

# INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK DBA. T5 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



2814 Augusta Rd, West Columbia, SC 29170

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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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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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: \$4,000,000 | CAP: 5.00% | RENT: \$200,000



## 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

- ✓ **NEW CONSTRUCTION – ANTICIPATED OPEN DATE JUNE 2022**
- ✓ Dense Retail Corridor | Walmart, Walgreens, Lowe's, Hobby Lobby, Chick-fil-A, Sonic, Dollar Tree, Popeye's, Big Lots, Rent-A-Center, Starbucks, Waffle House, Quality Inn, Applebee's, and Many More
- ✓ Strong Traffic Counts | Over 43,400 Vehicles Per Day Along Augusta Road
- ✓ Positive Real Estate Fundamentals | Located Less Than 5-Miles from Downtown Columbia

## 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: \$4,000,000 | CAP: 5.00% | RENT: \$200,000



## Property Description

Property	International Car Wash Group
Property Address	2814 Augusta Rd
City, State, ZIP	West Columbia, SC
Building Size (SF)	4,021
Lot Size	+/- 1.15 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$4,000,000
CAP Rate	5.00%
Annual Rent	\$200,000

## 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	\$200,000	\$16,667	-
Year 2	\$203,000	\$16,917	1.50%
Year 3	\$206,045	\$17,170	1.50%
Year 4	\$209,136	\$17,428	1.50%
Year 5	\$212,273	\$17,689	1.50%
Year 6	\$215,457	\$17,955	1.50%
Year 7	\$218,689	\$18,224	1.50%
Year 8	\$221,969	\$18,497	1.50%
Year 9	\$225,299	\$18,775	1.50%
Year 10	\$228,678	\$19,056	1.50%
Year 11	\$232,108	\$19,342	1.50%
Year 12	\$235,590	\$19,632	1.50%
Year 13	\$239,124	\$19,927	1.50%
Year 14	\$242,710	\$20,226	1.50%
Year 15	\$246,351	\$20,529	1.50%
Year 16	\$250,046	\$20,837	1.50%
Year 17	\$253,797	\$21,150	1.50%
Year 18	\$257,604	\$21,467	1.50%
Year 19	\$261,468	\$21,789	1.50%
Year 20	\$265,390	\$22,116	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing in West Columbia, SC 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 \$200,000 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.



# 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

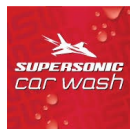
ICWG entered the US in August 2015 and already has over 150 sites which makes us one of the major players in the market. The US sites operate under 3 key brands – Car Wash USA Express, Goo-Goo 3 Minute Express Wash and Supersonic in the state of Utah.



**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

HEADQUATERS:

Centennial, CO & London England



## Driven Brands Announces Acquisition of International Car Wash Group

CHARLOTTE, N.C. – AUGUST 05, 2020

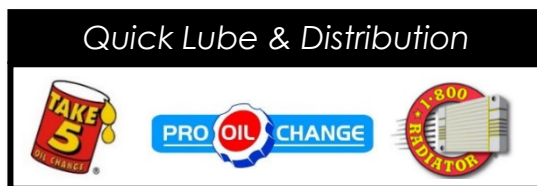
Driven Brands (“Driven”) announced its acquisition of International Car Wash Group (“ICWG”) has been completed. With the addition of ICWG, Driven now encompasses more than 4,000 locations across 15 countries and approximately \$3.8 billion in annual system-wide sales, making it the largest automotive 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	\$200,000
Cap Rate	5.00%
Purchase Price	\$4,000,000
Loan Amount	\$2,600,000
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$172,535
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$213,333
<b>Potential Tax Savings</b>	<b>\$78,933</b>

## Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$200,000
Cap Rate	5.00%
Purchase Price	\$4,000,000
Loan Amount	\$2,600,000
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$172,535
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$3,200,000
<b>Potential Tax Savings</b>	<b>\$1,184,000</b>

## Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$200,000
Cap Rate	5.00%
Purchase Price	\$4,000,000
Loan Amount	\$2,600,000
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$172,535
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$82,051
<b>Potential Tax Savings</b>	<b>\$30,359</b>

