

OFFERING MEMORANDUM  
Marcus & Millichap



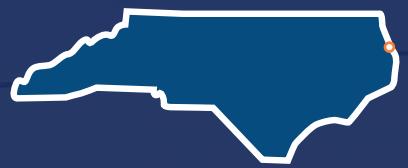
CALIBER  
CAR WASH

KILL DEVIL HILLS, NC

# EXECUTIVE SUMMARY

📍  
2011 S. Croatan Hwy,  
Kill Devil Hills, NC 27948  
📍

## ADDRESS



Kill Devil Hills, NC

## MARKET

**HIGH BARRIER  
COASTAL  
ISLAND  
LOCATION**



SIGNALLED CORNER  
INTERSECTION



20 YEARS

## TERM REMAINING



LEASE TYPE

## THE OFFERING

Price	\$5,374,591
Cap	6.60%
Average Cap Rate Over Term	7.57%
GLA	3,479
Lot Size	0.94 Acres
Year Built	2023
Lease Type	Absolute NNN
Rent Commencement	6/24/2023
Lease Expiration	6/30/2043
Increases	1.50% Annually
Options	Four; Five-Year Terms (1.5% Annual Increases)

\*Note: Pricing Based on Year 2 NOI; Seller to Provide Rent Credit from COE to Year 2 Rent Bump Date.

ANNUALIZED OPERATING DATA	ANNUAL RENT	% INCREASE
Year 2	\$354,723*	1.50%
Year 3	\$360,044	1.50%
Year 4	\$365,445	1.50%
Year 5	\$370,926	1.50%
Year 6	\$376,490	1.50%
Year 7	\$382,137	1.50%
Year 8	\$387,869	1.50%
Year 9	\$393,688	1.50%
Year 10	\$399,593	1.50%
Year 11	\$405,587	1.50%
Year 12	\$411,671	1.50%
Year 13	\$417,846	1.50%
Year 14	\$424,113	1.50%
Year 15	\$430,475	1.50%

Note: Cash flows continue 1.5% annually and are abbreviated for display purposes.



S CROATAN HWY - 41,000 VPD

DOLLAR  
TREE

T-SHIRTS

# INVESTMENT HIGHLIGHTS

**NEW 20-YEAR CORPORATE LEASE WITH 1.5% ANNUAL RENT INCREASES**

**STRONG WHISPER NUMBERS ON UNIT PERFORMANCE**

**HIGH BARRIER ISLAND MARKET LOCATION**

**SIGNALIZED CORNER WITH 41,000 VPD OPPOSITE HIGH-PERFORMING HARRIS TEETER**

**GROWING CAR WASH OPERATOR WITH 50 LOCATIONS AND 53 BY YEAR END**

**20-YEAR CORPORATE LEASE** – The Tenant is subject to a 20-year corporate NNN lease that commenced in June 2023. The lease features annual rental increases of 1.5% during the base term and four, five-year option periods, providing an excellent hedge against inflation. This unit's sales performance has trended well-above projections according to verbal discussions with the tenant. The ramp up of customer traffic is attributed to robust traffic counts and favorable positioning across from Harris Teeter.

**SIGNALIZED CORNER PARCEL VISIBLE TO 41,000 VPD** – Caliber Car Wash is prominently located along Route 158/South Croatan Highway, which serves as the Outer Bank's primary retail corridor with 41,000 vehicles per day. The nearly 1-acre signalized corner parcel has a strong position in the market, located immediately across Route 158 from a dominant Harris Teeter. The grocer ranks in the 94th percentile of all grocers in the state of North Carolina, per Placer.ai geofencing data, with 759.6 thousand annual customer visits. The Route 158 corridor also features well-performing retailers Food Lion, Dollar Tree, 7-Eleven, McDonald's, TJ Maxx, and auto uses Meineke Car Care Center and Carquest Auto Parts.

**RAPIDLY GROWING CAR WASH BRAND BACKED BY PRIVATE EQUITY** – Caliber Car Wash opened its first wash in Ocala, Florida in 2019, before executing significant expansion plans across the Southeast. It is one of the fastest growing platforms of express conveyor car washes in the nation with 50 state-of-the-art facilities, and plans to grow to 53 by year-end 2023, and to 250 by 2025. In December 2021, Percheron Capital, a leading San Francisco-based private equity firm founded by former Golden Gate Capital executives, acquired a majority stake in the business to help the Company execute on new unit development throughout the Southeast and complete new acquisitions opportunities.

