

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



OFFERING MEMORANDUM



6975 Stage Road, Bartlett, TN 31833

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Investment Highlights

PRICE: \$3,148,017 | CAP: 6.00% | RENT: \$188,881



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: \$3,148,071 | CAP: 6.00% | RENT: \$188,881



Property Description

Property	International Car Wash Group
Property Address	6975 Stage Rd
City, State, ZIP	Bartlett, TN 38133
Year Built / Renovated	2015
Building Size (SF)	2,190 SF
Lot Size	+/- 0.61 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$3,148,017
CAP Rate	6.00%
Annual Rent	\$188,881

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	\$188,881	\$15,740	-
Year 2	\$191,714	\$15,976	1.50%
Year 3	\$194,590	\$16,216	1.50%
Year 4	\$197,509	\$16,459	1.50%
Year 5	\$200,471	\$16,706	1.50%
Year 6	\$203,478	\$16,957	1.50%
Year 7	\$206,531	\$17,211	1.50%
Year 8	\$209,629	\$17,469	1.50%
Year 9	\$212,773	\$17,731	1.50%
Year 10	\$215,965	\$17,997	1.50%
Year 11	\$219,204	\$18,267	1.50%
Year 12	\$222,492	\$18,541	1.50%
Year 13	\$225,830	\$18,819	1.50%
Year 14	\$229,217	\$19,101	1.50%
Year 15	\$232,655	\$19,388	1.50%
Year 16	\$236,145	\$19,679	1.50%
Year 17	\$239,687	\$19,974	1.50%
Year 18	\$243,283	\$20,274	1.50%
Year 19	\$246,932	\$20,578	1.50%
Year 20	\$250,636	\$20,886	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 6975 Stage Road in Bartlett, Tennessee. 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 \$188,881 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 2,190 rentable square feet and is situated on 0.61 acres.



Tenant Overview

About International Car Wash 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

HEADQUARTERS

**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	\$188,881
Cap Rate	6.00%
Purchase Price	\$3,148,017
Loan Amount	\$2,046,211
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$135,786
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$167,894
Potential Tax Savings	\$62,121

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$188,881
Cap Rate	6.00%
Purchase Price	\$3,148,017
Loan Amount	\$2,046,211
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$135,786
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$64,575
Potential Tax Savings	\$23,893

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$188,881
Cap Rate	6.00%
Purchase Price	\$3,148,017
Loan Amount	\$2,046,211
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$135,786
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$2,518,413
Potential Tax Savings	\$931,813