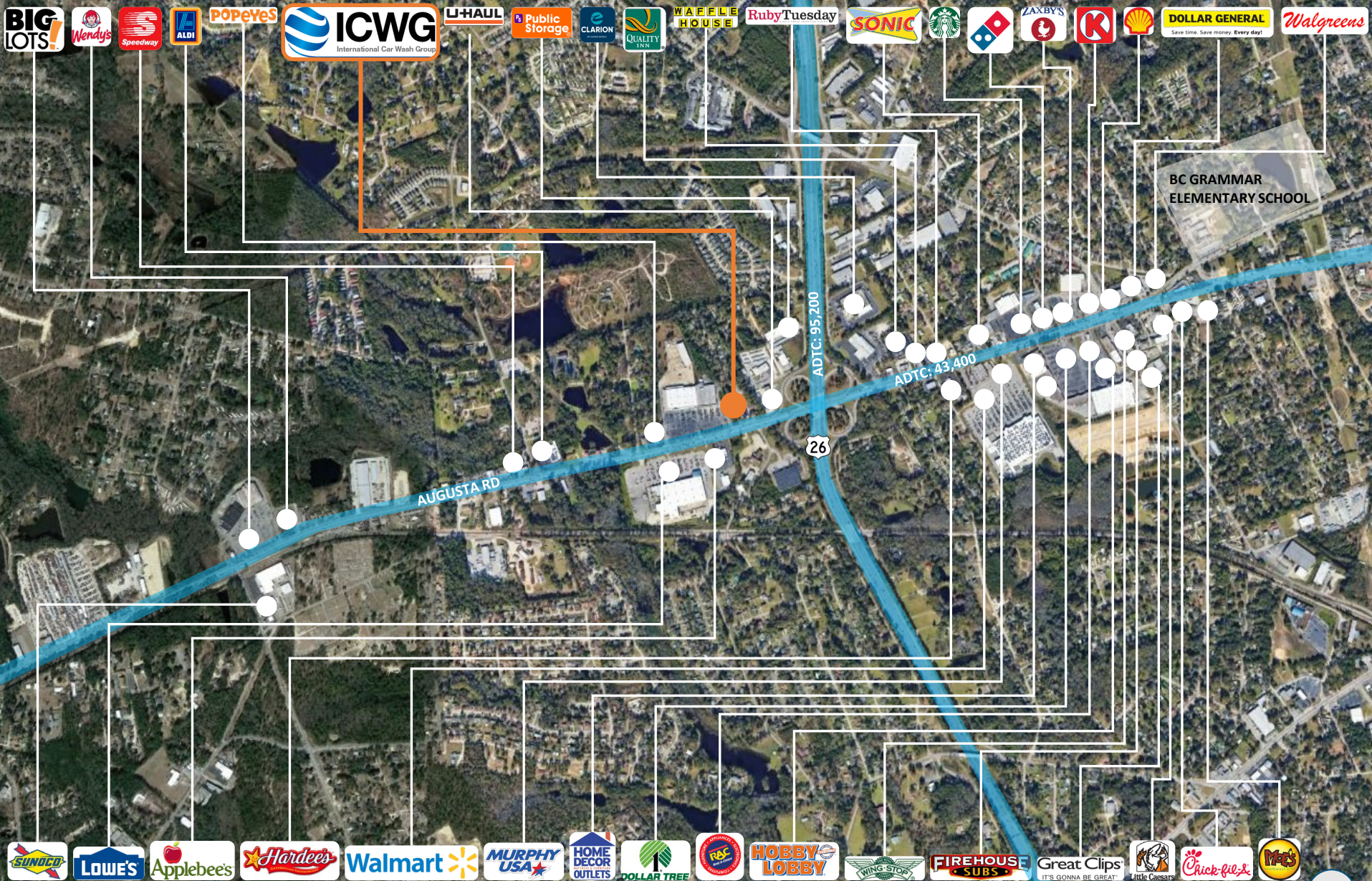
## Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$200,000
Cap Rate	5.00%
Purchase Price	\$4,000,000
Loan Amount	\$2,600,000
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$172,535
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





