

# 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



## OFFERING MEMORANDUM



2564 Lawrenceville Hwy, Decatur, GA 30033

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As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

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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## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.





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# Investment Highlights

PRICE: \$4,773,714 | CAP: 5.50% | RENT: \$262,554



## 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 | CVS, Publix, Home Depot, Chick-fil-A, AutoZone Auto Parts and Many More
- ✓ Strong Traffic Counts | Over 26,000 Vehicles Per Day on Lawrence Highway
- ✓ Affluent Suburban Community | Average Household Income within a Five-Mile Radius Exceeds \$100,000
- ✓ Positive Real Estate Fundamentals | Located As a Suburb of Atlanta

## 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: \$4,773,714 | CAP: 5.50% | RENT: \$262,554



## Property Description

Property	International Car Wash Group
Property Address	2564 Lawrenceville Hwy
City, State, ZIP	Decatur, GA 30033
Building Size (SF)	3,801
Lot Size	+/- 0.88 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$4,773,714
CAP Rate	5.50%
Annual Rent	\$262,554

## 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	\$262,554	\$21,880	-
Year 2	\$266,493	\$22,208	1.50%
Year 3	\$270,490	\$22,541	1.50%
Year 4	\$274,547	\$22,879	1.50%
Year 5	\$278,666	\$23,222	1.50%
Year 6	\$282,846	\$23,570	1.50%
Year 7	\$287,088	\$23,924	1.50%
Year 8	\$291,395	\$24,283	1.50%
Year 9	\$295,765	\$24,647	1.50%
Year 10	\$300,202	\$25,017	1.50%
Year 11	\$304,705	\$25,392	1.50%
Year 12	\$309,276	\$25,773	1.50%
Year 13	\$313,915	\$26,160	1.50%
Year 14	\$318,623	\$26,552	1.50%
Year 15	\$323,403	\$26,950	1.50%
Year 16	\$328,254	\$27,354	1.50%
Year 17	\$333,178	\$27,765	1.50%
Year 18	\$338,175	\$28,181	1.50%
Year 19	\$343,248	\$28,604	1.50%
Year 20	\$348,397	\$29,033	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 2564 Lawrenceville Hwy in Decatur, GA. 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 \$262,554 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 3,801 rentable square feet and is situated on 0.88 acres.



# Tenant Overview

## About International Car Wash Group

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 950 locations. In August 2015, ICWG entered the U.S. market and now operates more than 200 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.

## Key United States Brands

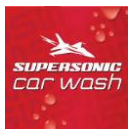
ICWG entered the US in August 2015 and already has over 150 sites which makes us one of the major players in the market. The US sites operate under 3 key brands – Car Wash USA Express, Goo-Goo 3 Minute Express Wash and Supersonic in the state of Utah.



**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. 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. Acquired by ICWG in August 2015, Supersonic provides additional opportunities to grow within the state of Utah with a number of locations already identified.

FOUNDED:

1965

LOCATIONS:

950+

COUNTRIES:

14

WEBSITE:

ICWG.COM

HEADQUARTERS:

Centennial, CO & London England



## Driven Brands Announces Acquisition of International Car Wash Group

### CHARLOTTE, N.C. – AUGUST 05, 2020

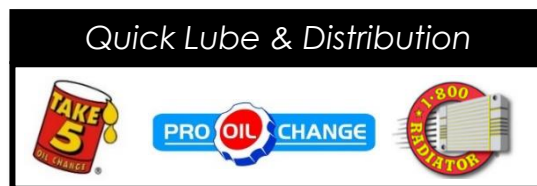
Driven Brands (“Driven”) announced its acquisition of International Car Wash Group (“ICWG”) has been completed. With the addition of ICWG, Driven now encompasses more than 4,000 locations across 15 countries and approximately \$3.8 billion in annual system-wide sales, making it the largest automotive aftermarket services company by location count in North America.

