

INTERNATIONAL CAR WASH GROUP 1101 Town Center Drive, Highlands Ranch, CO

- ❖ Located In Denver MSA | 15 Miles South of Downtown Denver
- ❖ Outstanding Demographics | 5-Mile AAHI of \$137,000 & 221,000 Residents
- ❖ Located Adjacent To UC Health Hospital
- ❖ Qualifies For 100% Bonus Depreciation In Year One
- ❖ Long Term NNN Lease With 17.50 Years Remaining & 1.75% Annual Increases
- ❖ Corporate Guarantee With 950+ Locations Globally



OFFERING MEMORANDUM



1101 Town Center Drive, Highlands Ranch, CO 80129

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Investment Highlights

PRICE: \$6,267,880 | CAP: 5.00% | RENT: \$313,394



About the Investment

- ✓ **High Performing Location:** Inquire With Listing Agent
- ✓ **Accelerated & Bonus Depreciation:** The Property Qualifies For Both 100% Bonus Depreciation & Fifteen Year Accelerated Depreciation
- ✓ **Long Term Lease With Zero Landlord Responsibilities & Annual Increases:** True Triple Net (NNN) Lease With Approximately 17.50 Years Remaining In Initial Term With 1.75% Annual Rental Increases and Four, Five-Year Extension Options
- ✓ **Corporate Guarantee:** The Lease is Subject to a Corporate Guarantee by International Car Wash Group "ICWG" With More Than 950 Locations Across Europe, Australia and the U.S.

About the Location

- ✓ Excellent Real Estate Fundamentals In Denver MSA | Situated Just 15 Miles South of Downtown Denver
- ✓ Affluent Suburban Community | Average Income within a Three-Mile Radius Exceeds \$144,479 | Population Exceeds 221,600 Individuals Within a Five-Mile Radius
- ✓ Located Adjacent to Hospital & Situated in Dense Retail Corridor | Home Depot, Target, Safeway, Walgreens, Grease Monkey, Alfa Romeo, McLaren, BMW and More
- ✓ Located in Close Proximity to Highlands Ranch Town Center and Central Park | Mixed-Use Development Consisting of Retail, Residential and Commercial Properties

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: \$6,267,880 | CAP: 5.00% | RENT: \$313,394



PROPERTY DESCRIPTION

Property	International Car Wash Group
Street Address	1101 Town Center Drive
City, State ZIP	Highlands Ranch, CO 80129
Year Built / Renovated	2013
Building Size Estimated (SF)	4,428
Lot Size Estimated (Acres)	2.38
Type of Ownership	Fee Simple

THE OFFERING

Price	\$6,267,880
CAP Rate	5.00%
Annual Rent	\$313,394

LEASE SUMMARY

Property Type	Net-Leased Car Wash
Guarantor	International Car Wash Group Ltd. (UK)
Original Lease Term	20 Years
Lease Commencement	November 6, 2019
Lease Expiration	November 7, 2039
Lease Term Remaining	+/-17.50 Years
Lease Type	Triple Net (NNN)
Rental Increases	1.75% Annually
Renewal Options Remaining	Four (4), Five (5) Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Current - 10/31/2022	\$308,004	\$25,667	-
11/1/2022 - 10/31/2023*	\$313,394	\$26,116	1.75%
11/1/2023 - 10/31/2024	\$318,878	\$26,573	1.75%
11/1/2024 - 10/31/2025	\$324,459	\$27,038	1.75%
11/1/2025 - 10/31/2026	\$330,137	\$27,511	1.75%
11/1/2026 - 10/31/2027	\$335,914	\$27,993	1.75%
11/1/2027 - 10/31/2028	\$341,793	\$28,483	1.75%
11/1/2028 - 10/31/2029	\$347,774	\$28,981	1.75%
11/1/2029 - 10/31/2030	\$353,860	\$29,488	1.75%
11/1/2030 - 10/31/2031	\$360,053	\$30,004	1.75%
11/1/2031 - 10/31/2032	\$366,354	\$30,529	1.75%
11/1/2032 - 10/31/2033	\$372,765	\$31,064	1.75%
11/1/2033 - 10/31/2034	\$379,288	\$31,607	1.75%
11/1/2034 - 10/31/2035	\$385,926	\$32,160	1.75%
11/1/2035 - 10/31/2036	\$392,679	\$32,723	1.75%
11/1/2036 - 10/31/2037	\$399,551	\$33,296	1.75%
11/1/2037 - 10/31/2038	\$406,543	\$33,879	1.75%
11/1/2038 - 11/7/2039	\$413,658	\$34,471	1.75%

