

Car Care *PROFESSIONAL. PROUD.*

Car Wash Valuation for Conveyor Operations

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PLEASE SILENCE ALL CELL PHONES AND PAGERS AT THIS TIME. THANK YOU.


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Outline

- Scope of Presentation: Value a Full Service Wash
- Analytical vs Practical:
- 3 Basic Equations: Income approach
- Statistics: USA (TAM), Industry Standards, Supporting market info.
- VI. Advice: 6 Allies
- VII. Practical Purchase vs Emotional

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Full Service Car Wash Valuations

- The process of valuing a full service car wash must address many variables
 - M.A.I. (Member Appraiser Institute) vs Practical
 - Our "Opinion of Value" technique of a car wash is primarily based on a combination of:
 - Comparables (Related to Sold Units)
 - Cost Approach (Reproduction Costs)
 - Income Approach (Industry Standards)

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Full Size Handout of the following slides can be found in your handout booklet.

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FULL SERVICE

GENERIC "PROPERTY" VALUE PROFILE

- Time Line: 2P + 2A + 4 – 8 PBZ + 10 – 12 B= 18 Months
- Zoning (C2) (SUP) Special Use Permit
- Pricing \$10 - \$40 P/S/F
- Size: \$38K - \$60K SF (Acre 43,560) Vanilla (Footprint) (Building Envelope)
- Design (Lay Out) F/S, Lube, Fuel, Detail (Add Fuel \$400K - \$600K) (Generic Build Out \$2.1M - \$4.5M)
- Traffic Count 50K + PPD @ 1 – 1/2% P/D
- Land Rating (B+, A-) (Location, Location, Location)
- Demographics: (Roof Tops, Affluence)
- Purchase Agreement (Subject to Zoning)
- Proforma: (F/S w/Detail, C-Store, + Lube) \$1.5M - \$2.2M P/Y
- Goal: 7 – 8K CPM @ 18.50 P/Car
- ROI: 30% of G/S = EBITDA (Minus Debt Service 12 – 15%) Net 18%
- Allies: Real Estate Broker, C/W Consultant, Attorney, CPA, Equipment Manufacturer, Construction/Building Expense Bids

