

TAKE 5 CAR WASH & OIL CHANGE SALE-LEASEBACK

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



6071 Mahoning Ave
Youngstown, OH 44515

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Investment Highlights

PRICE: \$5,166,667 | CAP: 6.00% | RENT: \$310,000



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 Leases will be subject to Corporate Guarantees by Driven Brands Inc
- ✓ **Accelerated and Bonus Depreciation:** The Properties Qualify for 15-Year Accelerated Depreciation as well as Bonus Depreciation
- ✓ **Rental Increases:** The Leases will Include 1.50% Annual Rental Increases

About the Location

- ✓ Dense Retail Corridor | Walmart, Home Depot, Aldi, Goodwill, Walgreens, McDonald's, Burger King, Starbucks, Dunkin', Panera Bread, Chick-fil-A, Five Guys, and Many More
- ✓ Strong Demographics | Population Exceeds 31,100 Individuals Within a Three-Mile Radius
- ✓ Strong Traffic Counts | Over 28,900 and 50,700 Vehicles Per Day Mahoning Avenue and Highway-11
- ✓ Austintown High School, Austintown Middle School and Austintown Elementary School | Located Approximately Three-Miles Away | Combined Total of Over 3,000 Students Enrolled
- ✓ Affluent Community | Average Household Income Exceeding \$64,200 Within a Three-Mile Radius

About the Tenant / Brand

- ✓ The World's Largest Car Wash Company: Driven Brands Car Wash Was Founded In 1965 And Is Now The World's Largest Car Wash Operator, Operating More Than 1,100 Units
- ✓ Driven Brands entered the car wash industry in 2020 with the Acquisition of International Car Wash Group and Now Operates Over 350 Locations in the United States
- ✓ Driven Brands has Significant Plans to Rebrand all 350+ U.S. Locations to Take 5 Car Wash with Nearly Half Being Completed in 2022 and the Remainder in 2023
- ✓ Over The Past 18 Months Driven Brands Has Nearly Doubled in U.S. Car Wash Holdings and is Streamlining Operations Across All Sites to Unify The Business.





Financial Analysis

PRICE: \$5,166,667 | CAP: 6.00% | RENT: \$310,000



PROPERTY DESCRIPTION

Concept	Take 5 Car Wash & Oil Change
Street Address	6071 Mahoning Avenue
City, State ZIP	Youngstown, OH 44515
Year Built / Renovated	1998
Date Opened	April 2023
Estimated Building Size (SF)	4,824
Estimated Lot Size (Acres)	1.06
Type of Ownership	Fee Simple

THE OFFERING

Price	\$5,166,667
CAP Rate	6.00%
Net Operating Income	\$310,000

LEASE SUMMARY

Property Type	Specialty
Property Subtype	Car Wash & Oil Change
Credit Type	Corporate
Tenant	Take 5 Car Wash & Oil Change
Guarantor	Driven Brands, Inc
Original Lease Term	20 Years
Lease Commencement	COE
Lease Expiration	20 Years From COE
Lease Term Remaining	20 Years
Lease Type	Triple Net (NNN)
Landlord Responsibilities	None
Rental Increases	1.50% Annually
Renewal Options Remaining	4, 5-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$310,000	\$25,833	-
Year 2	\$314,650	\$26,221	1.50%
Year 3	\$319,370	\$26,614	1.50%
Year 4	\$324,160	\$27,013	1.50%
Year 5	\$329,023	\$27,419	1.50%
Year 6	\$333,958	\$27,830	1.50%
Year 7	\$338,967	\$28,247	1.50%
Year 8	\$344,052	\$28,671	1.50%
Year 9	\$349,213	\$29,101	1.50%
Year 10	\$354,451	\$29,538	1.50%
Year 11	\$359,768	\$29,981	1.50%
Year 12	\$365,164	\$30,430	1.50%
Year 13	\$370,642	\$30,887	1.50%
Year 14	\$376,201	\$31,350	1.50%
Year 15	\$381,844	\$31,820	1.50%
Year 16	\$387,572	\$32,298	1.50%
Year 17	\$393,386	\$32,782	1.50%
Year 18	\$399,286	\$33,274	1.50%
Year 19	\$405,276	\$33,773	1.50%
Year 20	\$411,355	\$34,280	1.50%

INVESTMENT SUMMARY

NNN Pro Group is pleased to present the exclusive listing for a Take 5 Car Wash & Oil Change located at 6071 Mahoning Ave, Youngstown, Ohio. The site consists of roughly 4,824 rentable square feet of building space on estimated 1.06-acre parcel of land. This Take 5 Car Wash & Oil Change is subject to a 20-year absolute triple-net (NNN) lease, which commences at the close of escrow. The current annual rent is \$310,000 and is scheduled to increase by and is scheduled to increase by 1.50% annually throughout the base term and in each of the 4, 5-year renewal options.



