

Cash On Cash - 10.40% ARR - 32.7% Multiple - 2.2x



TRUCK WASH OF TEXAS

1107 SW Mustang Dr Andrews, Texas

Offering Memorandum





CROWDVEST
THE POWER OF SYNDICATIONS

12.4% CAP RATE






TRUCK
WASH
of Alaska
(432)523-2005



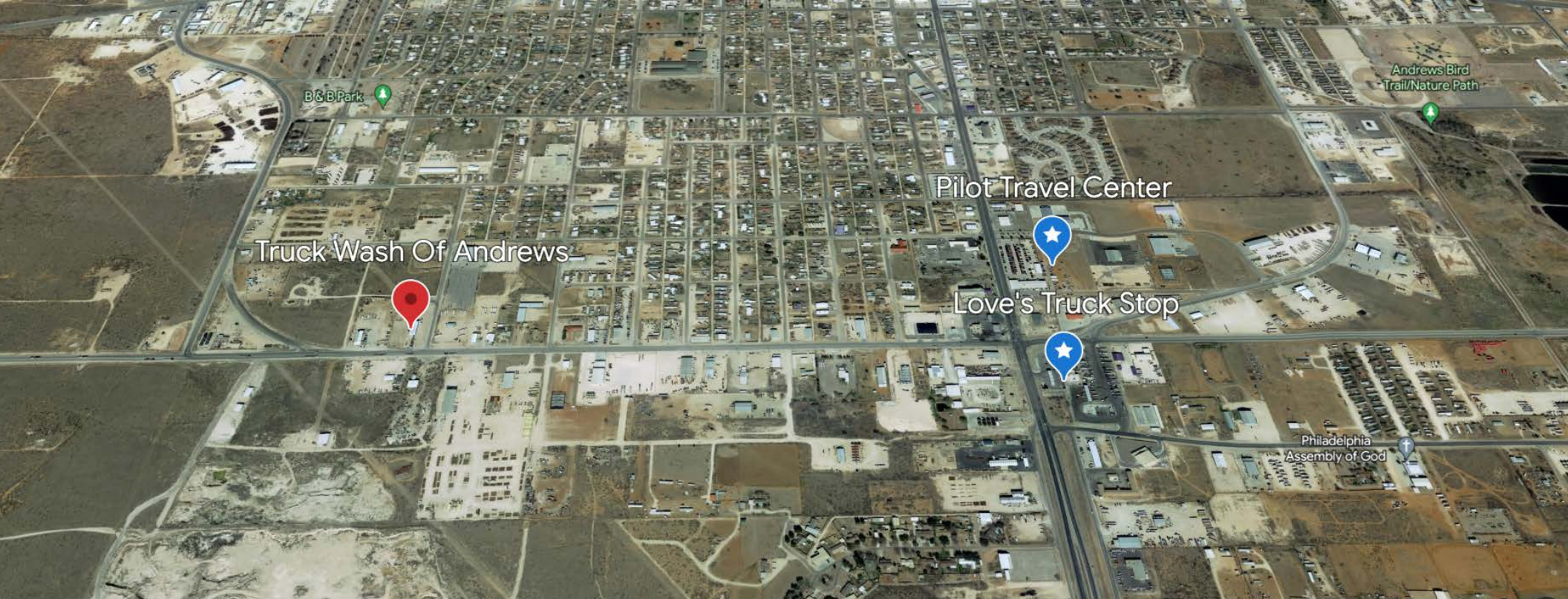


Unit number
ONLY 18'00", available



An aerial photograph of an industrial site. A large blue building with a white roof is in the foreground. A yellow line outlines a large area of land behind it. In the background, there is a parking lot filled with various vehicles and equipment. A road runs along the left side of the site. The sky is overcast with grey clouds.

