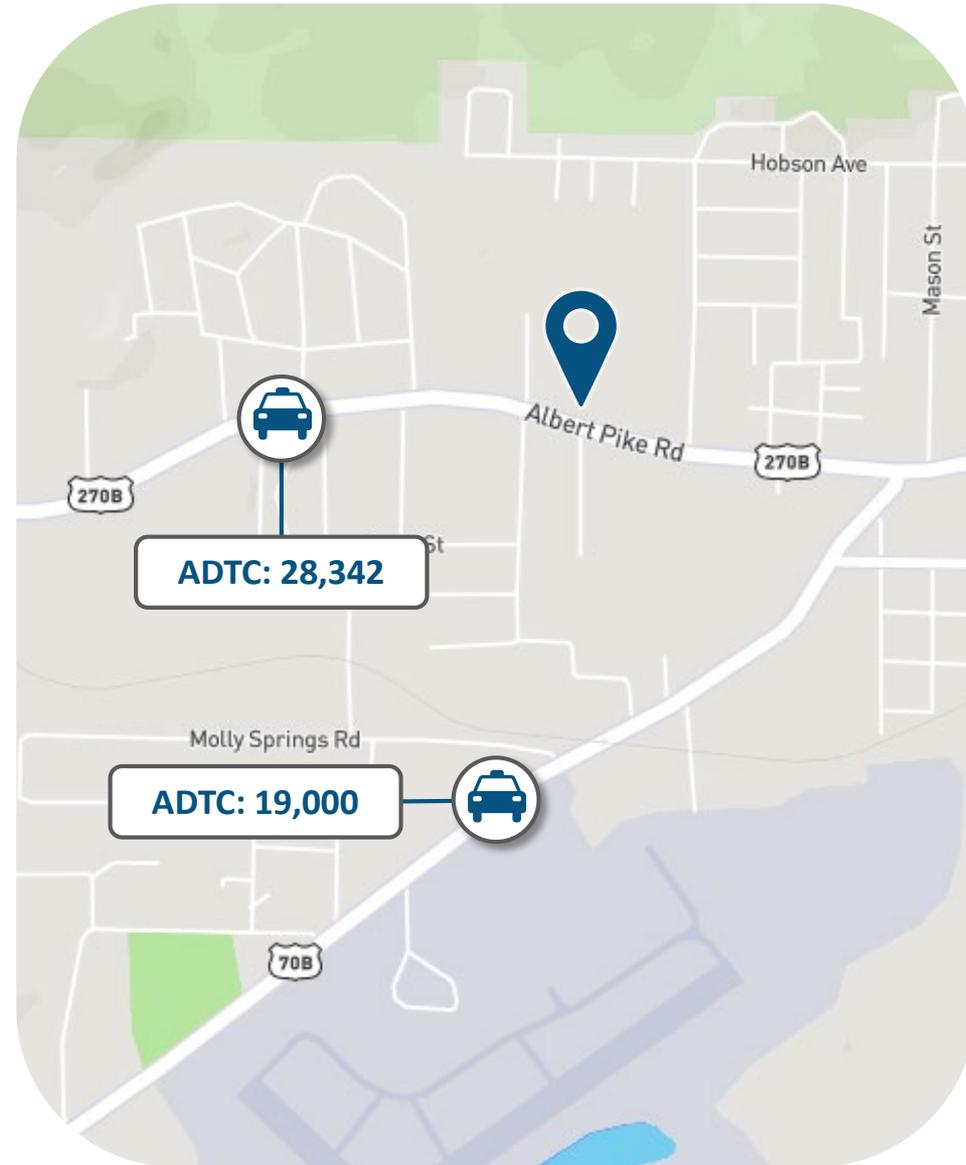
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This Car Wash USA benefits from being strategically placed in a highly dense retail corridor consisting of national and local tenants, shopping centers, hospitality accommodations, and academic institutions. Major national tenants in the area include: Walmart, Walgreens, Kroger, Family Dollar, Atwoods, Dollar General, Big Lots, Sutherlands, Kwik Kar, America’s Car Mart, Valero, Kwik Stop, Murphy USA, Advance Auto Parts, O’Reilly Auto Parts, McDonald’s Burger King, Popeyes, Sonic, Taco Bell, Pizza Hut, Little Caesars, Arvest Bank, Citizen Bank, Simmons Bank, and many more. The property is also within immediate proximity of several hospitality accommodations. The property also benefits from its close proximity to several first and secondary local schools including: Park Elementary School, Hot Springs Junior Academy, Hot Springs Junior High School, and Hot Springs High School all within a combined enrollment exceeding 1,730 students.