*Current Rent is \$308,004. Rent Increases to \$313,394 on 10/31/2022. Pricing is based on upcoming rent.

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for an ICWG located at 1101 Town Centre Drive in Highlands Ranch, CO. The tenant entered a brand new, 20-year triple-net (NNN) lease with no landlord responsibilities on November 6, 2019. There are 1.75% annual rental escalations throughout the base term as well as the four, five-year tenant renewal option periods. The lease has a corporate guarantee by International Car Wash Group ("ICWG"). ICWG operates more than 950 locations throughout the United States and Internationally.



Concept 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

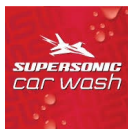
ICWG entered the US in August 2015 and already has over 150 sites which makes us one of the major players in the market. The US sites operate under 3 key brands – Car Wash USA Express, Goo-Goo 3 Minute Express Wash and Supersonic in the state of Utah.



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

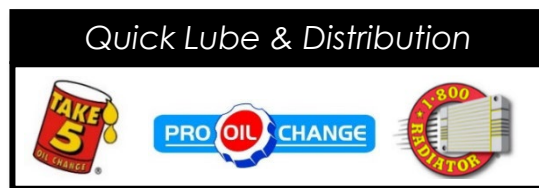
Driven Brands (“Driven”) announced its acquisition of International Car Wash Group (“ICWG”) has been completed. With the addition of ICWG, Driven now encompasses more than 4,000 locations across 15 countries and approximately \$3.8 billion in annual system-wide sales, making it the largest automotive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

<u>Facts on Driven:</u>	15 countries	4,000 brand locations	130 years of service	\$3.8 Billion system wide sales
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(1) https://www.prweb.com/releases/driven_brands_announces_acquisition_of_international_car_wash_group/prweb17304453.htm



Depreciation Benefits

Bonus Deprecation- 100% Year One

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$313,394
Cap Rate	5.00%
Purchase Price	\$2,267,880
Loan Amount	\$4,074,122
Down Payment	\$2,193,758
LTV	65.00%
Depreciable Basis for Improvements – 20% Land Allocation	\$5,014,304
Useful Life	1
Year One Depreciation Deduction	\$5,014,304
Federal Tax Rate	37.00%
Potential Tax Savings	\$1,855,292

Accelerated Depreciation- 15 Year

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$313,394
Cap Rate	5.00%
Purchase Price	\$2,267,880
Loan Amount	\$4,074,122
Down Payment	\$2,193,758
LTV	65.00%
Depreciable Basis for Improvements – 20% Land Allocation	\$5,014,304
Useful Life	15
Year One Depreciation Deduction	\$334,286
Federal Tax Rate	37.00%
Potential Tax Savings	\$123,686

Standard Depreciation- 39 Year

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$313,394
Cap Rate	5.00%
Purchase Price	\$2,267,880
Loan Amount	\$4,074,122
Down Payment	\$2,193,758
LTV	65.00%
Depreciable Basis for Improvements – 20% Land Allocation	\$5,014,304
Useful Life	39
Year One Depreciation Deduction	\$128,571
Federal Tax Rate	37.00%
Potential Tax Savings	\$47,571