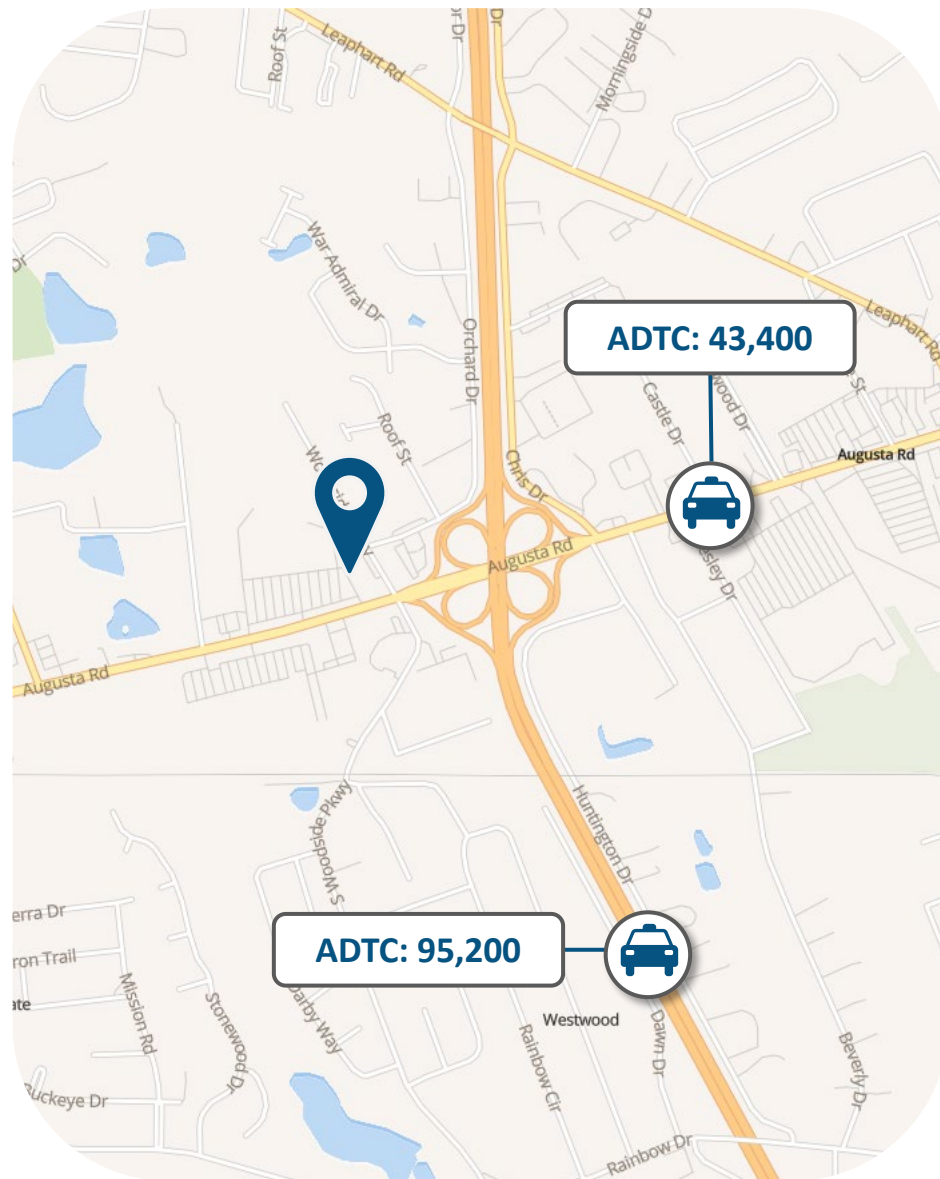


# Location Overview

This investment property is located on Augusta Road which experiences an average daily traffic count of 43,400 vehicles. Interstate 26 intersects with and exits onto Augusta Road which brings an additional 95,200 vehicles into the immediate area on average daily. There are more than 43,721 individuals living within a three-mile radius and over 115,849 living within a five-mile radius.