**LIMITED COMPETITION IN OUTER BANK'S LARGEST TOWN** – Kill Devil Hills is situated within Dare County in the Outer Banks of North Carolina. It is the Outer Bank's largest town by population and the area's retail hub with most of the restaurants, shops, and activities. Tourism is the number one industry with more than 5 million visitors each year. Visitors to North Carolina spent more than \$33 billion in 2022. Specifically, the subject county of Dare County saw an 8% increase, or nearly \$2 billion, compared to 2021. The Tenant benefits from a lack of competition in this market with exceptionally high barriers to entry. The nearest non-self service car wash and only competitor within 10-miles is an OBXpress Car Wash six miles north in Kitty Hawk. This is one of four Caliber Car Wash locations in the state of North Carolina, the nearest of which is more than 200 miles away.

**ROBUST INDUSTRY GROWTH** – The car wash sector has experienced remarkable growth and transformation in recent years, driven by changing consumer preferences, technological advancements, and increasing environmental concerns. It continues to attract significant interest, and demand for car wash services is anticipated to increase as the number of cars on the road increases, consumers experience rising disposable income, and automobile owners use professional car washing facilities more frequently. The car wash market is projected to reach \$68.9 billion by 2031, expanding globally at a CAGR of 6.7 percent between 2023 and 2031. In 2021 the market was valued at \$29.3 billion, and in 2022, \$38.4 billion.

# TENANT INFORMATION

Caliber Car Wash opened its first wash in Ocala, Florida in 2019. Just a few months later it opened its second location in North Carolina, leading the way for the company's significant expansion plans across the Southeast. It is one of the fastest growing car wash companies in the nation with 50 state-of-the-art facilities in growing markets across the Southeast, Mid-Atlantic and Texas. Supported by its mission to offer customers the highest Caliber clean at a great value with friendly customer service, EVERY DAY, Caliber's growth has been quick due to the success putting customers first and working as a team to do so. The company is projected to have over 250 locations by 2025.

At the end of 2020, the Company became one of the first multi-regional car washes to announce the addition of ceramic coating at no additional upcharge. With ever-changing trends and growing technology, the Company continues to add new and innovative changes to every location. In December 2021, Percheron Capital, a leading San Francisco-based private equity firm, acquired a majority stake in the business to help the Company execute on new unit development throughout the Southeast and complete new acquisitions opportunities.



# CAR WASH INDUSTRY OVERVIEW

## RAPIDLY EXPANDING MARKET:

### THE \$12B MARKET

for the express car wash concept is expected to continue growing at roughly 12% annually, which is far outperforming the overall car wash industry growth.

## THE EXPRESS MODEL:

Express car wash is a business model that allows for subscription-based services ultimately resulting in recurring revenue for these businesses.

## RESILIENCE:

### THE INDUSTRY HAS ALREADY EXHIBITED HIGH LEVELS OF RESILIENCE DURING COVID

and still today with the lack of disruption from the rise of electric and autonomous vehicles.

## FRAGMENTED & INEFFICIENT INDUSTRY:

Despite the larger overall size of the car wash sector, 85% of the total market share is comprised of operators with no more than 5 units.

# CALIBER CAR WASH OVERVIEW

Leading multi-regional car wash with 50 state-of-the-art facilities currently and plans for 75+ total by the end of 2024, and 250 projected by the end of 2025.

Subscription-based service model accounts for 65% of total revenue coming from memberships.

Headquartered in Atlanta, GA, Caliber has operations all across the Southeast, Mid-Atlantic, and Texas regions.



# REGIONAL MAP

411K

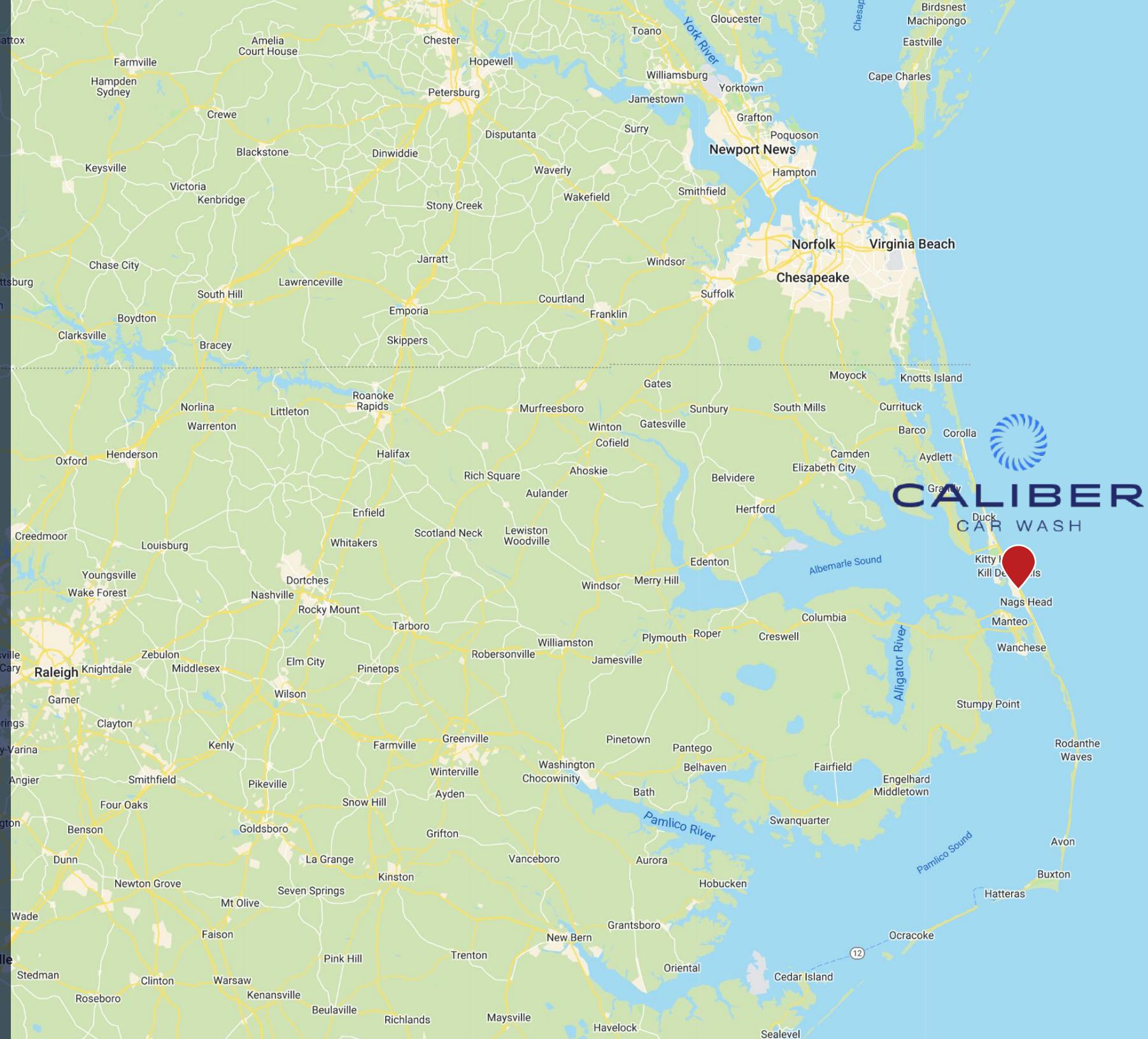
An average of 41,000 vehicles per day  
drive by South Croatan Highway

5M+

**Tourism is the number one industry of Greensboro, Hilo, and the Outer Banks with more than 5 million visitors each year**

20:00

**There are over 29,000 people within a 20-minute drive to the property**





FOOD LION



JERSEY  
Mike's  
SUBS

DUNKIN'  
DONUTS

AMERICA RUNS ON DUNKIN'



PETSMART  
STAPLES  
T.J.maxx



BEN  
FRANKLIN

S CROATAN HWY - 41,000 VPD



DOLLAR TREE



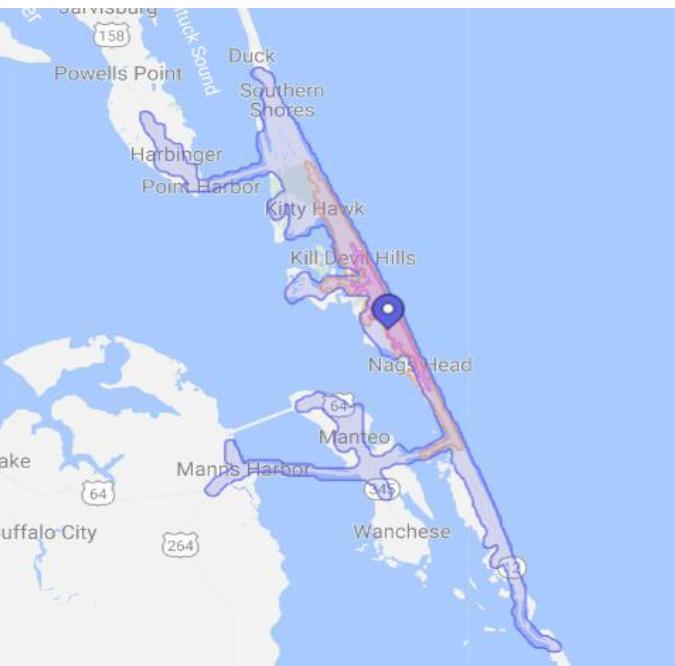
# LEASE ABSTRACT

Legal Tenant Name	Caliber Kill Devil Hills Operating Company, LLC
Guarantor	Clydesdale Holdings, LLC
Notification Period to Exercise Options	180 Days
Landlord Obligations	None
Tenant Obligations	TENANT, at all times hereunder, and at its cost, will keep and maintain the Premises, including, without limitation, the Improvements, and the driveway and parking areas on the Premises, in a good state of repair and in accordance with the Permitted Encumbrances and all applicable laws.
Assignment & Subletting	A "Permitted Transfer": (a) TENANT is not then in default beyond any applicable notice and cure period; (b) the proposed transferee affirmatively and in writing agrees to assume the obligations of TENANT under the terms of this Lease to be bound by and to perform all of the terms, conditions and covenants of this Lease, and executes and delivers to LANDLORD the fully executed assignment agreement; (c) to the extent that the proposed transferee's net worth is not at least equal to that of Guarantor as of the date of the transfer, the proposed transferee arranges for the execution of, and delivers to LANDLORD a guaranty, on form substantially similar to the guaranty attached hereto, by one or more guarantors having an aggregate net worth at least equal to that of Guarantor as of the date of the transfer; (d) the proposed transferee provides evidence satisfactory to LANDLORD that the proposed transferee has obtained (or, no later than the effective date of assignment, will obtain) the insurance coverage required by this Lease; (e) the proposed transferee, together with any guarantor(s), and has a net worth at least equal to or greater than that of TENANT together with Guarantor as of the date of the proposed transfer; (f) the proposed transferee has a good reputation in the business community; (g) such affiliate's or successor's use of the Premises shall not conflict with the Permitted Use; (h) the proposed transferee has not been involved in litigation with LANDLORD or any of its affiliates within the prior seven (7) years; and (i) TENANT shall give LANDLORD written notice at least thirty (30) days prior to the effective date of the proposed assignment or sublease, along with all applicable documentation and other information necessary for LANDLORD to determine that the requirements of this section have been satisfied. Any other assignment or sublet shall be at LANDLORD'S sole and absolute discretion.

# DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2026 Projection	7,224	16,282	30,735
2021 Estimate	6,808	15,513	29,420
2010 Census	5,938	13,616	25,944
2000 Census	5,023	11,592	22,147
Current Daytime Population	9,054	13,777	30,613
POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2021 Estimate Total Population	6,808	15,513	29,420
Under 20	21.63%	20.75%	20.53%
20 to 34 Years	16.93%	15.89%	14.32%
35 to 39 Years	7.19%	7.35%	6.32%
40 to 49 Years	13.44%	13.45%	12.39%
50 to 64 Years	23.01%	24.25%	24.56%
Age 65+	17.81%	18.33%	21.87%
Median Age	43.19	44.48	47.23
<u>Population 25+ by Education Level</u>			
2021 Estimate Population Age 25+	5,022	11,601	22,109
Elementary (0-8)	0.93%	1.06%	1.49%
Some High School (9-11)	3.87%	3.69%	3.78%
High School Graduate (12)	25.78%	26.35%	24.54%
Some College (13-15)	23.72%	26.38%	26.54%
Associate Degree Only	11.05%	10.56%	9.70%
Bachelors Degree Only	24.06%	21.51%	22.36%
Graduate Degree	10.46%	10.34%	11.42%
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2026 Projection	2,982	6,944	13,005
2021 Estimate	2,811	6,611	12,414
2010 Census	2,415	5,713	10,785
2000 Census	2,068	4,922	9,202

INCOME	1 MILE	3 MILES	5 MILES
2021 Housing Income			
\$150,000 or More	9.53%	10.08%	11.66%
\$100,000 - \$149,000	14.08%	14.84%	14.80%
\$75,000 - \$99,999	15.68%	15.57%	15.27%
\$50,000 - \$74,999	22.68%	20.62%	20.47%
\$35,000 - \$49,999	13.37%	15.33%	14.41%
Under \$35,000	24.68%	23.58%	23.37%
Average Household Income	\$83,763	\$84,238	\$89,161
Median Household Income	\$62,453	\$61,997	\$63,648
Per Capita Income	\$34,880	\$36,039	\$37,749



5-MINUTE

10-MINUTE

20-MINUTE

DRIVE TIMES	5-MINUTE	10-MINUTE	20-MINUTE
Population	3,953	10,329	29,613
Population Density (Per Sq Mile)	491	527	301
Area (Square Miles)	8.06	19.60	98.25

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By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.



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