Depreciation Overview



Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$310,000
Cap Rate	6.00%
Purchase Price	\$5,166,667
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$275,556
Potential Tax Savings	\$101,956

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$310,000
Cap Rate	6.00%
Purchase Price	\$5,166,667
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$3,306,667
Potential Tax Savings	\$1,223,467

Standard Depreciation

Assumptions	
Asset Type	Traditional Retail
Ownership	Fee Simple
Rent	\$310,000
Cap Rate	6.00%
Purchase Price	\$5,166,667
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$105,983
Potential Tax Savings	\$39,214

Ground Lease

Assumptions	
Asset Type	Traditional Retail
Ownership	Ground Only
Rent	\$310,000
Cap Rate	6.00%
Purchase Price	\$5,166,667
Depreciable Basis for Improvements	0.00%
Useful Life	0
Federal Tax Rate	37.00%
Year 1 Depreciation	\$0
Potential Tax Savings	\$0



Concept Overview



About Driven Brands Car Wash – “Take 5 Car Wash”

Driven Brands Car Wash is the world’s largest local car wash operator. Driven Brands entered the car wash industry in 2020 with the acquisition of International Car Wash Group. Driven Brands operates over 1,100 locations in 14 countries across US, Europe and Australia, with over 350 locations in the United States. The Company was founded in Germany in 1965 under the IMO brand, the name still used at its non-US locations. Driven Brands Carwash is a member of Driven Brands, the largest automotive services company in North America.

Built through acquisition and greenfield projects, Driven’s 350+ U.S. based car washes are currently under multiple different brands but there are significant plans to change this. Leveraging the strong brand equity and awareness of Take 5 Oil Change, Driven announced they will migrate all brands under Take 5 Car Wash in February 2022. They plan to rebrand nearly half of its estate by the end of 2022 and will be fully rebranded by the end of 2023.

The rebranding of Driven’s car wash locations comes from the success of their Take 5 oil change and serves two functions. First, it merges the sites under one recognizable banner. Second, it unifies the company’s quick lube and car wash businesses for greater synergies and cross-promotional potential.

Over the past 18 months Driven Brands has nearly doubled in U.S. car wash holdings and is streamlining operations across all sites to unify the business. That unification starts with the power of the Take 5 brand.

Key Takeaways from the Rebrand:

12%
Volume increase

11%
Revenue lift

Membership
More than doubles



Rebrand



“Our 700-plus Take 5 Quick Lube locations share a lot of the same markets as our Car Wash business. Take 5 has strong brand equity, awareness and high NPS scores. So leveraging the Take 5 brand for our U.S. Car Wash business makes a lot of sense and we validated that with consumer research.”
– Jonathan Fitzpatrick, President & Chief Executive Officer of Driven Brands



Concept Overview



Driven Brands is the largest automotive services company in the North America and has a foothold in 13 additional countries

\$5bn+

in system-wide sales

4,600+ stores



12 consecutive years

of **SSS growth** through
2019 and **positive SSS** in
2021 and YTD Q2 2022
(+13.2%)

<5%

market share
of ~\$350bn⁽¹⁾ industry

Diverse automotive mix

of paint, collision & glass, repair
and maintenance, distribution,
quick lube and car wash

