

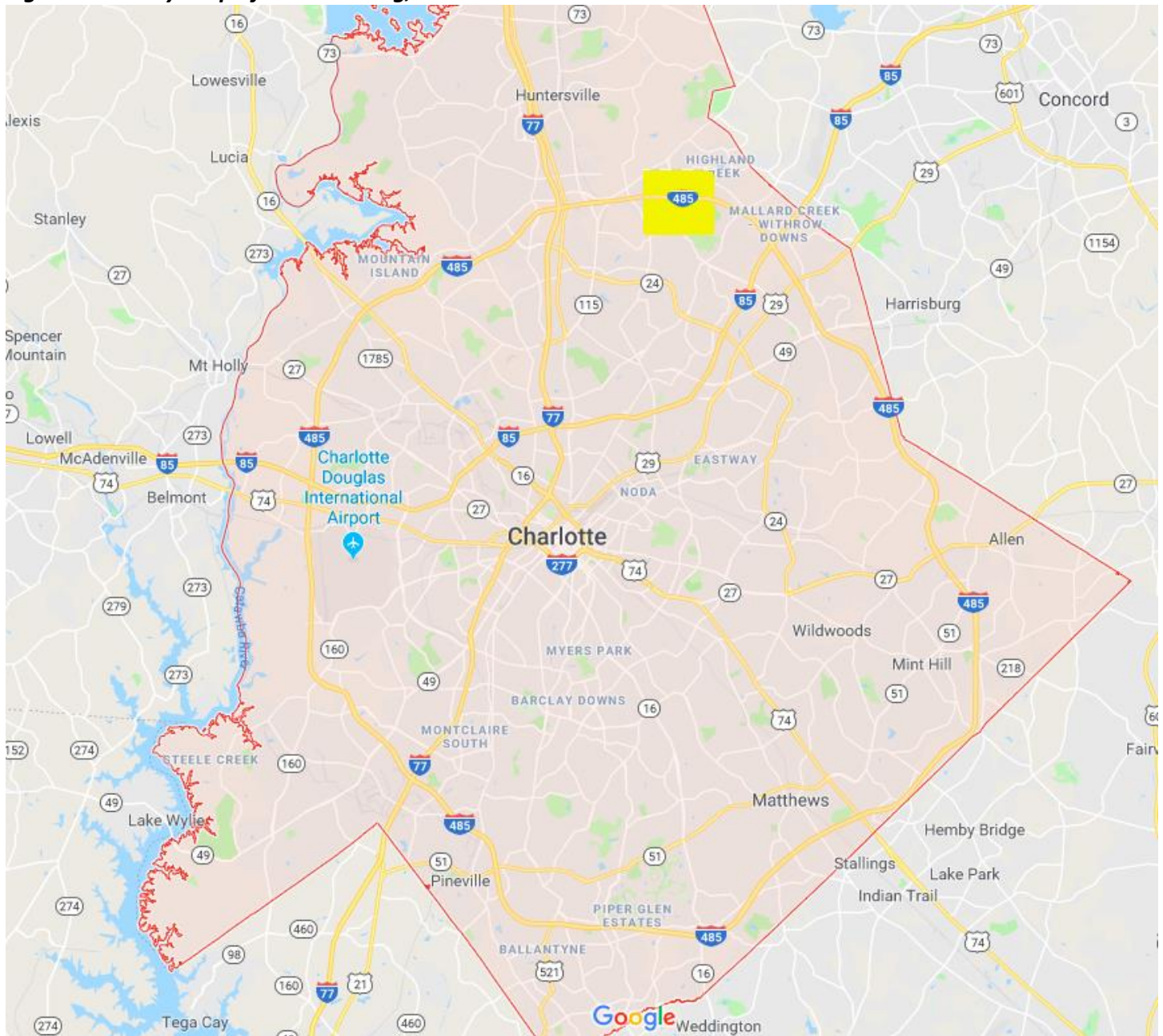
Feasibility Study – Timothy Cobb

Prosperity Church Road, Potential Automatic Carwash Site

4830 Johnston Oehler Rd, Charlotte, NC, 28269

INTRODUCTION

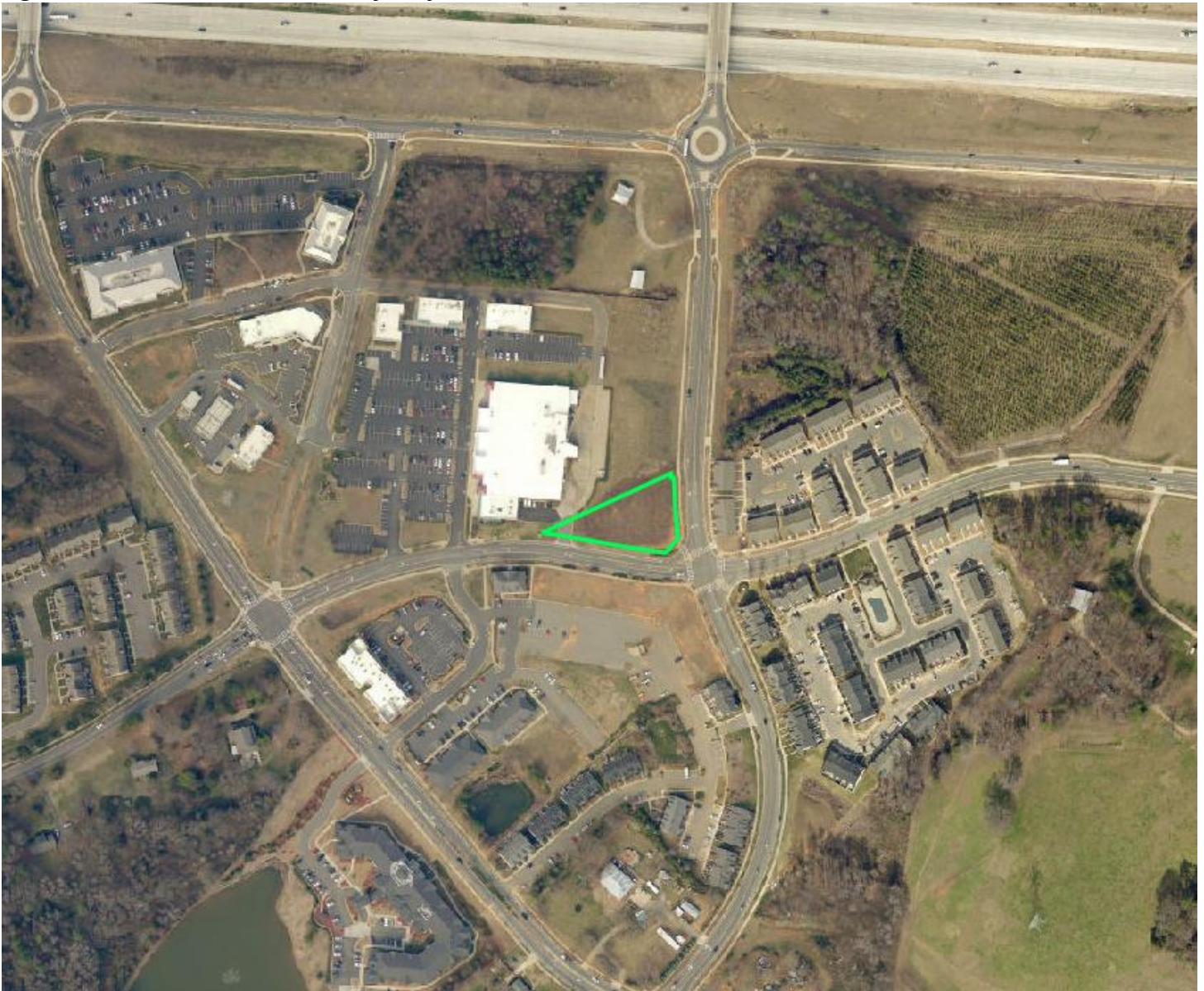
Figure 1. County Map of Mecklenburg, N.C.



The subject site is located in the Prosperity Park region of northeast Charlotte, inside Mecklenburg County.

The purpose of this feasibility study is to assess the viability of developing a new, stand-alone automatic carwash approximately 2,100 sqft in size. The proposed site for the project is 4830 Johnston Oehler Rd, Charlotte NC and is located in northeast Mecklenburg County (Figure 1). The parcel is located on the northwest corner of the intersection of Prosperity Church Road and Johnston