The site is situated on Albert Pike Road, which has an average daily traffic count of 28,342 vehicles, respectively. Albert Pike Road is intersected by Airport Road, which brings in an additional 19,000 vehicles into the immediate area per day. There are approximately 27,126 individuals within a five mile radius of the subject property and more than 55,161 individuals within a ten-mile radius.

Hot Springs, Arkansas is renowned for its thermal springs, especially Hot Springs National Park. Hot Springs National park, and its hiking trails and bathing facilities, is the regions starring attraction, while the city’s art deco architecture is another big draw for day-trippers from Little Rock. Little Rock is approximately 45 miles northeast of Hot Springs. Little Rock is the capital and most populous city in the State of Arkansas. In downtown, The Central High Museum tells the painful, powerful story of the city's racial struggles. Political buffs and Clinton fans will want to check out the State Capitol. Shoppers can spend hours at the River Market, a collection of tasty eateries and eclectic stores. Kids will be more than wowed by attractions such as the Children's Museum, the Museum of Discovery and the Zoo, famous for its eye-popping ape exhibit. Visitors can stay at a charming historic abode, an inviting bed and breakfast or a luxury hotel, and also eat at fabulous restaurants and enjoy exciting nightlife. Little Rock has all the ingredients of a perfect weekend getaway.

