

# INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK

**DBA. Car Wash USA**

- ❖ 20-Year Sale-Leaseback
- ❖ Corporate Guarantee
- ❖ #1 Car Wash Operator Globally

- ❖ Absolute Triple-Net (NNN) Lease
- ❖ More Than 900 Locations
- ❖ Accelerated Depreciation



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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.

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# Investment Highlights

PRICE: \$2,728,571 | CAP: 5.85% | RENT: \$159,621



## 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 is Subject to a 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:** This Property Qualifies for 15 Year Accelerated Depreciation

## About the Location

- ✓ Dense Retail Corridor | Walmart Supercenter, Walgreens, JCPenney, Hobby Lobby, Goodwill, Dollar General, Aaron's, Aldi, Dollar Tree, Ace Hardware, and Many More
- ✓ Numerous Hospitality Accommodations | Five Hospitality Accommodations Within a One-Mile Radius | Hampton Inn, Holiday Inn, Quality Inn and More
- ✓ FedEx Freight | Located Within a Half-a-Mile Radius of the Property | Harrison's Biggest Employer with Over 700 Employees
- ✓ Proximity to Industrial Park | Numerous Manufacturing and Distribution Facilities Within a Two-Mile Radius | Includes WestRock, Wabash National, Johnson Manufacturing and Many More
- ✓ Strong Traffic Counts | Over 28,000 Vehicles Per Day on Highway-65 N
- ✓ Boone County Regional Airport | Within a Two-Mile Radius of Property | Services Over 30 Flights Per Day to Surrounding Major Cities

## 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 135 locations, making it the country's second largest operator.
- ✓ 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: \$2,728,571 | CAP: 5.85% | RENT: \$159,621



## Property Description

Property	International Car Wash Group
Property Address	1107 Highway 62/65N
City, State, ZIP	Harrison, AR 72601
Building Size (SF)	3,704
Lot Size	+/- 1.34 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$2,728,571
CAP Rate	5.85%
Annual Rent	\$159,621
Rent / SF	\$43.09

## 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	1.5% Annually
Options to Renew	Four (4), Five (5) Year Options

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$159,621	\$13,302	-
Year 2	\$162,016	\$13,501	1.50%
Year 3	\$164,446	\$13,704	1.50%
Year 4	\$166,913	\$13,909	1.50%
Year 5	\$169,416	\$14,118	1.50%
Year 6	\$171,958	\$14,330	1.50%
Year 7	\$174,537	\$14,545	1.50%
Year 8	\$177,155	\$14,763	1.50%
Year 9	\$179,812	\$14,984	1.50%
Year 10	\$182,509	\$15,209	1.50%
Year 11	\$185,247	\$15,437	1.50%
Year 12	\$188,026	\$15,669	1.50%
Year 13	\$190,846	\$15,904	1.50%
Year 14	\$193,709	\$16,142	1.50%
Year 15	\$196,615	\$16,385	1.50%
Year 16	\$199,564	\$16,630	1.50%
Year 17	\$202,557	\$16,880	1.50%
Year 18	\$205,596	\$17,133	1.50%
Year 19	\$208,680	\$17,390	1.50%
Year 20	\$211,810	\$17,651	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 1107 Highway 62/65N in Harrison, 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 \$159,621 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 3,704 rentable square feet and is situated on 1.34 acres.



# 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 135 locations, making it the country's second largest operator. 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**

COUNTRIES

**14**

WEBSITE

**ICWG.COM**

FOUNDED

**2014**

LOCATIONS

**890+**

HEADQUARTERS

**Centennial,  
Colorado**

## 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.



## Roark Capital Group Acquires International Car Wash Group

Atlanta, GA (October 4, 2017) – Roark Capital Group, an Atlanta-based private equity firm focused on multi-unit consumer businesses, announced today that its affiliate has closed on the previously announced acquisition of UK-based International Car Wash Group from TDR Capital LLP.

