

**“Advanced Investment Strategies  
for Buying or Selling a  
Self Service Carwash”**

**WCA Show October 7 – 9, 2007**

**Presented**

**by:**

**Roger A. Pencek - MBA**

**Broker / President**

**A.B.I. & Car Wash Brokers, Inc.**

# Advanced Investment Strategies for Buying or Selling Self Service Car Washes

**Roger A. Pencek**

President / MBA / Broker

1. **I- Introduction (RAP)**
2. **Outline**
  - . Existing Car Washes
  - . Buy Low, Sell High – Buy an Investment
  - . Determine Values
  - . Practice + Current Transaction Process (Positioning)
3. **II- Values: Technical (MAI) vs. Practical )Opinion or Value)**
  - . MAI (\$2,500 – 3,500) Appraisals – Bank Ready
  - . Cost Approach (Reproduction)
  - . Income Approach (Gross Sales)
  - . Comparables Approach (Current Sales)
  - . “Opinion of Value” – (\$1,000 – 1,500) Not Bank Approved (Per Location)
  - . Map (variation of land 40% of car wash value)
4. **Cost Approach – Reproduction of Assets**
  - . Building + Equipment: \$75K per Bay, \$300K per Auto Wash
5. **Land (C-2 S.U.P.) (30 – 40K’s F) @ \$12 – 15 p/s F = \$450K**
  - . Total \$1.3M
6. **Income Approach**
  - . Gross Sales not EBIDTA (Fluctuates)
  - . 4 – 6 X’s Gross Sales (Reported + Verified)
  - . Industry Standards (\$2K per Bay per Month, Auto ½)
  - . Variation of 4 – 6 X’s: Geography (Map)
  - . Condition of Equipment, Ownership (Semi vs. On Site)
  - . Books + Records (Validates Cash Business) 3 L’s
  - . Neighborhood Condition (Transition)
  - . Comparables (Not Applicable)
7. **III- Summary – Two Value Techniques (Should be Also Compared)**
  - . **Historic vs. Current Strategies**
  - . **Picture (Photo Gallery) Now + Then (variance)**
    - . Construction + Zoning (C-2) (S.U.P.)
    - . Neighborhood Opposition (24 Hour Business)
    - . Cost Increased 23% since 2003!
    - . Rural + Nitch Business (Urban Land + Zoning)
    - . Leased Properties Popular due to Land Costs

8. Preparation of Self – “Packaging” – (Bank Ready)
9. **IV–** ***Books, Records, IRS, P&L (Last Buyers), Etc...***  
 . (P&L with Recast) Line Items (CAP Rates - % of Chemicals + Utilities)
10. Purchase Agreement – (90 – 120 Days) Traditional  
**V–** ***Confidentiality Form***  
 . Contingency Period (2 – 4 Weeks)  
 . Obtain Financing (45 – 60 Days) 20% Down  
 . C.O.E. (Close of Escrow)
- VI–** ***Strategies:***  
 . 1031 Exchange Buyers (60 Days Elect – 180 C.O.E.)  
 . Foreign Investors (\$1M Purchase, ½ USR Employee)  
 . Seller Carry Beck (Promissory Note)  
 . Seller Avoid Capital Gains (20% Down)  
 . Buyer No Bank Fees or Loan Contingency  
 . 30 Days C.O.E
11. Conversion to Express Wash (3X’s Gross+/-)  
 . Values at 8X’s 6... Sales (\$600Kx8= \$2.4M)
12. Proforma \$7.20x5K C/P/M= \$35K  
 . \$35K+12K (S.S) = 47Kx12= \$564K +/-
13. Tear Down (Zoning in Place C-2)  
 . \$2M vs. \$3.5M  
 . Lease Property (Gas Stations) Avoid 40% Land Costs
- VII -** ***Elements for Success***  
 . Experts – Inexpensive Insurance (Consultant)  
 . Competition 1 – 3 Mile Radius (Express)  
 . Equipment + Chemical Sales People, “Tin Man – Danny DeVito” (Unlicensed!)  
 . Familiarization Period – All Aspects  
 . Road Construction  
 . Environmental – Pitts Cleaned + History (Oil Changes)  
 . On Site – Owner Operator – Cash, Cash, Cash  
 . Equipment Walk Thru + Lighting
- VIII–** ***Summary***  
 . Exit Strategies in Place upon Purchase  
 . Expert not Imposter with Ulterior Motives  
 . Every Wash Has its Own Personality – Is It Yours??

# Anatomy of a Self Service Investment

(6 Bay Self Service + 1 Automatic)

6 SS Bays x \$2K p/mo = &120K x 12 mo = \$144K Gross Sales

Auto 1/2 of SS Yearly Gross Sales = \$72K

---

Total: \$216K Gross Sales

X 63% Gross Net

---

\$136K EBIDTA

(Earnings, Before, Interest, Depreciation, Taxes + Ammonization)

---

\$216K x 5.5 = \$1.188M Sales Price

EBITDA \$136K- Debt service

\* - 350K Down (30%)

Debt \$7,401 x 12 = \$88,800

Gross Net = \$47,200

\$88,000 Debt Service per year (20 Years)

@ 9% Int = \$7,401 p/mo

\$7,401 p/mo = \$798 (P), \$6,603 (Int)

---

\* 350K (In Bank)

\* \$350K Down

X 7%

VS.