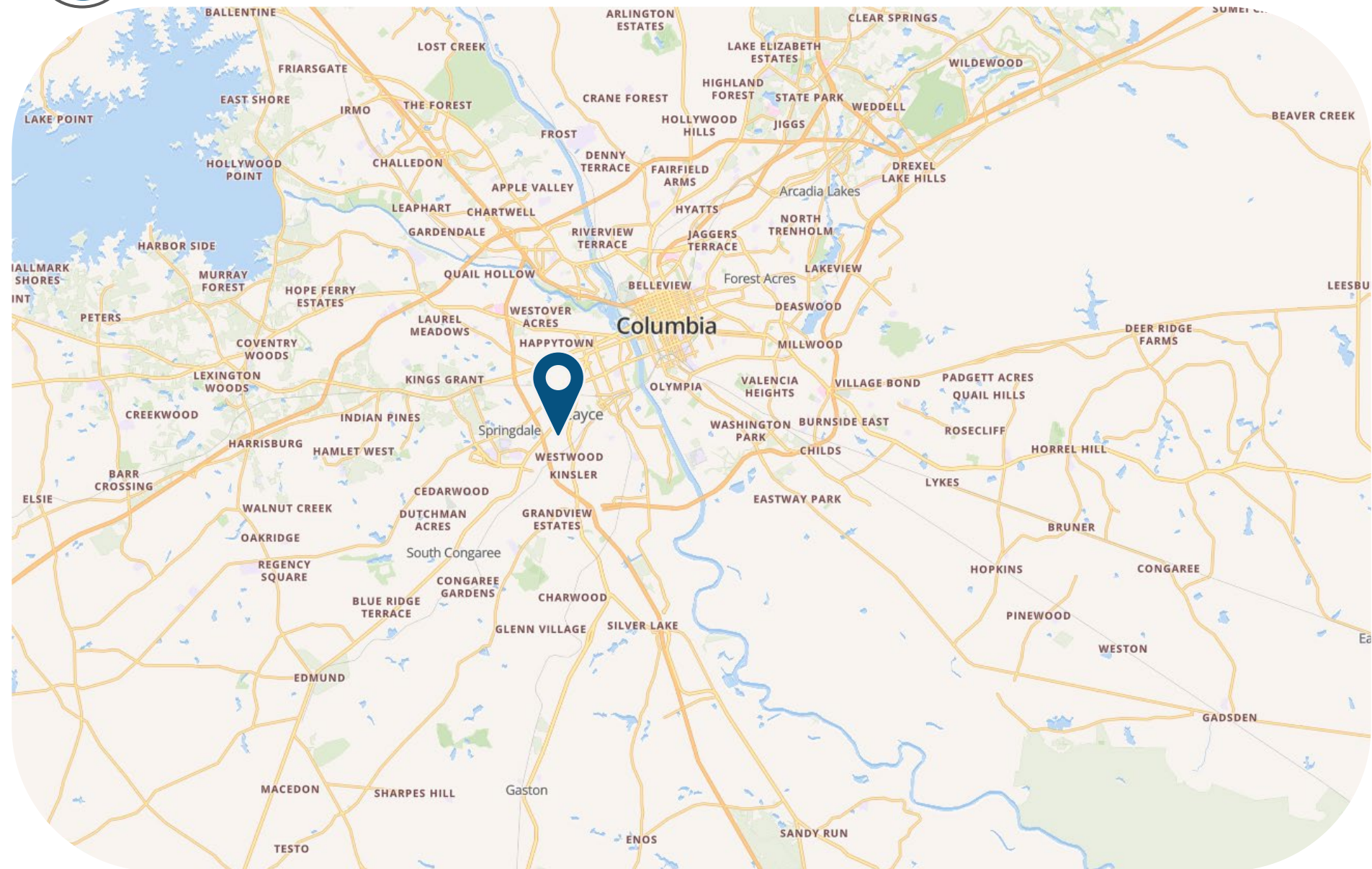
This subject car wash benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants. Major national tenants in the area include Big Lots, Walmart, Lowe's, Dollar General, Hobby Lobby, Quality Inn, Walgreens, Circle K, Domino's, Starbucks, Sonic, Rent-A-Center, Wendy's, Chick-fil-A as well as many more. The property is conveniently located less than four miles down the road from the Columbia Municipal Airport which experiences 1.1 million passengers per year. Additionally, the property is under 5 miles from downtown Columbia, and just 5 miles away from the University of South Carolina which has an enrollment of over 34,700 students.

West Columbia is a city in Lexington County, South Carolina and a part of the Columbia Metropolitan Statistical Area, which has a population of approximately 833,000, a number that has increased by about 12% in the past eight years. West Columbia borders the state's capital, Columbia, to the West. It is a commuter city, with most of its area occupied by residences and most of its citizens commuting into the city of Columbia for work. Columbia's major employers are the Palmetto Health system, the Blue Cross Blue Shield of South Carolina, and the University of South Carolina. Columbia's main industries are Healthcare, Advanced Manufacturing, and Transportation and Logistics. The city has seen a growing population of startup businesses in the past decade as well. As such, the city is also pioneering sustainability, an attractive quality for investors. Columbia is also home to a fair number of colleges and universities such as University of South Carolina, Columbia College, Benedict College, Allen University, and various others. These schools are research powerhouses for the city's growing fields. Since the early 2000's, the city has also seen significant residential and commercial redevelopment and rehabilitation. Columbia has been acclaimed as one of America's Top 10 greatest





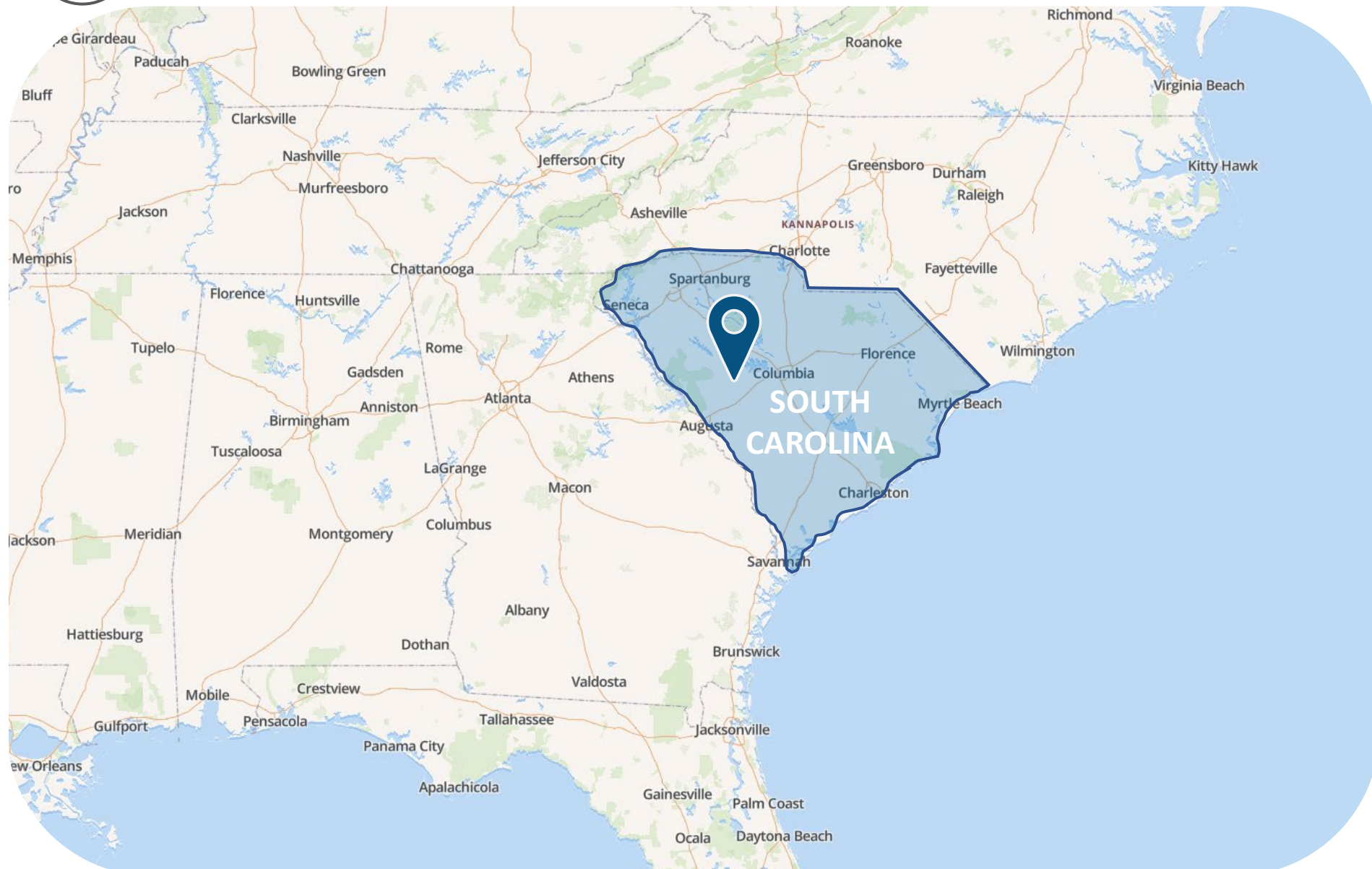
# Local Map







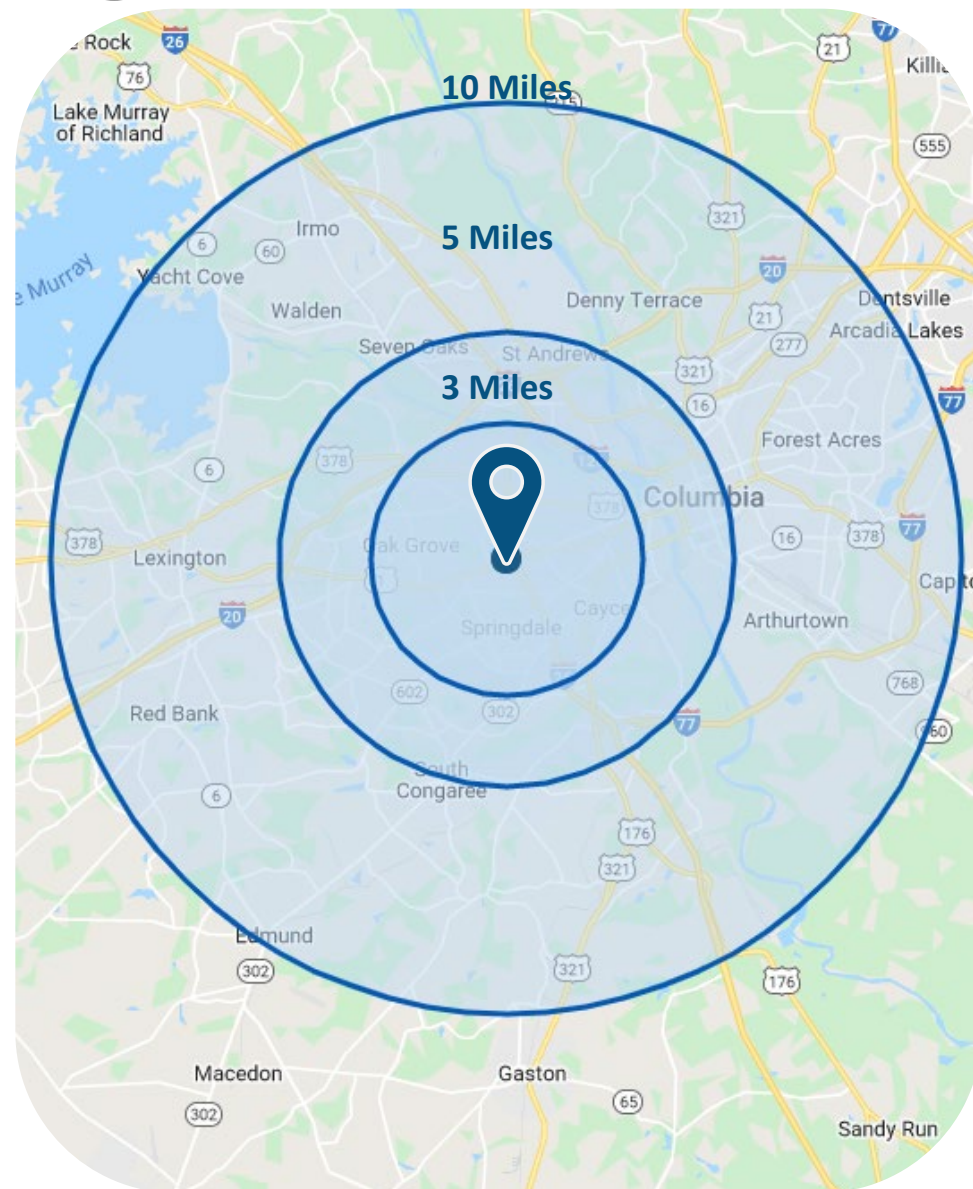
# Regional Map





# Demographics

**3 Miles 5 Miles 10 Miles**



## Population Trends:

2010 Population	39,767	104,373	346,925
2021 Population	43,721	115,849	375,214
2026 Population Projection	45,977	121,338	389,918
Growth 2010 – 2021	0.90%	1.00%	0.70%