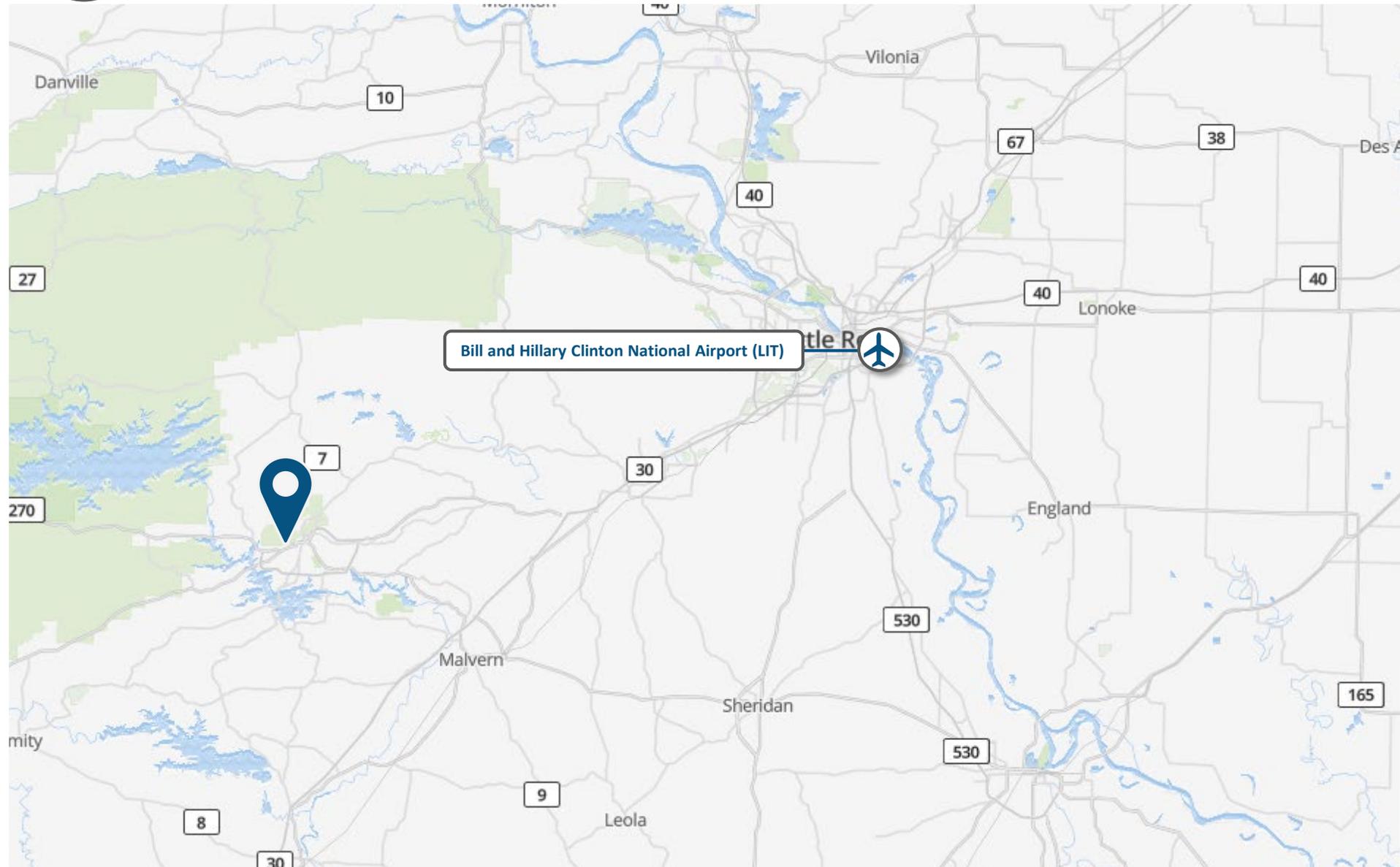




Local Map



Property Address: 1742 Albert Pike Rd, Hot Springs, AR 71913

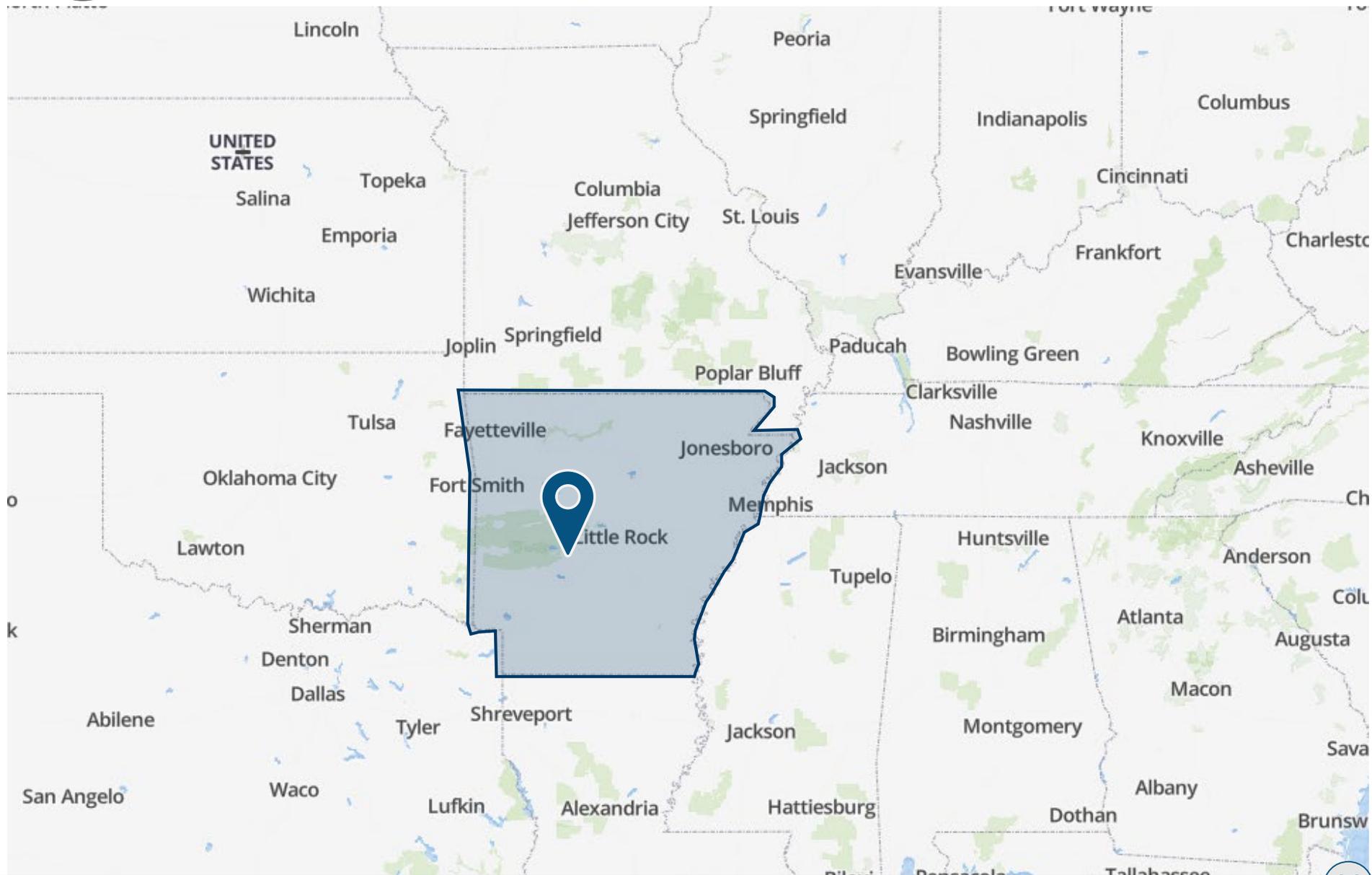