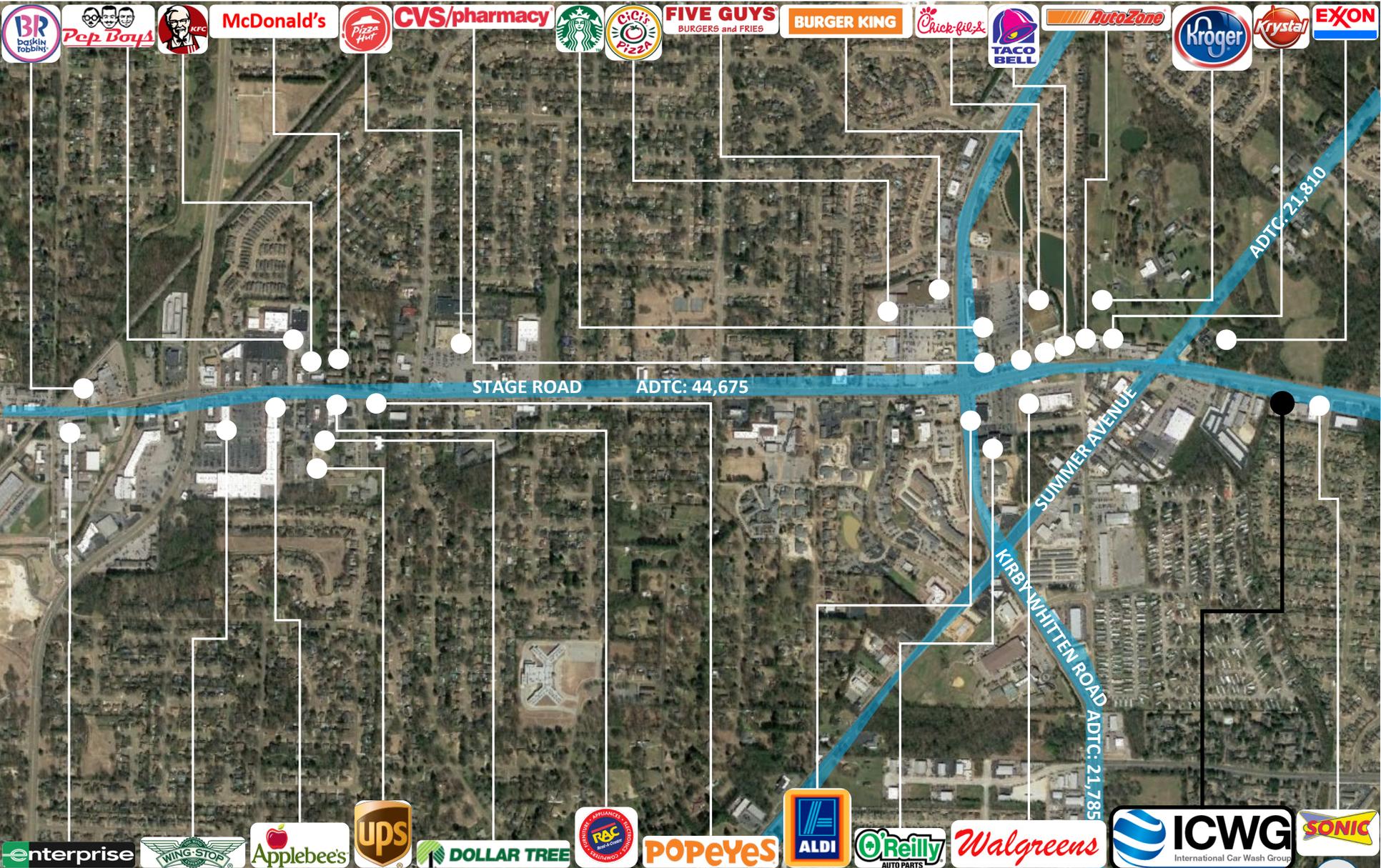
Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$188,881
Cap Rate	6.00%
Purchase Price	\$3,148,017
Loan Amount	\$2,046,211
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$135,786
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: 6975 Stage Road, Bartlett, TN 38133