Driven is a portfolio company of Roark Capital and has completed more than 35 acquisitions over the past five years. In addition to ICWG, Driven’s portfolio includes Take 5 Oil Change, Meineke Car Care Centers, Automotive Training Institute, Maaco, CARSTAR, ABRA, Uniban, 1-800-Radiator & A/C and PH Vitres d’Autos.

“We are excited to officially welcome ICWG to our growing family of brands,” said Jonathan Fitzpatrick, Chief Executive Officer of Driven Brands. “The team at ICWG should be incredibly proud of the company they’ve helped create, and we look forward to building on their success and accelerating long-term growth at ICWG.”

Driven Brands™, headquartered in Charlotte, NC, is the parent company of some of North America’s leading automotive service brands including Take 5 Oil Change, Meineke Car Care Centers, Automotive Training Institute, Maaco, CARSTAR, 1-800-Radiator & A/C in addition to several other reputable brands. As a result of the ICWG acquisition, Driven Brands has more than 4,000 centers across 15 countries, and combined, all businesses generate approximately \$3.8 billion in system-wide sales and service over 50 million vehicles annually.

<b><u>Facts on Driven:</u></b>	<b>15</b> countries	<b>4,000</b> brand locations	<b>130</b> years of service	<b>\$3.8 Billion</b> system wide sales
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(1) [https://www.prweb.com/releases/driven\\_brands\\_announces\\_acquisition\\_of\\_international\\_car\\_wash\\_group/prweb17304453.htm](https://www.prweb.com/releases/driven_brands_announces_acquisition_of_international_car_wash_group/prweb17304453.htm)



# Depreciation Benefits

## Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$262,554
Cap Rate	5.50%
Purchase Price	\$4,773,714
Loan Amount	\$3,102,914
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$205,909
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$254,598
<b>Potential Tax Savings</b>	<b>\$94,201</b>

## Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$262,554
Cap Rate	5.50%
Purchase Price	\$4,773,714
Loan Amount	\$3,102,914
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$205,909
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$97,922
<b>Potential Tax Savings</b>	<b>\$36,231</b>

## Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$262,554
Cap Rate	5.50%
Purchase Price	\$4,773,714
Loan Amount	\$3,102,914
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$205,909
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$3,818,971
<b>Potential Tax Savings</b>	<b>\$1,413,019</b>

## Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$262,554
Cap Rate	5.50%
Purchase Price	\$4,773,714
Loan Amount	\$3,102,914
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$205,909
Depreciable Basis for Improvements	0.00%
Useful Life	0
Federal Tax Rate	37.00%
Year 1 Depreciation	\$0
<b>Potential Tax Savings</b>	<b>\$0</b>





# Surrounding Area

Property Address: 2564 Lawrenceville Hwy, Decatur, GA 30033







# Location Overview

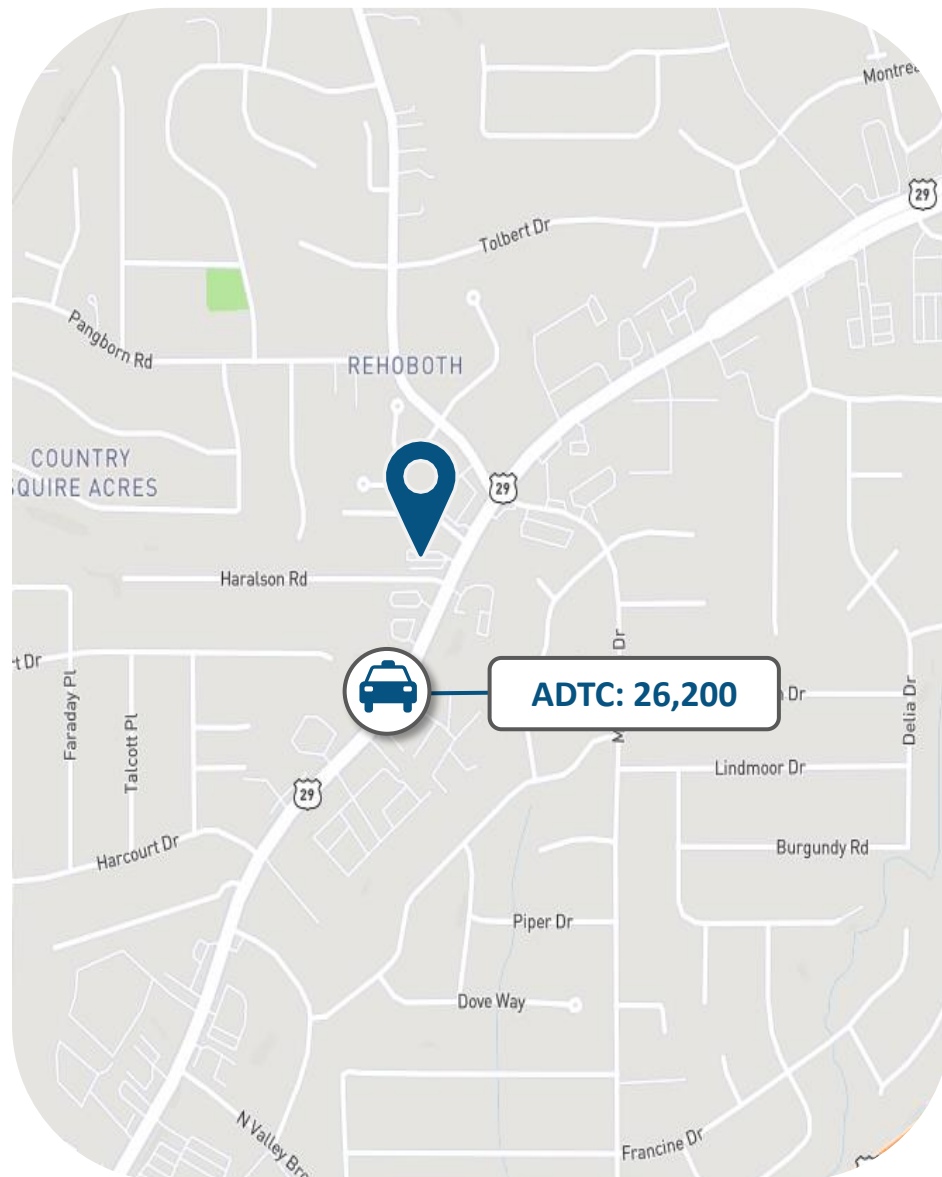
Property Address: 2564 Lawrenceville Hwy, Decatur, GA 30033



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, CVS, Publix, Home Depot, Chick-fil-A, AutoZone Auto Parts, and many more. The property is also within immediate proximity of several hospitality accommodations. These include Courtyard, Motel 6, Hampton Inn & Suites, Holiday Inn Express & Suites, The University Inn, Emory Conference Center Hotel, Super 8 and more. The subject property also benefits from its close proximity to several academic institutions, the most notable Druid Hills Middle School, which serves just under 930 students in 6<sup>th</sup> through 8<sup>th</sup> grade. This ICWG location benefits from its distance to a major metro, positioned just under 10 miles from the city lines of Atlanta.

The site is situated on Lawrenceville Highway, which has an average daily traffic count of 26,200 vehicles. Lawrenceville Highway intersects with I-285 to the north, which brings an additional 183,800 vehicles into the immediate area per day. There are approximately 100,300 individuals within a three-mile radius of this property and 298,900 individuals within a five-mile radius.