ICWG is the largest car wash operator in the world, washing more than 35 million cars every year through more than 900 locations in 14 countries across Europe, the United States, and Australia. Founded in Germany in 1965, the Company has solidified its position as the international market leader, developing an extensive network of more than 750 car wash locations across Europe and more than 100 car wash locations in the U.S. ICWG's focus on express-service style operations appeals to a broad base of consumers seeking a quick and high-quality wash at an affordable price.

Ezra Field, Senior Managing Director and Chief Investment Officer at Roark, said, "ICWG's quick conveyor car wash model provides high-quality washes at an affordable price point that is attractive to today's consumers who demand convenience and value."

Roark focuses on franchised and multi-unit business models in the retail, restaurant, consumer and business services sectors. Since inception, affiliates of Roark have invested in 61 franchise/multi-unit brands which collectively generate \$25 billion in annual system revenues from 28,000 locations in 50 states and 78 countries. Roark's current brands include Anytime Fitness, Arby's, Atkins Nutritionals, Batteries Plus Bulbs, CKE Restaurants (the owner of Carl's Jr. and Hardee's), Corner Bakery, Driven Brands (the owner of Maaco, Meineke, CARSTAR, 1-800-Radiator and Take 5 Oil Change), Drybar, FOCUS Brands (the owner of Auntie Anne's Pretzels, Carvel Ice Cream, Cinnabon, McAlister's Deli, Moe's Southwest Grill, and Schlotzsky's), Great Expressions Dental Centers, Il Fornaio, Jimmy John's, Jim 'N Nick's, Massage Envy, Miller's Ale House, Naf Naf Grill, Orangetheory Fitness, Pet Retail Brands (the owner of Pet Supermarket and Pet Valu), Primrose Schools and Waxing the City. For more information, please visit [www.roarkcapital.com](http://www.roarkcapital.com).





# Depreciation Benefits

## Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$159,621
Cap Rate	5.85%
Purchase Price	\$2,728,571
Loan Amount	\$1,773,571
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$117,694
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$145,524
Potential Tax Savings	\$53,844

## Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$159,621
Cap Rate	5.85%
Purchase Price	\$2,728,571
Loan Amount	\$1,773,571
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$117,694
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$55,971
Potential Tax Savings	\$20,709

## Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$159,621
Cap Rate	5.85%
Purchase Price	\$2,728,571
Loan Amount	\$1,773,571
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$117,694
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$2,182,856
Potential Tax Savings	\$807,657