77%

franchised

**Diverse service
mix**

**Significant
whitespace**

**Highly cash
generative**

**Compound
grower**

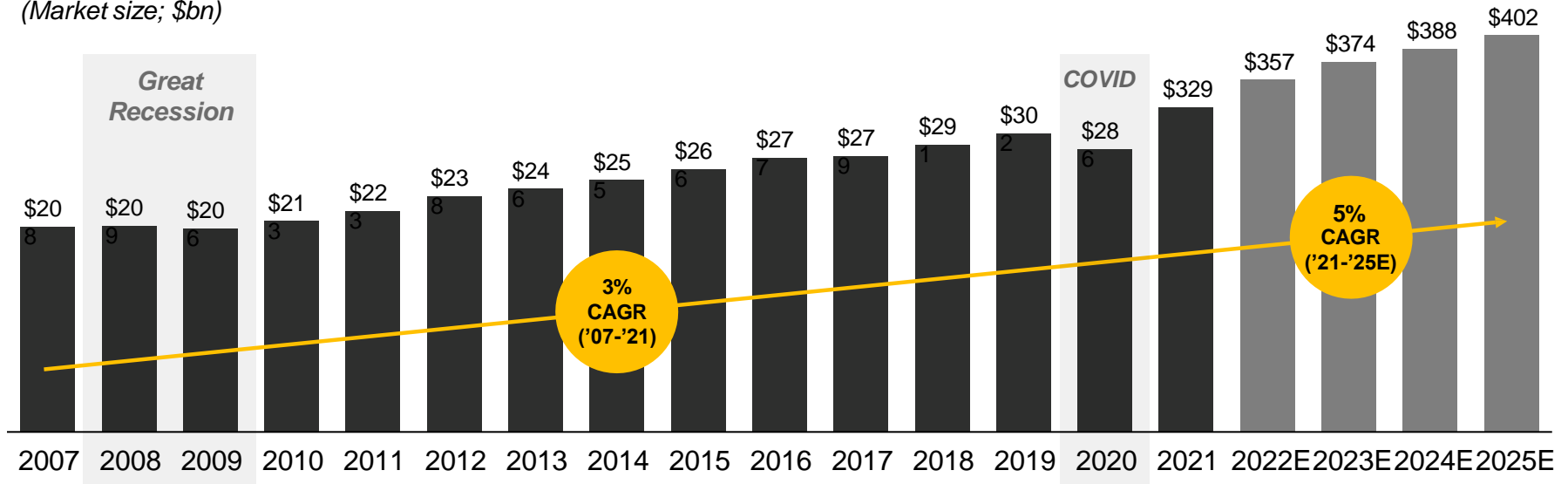


Concept Overview



U.S. Automotive Care Industry

(Market size; \$bn)