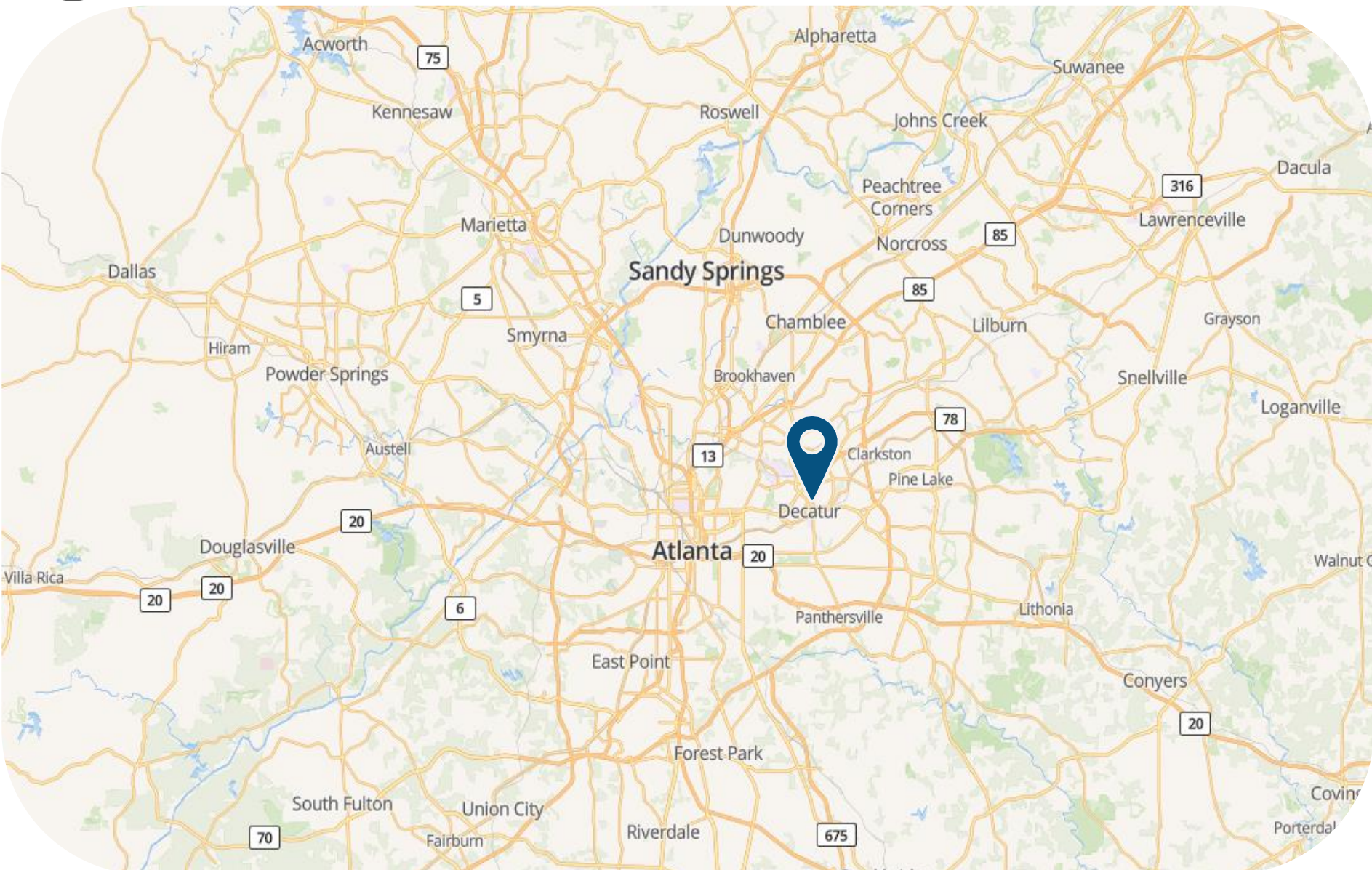
Decatur is a city in, and the county seat of, DeKalb County, Georgia, which is part of the Atlanta metropolitan area. Decatur is a vibrant community that borders the city lines of Atlanta, GA. Decatur is known for its food scene and was named one of the South's "Tastiest Towns" in 2012. In 2016, the New York Times called it "Atlanta's gastronomic equivalent of Berkeley or Brooklyn". Decatur's downtown area and residential neighborhoods are filled with historic structures and sites of interest. This list primarily consists of structures on the National Register of Historic Places, but many remain privately owned and may only be viewed from the exterior. Additionally, Decatur has a thriving art and festival scene. The Decatur Arts Alliance hosts the Decatur Arts Festival each May, in addition to installing public art around the city, providing gallery space for local artists, producing YEA!, which is an event for young emerging artists, and supporting arts and arts education throughout the City. Decatur also holds the annual AJC Decatur Book Festival, which claims to be one of the largest independent book festivals in the United States. It has featured thousands of famous authors, book signings, speeches, and attracted upwards of 85,000 people in 2019.





# Local Map

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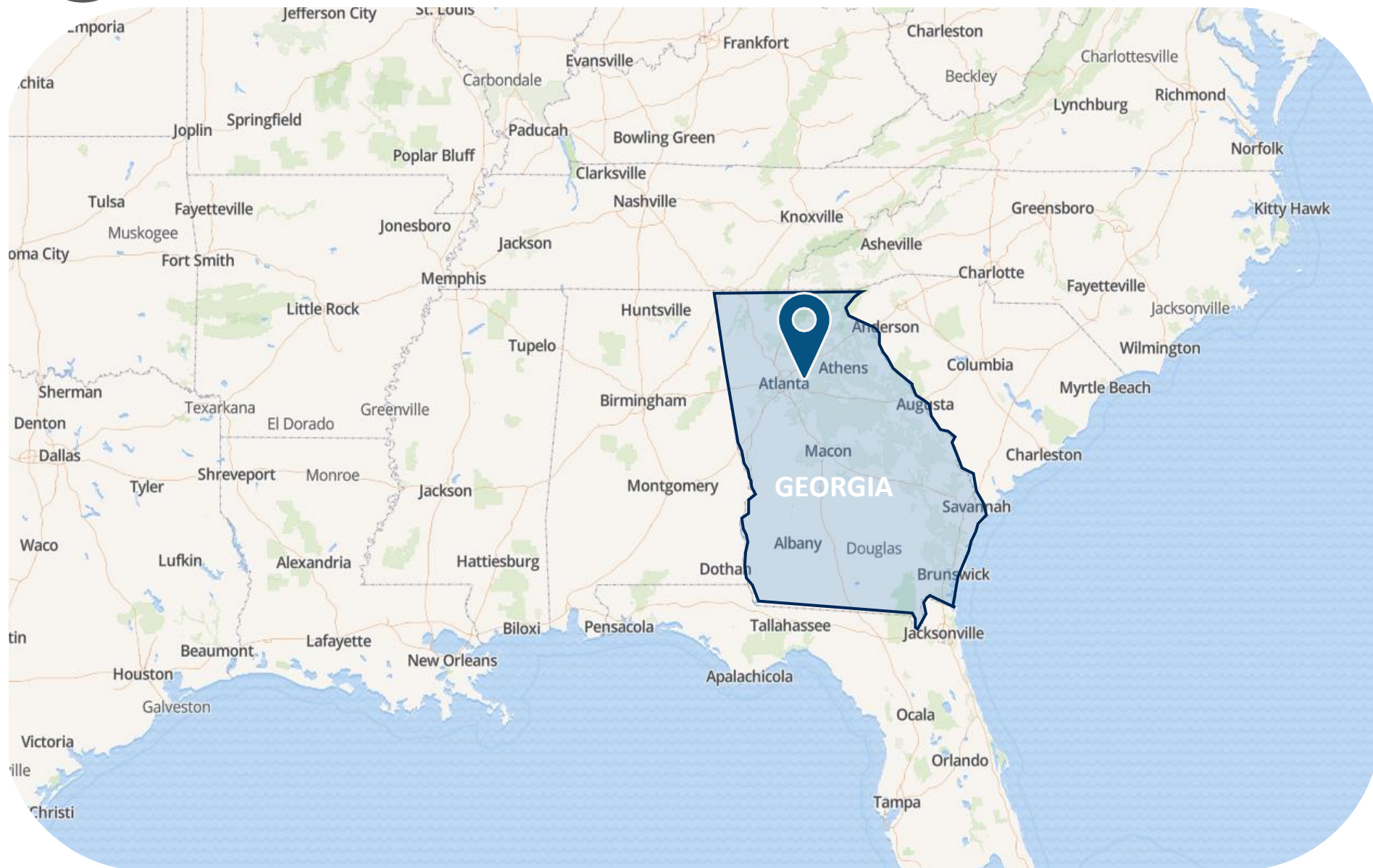