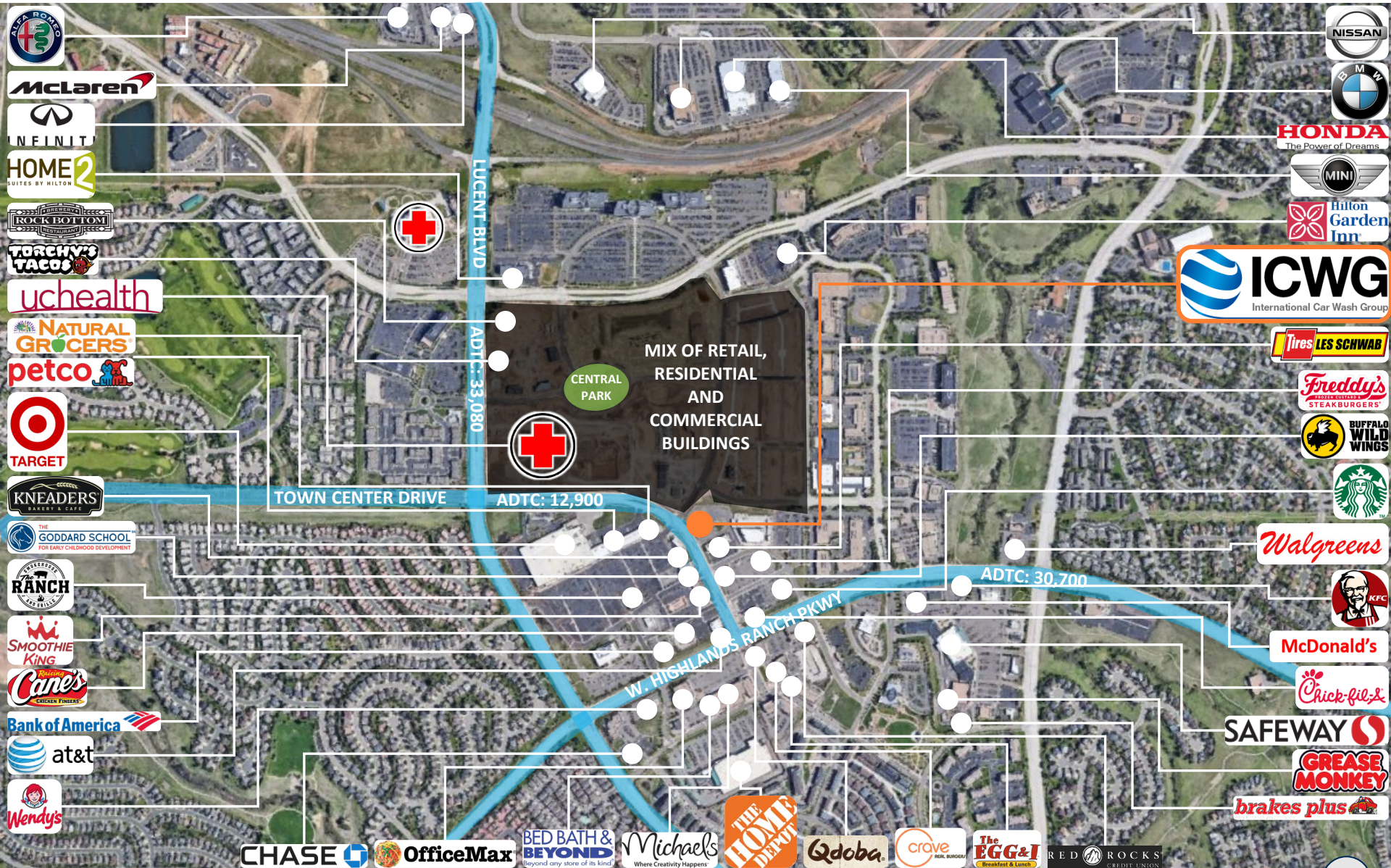
Ground Lease

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$313,394
Cap Rate	5.00%
Purchase Price	\$2,267,880
Loan Amount	\$4,074,122
Down Payment	\$2,193,758
LTV	65.00%
Depreciable Basis for Improvements – 20% Land Allocation	\$0
Useful Life	N/A
Year One Depreciation Deduction	\$0
Federal Tax Rate	N/A
Potential Tax Savings	\$0

**We encourage all prospective purchasers to confirm with their accountant*



Property Photos





Property Photos





Property Photos



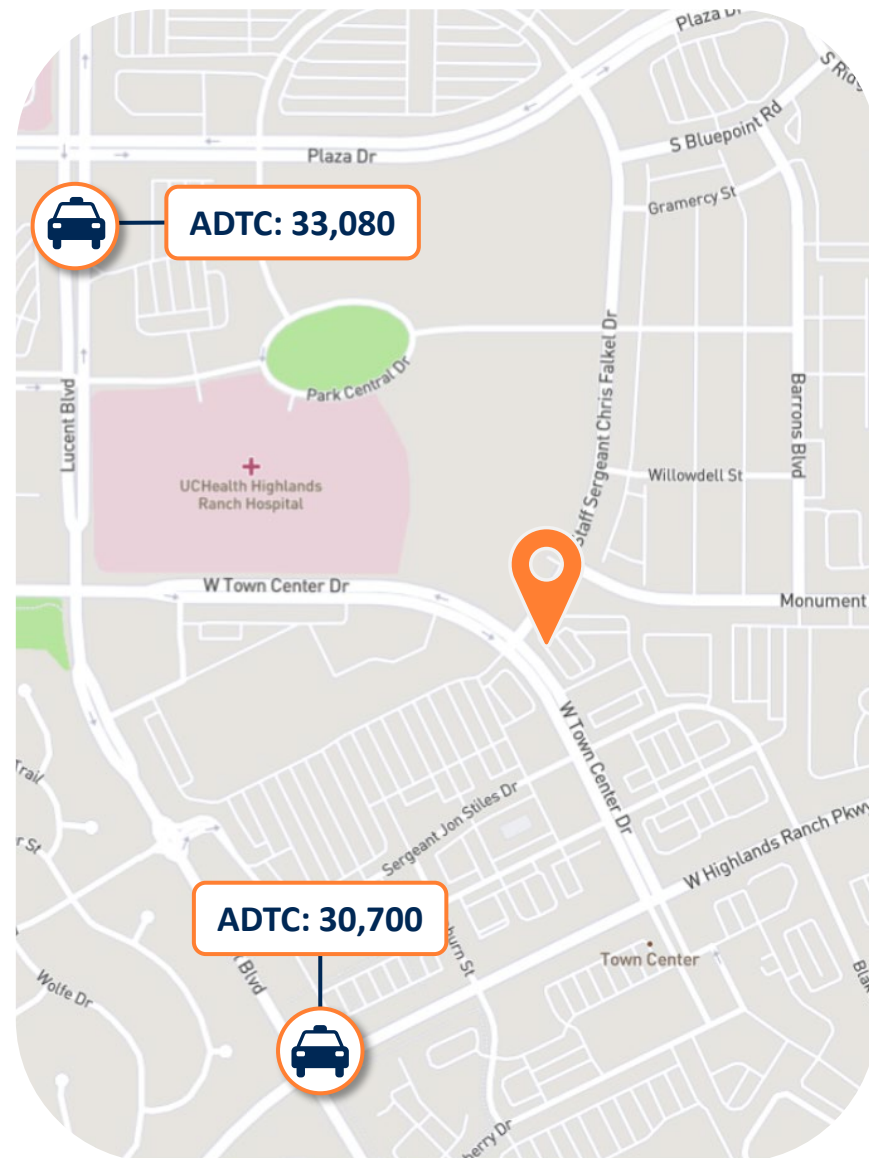


Location Overview

The site is situated on Town Center Drive, which experiences an average daily traffic count of 12,900 vehicles. Intersecting with Town Center Drive is Lucent Boulevard and W. Highlands Ranch Parkway, which brings an additional 33,080 and 30,700 vehicles into the immediate area per day, respectively. There are approximately 90,300 individuals within a three-mile radius of this property and 221,600 individuals within a five-mile radius. This café is situated in an affluent suburban community with an average household income of over \$144,400 within a three-mile radius.