PLANNED ADDITIONS:
WASH OUTS
EXPECTED TO INCREASE
SALES BY 10%



Nearby well-known Love's Truck Stop and Pilot Travel Center

**PROJECTED TO INCREASE
SALES BY 10%**



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THE POWER OF SYNDICATIONS

TRUCK WASH OF TEXAS

1107 SW MUSTANG DR ANDREWS, TEXAS

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EXECUTIVE SUMMARY

TRUCK WASH OF TEXAS

OFFERING HIGHLIGHTS

TRUCK WASH OF TEXAS

TRUCK WASH

1107 SW MUSTANG DR ANDREWS, TEXAS

OFFERING PRICE

\$3,100,000

CAP RATE

12.4%

VITAL DATA

| | |
|-------------------------|-------------------------|
| Price | \$3,100,000 |
| Investment Type | Owner/User |
| Cap Rate | 12.4% |
| Net Operating Income | \$370,937 |
| Price/SF | \$1,075/SF |
| Building Square Footage | 4,000 SF |
| Lot Size | 2.54 Acres / 110,642 SF |

INVESTMENT OVERVIEW

Crowdvest is pleased to offer the new investment of Truck Wash of Texas in Andrews, Texas. Truck Wash of Texas is an automatic, tunnel truck wash designed to offer customers performance, convenience, and value. At the same time, it offers owners unmatched dependability, low expenses, and astounding profit margins. To the experienced car wash investor or operator, it might appear too good to be true. It is very real, however, and after ten profitable years the current owner is ready to move on to other projects.

The site is located on Loop 1910, off U.S. Highway 385 Northwest of Midland-Odessa. The small but growing town of Andrews is the hub of three transportation corridors in the heart of the Permian Basin. The corridors jut out into Texas and New Mexico and carry heavy truck traffic, feeding a steady stream of potential customers through Andrews and in front of the Truck Wash of Andrews. Andrews is responding to its growing importance by improving roads, attracting business, and nurturing its well-established business-friendly personality. The trucking industry is positioning itself to take advantage of the growing hub as well. Both Love's and Pilot have built large, attractive truck stops just down the road from the truck wash. In addition, a truck parts facility, a truck lube center, and a large tire center were built within a mile of the truck wash. The excitement has been growing for many years as the economy throughout the area has not only benefited from resilient oil activity in the Permian Basin, but also the long-established ranching and farming activity in the area. In total, the environment provides a diverse, dependable, appreciative pool of clientele.

The Truck Wash of Texas is a unique opportunity due to its built-in financial and operational success, relationships with companies large and small, and potential growth. As phenomenal as the gross and net income has been for many years, the current owner has only scratched the surface. He admits a list of what he calls "sins of omission" that, when corrected, represent low-hanging fruit for the new owners. The best example he offers is advertising. He has grown his loyal customer base organically – through focusing solely on quality, customer service, and word-of-mouth. New customers often say they would have signed up years ago had they known the Truck Wash of Andrews was there. Billboards, a web site, eye-catching signage, and advertising agreements with the area's truck stops have an extraordinarily high likelihood of significantly increasing gross income immediately. And because per-wash variable expenses are so low, most of that new income would rain to the bottom of the new owner's profit and loss statements.



Another opportunity for growth is the addition of a wash-out service. It is desperately needed in the region and the owner often receives calls for the service. Washouts are often mandatory, and drivers are willing to drive long distances to purchase the service. The facility could be easily added utilizing the empty half of the two and a half acre lot and tied into the infrastructure of the truck wash. Given the obvious demand and need for the service, it would be an immediate money-maker, and would also attract even more business to the truck wash itself. A wash-out service would also serve to complete the town of Andrews as a trucker's destination for all their needs.

The Truck Wash of Texas has firmly established itself as the truck wash trucking companies trust in the region. It holds all market share in the city and commands an almost legendary reputation in the region as drivers move from company to company and spread the word about its quality, customer service, and extraordinary value. As a result, over eighty percent of customers are subscription-based, financials are historically and dependably strong, and the Truck Wash of Texas makes money rain or shine, through good times and bad, and with a fraction of the labor headaches, maintenance expenses, and operating costs of most car and truck washes. The model the owner has meticulously built presents a strong, deep foundation on which new owners can build, and a model which can be reproduced in multiple locations throughout the area, scaling this special operation into a real powerhouse company.