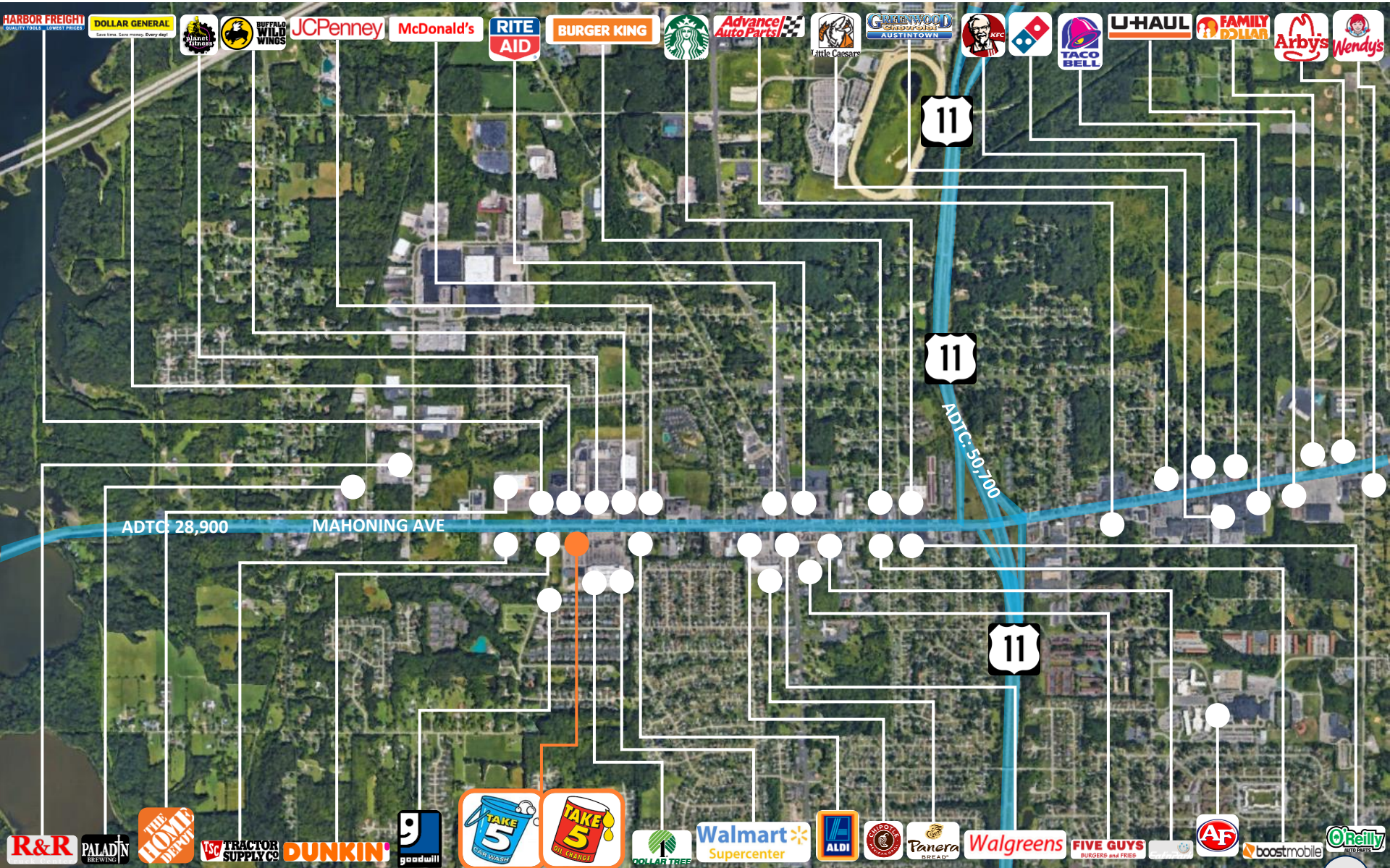


- ✓ Growing and aging car parc of 280+ million vehicles drives increasing service spend
- ✓ Increasing vehicle complexity results in reliance on professional services and higher tickets
- ✓ Essential services required in any economic environment

Auto Care Association's 2023 Auto Care Factbook.