## Ground Lease

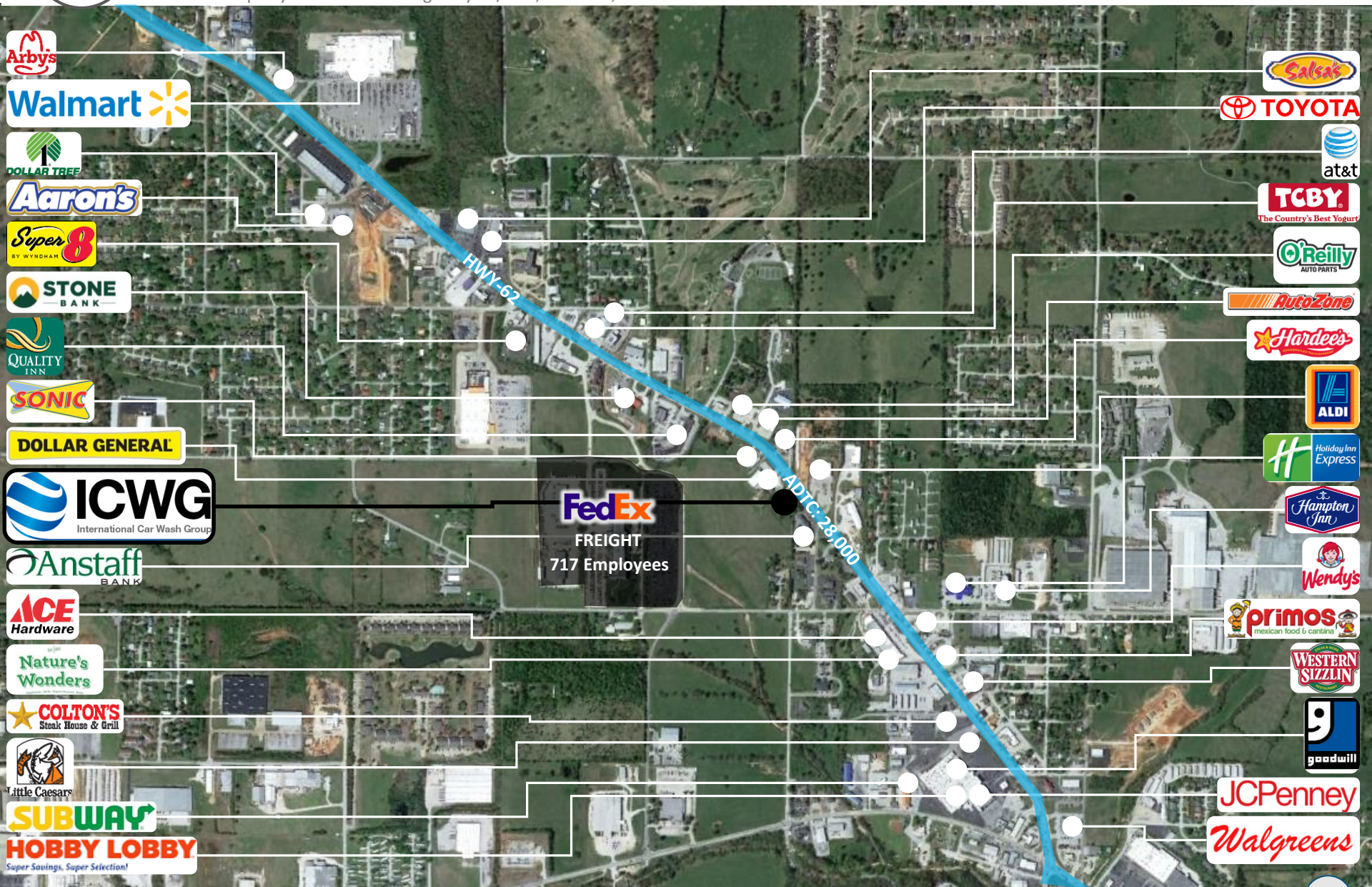
Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$159,621
Cap Rate	5.85%
Purchase Price	\$2,728,571
Loan Amount	\$1,773,571
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$117,694
Depreciable Basis for Improvements	0.00%
Useful Life	0
Federal Tax Rate	37.00%
Year 1 Depreciation	\$0
Potential Tax Savings	\$0