\$136K - EBIDTA

---

\$24,500 per Year ROI (Taxable)

ROI \$47,200 (13.4%)

+ Int \$79,236

**\$126,436 ( 36% Cash on Cash) + Dep.**

---

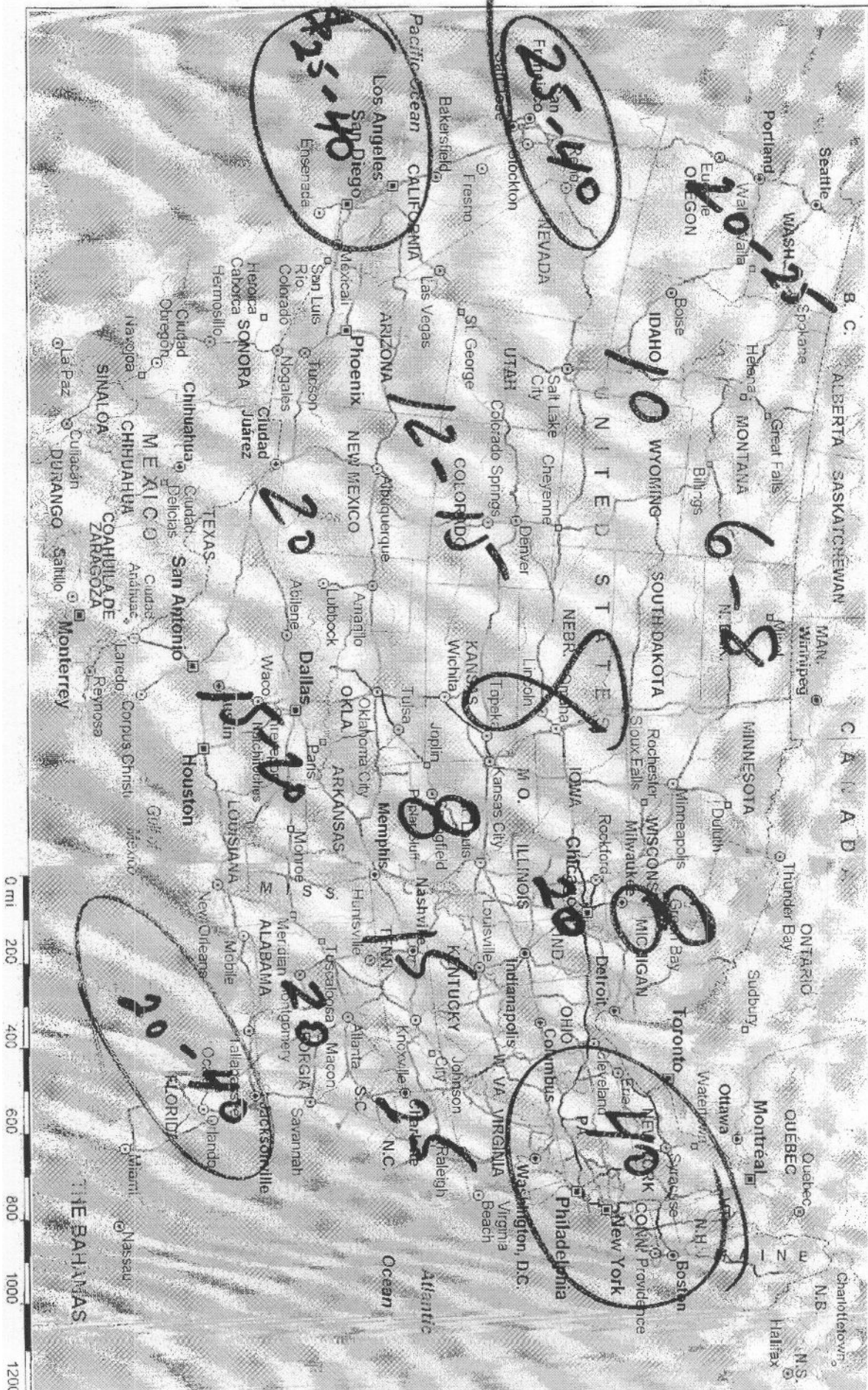
Note: Land appreciation is an additional 6-8% per year

Self Service Investment Common Denominators

- Cash Business
- No Receivables
- No Inventory
- Passive Investment—semi absentee business

#1

United States, North America



# Pa SF ~~X~~ DEWATION (88-40 RS)

Copyright © 1988-2003 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/streets>  
© Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. © 2002 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada  
(Statistics Canada and/or Geomatics Canada), all rights reserved.

# Self Service Car Wash Valuations

## Cost Approach:

### • Reproduction Cost:

▪ 6 bays at \$75K p/bay	= \$ 450,000
▪ 1 automatic	= 300,000
▪ Land 30K (min.) sq. feet @ \$15 p/s/f =	450,000
▪ Site improvements \$100K	= <u>100,000</u>
<b>TOTAL</b>	<b>\$1,300,000</b>

**(Up 23% Since 2003)**

# Self Service Car Wash

## Valuations:

### Income Approach

#### **Yearly Sales Multiple:**

List at 4 – 6 x's the yearly reported gross Sales (including land, building and equipment)

Example: 6 bay with automatic at \$225K g/s/p/y

- $\$225 \times 6 \text{ x's} = \$1,350,000$
- $\$225 \times 5 \text{ x's} = \$1,125,000$
- $\$225 \times 4 \text{ x's} = \$900,000$

Based on reported verified income

## Self Service Car Wash Valuations

Two basic techniques we use as  
“value equations”:

### 1. Income Approach:

(Yearly Sales Multiple) – 4 – 6 x’s yearly Gross

### 2. Cost Approach:

(Reconstruction Cost) – Land \$12 - \$15 p/s/f (30 – 40 sf) = \$300K - \$500K

(Basic Vanilla) – Building & Equipment @ \$75K p/bay + \$300K +/- Auto =  
\$750K

Architect, Soft Costs = \$150K

Offsite and Water Hookup = \$100k

Total = \$1.3M – \$1.5M

Compare Both for Value – “Check and Balance”

- (Rural or Nitch Business)
- Often Cost Approach is Greater than Income Approach – Report the Income!







