

20 YEAR ABSOLUTE NET LEASE EXPRESS WASH OPPORTUNITY | 150+ UNIT OPERATOR | CLEVELAND MSA



2900 MAYFIELD RD | CLEVELAND HEIGHTS, OH

EXCLUSIVELY LISTED BY



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### TABLE OF CONTENTS

03

INVESTMENT  
HIGHLIGHTS

04

PROPERTY  
OVERVIEW

05

BONUS & ACCELERATED  
DEPRECIATION

07

TENANT  
MAP

08

TENANT  
OVERVIEW

09

AREA  
OVERVIEW



# INVESTMENT HIGHLIGHTS

**LONG-TERM PASSIVE INVESTMENT:** Whistle Express recently executed a brand new 20-Year NNN Lease with 2% annual increases backed by Express Car Wash, LLC (Corporate Entity with over 150 units under management).

**HIGH BARRIERS TO ENTRY & AUTOMOTIVE SYNERGIES:** Limited opportunities for new express car wash or automotive use developments. Close proximity to 6 dealerships and automotive service centers.

**CORPORATE BACKED INVESTMENT:** Formerly known as Magnolia Wash Holdings, Whistle Express is the 10th largest car wash operator, having grown to over 150 locations following a significant growth capital investment from Oaktree Capital Management LP (\$172B in AUM).

**BONUS & ACCELERATED DEPRECIATION:** Express car washes qualify for 15-Year Accelerated Depreciation as well as Bonus Depreciation. Consulting your accountant or tax attorney is advised.

**CLEVELAND HEIGHTS SUBMARKET:** Densely populated & highly affluent market with 1.7% submarket vacancy (general retail), 17,429 population in a 1-Mile Radius with an average Household Income of \$77,576.



# PROPERTY OVERVIEW



**\$2,696,714**

**LIST PRICE**



**7.00%**

**CAP RATE**



**\$188,770**

**NOI**

## PROPERTY SUMMARY

Address	2900 Mayfield Rd Cleveland Heights, OH 44118
GLA	±2,500 SF
Lot Size	±0.80 AC
Year Built / Renovated	2010 / 2024
Paystations	2
Tunnel Length	90 Ft



## LEASE ABSTRACT

NOI	Lease Type	Rent Increases	Commencement	Expiration	Term Remaining	Options	Guarantee
\$188,770	Absolute Net	2% Annual	April 11, 2024	April 30, 2044	±20 Years	(4) 5-Year Renewals	Corporate (150+ Units)

## LEASE TERMS:

Tenant Name	Whistle Express Car Wash	Lease Type	Absolute NNN	Financial Covenants	Tenant Financial Reporting
Property Square Footage	2,500 SF	Initial Lease Term	20 Years	Real Estate Taxes	Tenant Responsible
Property Acreage	0.80 AC	Rent Increases	2% Annual	Insurance	Tenant Responsible
Commencement Date	4/11/2024	Renewal Options	(4) 5 Year Options	Repairs & Maintenance	Tenant Responsible
Expiration Date	4/30/2044	Lease Guarantor	Express Wash, LLC (150+ Unit)	CAM	Tenant Responsible

# BONUS & ACCELERATED DEPRECIATION

## BONUS DEPRECIATION - 60% YEAR ONE

Car Wash Investments present a tremendous opportunity for special tax saving privileges. In 2017, the Tax Cuts and Jobs Act (TCJA) increased the allowable bonus depreciation from 50% to 100% in the first year for eligible properties, with the bonus rate phasing down by 20% each year after 2023 until 2027. In 2024, investors can take 60% depreciation on the improved value of the property.

Purchase Price	\$2,696,714
Cap Rate	7.00%
Net Operating Income	\$188,770
Improved Land Value	\$2,157,371
60% Bonus Depreciation(On Improved Value)	\$1,294,423
<b>YEAR 1 AGGREGATE TAX LOSS FROM ASSET</b>	<b>\$1,105,653</b>

These Car Wash Investments present a tremendous opportunity for special tax saving privileges. A 15-year Car Wash accelerated depreciation schedule may be applied to these properties under current IRS guidelines. When assessing the comparison below between a Whistle Express Wash and a non-car wash opportunity, one can see the substantial tax savings when applying a 15-year accelerated schedule vs. the real estate industry standard 39-year schedule.

### 15-YEAR ACCELERATED DEPRECIATION WHISTLE EXPRESS CAR WASH

Purchase Price	\$2,696,714
Cap Rate	7.00%
Net Operating Income	\$188,770
15-Year Depreciation Schedule (On Improved Value)	\$143,825
Taxable Income	\$44,945
Income Taxes (Assuming 37% Tax Bracket)	\$16,630
Net Operating Income	\$188,770
Income Taxes	\$16,630
<b>CASH FLOW (AFTER TAXES)</b>	<b>\$172,140</b>

### 39-YEAR STANDARD COMMERCIAL DEPRECIATION

Purchase Price	\$2,696,714
Cap Rate	6.50%
Net Operating Income	\$188,770
39-Year Depreciation Schedule(On Improved Value)	\$55,317
Taxable Income	\$133,453
Income Taxes (Assuming 37% Tax Bracket)	\$49,378
Net Operating Income	\$188,770
Income Taxes	\$49,378
<b>CASH FLOW (AFTER TAXES)</b>	<b>\$139,392</b>





NE

**DOLLAR GENERAL**

**CLEVELAND HEIGHTS RECREATIONAL CENTER**



**SEVERANCE TOWN CENTER**



**Metro Health**  
OF CLEVELAND HEIGHTS



Cleveland Clinic

CLEVELAND HEIGHTS CITY HALL



2900 MAYFIELD RD



MAYFIELD RD + 15,000 VPD



# TENANT OVERVIEW



Whistle Express Car Wash, formerly known as Magnolia Wash Holdings, is one of the fastest growing Car Wash brands in the country with over 150+ locations. Whistle Express received a growth capital investment from Oaktree Capital in July 2023 to continue its growth trajectory via greenfield development and acquisition. With a focus on customer experience and employee engagement, Whistle Express invests in technology, innovation, training, and communication required to maximize every aspect of the customer journey.

*\*Acquired Rainforest's 6 unit portfolio in the greater Cleveland MSA and rebranded the portfolio in October 2024.*



## CLEVELAND, OH MSA

Dubbed as the largest city on Lake Erie, Cleveland has an estimated population of 373,000 due to a substantial portion of the metropolitan population living outside of the central city. Serving as a port city, Cleveland grew as a major manufacturing center due to its seaway connection as well as numerous canal and railroad lines. Its economy heavily relies on healthcare, biomedical, manufacturing, and higher education. The Cleveland Clinic is the biggest private employer in the state of Ohio and its medical sector was declared as one of America's best hospitals according to U.S. News & World Report. Additionally, the city is one of the top recipients of investments for biotechnology research, which is led by the Cleveland Clinic, University Hospitals of Cleveland, and the Case Western Reserve University. Cleveland is also proud to be home to major corporate headquarters like Progressive, Nordstrom, Sherwin-Williams Company, and NACCO industries. Furthermore, the city seems to be transitioning towards a more health-tech based economy with technology becoming a growing sector.

### DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2020 Census	17,429	156,012	325,439
2024 Estimate	17,840	166,330	329,903
2029 Projection	17,605	165,401	324,931
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2020 Census	8,744	69,367	143,935
2024 Estimate	8,946	74,338	146,051
2029 Projection	8,817	73,907	143,707
INCOME	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$77,576	\$64,312	\$64,721



# CONFIDENTIALITY AGREEMENT AND DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **2900 Mayfield Rd, Cleveland Heights, OH 44118** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

**Net Lease Disclaimer** – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.

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