# Surrounding Area

Property Address: 1107 Highway 62/65N, Harrison, AR 72601





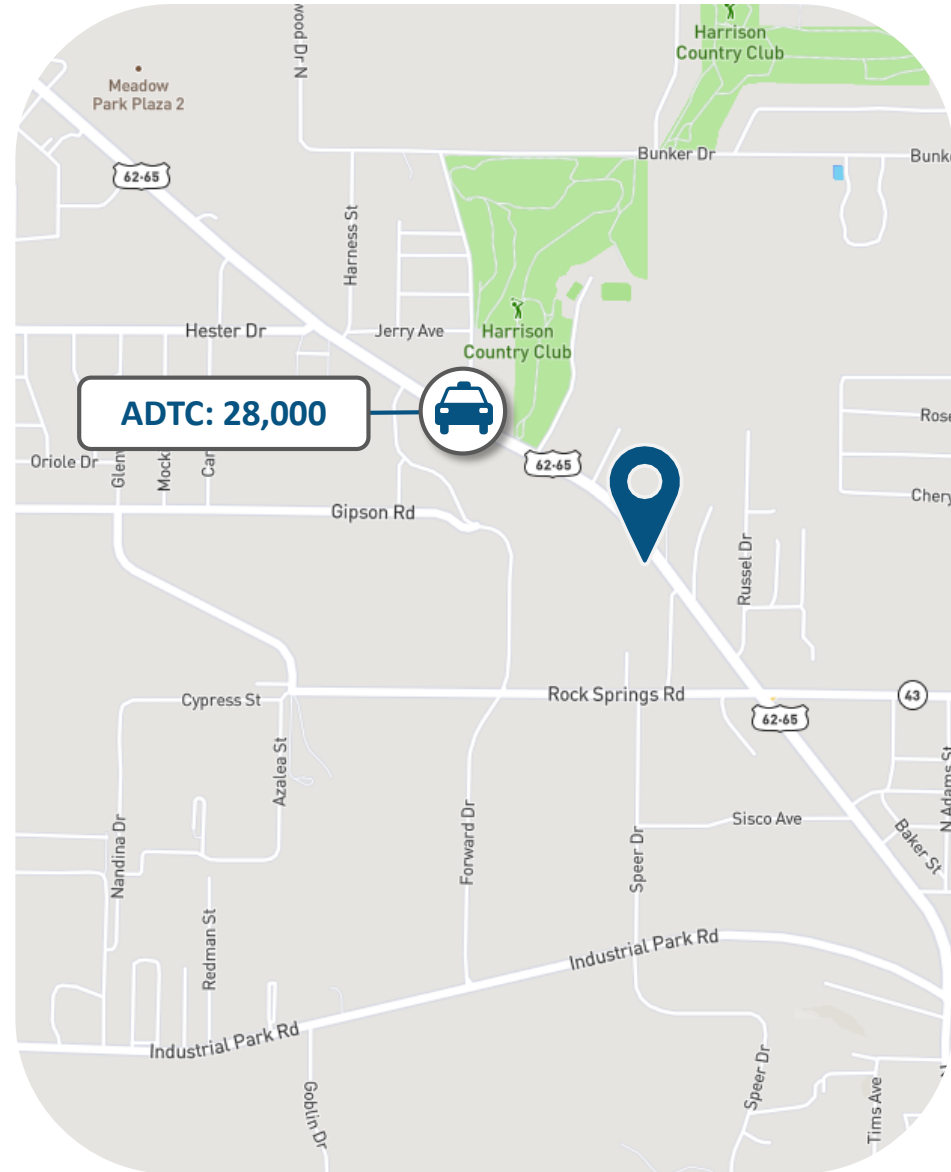
# Location Overview

Property Address: 1107 Highway 62/65N, Harrison, AR 72601

The subject Car Wash benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hospitality accommodations. Major national tenants in the area include Walmart Supercenter, Walgreens, JCPenney, Hobby Lobby, Aaron's, Dollar Tree, Dollar General, Goodwill, Ace Hardware, Subway, Sonic, Wendy's as well as many more. The property is also within immediate proximity of several hospitality accommodations. These include Holiday Inn, Quality Inn, Hampton Inn, Mountain Inn, Days Inn and more, all within a one-mile radius. This subject property benefits from its proximity to a large industrial park consisting of numerous manufacturing and distribution facilities. The park is within a two-mile radius of the site and includes Wabash National, WestRock, Johnson Manufacturing as well as others, with a combined total of over 2,000 full-time employees. FedEx Freight, the city's largest employer, is within a half-a-mile radius of the site and adds an additional 700 employees into the immediate area. The subject property is less than two miles from Boone County Regional Airport, which services over 30 flights per day to surrounding major cities.

The site is situated on Highway 62/65N, which has an average daily traffic count of 28,000 vehicles. Highway 62/65N acts as a direct link, south and north of Harrison, to Little Rock, Arkansas and Springfield, Missouri. There are nearly 19,000 individuals within a five-mile radius of this property and approximately 30,000 individuals within a ten-mile radius.