Oehler Road. Figure 2, will illustrate the parcel size and location within Polaris 3G. In Figure 1, the parcel and Trade Area are highlighted in yellow.

Figure 2. Polaris 3G, Parcel View of Subject Site at 4830 Johnston Oehler Rd, Charlotte, NC, 28269.



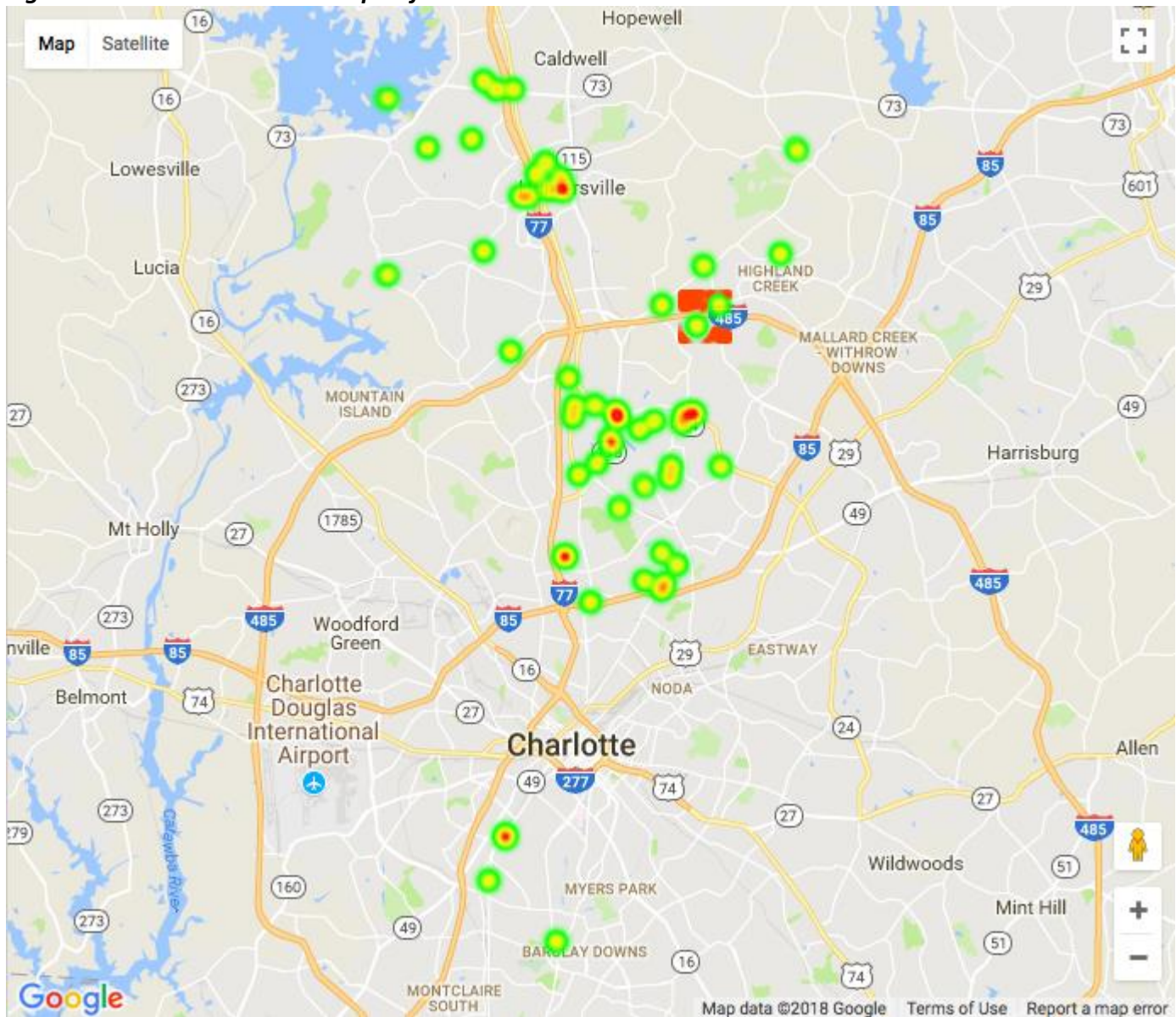
In *Figure 2*, an outline of the subject parcel can be seen in green. The subject site is 0.60 acres in size and sits behind a former BI-LO that is currently vacant. The BI-LO is owned by an out of state entity that intends to convert the former retail space into a movie theatre in the future. The redevelopment of the BI-LO by the out of state entity will likely bring more traffic to the proposed carwash site, and should result in customer capture through the adjacency.