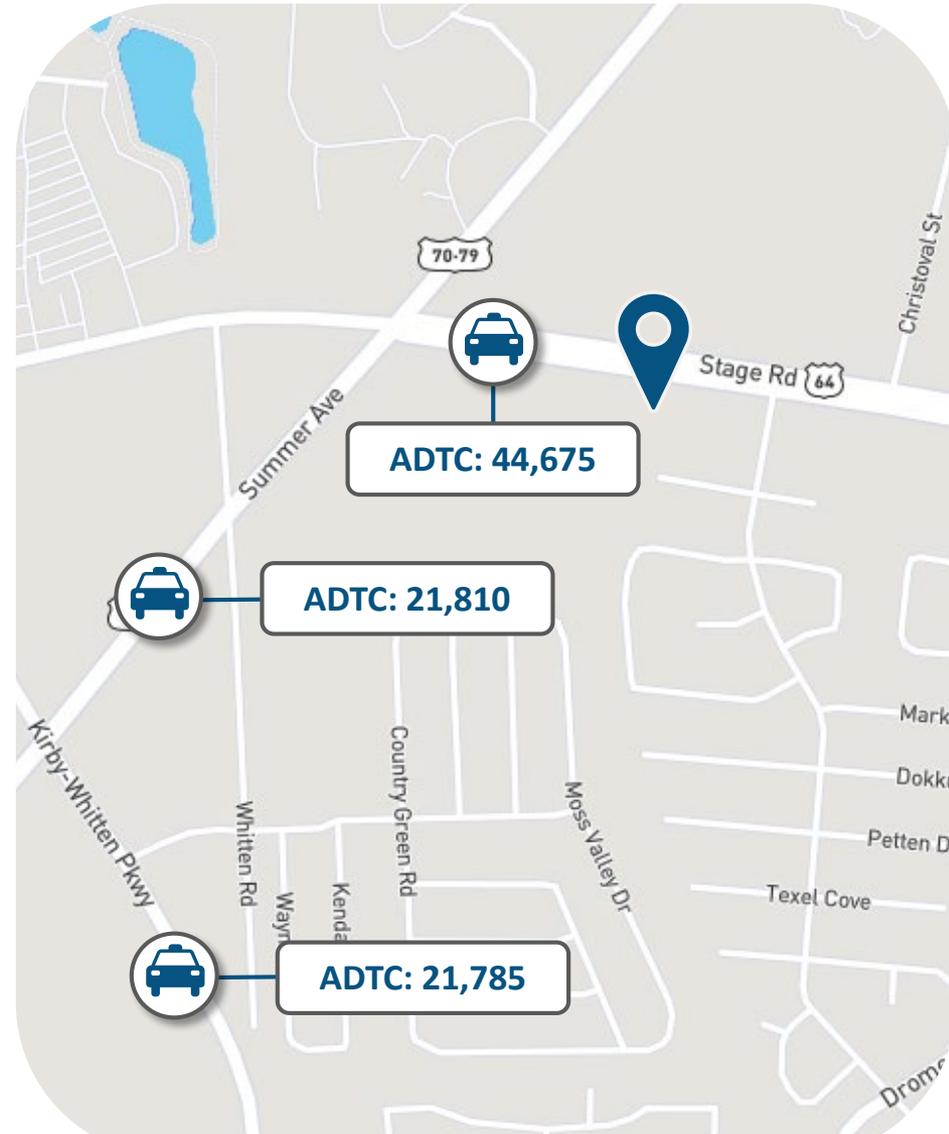
Location Overview

Property Address: 6975 Stage Road, Bartlett, Tennessee 38133

The subject Car Wash benefits from being well-positioned 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 Walgreens, Kroger, Dollar Tree, Aldi, CVS Pharmacy, McDonald’s, Burger King, Starbucks, Taco Bell, Chick-fil-A, Popeyes, Pizza Hut and many more. The property is also within immediate proximity of several hospitality accommodations. These include Best Western Plus Galleria Inn & Suites, Relax Inn, and more. The subject property also benefits from its close proximity to several academic institutions, the most notable being the University of Memphis. The public university is approximately 10-miles from the subject property and is home to over 17,390 students. Methodist Le Bonheur Healthcare is also located less than five-miles from the subject property, which is a 246-bed general and surgical hospital. The subject property is approximately 18-miles from Memphis International Airport, which is the 2nd busiest cargo airport in the United States with an annual passenger count of 4,419,541 in 2018.

The site is situated on Stage Road, which has an average daily traffic count of 44,675 vehicles. Stage Road is intersected by Summer Avenue and Kirby-Whitten Parkway, which each bring an additional 21,810 and 21,785 vehicles into the immediate area per day, respectively. There are approximately 174,705 individuals within a five-mile radius of this property and 506,580 individuals within a ten-mile radius.