Harrison is a city in Boone County, Arkansas. It is the county seat of Boone County in northwest Arkansas. The Northwest Arkansas economy has historically been based upon agriculture and poultry. In recent decades, NWA has seen rapid growth and diversification of its economy based upon the big companies located there. Major companies in the area include Walmart, Tysons Food, J.B. Hunt, and Pinnacle Emergency Vehicles. The University of Arkansas has contributed significantly to the growth in the region. The Northwest Arkansas Regional Airport is located south of Centerton and is used to connect all of the Northwest Arkansas region to the rest of the nation. For more than the last decade, Northwest Arkansas has been one of the fastest-growing regions in the United States.

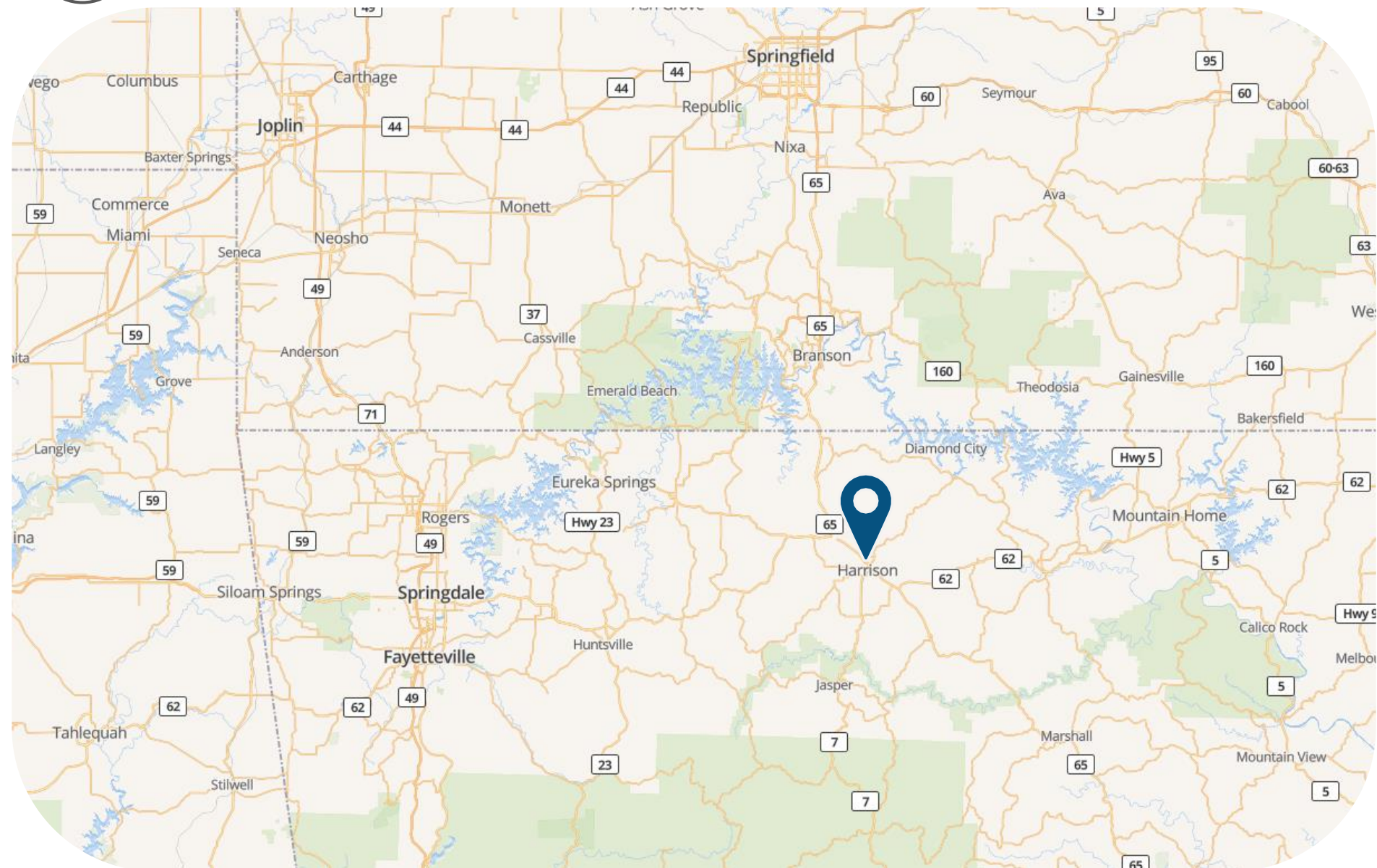






# Local Map

Property Address: 1107 Highway 62/65N, Harrison, AR 72601



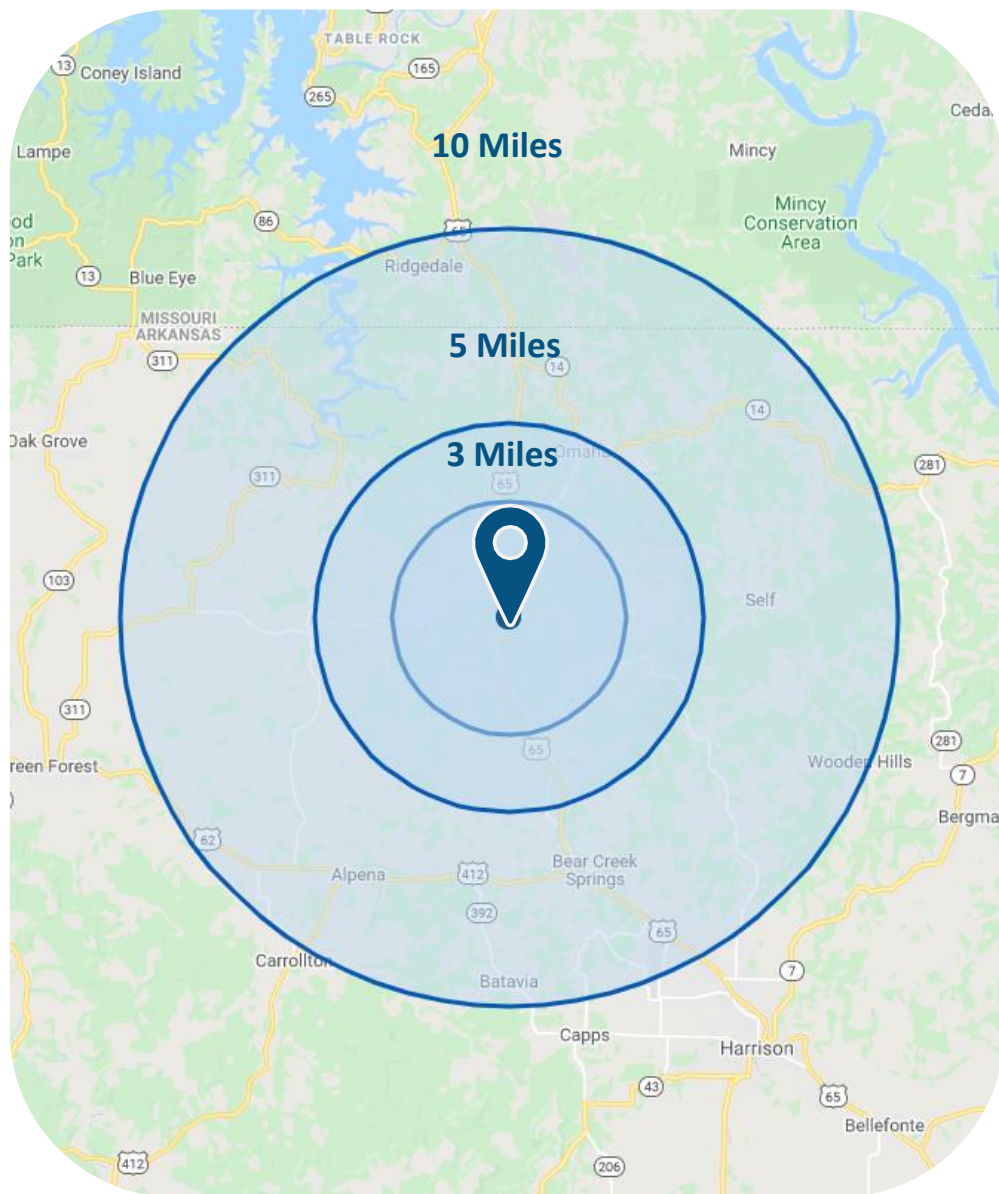






# Demographics

Property Address: 1107 Highway 62/65N, Harrison, AR 72601



## POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	13,693	19,268	30,001
2018 Estimate	13,454	18,865	29,185
2010 Census	13,643	18,925	28,953
2000 Census	12,877	17,804	26,827

## INCOME

	3 Miles	5 Miles	10 Miles
Average	\$58,402	\$60,205	\$60,917
Median	\$42,637	\$43,577	\$45,219
Per Capita	\$25,151	\$25,444	\$24,982

## HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2023 Projection	5,893	8,151	12,337
2018 Estimate	5,739	7,917	11,907
2010 Census	5,847	7,971	11,847
2000 Census	5,516	7,491	10,952