Surrounding Area





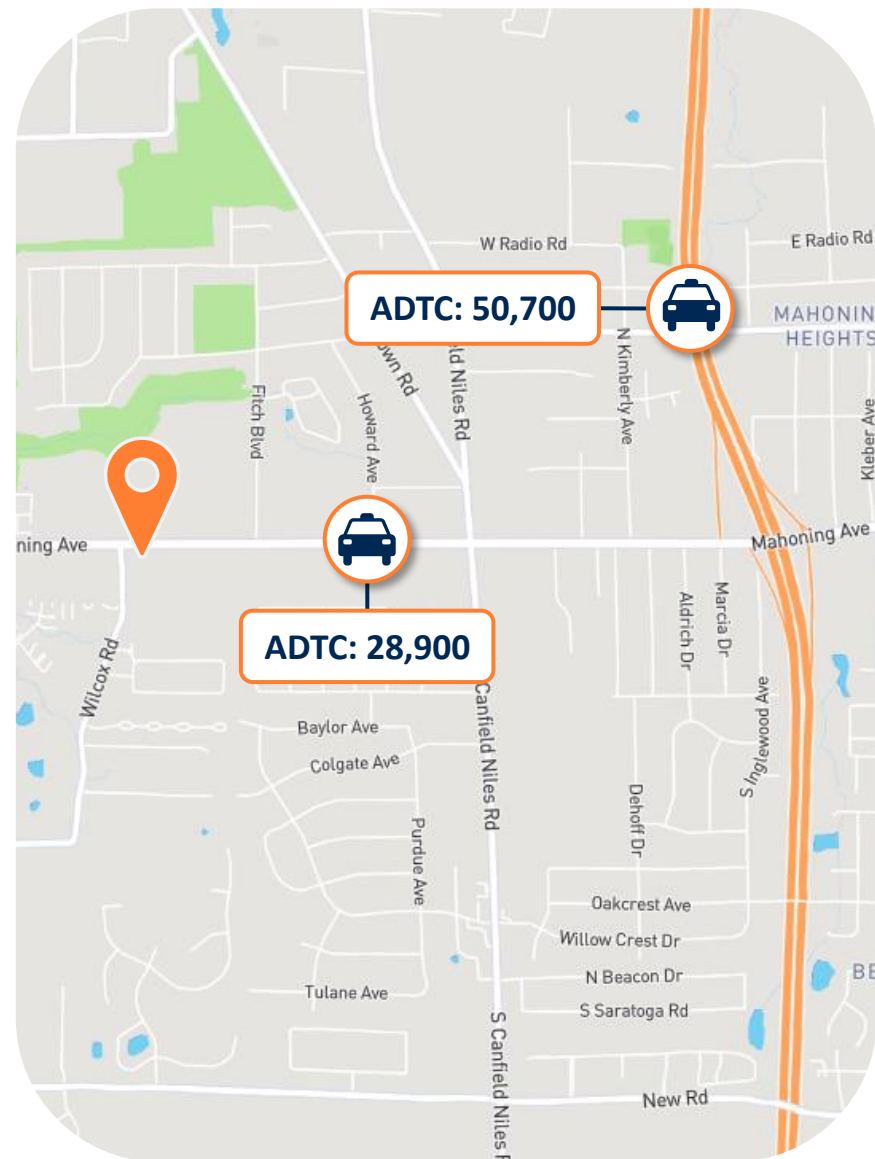
Location Overview



The subject investment property is a Take 5 Car Wash & Oil Change situated on Mahoning Avenue, which experiences an average daily traffic count of approximately 28,900 vehicles. Mahoning Avenue intersects with Highway-11, which brings an additional 50,700 vehicles into the immediate area, respectively. There are more than 31,100 individuals residing within a three-mile radius of the property and more than 67,700 individuals within a five-mile radius. This subject property is located within an affluent community where the average household income exceeds \$64,200 within a three-mile radius.

This Take 5 Car Wash & Oil Change property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers. Major national tenants in the area include: Walmart, Home Depot, Aldi, Goodwill, Walgreens, McDonald's, Burger King, Starbucks, Dunkin', Panera Bread, Chick-fil-A, Five Guys, and many more. There are several hospitality accommodations within a three-mile radius of the subject property, these include, Holiday Inn Express, Days Inn, Quality Inn, and many more. This Take 5 Car Wash & Oil Change also profits from a strong academic presence within the immediate area. Austintown High School, Austintown Middle School and Austintown Elementary School are located within a three-mile radius and have a combined total of over 3,000 students enrolled.

Youngstown is a city located in northeastern Ohio, known for its industrial history and its role in the steel and manufacturing industries. The city has a rich cultural and community history that continues to shape its identity today. Youngstown has a strong sense of community and a rich cultural history. The city is home to several universities, including Youngstown State University, which plays a significant role in the local economy and provides educational opportunities to the community. The city is also known for its vibrant arts scene, with the McDonough Museum of Art, the Youngstown Playhouse, and the Youngstown Symphony Orchestra among the cultural attractions. While manufacturing and industry continue to be significant sectors in the region, the economy has diversified in recent years to include healthcare, education, and technology. One of the largest employers in Youngstown is the Youngstown State University, which provides jobs for thousands of people and contributes to the local economy through research and innovation. The healthcare sector is also a significant contributor to the economy, with major hospitals such as Mercy Health, St. Elizabeth Youngstown Hospital, and Akron Children's Hospital Mahoning Valley providing jobs and services to the community. In addition, Youngstown has a growing technology sector, with companies such as Turning Technologies, Vallourec Star, and America Makes contributing to the city's economic growth. The city has also seen a rise in entrepreneurship and small business development, with organizations such as the Youngstown Business Incubator providing support and resources to startups and innovators.