Touchless Automatic



PRICE LIST

Service	Price
Basic Wash	\$10.00
Wax	\$5.00
Interior	\$10.00
Exterior	\$10.00
Full Service	\$25.00

CUSTOMER FEEDBACK

ATTENTION





CAR  
WASH

22 8:56 AM



Sun Shine  
AUTO WASH

TOUCH FREE Wash  
\$4.00  
24 HRS. 7 DAYS

## **“Carwash Packages”**

### **List of items needed by seller to produce package (42)**

- 1) Sellers last 3 years IRS Tax Returns
- 2) Sellers last 3 years P & L's with Balance Sheets
- 3) Last 12 month rolling P & L's
- 4) DRB or comparable monthly report for last rolling 12 months
- 5) All leases (including but not limited to landlord lease, if applicable)
- 6) Complete list of all equipment
- 7) Complete list of personal property
- 8) Complete list of all employees with payroll records (DRB)
- 9) Complete list of all supplier or vendors with contact names and telephone #
- 10) Insurance (liability) Policy (copy of) with contact name and telephone #
- 11) Insurance workman's comp (copy of) with contact name and telephone #
- 12) Existing utility companies (electric, telephone, water etc.) account # and telephone#
- 13) Alarm (security) provider
- 14) Current surveys, if available
- 15) Current Phase I, if available
- 16) Current plot map, if available
- 17) Current tax parcel ID and tax bill for personal and real property
- 18) Legal description of property
- 19) Loan information in place, if applicable
- 20) Articles of Incorporation, LLC etc.
- 21) Trade Name States of Business
- 22) Certificate of Good Standing from DES
- 23) Certificate of Good Standing from state taxes
- 24) Certificate of Good Standing from local taxes
- 25) Copy of existing business license
- 26) Photos of car wash business (8 – 10) include equipment room and C-Store
- 27) Fleet account (who, tel #'s addresses) plus amount per month
- 28) Franchise Agreement
- 29) Advertising, current coupons (contact and telephone)
- 30) Waste removal of water pits, copy or current log
- 31) Inventory, current with estimate of \$ for supplier plus C-Store
- 32) Lube supplier agreement and or fuel supplier agreement
- 33) Windshield supplier agreement
- 34) Business License (copy or current)
- 35) Proposed allocation of sale
- 36) Demographic studies if available
- 37) Map of location (with density of residence vs. commercial
- 38) Chamber of Commerce profile from city
- 39) Copy of ABI Confidentiality Agreement (example)
- 40) Buyers punch list “to do list” during and before closing
- 41) Buyer loan punch list

## Self service & automatic--Detail P&L's--2006

<b>GROSS INCOME</b>	<b>Automatic Bay</b>	<b>Manual Bays</b>	<b>Vacuums</b>	<b>Scent/Shampoo</b>	<b>Vending</b>	<b>On Site</b>	<b>Totals</b>
January	\$8,883	\$7,105	\$1,277	\$37	\$110	\$428	\$17,840
February	\$6,482	\$5,185	\$932	\$27	\$81	\$391	\$13,098
March	\$7,653	\$6,121	\$1,100	\$32	\$95	\$253	\$15,254
April	\$11,316	\$9,051	\$1,627	\$48	\$141	\$388	\$22,571
May	\$5,704	\$4,562	\$820	\$24	\$71	\$343	\$11,524
June	\$9,188	\$7,349	\$1,321	\$39	\$114	\$299	\$18,310
July	\$7,570	\$6,055	\$1,088	\$32	\$94	\$180	\$15,019
August	\$5,667	\$4,532	\$814	\$24	\$70	\$331	\$11,438
September	\$3,516	\$2,812	\$505	\$15	\$44	\$217	\$7,109
October	\$7,211	\$5,768	\$1,036	\$30	\$90	\$489	\$14,624
November	\$6,683	\$5,345	\$961	\$28	\$83	\$269	\$13,369
December	\$6,671	\$5,336	\$959	\$28	\$83	\$301	\$13,378
<b>Totals</b>	<b>\$86,544</b>	<b>\$69,221</b>	<b>\$12,440</b>	<b>\$364</b>	<b>\$1,076</b>	<b>\$3,889</b>	<b>\$173,534</b>

<b>GROSS EXPENSE</b>	<b>Utilities</b>	<b>Maintenance</b>	<b>Parts/vending</b>	<b>Employee</b>	<b>Monetary</b>	<b>Misc...</b>	<b>Totals</b>
January	\$1,768	\$1,182	\$1,485	\$2,014	\$4,595	\$512	\$11,556
February	\$1,629	\$1,089	\$1,368	\$1,856	\$4,234	\$472	\$10,648
March	\$1,697	\$1,135	\$1,425	\$1,933	\$4,410	\$491	\$11,091
April	\$1,870	\$1,250	\$1,571	\$2,130	\$4,859	\$541	\$12,221
May	\$1,838	\$1,229	\$1,543	\$2,094	\$4,776	\$532	\$12,012
June	\$1,959	\$1,310	\$1,645	\$2,232	\$5,090	\$567	\$12,803
July	\$1,919	\$1,283	\$1,612	\$2,186	\$4,987	\$556	\$12,543
August	\$1,644	\$1,099	\$1,381	\$1,873	\$4,272	\$476	\$10,745
September	\$1,644	\$1,099	\$1,380	\$1,873	\$4,271	\$476	\$10,743
October	\$1,577	\$1,055	\$1,325	\$1,797	\$4,098	\$457	\$10,309
November	\$1,763	\$1,179	\$1,481	\$2,008	\$4,582	\$510	\$11,523
December	\$1,699	\$1,136	\$1,427	\$1,935	\$4,415	\$492	\$11,104
<b>Totals</b>	<b>\$21,007</b>	<b>\$14,046</b>	<b>\$17,643</b>	<b>\$23,931</b>	<b>\$54,589</b>	<b>\$6,082</b>	<b>\$137,298</b>

\* Self service car wash EBIDTA should be 63%--here \$137K -\$54K Debt=\$83K -\$173K=\$90K is 52% EBITDA

\* **Monetary is Debt service <\$54K>... Maint should be 6%**

\* Utilities are \$21,007 @ 12% (\$21,007 Divided by 12%=\$175,058.33-----gross sales reported is \$173,000

TIP .....