## HOUSING

	3 Miles	5 Miles	10 Miles
2018	\$121,369	\$123,980	\$123,346

## EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2018 Daytime Population	20,058	25,906	32,306
2018 Unemployment	4.05%	3.96%	3.72%
2018 Median Time Traveled	16 Mins	17 Mins	19 Mins

## RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	94.87%	95.18%	95.40%
Native American	0.11%	0.12%	0.09%
African American	0.38%	0.35%	0.34%
Asian/Pacific Islander	1.23%	1.05%	0.82%





# Market Overview

City: Harrison | County: Boone | State: Arkansas

**Fayetteville** is the third-largest city in Arkansas and county seat of Washington County. The city is centrally located within the country and has been home to the University of Arkansas since the institutions founding in 1871. The University of Arkansas is the state's largest university and when classes are in session, thousands of students on campus dramatically changed the city's demographics. Thousands of Arkansas Razorbacks alumni and fans travel to Fayetteville to attend football, basketball, and baseball games. The University's men's track and field program has won 41 national championships to date. The University of Arkansas has also been changing into a research-centered university since the late-20th century. The university's stated goals now include becoming the economic engine for the region, the state of Arkansas, and beyond. This focus on innovation has helped draw students who were interested in research to Fayetteville. This shift in emphasis was recognized by the Carnegie Foundation for the Advancement