**Wash
Out**

INVESTMENT HIGHLIGHTS

- ◆ Located near intersection of multiple roadways
- ◆ Nearby Midland-Odessa and Interstate Highway
- ◆ Located in core region of Permian Basin Highly rated and well established truck wash
- ◆ Opportunity for expansion into other markets
- ◆ Large lot with room for other truck services 80% of customers are subscription based
- ◆ Historically strong financials
- ◆ Construction of Wash Outs
- ◆ Two truck stops within a mile radius





PROPERTY DESCRIPTION

TRUCK WASH OF TEXAS

PROPERTY DETAILS

The Truck Wash of Texas is a touch-free automatic Truck Wash located off Highway 385 in Andrews, Texas. Built on 2.54 Acres, the truck wash has a tunnel that is 100 feet long and plenty of lot for a line of trucks entering the wash. The wash is touchless and thorough, as it takes a truck around three minutes to drive through the tunnel and come out shiny and clean. In addition, there is enough room on the property to implement other truck services, such as washouts or other constructions.

TRUCK WASH OF TEXAS

| | |
|---------------------|-----------------------------------|
| Property Address | 1107 SW Mustang Dr Andrews, Texas |
| Purchase Price | \$3,100,000 |
| Number of Buildings | 1 |
| Year Built | 2009 |
| Lot Size | 2.54 Acres / 110,642 SF |
| Type of Ownership | Fee Simple |
| Building Area | 4,000 SF |



Truck Stops Located Within 1 Mile

MARKET DRIVERS

- ◆ Andrews, Texas offers access to oil and gas and agriculture industry of West Texas
- ◆ Multiple surrounding trucking companies and proximity to Love's Truck Stop and Pilot Travel Center
- ◆ Rural community experiencing growth and transformation
- ◆ Multiple tax incentives for growth in Downtown area

AREA AMENITITES

- ◆ Multiple parks and home to the Andrews County Veteran memorial, Legacy Park and Museum, and ACE Arena
- ◆ Excellent schools and home to a junior college, Andrews and Business Technology Center
- ◆ Job growth due to ranching and oil and gas industry
- ◆ Intersection of multiple major roadways
- ◆ Nearby Interstate Highway 20 and Midland-Odessa



FINANCIAL ANALYSIS

TRUCK WASH OF TEXAS

Financial Model

Cash On Cash - 10.40%

ARR - 32.7%

Multiple - 2.2x

| Financial Model | 9/30/2023 | 9/30/2024 | 9/30/2025 |
|---|------------------|------------------|------------------|
| Potential Base Rent | \$523,745 | \$628,494 | \$754,192 |
| Absorption & Turnover Vacancy | \$0 | \$0 | \$0 |
| Free Rent | \$0 | \$0 | \$0 |
| Scheduled Base Rent | \$523,745 | \$628,494 | \$754,192 |
| +Expense Reimbursement Revenue | \$0 | \$0 | \$0 |
| +Other Revenue | \$0 | \$0 | \$0 |
| Potential Gross Income | \$523,745 | \$628,494 | \$754,192 |
| -General Vacancy Loss | \$0 | \$0 | \$0 |
| Effective Gross Revenue | \$523,745 | \$628,494 | \$754,192 |
| Operating Expenses | | | |
| -CAM | \$77,142 | \$79,341 | \$81,602 |
| -Insurance | \$8,400 | \$9,240 | \$10,164 |
| -Property Taxes | \$27,266 | \$27,948 | \$28,646 |
| -Property Management Fee | \$40,000 | \$40,000 | \$40,000 |
| Total Operating Expenses | \$152,808 | \$156,528 | \$160,412 |
| Net Operating Income | \$370,937 | \$471,966 | \$593,780 |
| Below NOI Costs | | | |
| -Tenant Improvements | \$0 | \$0 | \$0 |
| -Leasing Commissions | \$0 | \$0 | \$0 |
| -Capital Reserve | \$0 | \$0 | \$0 |
| -CapEx | \$0 | \$0 | \$0 |
| -Admin Fee | \$700 | \$700 | \$700 |
| -Asset Management Fee | \$20,000 | \$30,000 | \$40,000 |
| Total Leasing, Capital, & Asset Management Costs | \$20,700 | \$30,700 | \$40,700 |
| Cash Flow Before Debt Services | \$350,237 | \$441,266 | \$553,080 |
| Debt Service | \$0 | \$0 | \$0 |
| Net Distributable Cash Flow | \$350,237 | \$441,266 | \$553,080 |
| Net-Net to the Partner | 8.1% | 10.3% | 12.9% |

Sensitivity Analysis

| Sensitivity Analysis | | | | | |
|----------------------|-----------|----------------|-------|-------------|-----------------|
| Cap Rate | Exit NOI | Net Exit VALUE | IRR | Net Profit | Equity Multiple |
| 7.5% | \$569,296 | \$7,590,613 | 37.2% | \$2,471,562 | 2.5x |
| 8.0% | \$569,296 | \$7,116,200 | 34.8% | \$2,349,132 | 2.3x |
| 8.5% | \$569,296 | \$6,697,600 | 32.7% | \$2,241,107 | 2.2x |
| 9.0% | \$569,296 | \$6,325,511 | 30.7% | \$2,145,084 | 2.1x |
| 9.5% | \$569,296 | \$5,992,589 | 28.9% | \$2,059,168 | 2.1x |

| NOI Sensitivity | | | | | |
|-----------------|-----------|----------------|-------|-------------|-----------------|
| NOI Adjustment | Exit NOI | Net Exit Value | IRR | Net Profit | Equity Multiple |
| 90% | \$512,366 | \$6,027,840 | 28.5% | \$2,042,282 | 2x |
| 95% | \$540,831 | \$6,362,720 | 30.6% | \$2,138,632 | 2.1x |
| 100% | \$569,296 | \$6,697,600 | 32.7% | \$2,235,413 | 2.2x |
| 105% | \$597,761 | \$7,032,480 | 34.5% | \$2,331,333 | 2.3x |
| 110% | \$626,226 | \$7,367,360 | 36.4% | \$2,427,683 | 2.4x |

| Sample Investment | Year 0 | Year 1 | Year 2 | Year 3 |
|----------------------------------|----------------------|-----------------|------------------|--------------------|
| Sample 3-Yr Hold Investment | (\$1,000,000) | | | |
| Annual Cash Distribution | | \$81,450 | \$102,620 | \$128,623 |
| Return of Capital | | | | \$1,000,000 |
| Excess Return | | | | \$928,413 |
| Total Cash Flow | (\$1,000,000) | \$81,450 | \$102,620 | \$2,057,036 |
| Annualized Rate of Return | | | | 32.7% |
| Equity Multiple | | | | 2.2x |