Bartlett is a city in Shelby County, Tennessee. It is the largest suburban community of the Memphis Metro area. It serves as one of the metro area’s and the state’s most vibrant economic engines for new technologies and job growth. Bartlett serves as the hub for Northeast Shelby County, which boasts over 15,000 businesses, 185,000 employees and 150,000 households. In recent years, Bartlett has emerged as one of the largest concentrations of medical device manufacturing in the country. This dynamic industry provides good paying jobs for both professional technicians and advanced-degreed engineers and specialists. In addition, the area contains a large number of other life-science-related industries, including pharmaceuticals, laboratories and healthcare. Several points of interest include the Nicholas Gotten House, Davies Manor Plantation, and the Performing Arts & Conference Center. Bartlett also has the Bartlett Recreation and Fitness Center, which is a 55,000 square foot facility that is popular because of its swimming pool, racquetball and basketball courts, running track, and workout rooms.





Property Photo





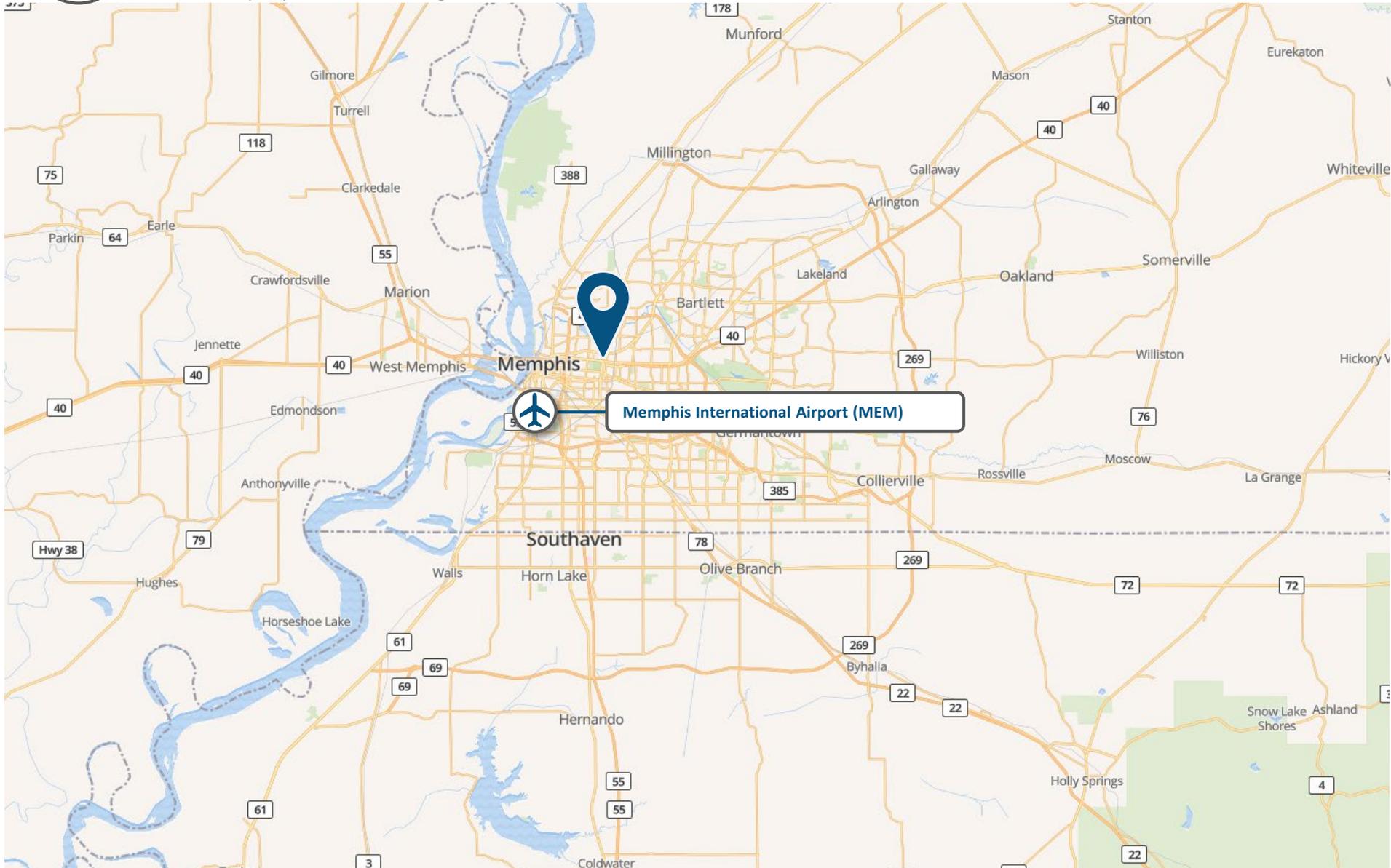
Surrounding Area Photos





Local Map

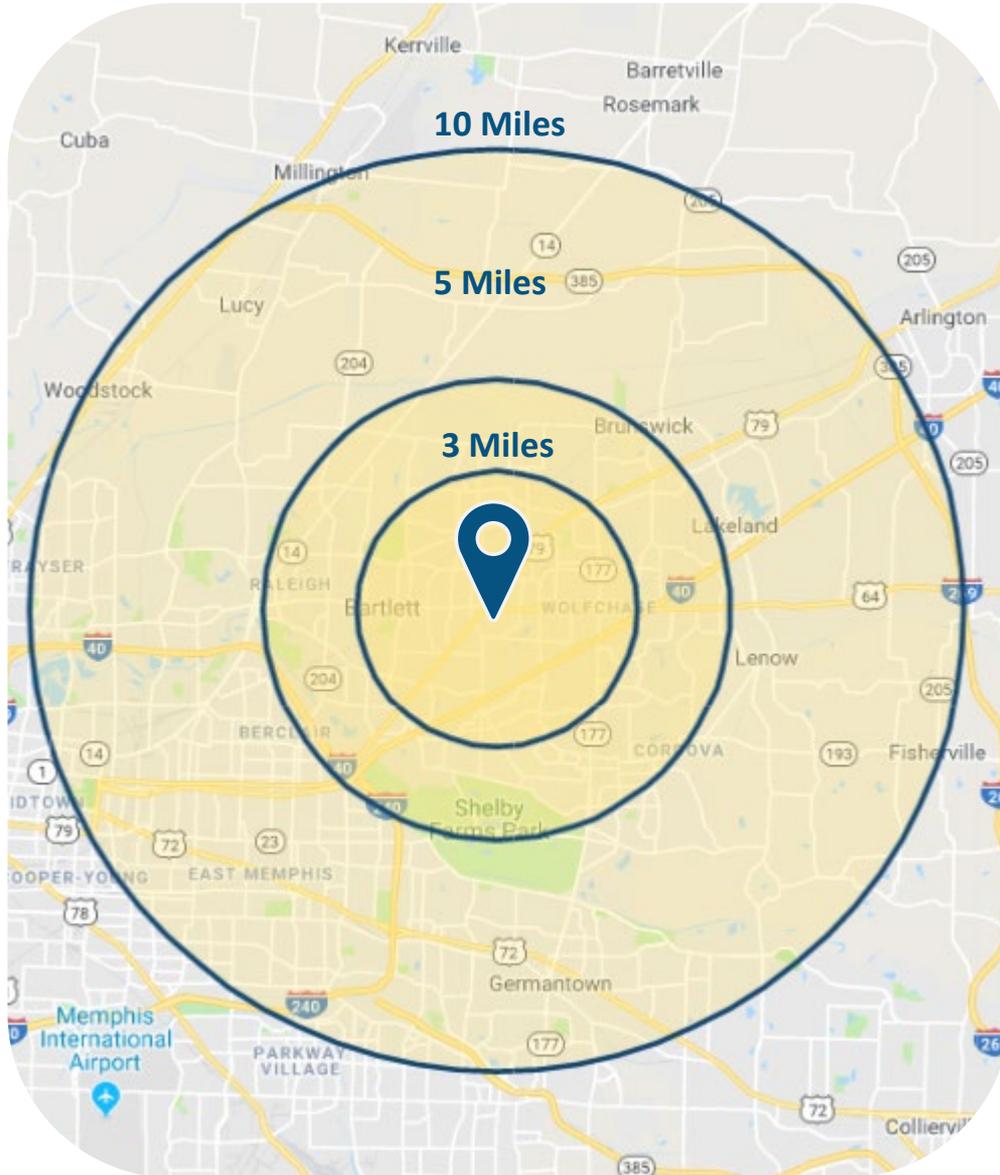
Property Address: 6975 Stage Road, Bartlett, Tennessee 38133