of Teaching with classification in the category of "R1, Highest Research Activity." Fayetteville was named the third best place to live in the United States in the 2016 U.S. News Best Places To Live Rankings, and one of the best places to retire in the South. Forbes also ranked Fayetteville as the 24th-best city for business and careers in 2016. Lonely Planet named Fayetteville among its top 20 places to visit in the South in 2016.

Fayetteville's culture is a combination of a Southern city, college town, and the surrounding Northwest Arkansas metro. Fayetteville shares many of the characteristics commonly given to Arkansas as a southern state, yet it has also absorbed cultural influence from the Mid and South West. The city also derives a cultural identity from the University of Arkansas, exhibiting many trademarks of a college town such as a prominent arts and music scene, emphasis on local businesses, college-oriented bar/restaurant entertainment district, progressive residents and a focus on environmental sustainability.

## Major Employers

Employer	Estimated # of Employees
FedEx Freight Inc	717
North Ark Regional Med Center	653
Pace Industries Harrison Division	600
Area Agency On Aging NW Ark Inc	452
Wabash Wood Products Inc	300
Walmart	200
Wood Products Division	190
District 9 Hwy Transport Maintenance	189
NWAEDD	180
Rock-Tenn Folding Carton	165
North Ark College - N Campus	151

*Fayetteville, Arkansas*





Marcus & Millichap

**EXCLUSIVE NET LEASE OFFERING**

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