Growth 2021 – 2026	1.00%	0.90%	0.80%

## Population by Race (2021):

White	32,517	75,403	225,771
Black	8,853	33,576	130,012
American Indian/Alaskan Native	387	670	1,688
Asian	1,012	3,473	9,819
Hawaiian & Pacific Islander	30	146	360
Two or More Races	922	2,581	7,565
Hispanic Origin	5,857	9,090	20,148

## Household Trends:

2010 Households	17,120	45,083	139,354
2021 Households	18,748	50,301	151,741
2026 Household Projection	19,711	52,710	157,850
Growth 2010 – 2021	0.80%	1.00%	0.90%
Growth 2021 – 2026	1.00%	1.00%	0.80%
Owner Occupied	11,928	27,556	93,718
Renter Occupied	7,772	25,154	64,132

## Average Household Income (2021):

**\$62,911 \$64,652 \$74,106**

## Median Household Income (2021):

**\$45,194 \$46,205 \$51,417**

## Households by Household Income (2021):

<\$25,000	4,980	12,715	37,452
\$25,000 - \$50,000	5,260	14,040	36,649
\$50,000 - \$75,000	2,870	8,370	24,668
\$75,000 - \$100,000	2,628	6,359	17,652
\$100,000 - \$125,000	1,107	3,119	10,280
\$125,000 - \$150,000	826	2,083	8,311
\$150,000 - \$200,000	520	2,067	8,691
\$200,000+	555	1,547	8,036





# Market Overview

## *Columbia, SC*

**Columbia** is the capital and second-largest city of the U.S. state of South Carolina. The city serves as the county seat of Richland County, and a portion of the city extends into neighboring Lexington County. The city is located about 13 miles northwest of the geographic center of South Carolina and is the primary city of the Midlands region of the state. It lies at the confluence of the Saluda River and the Broad River, which merge at Columbia to form the Congaree River. As the state capital, Columbia is the site of the South Carolina State