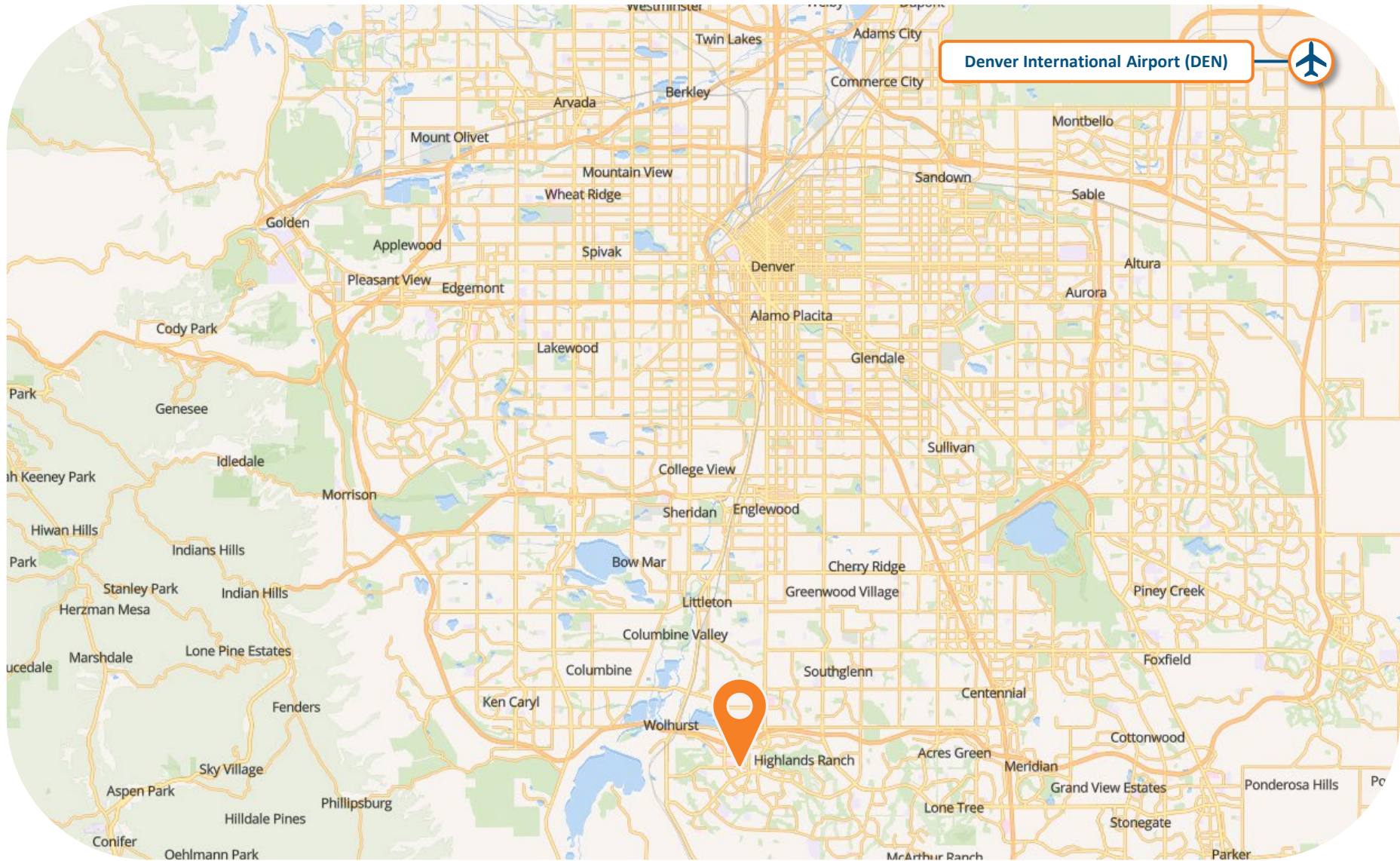
The subject Car Wash benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and car dealerships all within close proximity. Major national tenants in the area include: The Home Depot, Target, Safeway, Home2 Suites, Walgreens, Grease Monkey, Starbucks, McDonald's, KFC, as well as many more. Car dealerships within the immediate area include: Alfa Romeo, McLaren, Infiniti, BMW, Nissan, MINI, and more. Additionally, the property is located across the street from Highlands Ranch Town Center, a 164,687 square foot mixed-use development in the heart of Highlands Ranch. The Town Center consists of seven buildings surrounding a town square park and is adjacent to the Civic Green amphitheater, library, and transportation center. Highlands Ranch Town Center offers easy access to Interstate 470 and a host of major arterials. UC Health Highlands Ranch Hospital, a \$375 million project, which was established in 2019. The 87-bed acute care facility is located within walking distance to the subject property.

Highlands Ranch is a census-designated place in Douglas County, Colorado. Located just 12 miles south of Denver, Highlands Ranch is the 12th most populous CDP in the United States. Highlands Ranch is a 22,000-acre master-planned community founded in 1981. Highlands Ranch has received national recognition for its great quality of life and amenities. The community has been named by NerdWallet as one of the best places to raise families in Colorado, recognized nationally by Forbes as one of the top places to move in the nation. Business Week also named Highlands Ranch one of the best places to raise kids. Not only is Highlands Ranch receiving accolades, so is Douglas County. In August 2014, Douglas County ranked second in Movoto Real Estate's 10 Best Counties in America list.



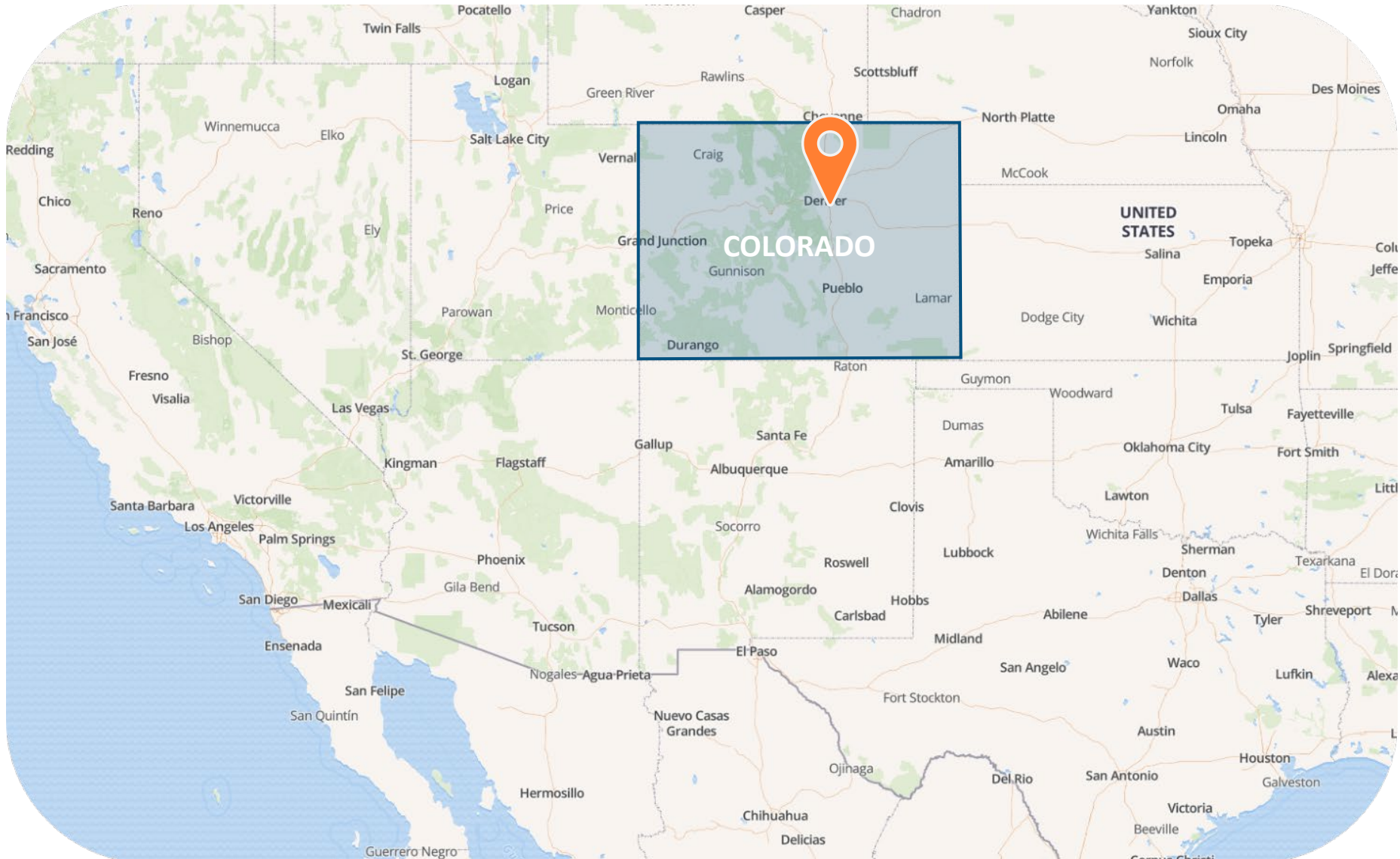


Local Map



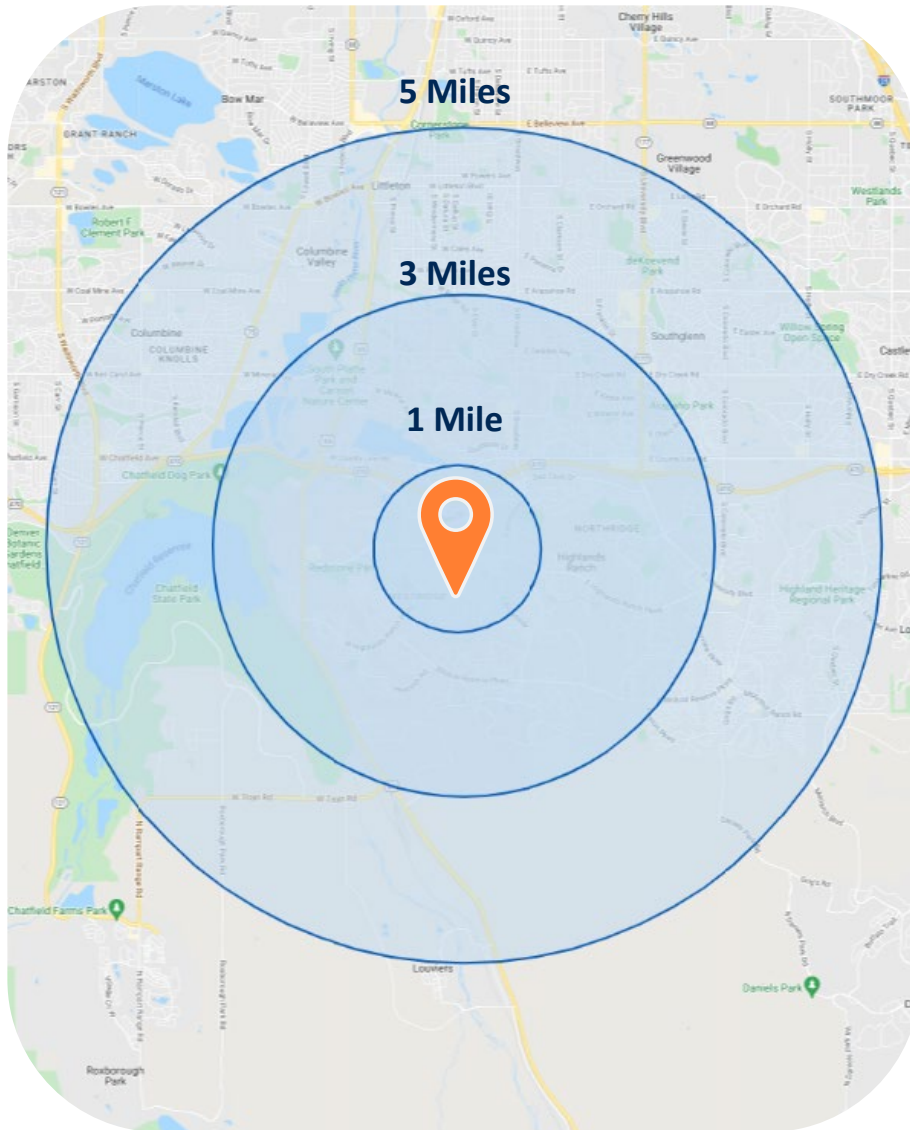


Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	10,998	76,554	198,296
2022 Population	13,893	90,318	221,687
2027 Population Projection	16,000	100,675	240,753
Annual Growth 2010-2022	2.20%	1.50%	1.00%
Annual Growth 2022-2027	3.00%	2.30%	1.70%

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	4,345	28,651	76,011
2022 Households	5,647	33,810	84,693
2026 Household Projection	6,527	37,602	91,659