The Indiana firm who now owns the BI-LO and smaller shopping center retailers will create a greater future demand for the location of the subject parcel. This will result in a higher attractiveness matrix rating within the study. These additional factors will be discussed in more detail in later sections with figures to supplement.

Customer characteristics for the proposed site will mainly be the local residents who live near the location and those customers who travel to the nearby retail complex adjacent to the parcel. The free-standing carwash is almost exclusively marketed through drive by capture, excluding a few free carwash coupons to local businesses. Traffic count analysis will be discussed in detail with numbers to illustrate the anticipated customer capture.

MARKET AREA ANALYSIS

Figure 3. Market Saturation Map Reference USA



The map illustrated shows concentrations of carwashes in the zip codes 28269, 28209 and 28078. The last two zip codes are comparable markets for an automatic carwash, which will be elaborated on in comparison of the subject site in a later section. *ReferenceUSA*, was used to generate the map, and the keyword used was “carwash”. The two “heat dots” that appear inside the red box in *Figure 3* are the closest competitors to the site and will be examined later in the study.

Looking at the saturation levels on the map it can be deduced that the overall saturation of carwashes in the two zip codes is fair, but not complete saturation. There are automatic carwashes that exist as stated before within the property line of a gas station. These carwashes are owned by the franchisee or corporation who owns the station. The automatic carwashes serve as an adjacent use to the station and fall under the umbrella of the gas station’s revenue. These competitors would be more in line with the overall idea of a carwash for this site. This is mainly due to the sites physical limitations at only 0.60 acres in size.

Figure 4. Population Growth in Trade Area

Popstats Demographic Summary

1990 - 2000 - 2010 Census, Q3 2017 Estimates & Q3 2022 Projections
 Calculated using TAS Retrieval



Mar 25, 2018

Latitude: 35.365727 Longitude: -80.785161

4830 Johnston Oehler Rd, Charlotte, NC 28269		1 Mile Radius	3 Mile Radius	5 Mile Radius
Population	Current Estimated Population	9,486	59,840	132,099
	2022 Projected Population	9,917	63,387	144,667
	2010 Census Population	8,347	52,716	109,513
	2000 Census Population	4,641	28,579	59,142
	1990 Census Population	911	6,242	20,297
	Historical Annual Growth 1990 to 2000	17.68 %	16.43 %	11.29 %
	Historical Annual Growth 2000 to 2010	6.05 %	6.31 %	6.35 %
	Estimated Annual Growth 2010 to 2017	1.72 %	1.70 %	2.53 %
	Projected Annual Growth 2017 to 2022	0.89 %	1.16 %	1.83 %
	Median Age	36.52	36.32	34.35

The above figure was pulled from a report in *Trade Area Systems* for the demographical trends in the area related to the subject site. It is worth noting that even though the area showed rapid growth from 1990-2000 at 17.68% within a 1-mile radius, the same report projects a 0.89% growth in population from 2017-2022. If the growth in population is expanded to a 3-mile radius it is still not explosive at only 1.16%, projected from 2017-2022. The total population census estimation in 2022 for the subject site population, is 9,917 within a 1-mile radius and 63,387 within a 3-mile radius.

Figure 5. Households Inside Trade Area

Households	Current Estimated Households	3,574	22,960	51,900
	2022 Projected Households	3,734	24,243	56,932
	2010 Census Households	3,148	20,385	42,965
	2000 Census Households	1,743	10,698	22,347
	1990 Census Households	337	2,283	6,908
	Historical Annual Growth 1990 to 2000	17.85 %	16.70 %	12.46 %
	Historical Annual Growth 2000 to 2010	6.09 %	6.66 %	6.76 %
	Estimated Annual Growth 2010 to 2017	1.71 %	1.60 %	2.55 %
	Projected Annual Growth 2017 to 2022	0.88 %	1.09 %	1.87 %
	Persons per Household	2.65	2.60	2.53

The 2022 projected households within the 1-mile radius of the subject site are 3,734. If that same radius is expanded to 3-miles the households expand to 24,243. This number allows for a better understanding of the number of houses within the radius' that may or may not own a car that will need to be washed. Next, a look at the number of cars per household will be examined.