House, the center of government for the state. Columbia is home to the University of South Carolina, the state's flagship university and the largest in the state. The area has benefited from Congressional support for Southern military installations. Columbia is the site of Fort Jackson, the largest United States Army installation for Basic Combat Training. Twenty miles to the east of the city is McEntire Joint National Guard Base, which is operated by the U.S. Air Force and is used as a training base for the 169th Fighter Wing of the South Carolina Air National Guard.

Columbia enjoys a diversified economy, with the major employers in the area being South Carolina state government, the Palmetto Health hospital system, Blue Cross Blue Shield of South Carolina, Palmetto GBA, and the University of South Carolina. Other major employers in the Columbia area include Computer Sciences Corporation, Fort Jackson, the U.S. Army's largest and most active initial entry training installation, Richland School District One, Humana/TriCare, and the United Parcel Service, which operates its Southeastern Regional Hub at the Columbia Metropolitan Airport. Major manufacturers such as Square D, CMC Steel, Spirax Sarco, Michelin, International Paper, Pirelli Cables, Honeywell, Westinghouse Electric, Harsco Track Tech, Trane, Intertape Polymer Group, Union Switch & Signal, FN Herstal, Solectron, and Bose Technology have facilities in the Columbia area. There are over 70 foreign affiliated companies and fourteen Fortune 500 companies in the region.





Marcus & Millichap

**EXCLUSIVE NET LEASE OFFERING**

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