# Regional Map

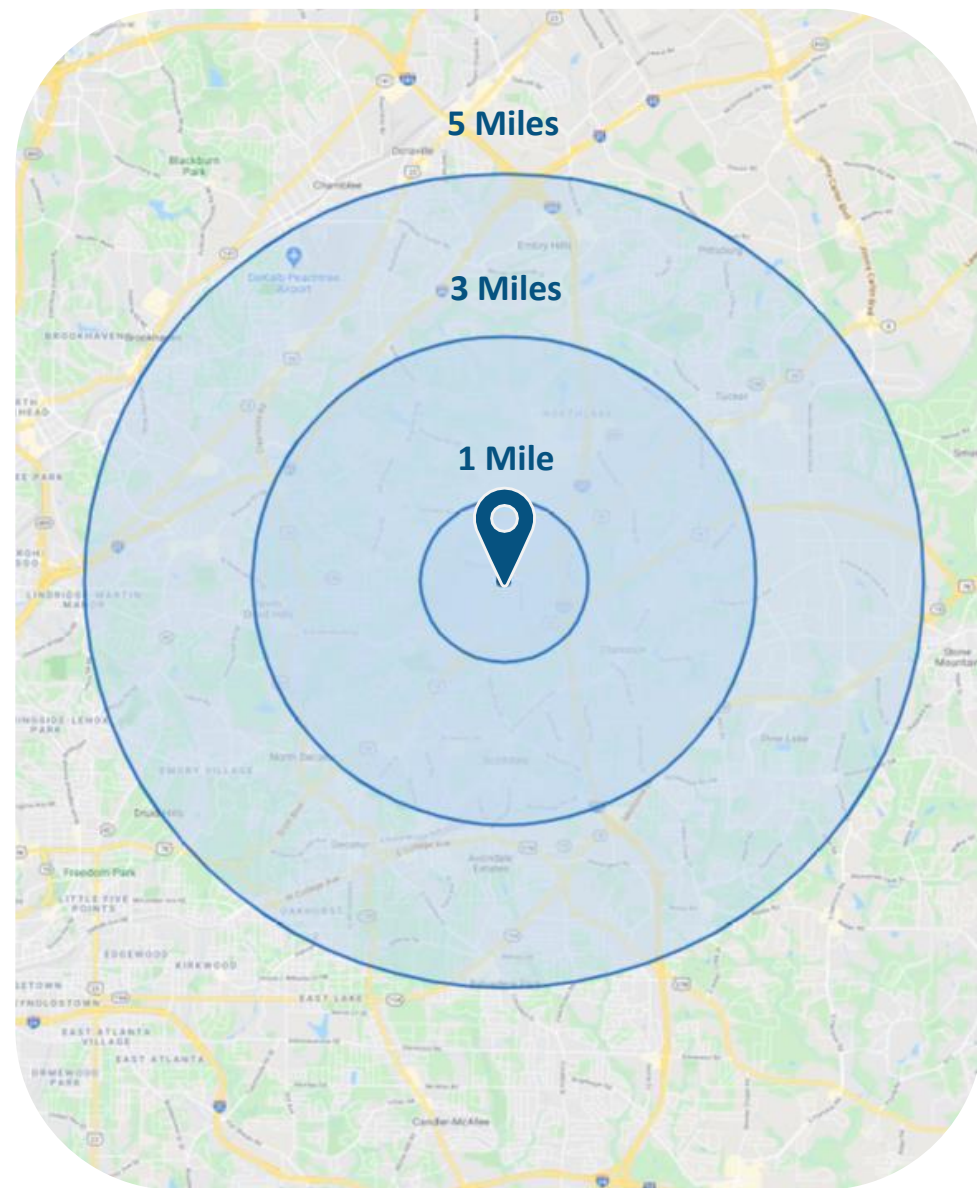
Property Address: 2564 Lawrenceville Hwy, Decatur, GA 30033