Regional Map



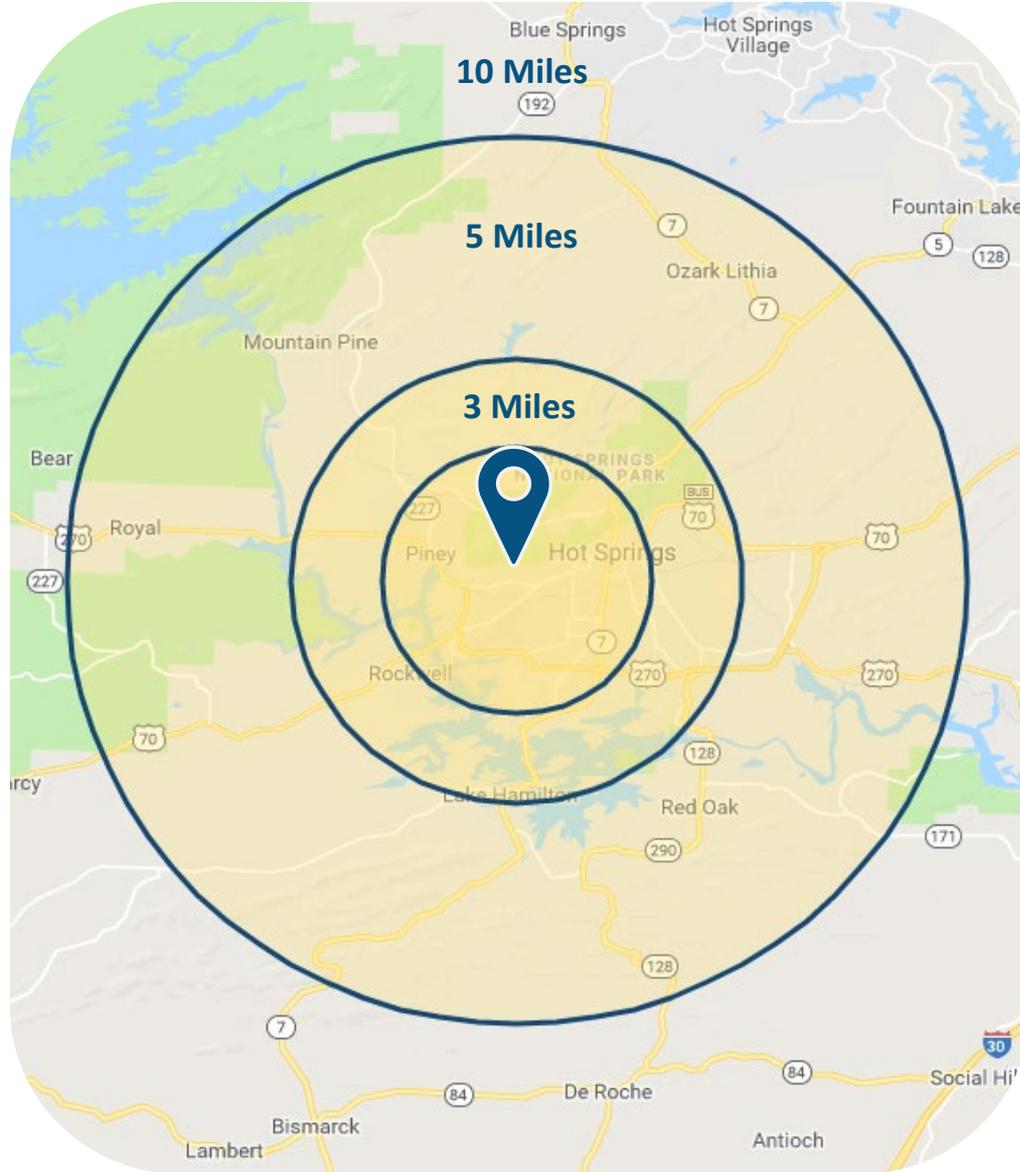
Property Address: 1742 Albert Pike Rd, Hot Springs, AR 71913