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	year to date
C.C. FROM PRINTOUT	\$ 4,057.25	\$ 3,781.00	\$ 3,133.00	\$ 5,107.00	\$ 5,545.00	\$ 5,191.00	\$ 4,133.00	\$ 3,376.00	\$ 4,154.00	\$ 4,953.00	\$ 5,557.00	\$ 4,987.25	\$ 48,987.25
WASHGEAR							265.25	561.75	722.00	1,008.75	961.00		3,519.75
CASH	22,285.00	21,670.00	17,890.00	24,175.00	22,535.00	19,630.00	19,905.00	14,235.00	14,415.00	14,550.00	16,005.00		207,295.00
	\$ 26,342.25	\$ 25,451.00	\$ 21,023.00	\$ 29,282.00	\$ 28,080.00	\$ 24,821.00	\$ 24,303.25	\$ 18,172.75	\$ 19,291.00	\$ 20,512.75	\$ 22,523.00	\$ -	\$ 259,802.00
SELF-SERVE	7,783.75	7,782.00	6,010.00	7,816.00	8,621.00	6,192.00	7,429.25	5,753.75	5,785.00	5,627.75	5,850.00		\$ 74,650.50
AUTOMATIC	16,663.50	15,829.00	13,268.00	19,571.00	17,619.00	16,884.00	15,074.00	10,744.00	11,846.00	13,345.00	15,098.00		\$ 165,941.50
VACUUMS	1,125.00	1,060.00	1,005.00	1,105.00	1,080.00	1,005.00	1,025.00	955.00	935.00	880.00	890.00		\$ 11,085.00
VENDING	770.00	780.00	740.00	790.00	760.00	740.00	775.00	720.00	725.00	660.00	685.00		\$ 8,145.00
	\$ 26,342.25	\$ 25,451.00	\$ 21,023.00	\$ 29,282.00	\$ 28,080.00	\$ 24,821.00	\$ 24,303.25	\$ 18,172.75	\$ 19,291.00	\$ 20,512.75	\$ 22,523.00	\$ -	\$ 259,802.00
SRP ELECTRIC	\$ 837.61	\$ 745.79	\$ 794.57	\$ 675.22	\$ 821.72	\$ 790.91	\$ 770.74	\$ 710.41	\$ 769.55	\$ 797.42	\$ 914.35		\$ 8,628.29
WATER/GAS	1,630.74	3,158.13	1,711.92	248.84	1,985.69	1,985.69	1,723.33	1,306.09	1,753.14	1,086.09	1,150.23		\$ 15,505.36
RUBBISH	250.22						255.88			185.28			\$ 940.22
PHONE	45.00	45.01	45.01	134.51	82.72	85.26	82.72	82.55	77.63	331.37	184.78		\$ 1,196.56
SOUTHWEST GAS													\$ -
BUILDING MAINT.		1,393.00	445.00				800.00						\$ 2,638.00
LANDSCAPING													\$ -
EQUIPMENT REPAIRS	461.06		426.19	124.62	988.79	67.34	1,026.97	1,397.20	311.38	480.00	195.00		\$ 4,950.15
RICKS TECHNICAL			141.96	808.50					77.71	163.21			\$ 1,719.78
INDUSTRY SERVICES													\$ -
													\$ -
SHIPPING					113.95		500.00			(169.55)	35.94		\$ 480.34
PARTS TAXED			2,871.80		328.71			2,886.27					\$ 6,346.22
PARTS					2,801.70		15,078.00			554.05	616.76		\$ 19,635.00
SUPPLIES					1,116.79								\$ 3,460.06
VEHICLE EXPENSE					421.87					590.43	451.55		\$ 2,193.66
MISC.										34.74	90.00		\$ 124.74
HOME DEPOT					434.83					362.59	220.91		\$ 1,662.91
W.W. GRAINGER													\$ -
													\$ -
VEHICLE PAYMENT													\$ -
SOAPS/CHEMICALS	1,210.72	1,053.98	324.30	1,632.31	605.36	767.51	1,210.72		767.51	605.36	605.36		\$ 8,783.13
													\$ -
PAYROLL NET													\$ -
941 FEDERAL TAX													\$ -
FUTA TAX													\$ -
ARIZONA WITHHOLDING													\$ -
D.E.S. UNEMPLOYMENT													\$ -
SALES TAX STATE	362.90			133.46			290.36			970.37			\$ 1,747.09
SALES TAX MESA	91.45			31.78			73.80			299.83			\$ 496.86
SALES TAX CHANDLER													\$ -
PROPERTY TAX				5,050.28									\$ 5,050.28
INSURANCE GENERAL													\$ -
INSURANCE VEHICLE													\$ -
WORKMENS COMP.													\$ -
ACCOUNTANT			454.50										\$ 454.50
DUES													\$ -
MISC.	74.86		85.00	64.86			60.00	44.00	50.00	60.00			\$ 438.72
BANK C.C. FEES	192.89	242.78	228.87	177.47	303.77	385.07	310.04	288.46	194.30	76.79	312.07		\$ 2,712.51
BANK SERVICE FEES	27.32	32.80	31.45	17.72	25.75	30.64	23.78	42.37	59.08	159.13	10.60		\$ 460.64
MORTGAGE	2,545.67	2,545.67	2,545.67	2,545.67	2,545.67	2,545.67	2,545.67	2,545.67	2,545.67	2,545.67	2,545.67		\$ 28,002.37
TOTAL EXPENSES	\$ 7,720.44	\$ 6,059.03	\$ 11,552.45	\$ 13,357.16	\$ 10,591.63	\$ 6,658.09	\$ 24,752.01	\$ 9,303.02	\$ 6,605.97	\$ 12,351.78	\$ 7,333.22	\$ 4,561.59	\$ 120,846.39
PROFIT/LOSS	\$ 18,621.81	\$ 19,391.97	\$ 9,470.55	\$ 15,824.84	\$ 17,488.37	\$ 18,162.91	\$ 4,448.76	\$ 8,869.73	\$ 12,685.03	\$ 8,160.97	\$ 15,189.78	\$ 4,561.59	\$ 138,955.61
owner	\$ 6,000.00	\$ 5,000.00	\$ 30,000.00	\$ 8,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 4,000.00	\$ 8,000.00	\$ 4,000.00	\$ 91,000.00
owner son	\$ 3,000.00	\$ 2,500.00	\$ 15,000.00	\$ 4,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 2,000.00	\$ 4,000.00	\$ -	\$ 45,500.00
TOTAL DRAW	\$ 9,000.00	\$ 7,500.00	\$ 45,000.00	\$ 12,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 6,000.00	\$ 12,000.00	\$ -	\$ 136,500.00
AFTER DRAW	\$ 9,621.81	\$ 11,891.97	\$ (35,529.45)	\$ 3,824.84	\$ 8,488.37	\$ 8,162.91	\$ (9,448.76)	\$ (130.27)	\$ 3,665.03	\$ 2,160.97	\$ 3,189.78	\$ (4,561.59)	\$ 2,455.61