# Demographics

Property Address: 2564 Lawrenceville Hwy, Decatur, GA 30033



	1 Mile	3 Miles	5 Miles
<b>POPULATION</b>			
2025 Projection	10,292	100,343	303,588
2020 Estimate	9,870	98,060	298,926
2010 Census	8,771	89,347	276,037
2000 Census	8,328	89,656	278,244
<b>INCOME</b>			
Average	\$97,871	\$98,189	\$100,666
Median	\$70,233	\$63,370	\$62,986
Per Capita	\$42,782	\$41,571	\$41,429
<b>HOUSEHOLDS</b>			
2025 Projection	4,494	42,562	124,759
2020 Estimate	4,314	41,408	121,997
2010 Census	3,831	37,577	111,443
2000 Census	3,787	37,392	110,956
<b>HOUSING</b>			
2020	\$256,849	\$270,481	\$270,164
<b>EMPLOYMENT</b>			
2020 Daytime Population	10,781	113,749	371,881
2020 Unemployment	2.60%	3.31%	2.92%
2020 Median Time Traveled	31 Mins	31 Mins	32 Mins
<b>RACE &amp; ETHNICITY</b>			
White	64.47%	48.85%	47.26%
Native American	0.01%	0.05%	0.05%
African American	13.69%	30.03%	31.57%
Asian/Pacific Islander	16.07%	16.07%	11.00%





# Market Overview

Property Address: 2564 Lawrenceville Hwy, Decatur, GA 30033



*Atlanta, GA*

**Atlanta** metro area encompasses 29 counties in north western Georgia. With few natural barriers to limit development, tremendous population growth over the past decade has expanded the metro's borders and the region now has a population of roughly 5.7 million people. Over the next five years, the region is expected to add nearly 500,000 residents. Meanwhile, new redevelopment projects in the downtown and midtown sections of Atlanta present a vast array of housing, entertainment and retail opportunities that are attracting residents back to the city and providing options for people moving to the metro. Encompassing \$304 billion, the Atlanta metropolitan area is the eighth largest economy in this country and 17th-largest in the world. Over 75 percent of Fortune 1000 companies conduct business in Atlanta.

Many corporations are drawn to Atlanta on account of the city's educated workforce. As of 2010, 43 percent of adults in the city have college degrees, compared to 27 percent in the nation as a whole. Atlanta is home to the headquarters of many different corporations such as The Coca-Cola Company, The Home Depot, Delta Air Lines, AT&T Mobility, Chick-fil-A, UPS, and Newell Rubbermaid among others. Atlanta has a dynamic, distinctly Southern culture, is due primarily to a large population of migrants from other parts of the U.S., in addition to many recent immigrants to the U.S. who have made the metropolitan area their home. This has established Atlanta as the cultural and economic hub of an increasingly multi-cultural metropolitan area. Thus, although traditional Southern culture is part of Atlanta's cultural fabric, it is mostly the backdrop to one of the nation's most cosmopolitan cities. This unique cultural combination reveals itself in the arts district of Midtown, the quirky neighborhoods on the city's eastside, and the multi-ethnic enclaves found along Buford Highway. Atlanta is home to four professional sports teams: the Atlanta Braves (MLB), the Atlanta Hawks (NBA), the Atlanta Falcons (NFL), and Atlanta United FC (MLS).





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**EXCLUSIVE NET LEASE OFFERING**