Demographics

Property Address: 1742 Albert Pike Rd, Hot Springs, AR 71913



POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	2,843	27,126	55,161
2018 Estimate	2,877	27,382	53,981
2010 Census	2,796	27,007	53,161
2000 Census	2,791	27,032	50,554

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$42,807	\$47,078	\$58,806
Median	\$29,582	\$32,441	\$38,561
Per Capita	\$20,068	\$21,337	\$26,057

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2023 Projection	1,346	12,282	24,490
2018 Estimate	1,348	12,259	23,666
2010 Census	1,312	12,167	23,442
2000 Census	1,348	12,633	22,581

HOUSING

	3 Miles	5 Miles	10 Miles
2018	\$83,183	\$117,319	\$141,671

EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2018 Daytime Population	2,794	40,002	63,445
2018 Unemployment	5.98%	5.35%	5.14%
2018 Median Time Traveled	17 Mins	19 Mins	20 Mins

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	71.98%	73.09%	77.99%
Native American	0.00%	0.05%	0.06%
African American	19.47%	17.73%	13.67%
Asian/Pacific Islander	0.78%	0.98%	1.00%



Market Overview

City: Hot Springs | County: Garland | State: Arkansas

Hot Springs, Arkansas

Hot Springs is a city located in the state of Arkansas and the county seat of Garland county. The city is divided into six districts and includes five school districts, ultimately leading to graduation from five different high schools. The Arkansas School for Mathematic, Sciences, and the Arts, an advanced statewide program within the University of Arkansas system, is also located in Hot Springs. The city has been a tourist mecca for generations due to the thermal waters and attractions such as Oakland Park, a thoroughbred racing facility: Magic Springs and Crystal Fall theme parks. Hot Springs, Arkansas, has a thriving arts community. Galleries, museums, music and film festivals, and arts and crafts shows make it a cultural hub for artists and art enthusiasts. In the Hot Springs Fine Arts District, dozens of artists and patrons of the arts have transformed historic buildings into galleries and studios. Most galleries stay open late for Gallery Walk on the first Friday of every month. Because of its diverse arts scene, Hot Springs is ranked fourth on the list of 100 Best Art Towns in America.. Hot Springs also boasts an electric shopping scene. Visitors can stroll through the historic downtown for fashionable boutiques, jewelry and fine art gallery's. The city's downtown district is filled with many dining options, and is filled with delicious domestic and international cuisine, especial southern-style soul food. Hot Springs is home to legendary clubs that have been popping since Prohibition to live music venues and festivals of all kinds. The Ohio Club, located in downtown Hot Springs, had regular legendary visitors such as Ted Williams and Al Capone,.

Major Employers

Employer	Estimated # of Employees
Saint Josephs Mercy Health Center	1,320
First Step School	750
Saint Josephs Hospital	719
Walmart	654
City Clerk	570
City Manager	570
Arlington Resort Hotel & Spa	500
Utilities Municipal	500
Rexam Delta Plastics	479
Ouachita National Forest	300
Quapaw Tech Institute	300



Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING