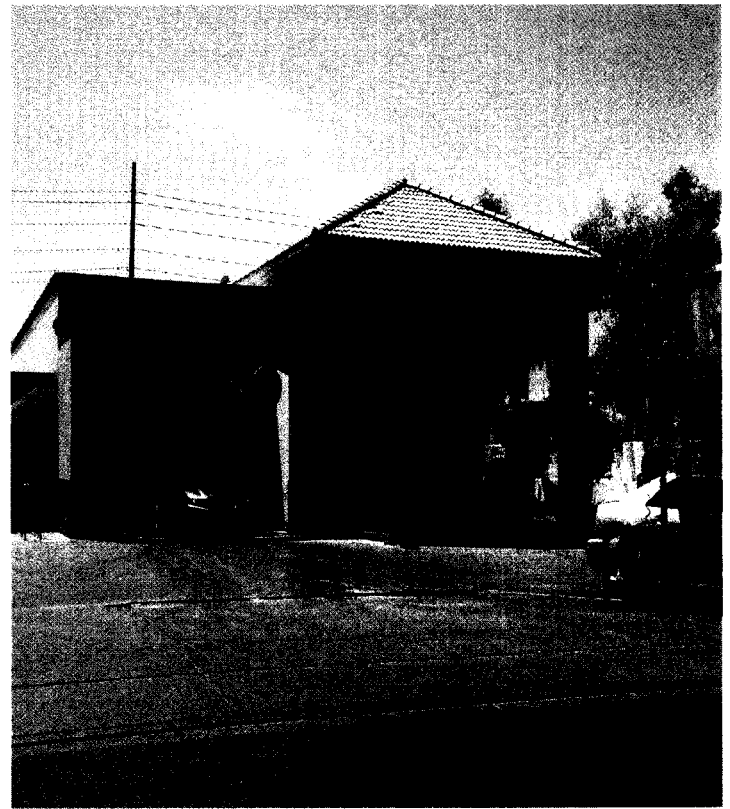
# **Typical Time Line of Purchase** **(120 Days)**

**1. Marketing (Broker or FISBO) 30 – 60 Days-  
(Buyer broker or Agency declaration)**

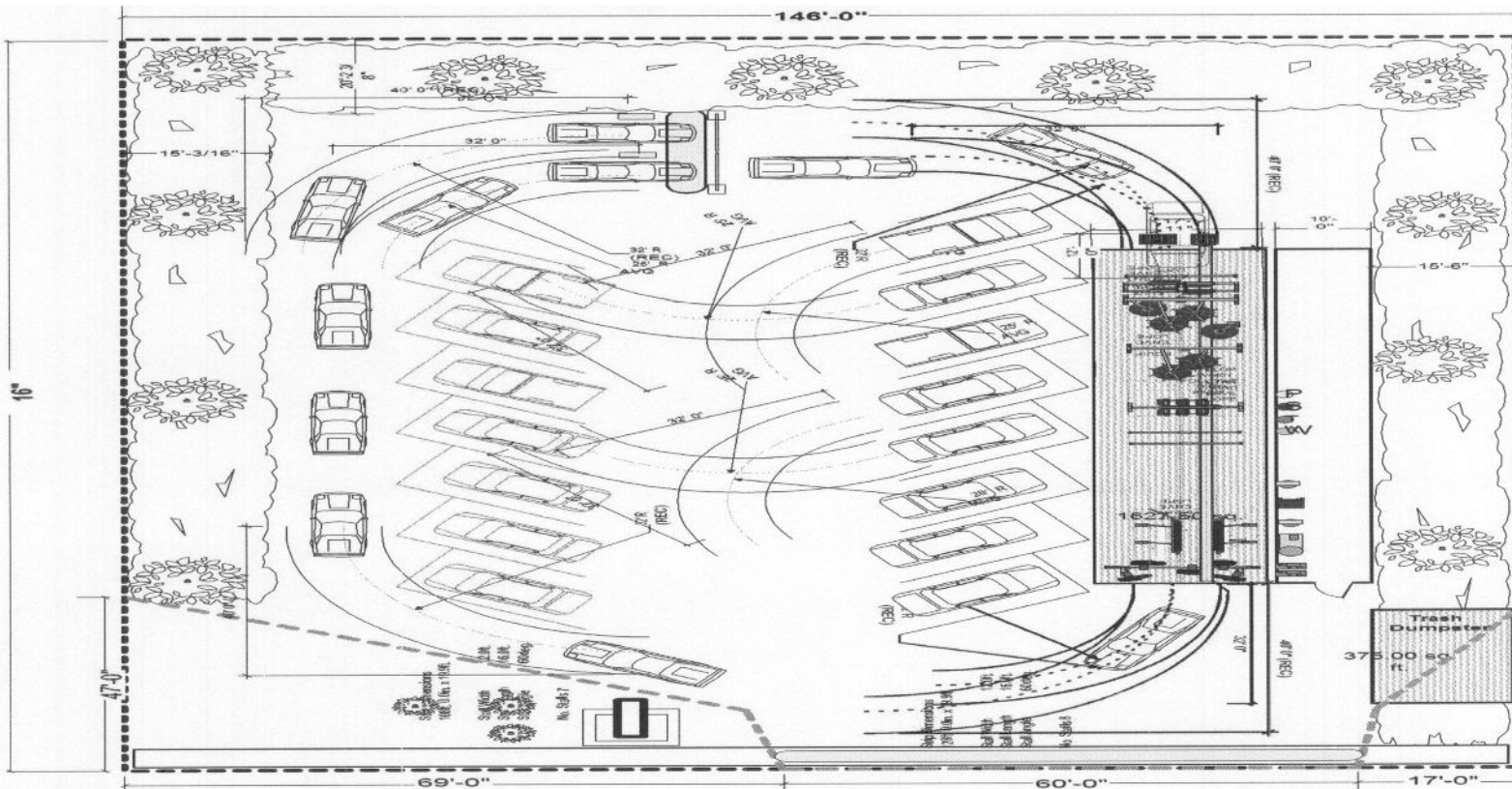
**2. Purchase Agreement (in Writing)**

- **Open Escrow**
- **2 – 4 Week Familiarization i.e. Contingency period “free look period”, then subject to financing only. ALLOCATION OF SALE DETERMINED: (Land, Bld, Equip, Goodwill)**
- **60 Days Financing (Phase I + Appraisal + Loan Process)**
- **15 Days for Lender to Prepare COE Docs**
- **COE – Recordation = True Closing**





\*\*\* DETAIL / VACCUM PARKING SPACES ANGLED @ 45 DEGREE  
 PROPERTIES SET @ 12' WIDE X 16' LENGTH



Stephan Abedi  
 Abedi Stephan  
 9746 North 90th Place #201  
 Scottsdale, AZ 85258  
 480-390-4378

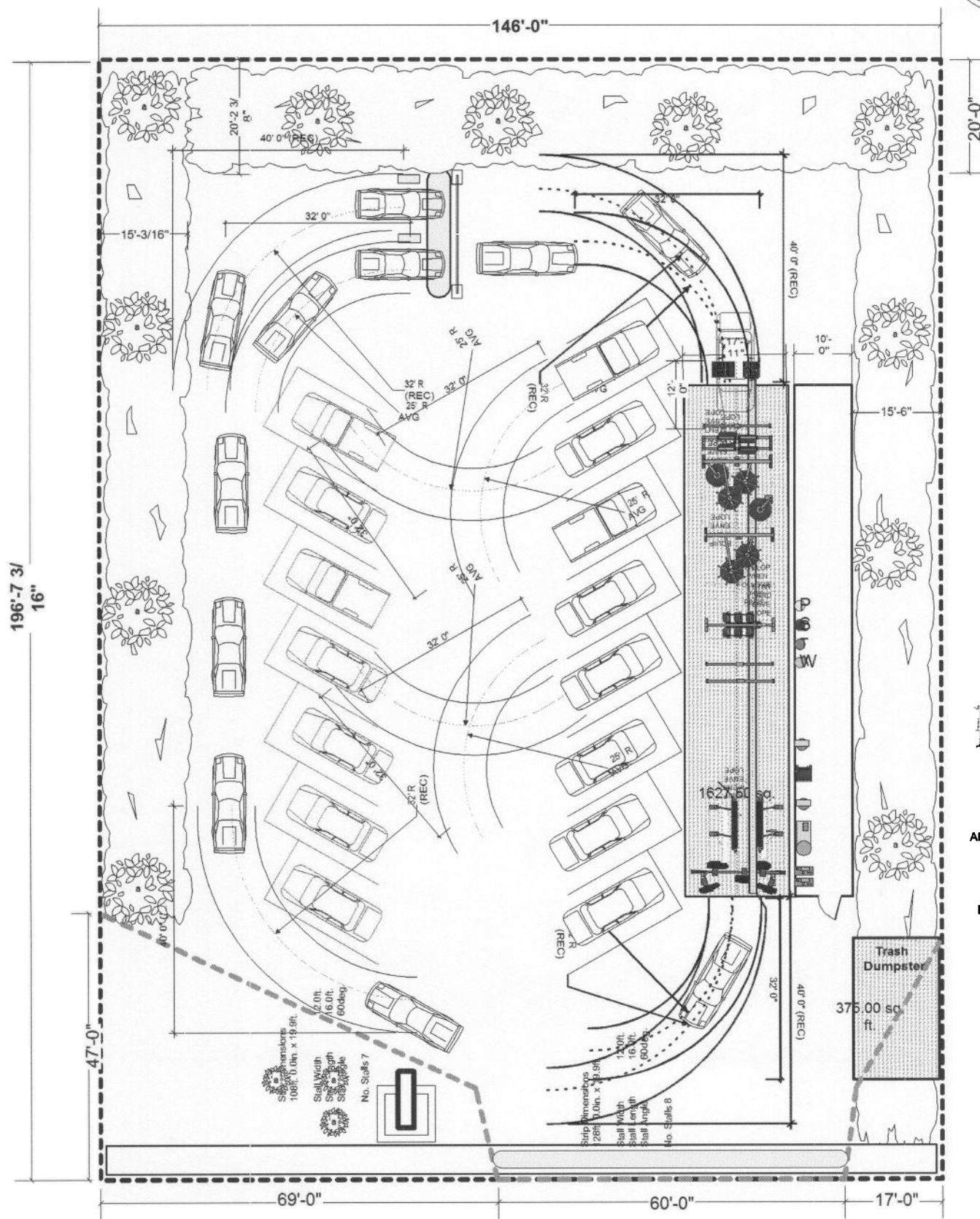
CRYSTAL BRIGHT SITE  
 MCKELLIPS PROJECT  
 AUGUST 26, 2007

Ray Pfeiffer, NBD  
 Sun Country Car Wash Syet  
 PO 12193 Scottsdale AZ 85  
 602.617.2145  
 480.860.8642  
 rpeales@cox.net

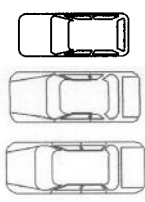
Drawing Prelim. Sketch  
 Planning only - Not for const



**\*\*\* DETAIL / VACCUM PARKING SPACES ANGLED @ 45 DEGREE  
PROPERTIES SET @ 12' WIDE X 16' LENGTH**



196'-7 3/16"  
16"



**Stephan Abedi**  
Abedi Stephan  
9746 North 90th Place #201  
Scottsdale, AZ 85258  
480-390-4378

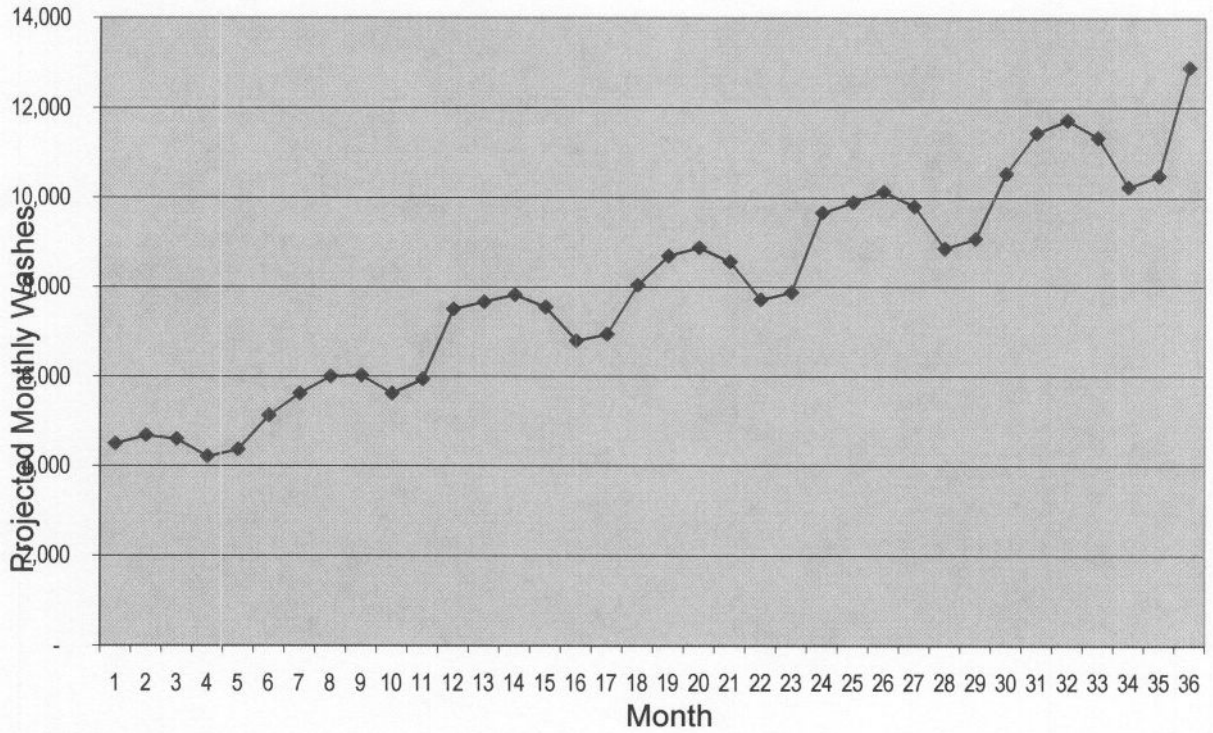
CRYSTAL BRIGHT SITE  
MCKELLIPS PROJECT  
AUGUST 26, 2007

Ray Pfeiffer, NBD  
Sun Country Car Wash Systems, Inc.  
PO 12193 Scottsdale AZ 85267  
602.617.2145  
480.860.8642  
rpsales@cox.net

Drawing Prelim. Sketch  
Planning only - Not for construction

- Available  
Top Brush
- Abrev. Pro100  
QuickFire  
DuraTrans  
HyroMitter  
Wheel SS  
Dryer 50 hp  
shown

# Cash Wash Model



17.0

GENERAL = 4+2

4 Bay SS + 2 Automatic

4+2

**INCOME**

Base Rent

Occupied Space

**EFFECTIVE GROSS INCOME**

	Current	Per SF
	\$ 895K	Sec 811 Price @ 94.5K
	\$159,235	\$31.85
	<del>179K ← \$159,235</del>	\$31.85

179.1K ?

**EXPENSES**

Real Estate Taxes

Insurance

Waste Disposal

Security & Phone

CAM

12%

Utilities

Repairs & Maintenance

Contract Services

Advertising

12%

Chemicals

TOTAL CAM

Total Expenses

**NET OPERATING INCOME (NOI)**

**NET OPERATING INCOME RETURN**

NOI / Sales Price

	Current	Per SF
Real Estate Taxes	\$7,029	\$1.53
Insurance	2,255	0.45
Waste Disposal	673	0.17
Security & Phone	3,366	0.68
CAM	25,408	5.08
Utilities	4,500	0.90
Repairs & Maintenance	10,800	2.16
Contract Services	933	0.11
Advertising	17,800	3.56
Chemicals	\$59,041	\$11.81
TOTAL CAM	\$73,185	\$14.64
Total Expenses	<del>105,215 ← \$6,679</del>	\$17.21

÷ 12% = 211,733 ✓

179K

÷ 12% = 148,333 ✓

11.8% ← 9.10% CAP

212K

+ 14K

359K 406

÷ 2

179K

(total)

Note:

Handwritten notes and calculations at the bottom left.

**Car Wash  
Loan Amortization Schedules**

**Land**

Cost	\$ 1,000,000
Percent financed	50%
Amount financed	\$ 500,000
Interest Rate	10.00%
Term (years)	25
Payment	\$4,543.50

Month	Beg Balance	Interest	Principal	End Balance
1	\$ 500,000	\$ 4,167	\$ 377	\$ 499,623
2	499,623	4,164	380	499,243
3	499,243	4,160	383	498,860
4	498,860	4,157	386	498,474
5	498,474	4,154	390	498,084
6	498,084	4,151	393	497,691
7	497,691	4,147	396	497,295
8	497,295	4,144	399	496,896
9	496,896	4,141	403	496,493
10	496,493	4,137	406	496,087
11	496,087	4,134	409	495,678
12	495,678	4,131	413	495,265
13	495,265	4,127	416	494,849
14	494,849	4,124	420	494,429
15	494,429	4,120	423	494,006
16	494,006	4,117	427	493,579
17	493,579	4,113	430	493,148
18	493,148	4,110	434	492,714
19	492,714	4,106	438	492,277
20	492,277	4,102	441	491,836
21	491,836	4,099	445	491,391
22	491,391	4,095	449	490,942
23	490,942	4,091	452	490,490
24	490,490	4,087	456	490,034
25	490,034	4,084	460	489,574
26	489,574	4,080	464	489,110
27	489,110	4,076	468	488,643
28	488,643	4,072	471	488,171
29	488,171	4,068	475	487,696
30	487,696	4,064	479	487,216
31	487,216	4,060	483	486,733
32	486,733	4,056	487	486,246
33	486,246	4,052	491	485,754
34	485,754	4,048	496	485,259
35	485,259	4,044	500	484,759
36	484,759	4,040	504	484,255
37	484,255	4,035	508	483,747
38	483,747	4,031	512	483,235

**Building**

Cost	\$ 1,250,000
Percent financed	50%
Amount financed	\$ 625,000
Interest Rate	10.00%
Term (years)	25
Payment	\$5,679.38

Month	Beg Balance	Interest
1	\$ 625,000	\$ 5,208
2	624,529	5,204
3	624,054	5,200
4	623,575	5,196
5	623,092	5,192
6	622,605	5,188
7	622,114	5,184
8	621,619	5,180
9	621,120	5,176
10	620,616	5,172
11	620,109	5,168
12	619,597	5,163
13	619,081	5,159
14	618,561	5,155
15	618,036	5,150
16	617,507	5,146
17	616,973	5,141
18	616,435	5,137
19	615,893	5,132
20	615,346	5,128
21	614,795	5,123
22	614,239	5,119
23	613,678	5,114
24	613,112	5,109
25	612,542	5,105
26	611,967	5,100
27	611,388	5,095
28	610,803	5,090
29	610,214	5,085
30	609,620	5,080
31	609,020	5,075
32	608,416	5,070
33	607,807	5,065
34	607,193	5,060
35	606,573	5,055
36	605,949	5,050
37	605,319	5,044
38	604,684	5,039

(New Build)  
**EXPRESS CAR WASH VALUATION** - (EXIT STRATEGY)

- **\$3 - 5 - 7 - 9 Per Car**
- **\$7.20 Average Per Car**
- **\$ Average 8K - 9K - 10K Per Month Washes**

**Example:**

- **\$9K Cars Per Month x 7.20 = \$64,800 Per Month**
- **\$64,800 x 12 Months = \$777,600**
- **\$777,600 divided by 50% (O C) = \$388,800 - EBITDA**
- **\$388,800 x 8 (Value Multiplier) = \$3.1M**
- **\$388,800 x 9 (Value Multiplier) = \$3.5M**
- **\$388,800 x 10 (Value Multiplier) = \$3.8M**

**Note:**

- **50% (O C) Operating Cost Should Be 38 - 42%**
- **10K - Per Month - Realistic Goal**
- **\$7.20 - Per Car Average Will Dramatically Increase Due Rising Employment & Demand**
- **Time (4 Minutes) Economy & Semi Absentee Ownership, Low Labor**



# “Conversion”-Existing Self Service wash into Express:

(Tear Down)

- \$800K – Land
- \$20K – Demo
- \$800K – Building
- \$400K – Equipment

---

**\$2,020,000 – vs -\$3,500,000 (Franchise or Turn-key)**

6 to 8 months for construction

Zoning in place

remodel permit

Must have min 32,000 sf lot

## Summary:

The examples of values and sale represented noted within this presentation are only “acid tests” and familiarization techniques, to arrive at sale prices.

- The variable for each car wash can fluctuate as much as 20 – 50% between the mentioned examples. Each Car Wash has its own personality, customer base and most of all “owner standards of performance”.
- Our primary objective in using these techniques are to “mentally” prepare sellers and buyers as to a “range of values” typical in the car wash industry.
- Expert advice (CPA, Attorney, Broker, Carwash Consultant).....Priceless
- *“All the money I didn’t make, was the Real Estate I didn’t buy”!*

(Golden Rule, 6 – 8% per year “Land Play” each year in addition to income)