MARKET OVERVIEW

TRUCK WASH OF TEXAS

LOCATION OVERVIEW

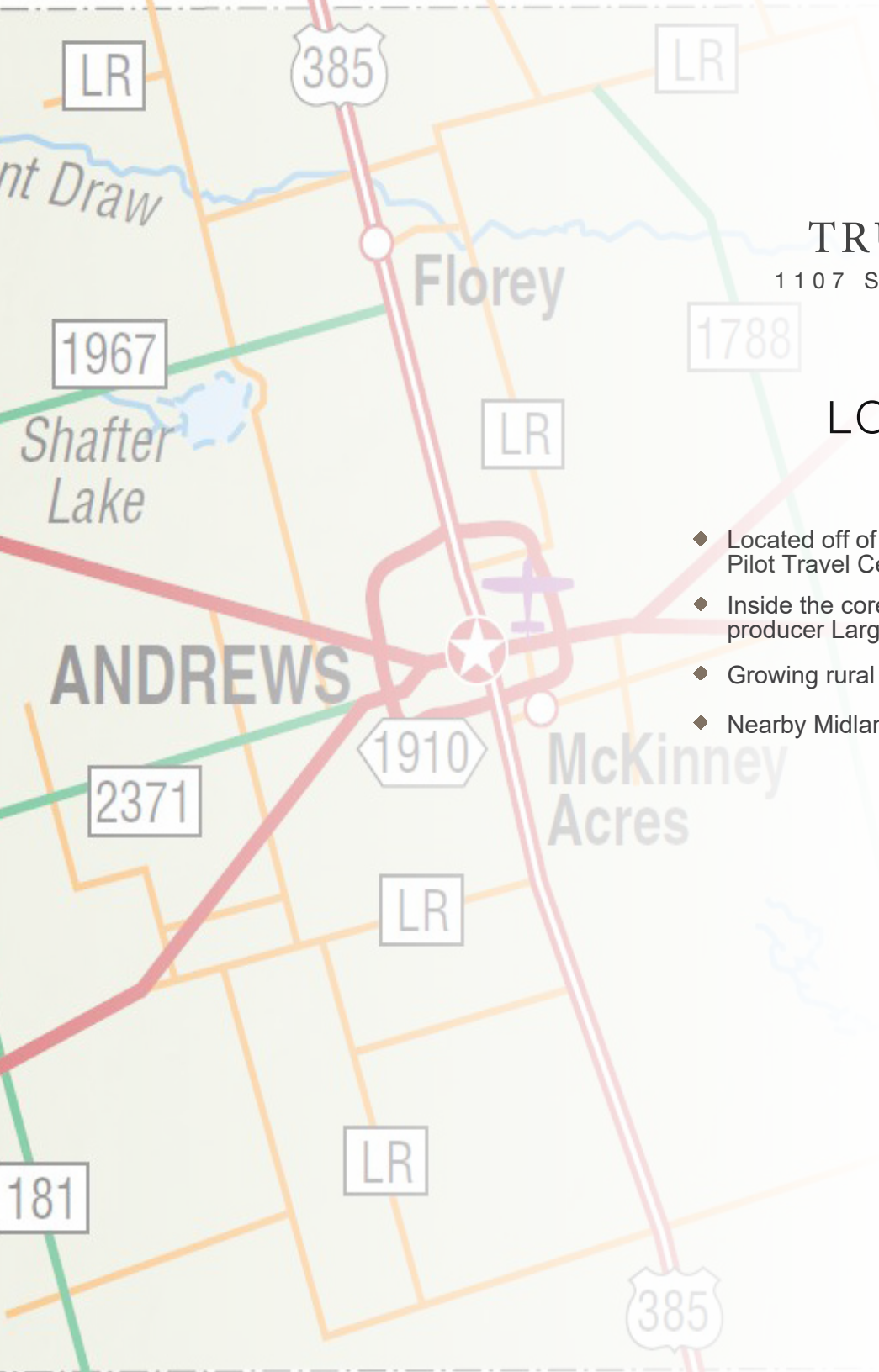
The primary industries in Andrews County are oil, gas, and agriculture. Each sector's deep history stretches back to the late 1800s and early 1900s. Supporting the economy of West Texas, both industries contribute to the overall economy of the state and nation.

Known for its involvement in the oil and gas economy, Andrews, Texas, plays a significant role in the Permian Basin, a massive mineral deposit split between New Mexico and West Texas. Andrews County has a population of around 18,705 people and is part of the geographical core of the Permian Basin. In total, the Permian Basin is responsible for 505,800 industry jobs in Texas. Though the area is small in size and population, it is responsible for 7.8 percent of the state's private sector GDP. By 2050, the basin will bring 1,000,000 jobs to the nation and \$260 million in gross product.

Trucking plays a prominent role in West Texas's oil and gas industry. Crude oil hit 5.499 million barrels per day produced in the Permian Basin in November 2022. The midstream phase of the oil and gas industry includes the transportation of crude oil and natural gas, making cities in West Texas thrive for long and short-haul transportation. As a result, many trucking companies flock to these areas to help move these raw materials to their next destination.

Cattle ranching in Andrews County dates back to the late 1800s when cattle drives moved cattle across the nation and beef grew in popularity. Today, ranching is part of West Texas's economy and culture. The state leads the country in farms and ranches, covering 127 million acres. As of January 2022, there were 17.8 million cattle in Texas alone, sharing more than 40 percent share of cash receipts. Though drought threatens cattle ranching, innovations help ranchers in Texas prepare for dry seasons. Finally, transporting Texas cattle across the state and nation brings trucking companies to the economic hub of West Texas.





TRUCK WASH OF TEXAS

1107 SW MUSTANG DR ANDREWS, TEXAS

LOCATION HIGHLIGHTS

- ◆ Located off of Highway 385 nearby well-known Love's Truck Stop and Pilot Travel Center
- ◆ Inside the core region of the Permian Basin, massive crude oil producer Large lot with opportunity for adding other truck services
- ◆ Growing rural town with development incentives
- ◆ Nearby Midland-Odessa area and I-20

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