

# ABSOLUTE NNN SINGLE TENANT CAR WASH

Investment Opportunity | Brand New 2024 Construction



Opens Oct. 2024 | Near #3 Most Visited H-E-B (3.8M+ Visitors) | Qualifies for Bonus Depreciation



1314 S. Valley Mills Drive

**WACO** TEXAS

ACTUAL SITE



## EXCLUSIVELY MARKETED BY



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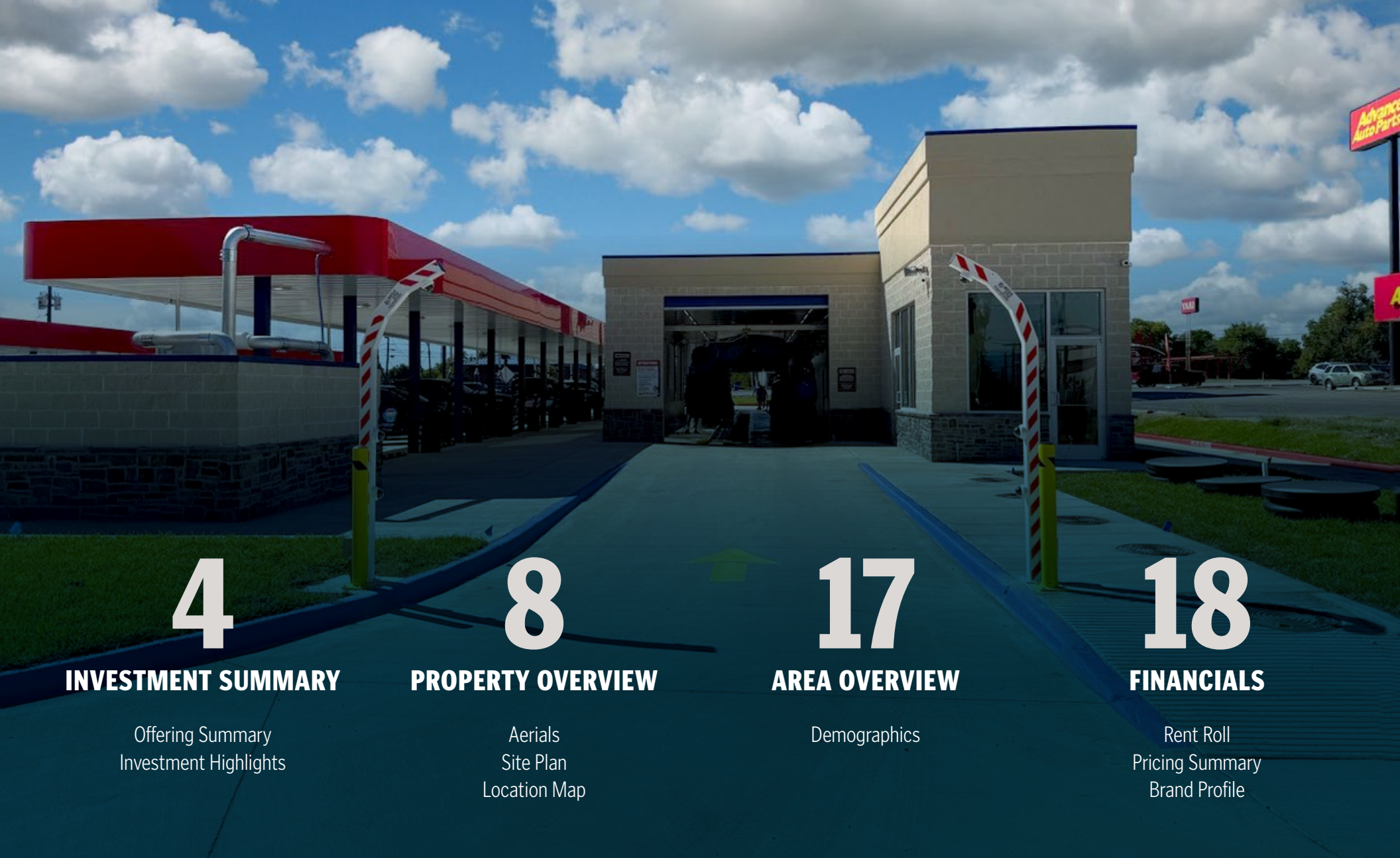
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Rent Roll  
Pricing Summary  
Brand Profile



SRS National Net Lease is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN leased, newly constructed, corporate guaranteed, Mighty Wash investment property located in Waco, TX. The tenant recently signed a brand new 20-year lease with 3 (5-year) options to extend. The lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is absolute NNN with no landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor in a state with no state income tax. Mighty Wash is a Texas-based car wash chain founded in Lubbock, Texas, in 2012. Today, Mighty Wash operates 28 locations and counting throughout southeastern New Mexico and west Texas, continuing its commitment to providing high-quality car wash and detailing services.

Mighty Wash Car Wash is strategically located along S. Valley Dr., a major retail and commuter thoroughfare, with an average of 35,900 vehicles passing by daily. The property benefits from convenient on/off-ramp access to I-35 (145,700 VPD). It enjoys excellent visibility and access via multiple points of ingress/egress, significant street frontage, and a large monument sign. The asset is located near the third most visited H-E-B in the nation, drawing over 3.8 million visitors annually (per Placer.ai). Situated in a dense retail corridor, nearby national/credit tenants include Walmart Supercenter, Target, The Home Depot, Lowe's, Dick's Sporting Goods, Academy Sports + Outdoors, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. Located near Doris Miller VA Medical Center, one of the largest VA medical centers in the country with 204 staffed beds, the car wash benefits from high traffic volume and a steady stream of potential customers. This location provides an opportunity to serve the needs of hospital staff, patients, and visitors seeking convenient vehicle cleaning services.

Waco has experienced a robust annual population growth rate of 2.07%, leading to a 15.39% increase since 2010, driven by major higher education institutions and expanding industries. Strategically located, Waco is within convenient reach of major cities like Austin and Dallas, while its thriving tourism industry boasted 1.7 million visitors in 2021 and secured the second-highest hotel occupancy rate in Texas. Moreover, Waco ranks highly in workforce development, standing at #2 in Texas and #7 nationally for job growth, supported by a network of five local colleges and universities with a combined student population of 75,000 within a 60-minute radius. The 5-mile trade area is supported by more than 132,000 residents and 90,600 daytime employees, with average household incomes of \$67,835.

# PROPERTY PHOTOS



# OFFERING SUMMARY



## OFFERING

<b>Price</b>	\$5,824,000
<b>Net Operating Income</b>	\$398,943
<b>Cap Rate</b>	6.85%
<b>Guaranty</b>	Corporate Guaranty
<b>Tenant</b>	Mighty Wash Operations LLC
<b>Lease Type</b>	Absolute NNN
<b>Landlord Responsibilities</b>	None

## PROPERTY SPECIFICATIONS

<b>Rentable Area</b>	4,500 SF
<b>Land Area</b>	1.36 Acres
<b>Property Address</b>	1314 S. Valley Mills Drive Waco, Texas 76711
<b>Year Built</b>	2024
<b>Parcel Number</b>	480088050003003
<b>Ownership</b>	Fee Simple (Land & Building Ownership)



## **Corporate Guaranteed | Brand New 20-Year Lease | Scheduled Rental Increases | Options To Extend**

- Corporate guaranteed lease
- The tenant recently signed a brand new 20-year lease with 3 (5-year) options to extend, demonstrating their long-term commitment to the site
- The lease features a 10% rental increase every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- Mighty Wash operates 28 locations and counting throughout southeastern New Mexico and west Texas, committed to providing high-quality car wash and detailing services

## **Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities | No State Income Tax**

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for a passive investor in a state with no state income tax

## **Strong Demographics In 5-Mile Trade Area | Waco TX**

- More than 132,000 residents and 90,600 employees support the trade area
- Average household income of \$67,835
- Waco's population has had a growth rate of 2.07% annually with a 15.39% increase in population since 2010
- The Waco Metro Area had an estimated total population of 304,865 in 2023, marking an increase of nearly 10,000 since 2020
- Just 90 minutes to/from Austin & Dallas and 3 hours to 85% of Texas population
- Waco was ranked #2 in Texas and #7 nationally in job growth

## **Near #3 Most Visited H-E-B Nationwide | Dense Retail Corridor | Doris Miller VA Medical Center (204 Beds)**

- Located near the third most visited H-E-B in the nation, drawing over 3.8 million visitors annually (per Placer.ai)
- Situated in a dense retail corridor, nearby national/credit tenants include Walmart Supercenter, Target, The Home Depot, Lowe's, Dick's Sporting Goods, Academy Sports + Outdoors, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site
- Close proximity to Doris Miller VA Medical Center, one of the largest VA centers with 204 staffed beds, the car wash benefits from high traffic volume and the opportunity to serve hospital staff, patients, and visitors

## **Excellent Visibility & Access | Located along S. Valley Drive | On/Off Ramp Access to I-35 (145,700+ VPD) | 2024 Construction**

- Excellent visibility and access via multiple points of ingress/egress, significant street frontage, and a large monument sign
- Strategically located along S. Valley Dr., a major retail and commuter thoroughfare, with an average of 35,900 vehicles passing by daily
- Benefits from convenient on/off-ramp access to I-35 (145,700 VPD)
- Brand new 2024 construction features high-quality materials and distinct Mighty Wash design elements
- The site's grand opening is scheduled for **October 2024**

## **Special Tax Advantages | Bonus Depreciation**

- The property qualifies for bonus depreciation (see pg. 17 for details)
- The bonus depreciation of car wash equipment allows investors to qualify for a 60% depreciation deduction under the 2024 code

# PROPERTY OVERVIEW



## LOCATION



Waco, Texas  
McLennan County  
Waco MSA

## PARKING



There are approximately 27 parking spaces on the owned parcel.  
The parking ratio is approximately 6.00 stalls per 1,000 SF of leasable area.

## ACCESS



S. Valley Mills Drive/State Highway 396: 2 Access Point

## PARCEL



Parcel Number: 480088050003003  
Acres: 1.36  
Square Feet: 59,285

## TRAFFIC COUNTS



S. Valley Mills Drive/State Highway 396: 35,900 VPD  
Dutton Avenue: 6,700 VPD  
Monarch Highway/Interstate 35: 145,700 VPD

## CONSTRUCTION



Year Built: 2024

## IMPROVEMENTS



There is approximately 4,500 SF of existing building area

## ZONING



Community Commercial District (C-2)





LAKEAIR MALL



FRANKLIN VILLAGE SHOPPING CENTER



WAGO CENTRE



WAGO SQUARE



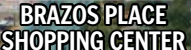
LAKEAIR COURT



WAGO HIGH SCHOOL



RICHLAND MALL



DUTTON AVE.

6,700 VEHICLES PER DAY



HARMONY SCHOOL OF INNOVATION WACO

YAKI

35,900 VEHICLES PER DAY

S. VALLEY MILLS DR./STATE HIGHWAY 396





**Mighty Wash**

35,900  
VEHICLES PER DAY

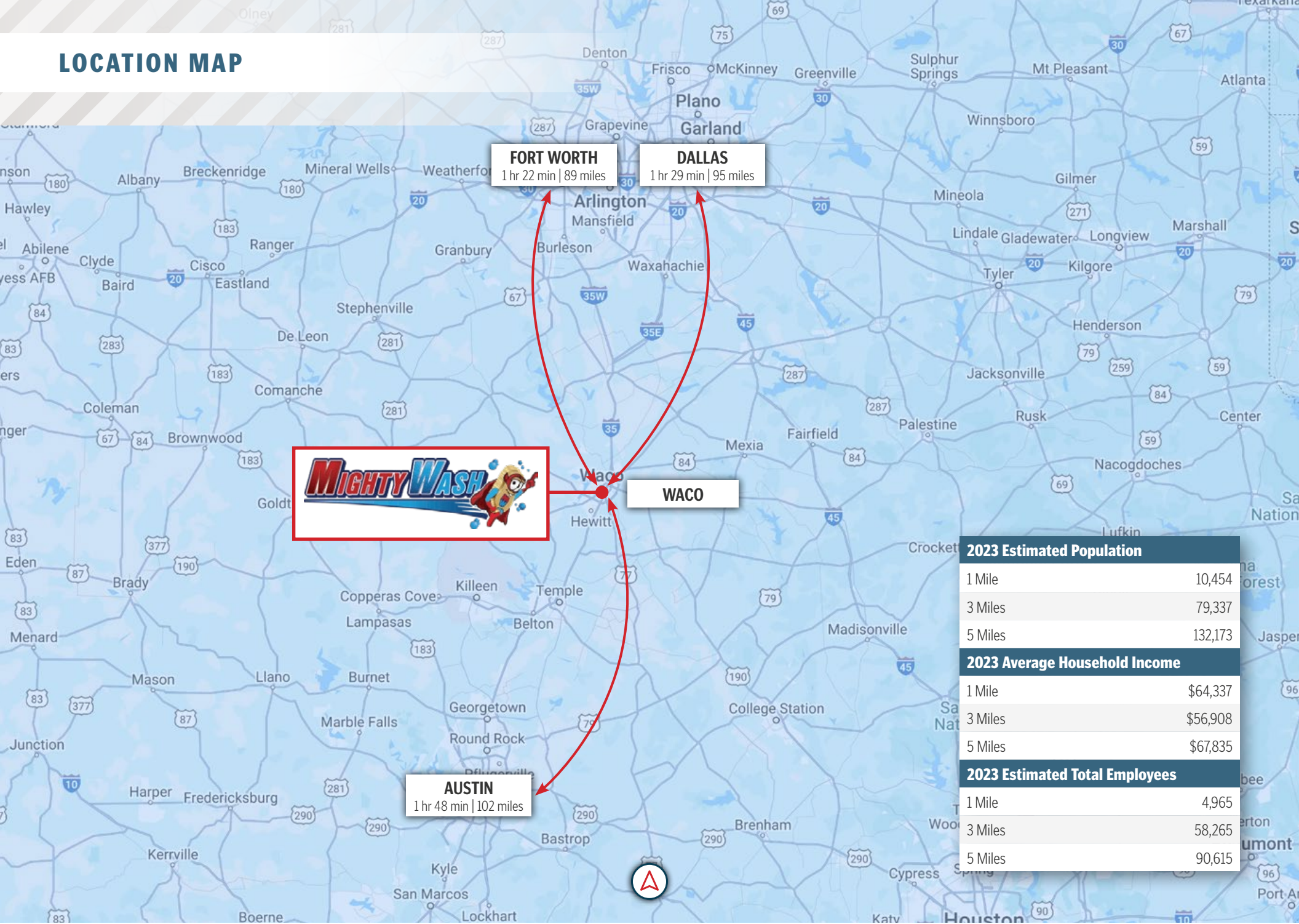
S. VALLEY MILLS DR. / STATE HIGHWAY 396







# LOCATION MAP



**FORT WORTH**  
1 hr 22 min | 89 miles

**DALLAS**  
1 hr 29 min | 95 miles

**WACO**

**AUSTIN**  
1 hr 48 min | 102 miles



**2023 Estimated Population**

1 Mile	10,454
3 Miles	79,337
5 Miles	132,173

**2023 Average Household Income**

1 Mile	\$64,337
3 Miles	\$56,908
5 Miles	\$67,835

**2023 Estimated Total Employees**

1 Mile	4,965
3 Miles	58,265
5 Miles	90,615



## ACCELERATED DEPRECIATION FOR CAR WASH PROPERTIES

The Tax Cuts and Jobs Act signed into law in 2017 provided real estate investors with new tax benefits associated with owning car wash properties. The primary benefit is the allowance of accelerated depreciation. The construction and equipment associated with these properties can now be reclassified and depreciated over shorter time periods than the traditional 39 year life for commercial property. Due to the fee simple ownership of this property, an investor can receive greater deductions in the earlier years of the asset, thus minimizing taxable income. This enables anyone investing in these properties to lower their taxes and reduce their exposure in the earlier years of ownership while enjoying the benefits of a passive income stream that comes with owning a single tenant property. Currently, the bonus depreciation of car wash equipment allows investors to qualify for a 60% depreciation deduction under the 2024 code. The bonus depreciation deduction will decrease by 20% every year until fully phased out by 2027.

SRS NNL recommends that the prospective purchaser(s) consult with their tax professional for advice related to your specific situation and how you can take advantage of accelerated bonus depreciation.



## TWO METHODS FOR CAR WASH DEPRECIATION

### COST SEGREGATION ANALYSIS

Cost segregation studies take into account each individual component of a property and place each piece on its own appropriate depreciation schedule (wash bays, conveyor systems, vacuum stations, etc). This process generally front-loads the depreciation of the property into the first few years of ownership, which can result in notable tax savings and may be ideal depending on the tax payer's yearly tax liability outside of this investment.

### 15-YEAR STRAIGHT LINE SCHEDULE

For some investors, it may make more sense to have the entire asset's depreciation spread out evenly using the 15-year straight line method. Qualified car wash equipment and property placed in service after Dec. 31, 2017 generally is depreciable using the straight line method over 15 years (shorter recovery period than the traditional 39 year life for commercial buildings).



### WACO, TEXAS

The Texas city of Waco, the county seat of McLennan County, is located at the confluence of the Bosque River and the 890-mile Brazos River. Waco lies between the three largest cities in the state: 90 miles south of Dallas, 200 miles northwest of Houston, and 180 miles northeast of San Antonio. It is less than 100 miles from the state capital of Austin. The City of Waco had a population of 144,032 as of July 1, 2023.

Waco's population has experienced a robust annual growth rate of 2.07%, culminating in a 15.39% increase since 2010. This significant population growth is largely attributed to the presence of major higher education institutions such as Baylor University, which employs 1,300 people, and the Waco Independent School District, as well as the expansion of L3 Technologies / L3HARRIS. Conveniently located, Waco is just 90 minutes from Austin and Dallas, and within three hours of 85% of Texas's population. Tourism has also flourished, with 1.7 million tourists visiting in 2021, marking a 45% increase, and over 1 million hotel rooms booked annually, securing the second-highest hotel occupancy rate in Texas.

In terms of workforce development, Waco has been ranked #2 in Texas and #7 nationally for job growth. The city benefits from the educational support of five local colleges and universities, with a combined student population of 75,000 within a 60-minute radius.

Economic experts predict a bright future for Waco because of the diversification of the manufacturing industry, the influx of high technology companies, stability in the financial sector, availability of diverse higher education opportunities, and steady population growth. Waco will continue to attract new industry because the City provides a high-quality labor force, attractive real estate opportunities, favorable tax treatment, and abundant natural resources. Waco's main sources of income are primarily from educational and health services and manufacturing, according to Baylor University's Center for Business & Economic Research.

The Greater Waco Chamber of Commerce reports that more than 1,800 businesses or industries opened their doors in McLennan County in 2023. The chamber reports economic success over the year with more than \$1.2 billion in new capital investment announced in the area, making it "the most successful year of economic investment to date." The projects that are bringing more than a billion dollars' worth of investment and hundreds of jobs to the area include Graphic Packaging International, Allied Steel Buildings, and Bright Farms.

The educational sector contributes significantly to the City's economic stability. Waco is home to Baylor University, a private university. The closest major airport to Waco, Texas, is Waco Regional Airport, which is 8 miles from the center of Waco, TX.





# AREA DEMOGRAPHICS



	1 Mile	3 Miles	5 Miles
<b>Population</b>			
2023 Estimated Population	10,454	79,337	132,173
2028 Projected Population	11,382	82,445	135,719
2010 Census Population	10,302	72,670	120,166
Projected Annual Growth 2023 to 2028	1.72%	0.77%	0.53%
Historical Annual Growth 2010 to 2020	0.05%	0.63%	0.75%
<b>Households &amp; Growth</b>			
2023 Estimated Households	3,498	29,556	50,193
2028 Projected Households	3,849	31,118	52,031
2010 Census Households	3,252	25,865	44,743
Projected Annual Growth 2023 to 2028	1.93%	1.04%	0.72%
Historical Annual Growth 2010 to 2020	0.50%	1.01%	0.88%
<b>Race &amp; Ethnicity</b>			
2023 Estimated White	60.86%	55.11%	58.60%
2023 Estimated Black or African American	9.88%	20.19%	21.14%
2023 Estimated Asian or Pacific Islander	0.86%	3.09%	2.60%
2023 Estimated American Indian or Native Alaskan	2.08%	1.34%	1.17%
2023 Estimated Other Races	29.78%	18.10%	15.14%
2023 Estimated Hispanic	68.86%	41.32%	34.79%
<b>Income</b>			
2023 Estimated Average Household Income	\$64,337	\$56,908	\$67,835
2023 Estimated Median Household Income	\$50,914	\$38,354	\$45,372
2023 Estimated Per Capita Income	\$22,228	\$21,223	\$26,006
<b>Businesses &amp; Employees</b>			
2023 Estimated Total Businesses	395	3,991	6,098
2023 Estimated Total Employees	4,965	58,265	90,615



# RENT ROLL



LEASE TERM						RENTAL RATES					
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	PSF	Annually	PSF	Recovery Type	Options
Mighty Wash Operations LLC	4,500	Oct. 2024	Oct. 2044	Year 1	-	\$33,245	\$7.39	\$398,943	\$88.65	Absolute NNN	3 (5-Year)
(Corporate Guaranty)		(est.)		Year 6	10%	\$36,570	\$8.13	\$438,837	\$97.52		10% Rental Increase at Beg. of Each Option

10% Rental Increases Every 5 Years Throughout Initial Term

## FINANCIAL INFORMATION

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Lease Type	Absolute NNN

## PROPERTY SPECIFICATIONS

Year Built	2024
Rentable Area	4,500 SF
Land Area	1.36 Acres
Address	1314 S. Valley Mills Drive Waco, Texas 76711



**FOR FINANCING OPTIONS AND LOAN QUOTES:**

Please contact our SRS Debt & Equity team at [debtequity-npb@srsre.com](mailto:debtequity-npb@srsre.com)



## MIGHTY WASH CAR WASH

[mymightywash.com](http://mymightywash.com)

**Company Type:** Type

**Locations:** 28+

Lubbock-based Mighty Wash Auto Bath, founded in 2012 by the late Dr. Mike Rice, is one of the five largest conveyor car wash companies in the country. Mighty Wash prides itself on being an involved corporate citizen in the communities it serves and, most importantly, on being of service to its work family. For Mighty Wash it starts by applying Godly principles in the development of their growth plan and by adhering to a mission statement based on “Being the most convenient car wash and being a great place to work.”

Source: [mymightywash.com](http://mymightywash.com)



SRS

CAPITAL  
MARKETS

## THE EXCLUSIVE NATIONAL NET LEASE TEAM

of SRS Real Estate Partners

**300+**

TEAM  
MEMBERS

**25+**

OFFICES

**2K+**

RETAIL  
TRANSACTIONS

company-wide  
in 2023

**510+**

CAPITAL MARKETS  
PROPERTIES

SOLD  
in 2023

**\$2.2B+**

CAPITAL MARKETS  
TRANSACTION

VALUE  
in 2023

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