Demographics

Property Address: 6975 Stage Road, Bartlett, Tennessee 38133



POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	75,832	186,547	529,527
2018 Estimate	72,941	174,706	506,584
2010 Census	70,810	168,981	492,131
2000 Census	66,767	142,958	448,738

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$75,759	\$81,308	\$82,598
Median	\$61,192	\$64,651	\$56,799
Per Capita	\$29,306	\$30,481	\$31,363

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2023 Projection	29,658	69,817	201,290
2018 Estimate	28,157	64,670	190,835
2010 Census	27,525	63,033	187,119
2000 Census	25,222	52,869	172,561

HOUSING

	3 Miles	5 Miles	10 Miles
2018	\$150,705	\$156,807	\$164,663

EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2018 Daytime Population	73,456	146,218	485,190
2018 Unemployment	2.67%	2.64%	3.56%
2018 Median Time Traveled	25 Mins	26 Mins	25 Mins

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	63.64%	53.30%	50.55%
Native American	0.03%	0.03%	0.03%
African American	26.35%	36.76%	40.02%
Asian/Pacific Islander	2.65%	3.46%	2.94%



Market Overview

City: Bartlett | County: Shelby | State: Tennessee

Memphis, Tennessee

Memphis is a city located along the Mississippi River in southwestern Shelby County, Tennessee, United States. The 2017 city population was 652,230, making Memphis the largest city on the Mississippi River, the second most populous city in Tennessee, as well as the 25th largest city in the United States. Greater Memphis is the 42nd largest metropolitan area in the United States, with a population of 1,348,260 in 2017. The city is the anchor of West Tennessee and the greater Mid-South region, which includes portions of neighboring Arkansas and Mississippi. Memphis is the seat of Shelby County, the most populous county in Tennessee. As one of the most historic and cultural cities of the southern United States, the city features a wide variety of landscapes and distinct neighborhoods.

Since the civil rights era, Memphis has grown to become one of the nation's leading commercial centers in transportation and logistics. The city's largest employer is the multinational courier corporation FedEx, which maintains its global air hub at Memphis International Airport, making it the second-busiest cargo airport in the world. Today, Memphis is a regional center for commerce, education, media, art, and entertainment. The city has long had a prominent music scene, with historic blues clubs on Beale Street originating the unique Memphis blues sound during early 20th century. The city's music has continued to be shaped by a multi-cultural mix of influences across the blues, country, rock n' roll, soul, and hip-hop genres. Memphis barbecue has achieved international prominence, and the city hosts the World Championship Barbecue Cooking Contest, which attracts over 100,000 visitors to the city annually.

Major Employers

Employer	Estimated # of Employees
American Pathology	5,008
Homewood Suites	4,725
Baptist Memorial Hospital	4,010
International Paper	3,000
Accredo Health Incorporated	2,868
Methodist Le Bnheur Healthcare	2,412
Fedex	2,129
EFS Transportation Services Incorporated	2,000
Imperial Guard Service	2,000
Kroger	1,723
Tenet	1,700



Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING