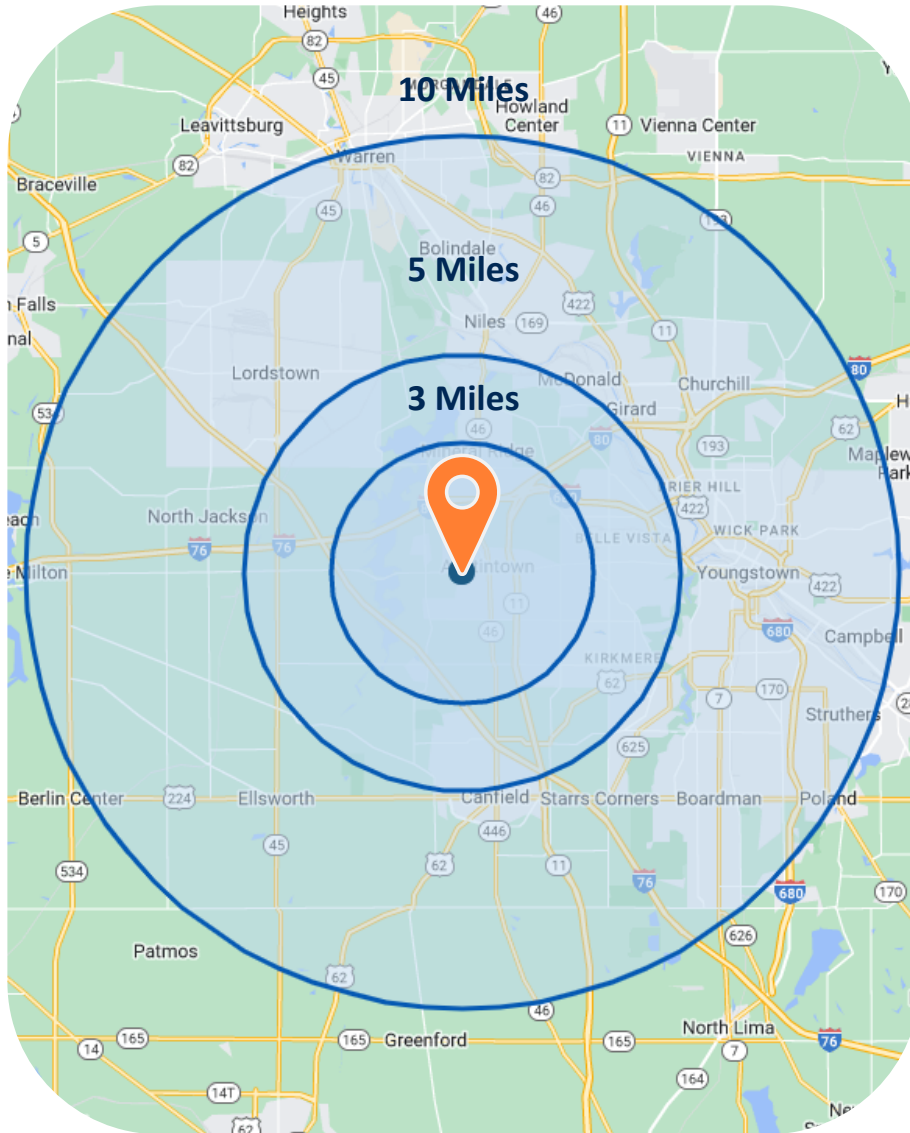


Regional Map





Demographics



3 Miles 5 Miles 10 Miles

POPULATION TRENDS

	3 Miles	5 Miles	10 Miles
2022 Population	31,101	67,714	255,126

HOUSEHOLD TRENDS

	3 Miles	5 Miles	10 Miles
2022 Households	13,299	28,501	106,111

Avg Household Income

	3 Miles	5 Miles	10 Miles
Avg Household Income	\$64,292	\$65,224	\$59,819

Median Household Income

	3 Miles	5 Miles	10 Miles
Median Household Income	\$49,826	\$50,019	\$43,597

HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

	3 Miles	5 Miles	10 Miles
< \$25,000	2,954	6,893	30,322
\$25,000 - 50,000	3,719	7,353	28,756
\$50,000 - 75,000	2,377	5,083	18,929
\$75,000 - 100,000	1,979	4,069	11,596
\$100,000 - 125,000	1,081	2,296	7,077
\$125,000 - 150,000	483	1,059	3,806
\$150,000 - 200,000	381	936	2,656
\$200,000+	327	813	2,969



Market Overview



Cleveland, Ohio

Cleveland is a city located in the state of Ohio, in the United States. The city is located on the southern shore of Lake Erie, which is one of the Great Lakes and the largest freshwater lake in the United States.

Cleveland is known for its strong industrial heritage and its diverse cultural attractions, including the Rock and Roll Hall of Fame and Museum, the Cleveland Museum of Art, the Cleveland Orchestra, and its professional sports teams. The city is also home to several universities and colleges, including Case Western Reserve University, Cleveland State University, and the University of Akron. With its vibrant downtown district and numerous neighborhoods, Cleveland is a great place to visit and explore.

Cleveland's economy is diverse, with a range of industries contributing to its growth and stability. Healthcare is one of the largest sectors in the city, with renowned hospitals such as the Cleveland Clinic and University Hospitals of Cleveland providing thousands of jobs. The finance sector is also significant, with KeyBank and other financial institutions headquartered in the city. Manufacturing and industry continue to play a role, with companies such as Sherwin-Williams and Lubrizol maintaining a presence in the region. Additionally, Cleveland has seen a growing technology sector, with companies such as Hyland Software and MRI Software contributing to the city's economic growth. The city's economy continues to show signs of resilience and adaptability in the face of changing industries and economic conditions.

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