Growth 2010 - 2022	2.30%	1.20%	0.70%
Growth 2022 - 2027	3.10%	2.20%	1.60%

AVERAGE HOUSEHOLD INCOME (2022)

1 Mile	3 Miles	5 Miles
\$134,348	\$144,479	\$137,423

MEDIAN HOUSEHOLD INCOME (2022)

1 Mile	3 Miles	5 Miles
\$113,321	\$120,568	\$114,639

HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
<\$25,000	276	1,767	5,708
\$25,000 - \$50,000	519	3,094	9,132
\$50,000 - \$75,000	703	3,980	10,582
\$75,000 - \$100,000	863	4,112	10,557
\$100,000 - \$125,000	867	4,804	10,874
\$125,000 - \$150,000	630	3,677	9,062
\$150,000 - \$200,000	913	5,552	13,063
\$200,000+	875	6,825	15,715



Market Overview



Denver found in the mid-1800s as a mining hub during the gold rush, Denver has come a long way since its Wild West days. Over time, its residents have evolved from gunslinging gamblers into an easygoing crowd of ambitious, progressive-minded fitness fanatics and nature lovers who are eager to push the envelope on everything from civil rights to drug laws. Nicknamed the Mile-High City for its 5,280-foot elevation (although officially reported as 5,279 feet), Denver's location at the base of the Rocky Mountains provides a gateway to a slew of outdoor pursuits, although it is probably best known for its devout ski and snowboard enthusiasts.

The consistency of Denver's economy is most attributable to its geographic position on the face of the Rocky Mountains. Denver is becoming a central hub to the Rocky Mountain States, supporting the region in sectors including: aerospace, bioscience, energy/utilities, financial services, healthcare, aviation, information technology and telecommunications. Additionally, there are 10 Fortune 500 companies located in the metro. Denver is home to a variety of sports teams and is one of 13 U.S. cities with teams from four major sports. Including MLS soccer, it is one of 10 cities to have five major sports teams. The Denver Broncos have sold out every home game since 1970. The Broncos have advanced to eight Super Bowls and won back-to-back titles in 1997 and 1998, and won again in 2015. Other major sports teams include the Denver Nuggets, Colorado Rockies, Colorado Avalanche and the Colorado Rapids.

Denver offers more than 5,000 acres of parks, trails, golf courses and playgrounds. In fact, many of Denver's most prominent neighborhoods are built around and named after such beloved green spaces like Washington Park, City Park, Cheesman Park and Sloan's Lake. The metro area's proximity to the Rocky Mountains also creates numerous opportunities for residents to ski and snowboard in the winter.

Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING