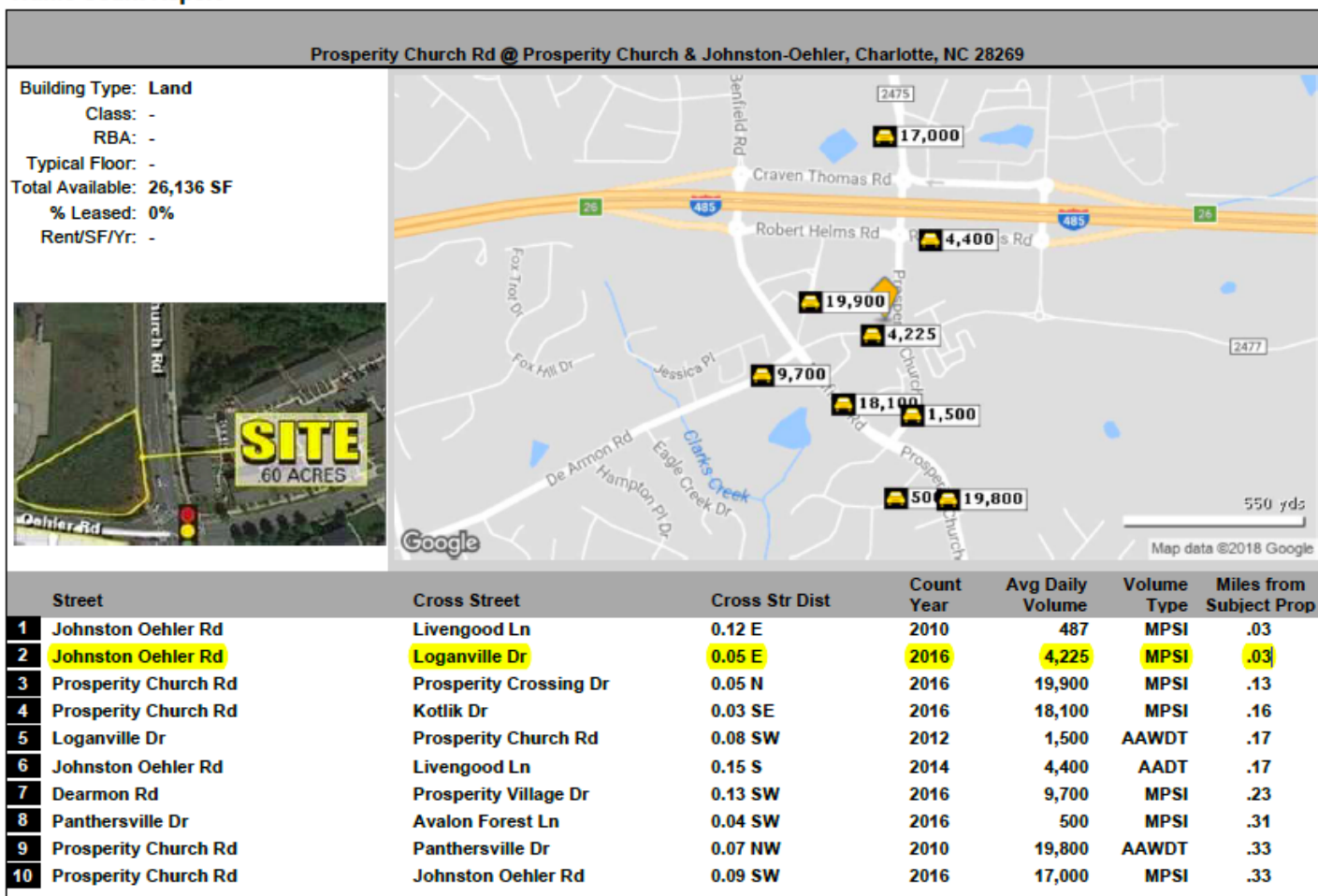
Figure 6. Households with Cars

Vehicles per HH	No Vehicles	2.93 %	2.25 %	3.46 %
	1 Vehicle	31.85 %	34.23 %	38.46 %
	2 Vehicles	48.21 %	46.36 %	41.23 %
	3 or more vehicles	17.01 %	17.15 %	16.85 %
	Average Number of Vehicles	1.8	1.8	1.8

The report shows the number of cars per household within a 1, 3, and 5-mile radius. A 5-mile radius will not be examined in depth for this study, due to the size of trade area it would cover. The categories of radius follow the format previously stated and does so sequentially. The first column shows that households within a 1-mile radius have 31.85% of dwellings owning at least one car. The focus of this study will mainly look at households within the 1-mile radius as the "target" population. This logic is derived on the belief that most people will either wash there are on the way or returning from work. The total percentage of households owning at least one car within 1 mile is 97.07%. The estimated demand will be based on traffic counts to the area for a more precise number. Local population to the trade area represent at least 3,622 (97% of households/1 car per house) cars owned by a household.

Figure 7. Traffic Count Report

Traffic Count Report

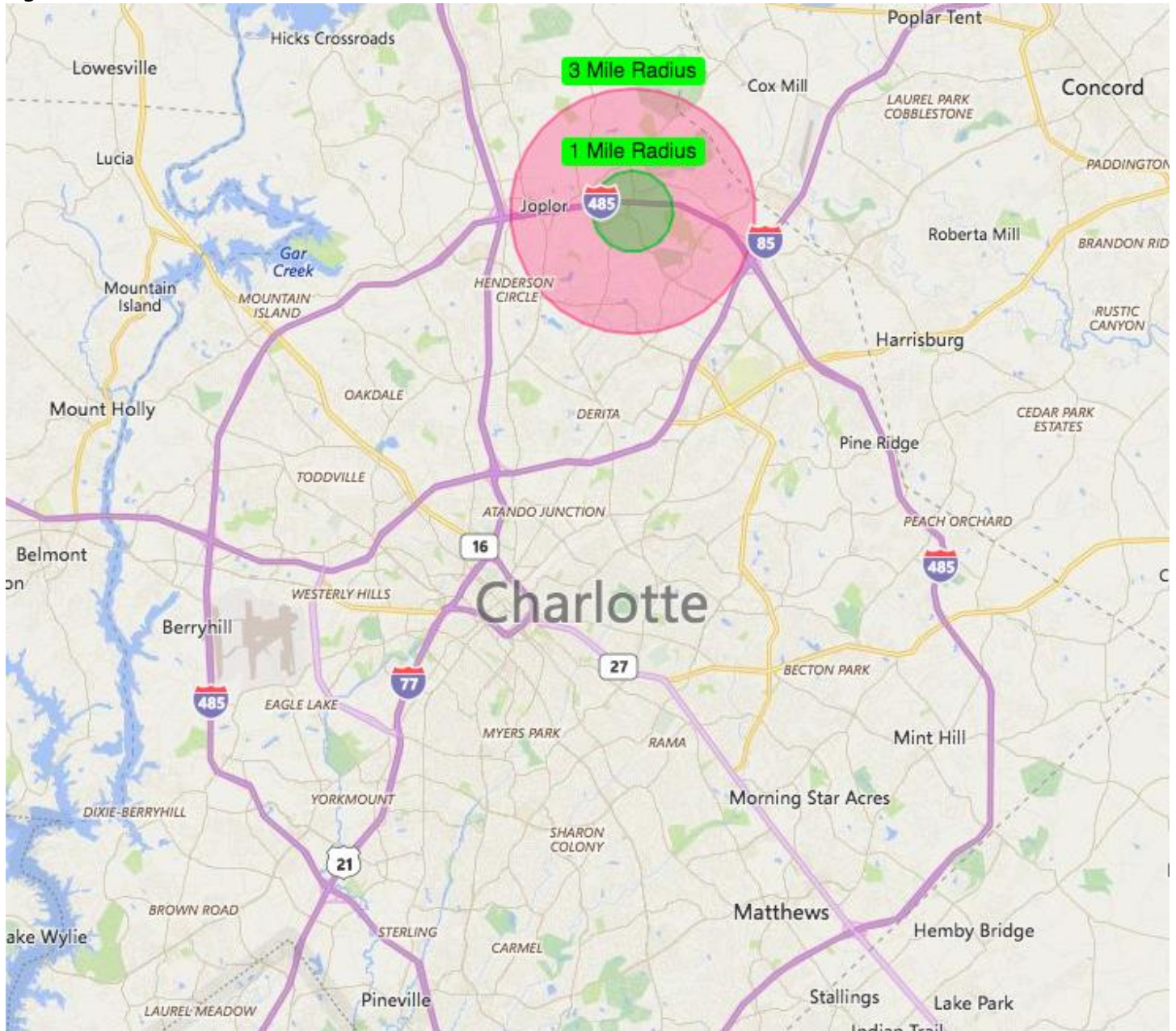


The traffic count from 0.03 miles from the subject site was recorded as being 4,225 vehicles daily passing by the subject site. If the carwash is able to capture 1% of the traffic count, then that gives the site the ability to wash

approximately 42 cars daily. The pricing options per wash will be discussed in a later section. The average price of the carwash for the site will be \$8.33. This gives the site an annual revenue around \$126,000 in year 1.

TRADE AREA ANALYSIS

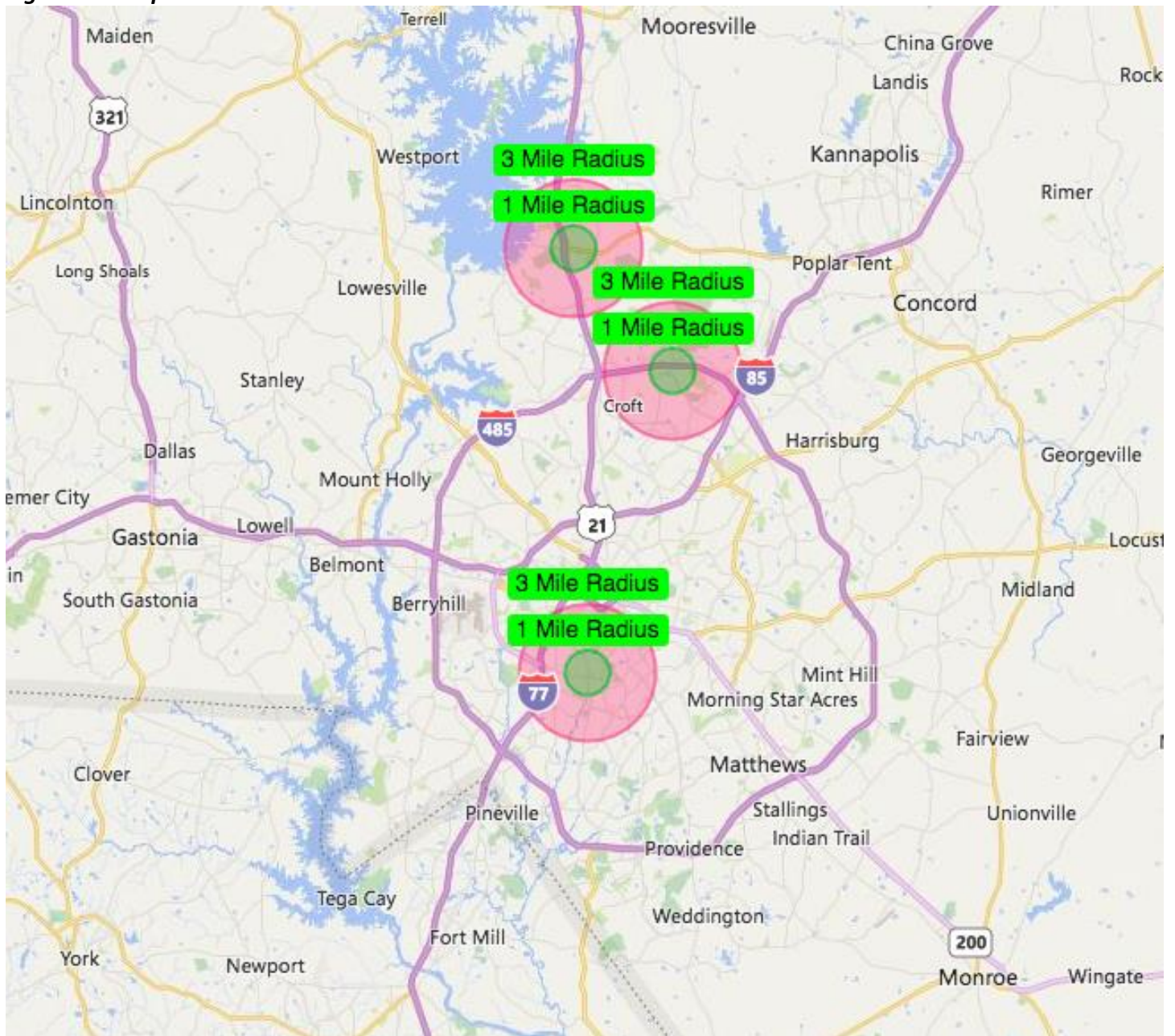
Figure 8. Trade Area 1 and 3-mile Radius



The trade area for the subject site will be a 1-mile radius. The map above illustrates a trade area at the one and three-mile radius for purposes of depth in area of the market. This was intentionally included in the assessment to allow for perspective of the size of the trade area in relation to the larger market around it, illustrated above.

At the 1-mile trade area radius, the size of the submarket in relation to the site is exactly one mile from the location of the parcel in all directions. This size trade area is being included in the belief that the number of cars traveling through this area daily may reasonably be expected to use the proposed facility at the rate of 1%.

Figure 9. Comparison Trade Areas



The comparable trade areas of 4127 Park Rd, Charlotte, NC and 9801 Sam Furr Rd, Huntersville, NC were chosen in contrast to the subject site of 4830 Johnston Oehler Rd, Charlotte, NC.

Two additional trade areas were selected to compare and contrast the Prosperity Park location. These trade areas were selected due to the expansive growth they've received in the past in terms of development and economic prosperity. The expansion into the northern suburb of Huntersville showed a growth of almost 16% from 1990-2000 and trailed the subject site which held at more than 17%.

South Charlotte's Park Road Shopping area is a strong economic trade area in terms of development and growth. The area south of Charlotte has seen much economic transition over the years and was selected as a comparable trade area due to its transition in development. The Prosperity Church Road area would benefit greatly if it were to fully develop like either of the trade area comparables have in the past.

Figure 10. Population Growth Comparison

Extended Demographic Report - PopStats

1990 - 2000 - 2010 Census, Q3 2017 Estimates & Q3 2022 Projections
 Calculated using TAS Retrieval



Mar 25, 2018

Demographic Comparison Report		4830 Johnston Oehler Rd, Charlotte,	4127 Park Rd, Charlotte, NC 28209 1	9801 Sam Furr Rd, Huntersville, NC
Population	Current Estimated Population	9,486	13,421	8,323
	Q2 2017 Estimated Population	9,467	13,432	8,331
	Q1 2017 Estimated Population	9,454	13,195	8,241
	Q4 2016 Estimated Population	9,439	13,246	8,192
	Q3 2016 Estimated Population	9,426	13,299	8,118
	Q2 2016 Estimated Population	9,406	13,384	8,134
	Q1 2016 Estimated Population	9,372	13,305	8,038
	Q4 2015 Estimated Population	9,341	13,323	7,715
	Q3 2015 Estimated Population	9,308	13,415	7,668
	2022 Projected Population	9,917	14,105	9,129
	2010 Census Population	8,347	11,820	7,068
	2000 Census Population	4,641	12,022	3,552
	1990 Census Population	911	11,214	869
	Historical Annual Growth 1990 to 2000	17.68 %	0.70 %	15.12 %
	Historical Annual Growth 2000 to 2010	6.05 %	-0.17 %	7.12 %
	Estimated Annual Growth 2010 to 2017	1.72 %	1.71 %	2.20 %
Projected Annual Growth 2017 to 2022	0.89 %	1.00 %	1.87 %	
Population in Group Quarters	0	188	2	
Transient Population (not included in pop counts)	0	19	368	
Seasonal Population (not included in pop counts)	32	63	75	

Of the comparable trade areas, the highest predicted growth of the three comes from the Huntersville area projecting an almost 2% growth by 2022. In contrast, the subject site is predicted to grow at less than 1% for the 2017-2022 projection. The 0.89% growth rate, in and of itself, is not reason enough to not support feasibility of the automatic carwash but must be considered holistically in comparison to the other trade areas.

Figure 11. Income Comparison

Extended Demographic Report - PopStats

1990 - 2000 - 2010 Census, Q3 2017 Estimates & Q3 2022 Projections
 Calculated using TAS Retrieval



Mar 25, 2018

Demographic Comparison Report		4830 Johnston Oehler Rd, Charlotte,	4127 Park Rd, Charlotte, NC 28209 1	9801 Sam Furr Rd, Huntersville, NC
Income	HH Income \$50,000 to 74,999	23.07 %	17.28 %	12.67 %
	HH Income \$35,000 to 49,999	12.32 %	12.76 %	8.65 %
	HH Income \$25,000 to 34,999	8.77 %	10.64 %	4.44 %
	HH Income \$15,000 to 24,999	3.35 %	5.41 %	4.08 %
	HH Income \$0 to 14,999	3.54 %	5.77 %	5.14 %
	Average Household Income	\$85,555	\$107,155	\$116,620
	Median Household Income	\$73,521	\$71,695	\$101,716
	Per Capita Income	\$32,232	\$54,680	\$44,554

The Extended Demographic Report, illustrates that the average income for the subject site is \$85,555. This average is derived as the mean for all households in the trade area. The average income is lower than the other two trade areas in comparison but is still high for the average of the Charlotte MSA as a whole (\$54,836, www.datausa.io.com). The higher than average household income is a positive for the potential site due to local households having a higher than average discretionary income level.

Figure 12. Site Trade Area Income

Income			
HH Income \$500,000 or more	0.56 %	1.02 %	0.78 %
HH Income \$250,000 to \$499,999	0.61 %	1.22 %	0.92 %
HH Income \$200,000 to \$249,999	1.45 %	2.85 %	2.15 %
HH Income \$175,000 to \$199,999	3.91 %	3.85 %	3.22 %
HH Income \$150,000 to \$174,999	4.86 %	5.16 %	3.78 %
HH Income \$100,000 to 149,999	19.19 %	19.84 %	16.53 %
HH Income \$75,000 to 99,999	18.37 %	15.82 %	15.79 %
HH Income \$50,000 to 74,999	23.07 %	19.20 %	19.74 %
HH Income \$35,000 to 49,999	12.32 %	13.04 %	13.79 %

The above statistic is the income levels for the subject site alone. This table breaks down the percentages of households by what they earn each year. The table is significant due to the showing of approximately 35% of households earning between \$50,000 - \$99,999 annually. This income level is important to the site as an automatic carwash is not a necessity, and the discretionary income level will have a factor for the sites use.

Figure 13. Number of Vehicles

Extended Demographic Report - PopStats

1990 - 2000 - 2010 Census, Q3 2017 Estimates & Q3 2022 Projections
 Calculated using TAS Retrieval



Mar 25, 2018

Demographic Comparison Report		4830 Johnston Oehler Rd, Charlotte,	4127 Park Rd, Charlotte, NC 28209 1	9801 Sam Furr Rd, Huntersville, NC
Vehicles per HH	No Vehicles	2.93 %	4.71 %	2.89 %
	1 Vehicle	31.85 %	46.21 %	31.94 %
	2 Vehicles	48.21 %	38.72 %	46.46 %
	3 or more vehicles	17.01 %	10.36 %	18.71 %
	Average Number of Vehicles	1.8	1.6	1.8

Johnston Oehler Rd is averaging around the same number of households that have a car as the Huntersville trade area. Both trade areas are approximately 2% higher in vehicle ownership than the Park Road trade area. This is a plus in terms of vehicles potentially coming to the location of the automatic carwash.

This information is supplemental and the 1% vehicle capture will still be based on the traffic count to the site daily. Once the follow on adjacent uses come into existence (movie theatre) a new traffic count can be applied and the resulting 1% capture rate should yield a higher vehicle capture rate.

At the time of this feasibility study the future adjacent uses do not exist, and the future benefit of the movie theatre is strictly speculative.

SITE ANALYSIS

Figure 14. Google Aerial of Parcel



The subject parcel sits on the corner of Prosperity Church Rd and Johnston Oehler Rd. A corner lot with high visibility should make for a great selection of an automatic carwash system. The parcel is 0.60 AC in size and will not provide enough room for a larger carwash tenant such as Sam's Express or Autobell, which require a 3-acre minimum to allow for development. The subject site is currently zoned NS for neighborhood service.

The traffic count on this site was calculated at 4,225 cars per day at 0.3 miles from the site's location. The revenue assumptions in this study focus on capturing 1% of the passing traffic to the site on a daily basis. This works out to be roughly 42 cars per day visiting the site with an average ticket price of \$8.33 per wash.

Figure 15. Street-level View of the Subject Site



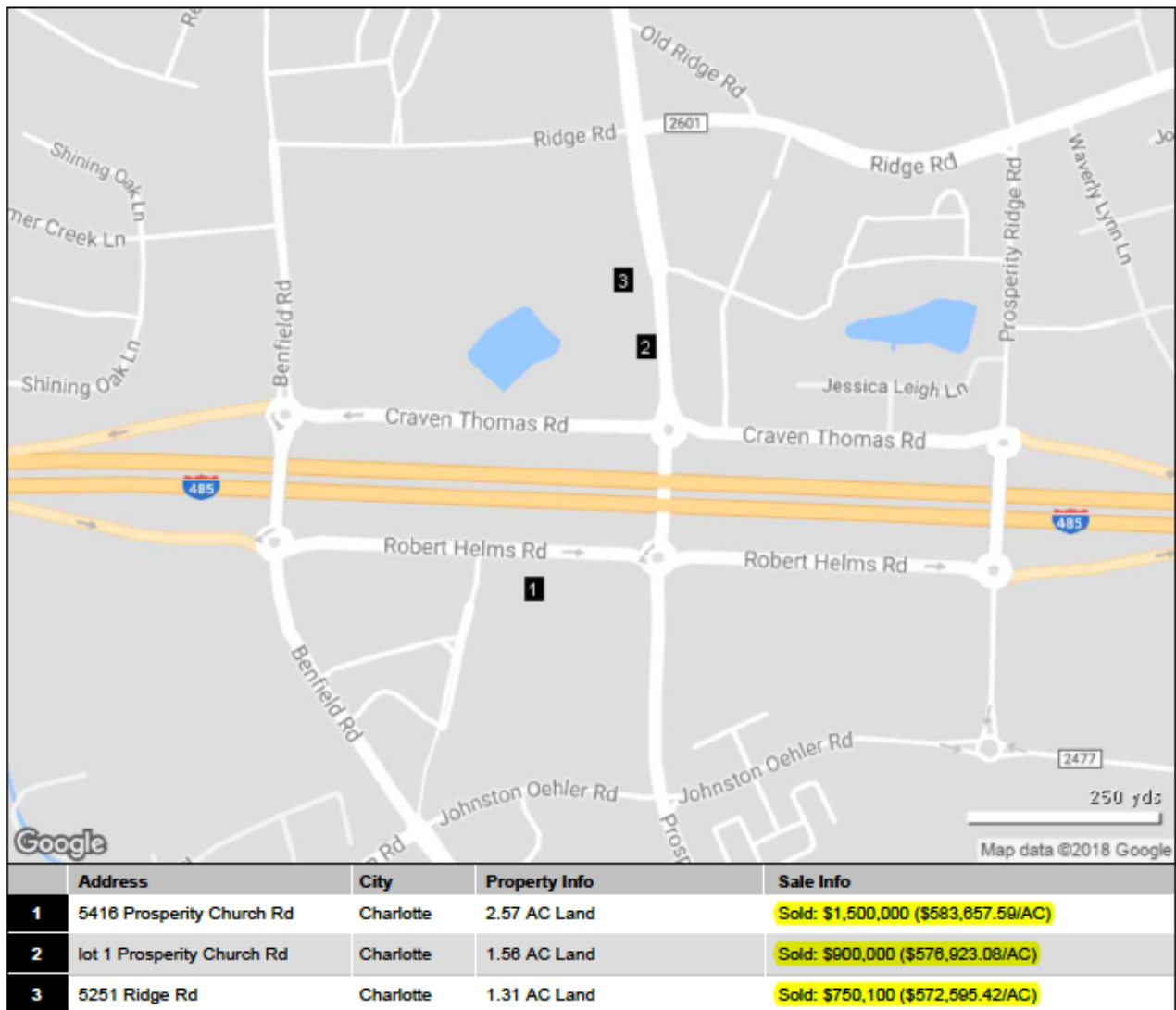
The street level view of the site shows its position relative to the BI-LO's sitting behind the corner lot. An attractiveness matrix was created to compare how the site would perform relative to other locations within the trade area.

Figure 16. Attractiveness Matrix

Attractiveness Matrix						
Site	Access	Visibility	Location	Agglomeration	Total	
4830 Johnston Oehler Rd	7	9	8	6	30	
5416 Prosperity Church Rd	5	6	7	5	23	
Lot 1 Prosperity Church Rd	7	8	8	8	31	
5251 Ridge Rd	6	5	5	6	22	

The subject site scored an overall 30 on the attractiveness matrix. The only comparable site within the one-mile trade area to outperform the subject site in the attractiveness matrix was the Lot 1 Prosperity Church Rd location. Lot 1 compares in many ways to the subject corner parcel in that it would be an ideal fit for an automatic carwash. This logic was derived from the parcels location, and attractiveness to access from the main street feeding customers into the business for use of the facility.

Figure 17. Comparable Sites and Land Comps



The trade area comparable sites are located on the map above and were selected based on commercial zoning and value in price per acre to the subject site. The locations are similar in size in that none of the comparables are greater than 3-acres in size, and all the parcels were sold in the last 4 years for a comparable value.




Figure 18. Land Comp Prices
Quick Stats Report

Comps Statistics					
	Low	Average	Median	High	Count
Sale Price	\$750,100	\$1,050,033	\$900,000	\$1,500,000	3
Parcel Size	1.31 AC	1.81 AC	1.58 AC	2.57 AC	3
Price per Acre	\$574,787	\$579,062	\$575,446	\$583,659	3
Days on Market	1,668	2,390	2,390	3,112	2
Sale Price to Asking Price Ratio	83.38%	97.94%	97.94%	112.50%	2
Totals					
Sold Transactions	Total Sales Volume: \$3,150,100		Total Sales Transactions:		3
Survey Criteria					
Price Per Acre: The three sale comps sum total is \$1,733,176.09.					
Divided by 3 the avg price per acre is \$577,725.36.					
land specific criteria: Secondary Type - Commercial					
geography criteria: Radius - 0.50 mile(s) radius from Lat : -80.7847881317139, Long : 35.365973241318					
additional criteria: - * This result set has been amended with criteria to add and/or remove records.					

Total average acre price is \$577,725 and yields a subject site price of \$352,430 at 0.60AC.

The land comparables from the area are the same sites that could potentially be used in the trade area for the development of the automatic carwash. The acre price is \$577,725, and the comparable land is within a 1-mile radius of the property. The 1-mile trade area is important to the site, due to the drive by traffic daily that may likely use the location. The land comps were pulled from Costar and are listed in the chart above in the category of low, average and high. These categories are referring to the price of the land per acre from each site and a mathematical mean was derived to assign a price to the subject site per acre.

Figure 19. Comparable Sites Within Trade Area

1 5416 Prosperity Church Rd		SOLD
Charlotte, NC 28268		Mecklenburg County
Recorded Buyer: Real Estate Investment Fund, LLC 4201 Congress St Charlotte, NC 28209	Recorded Seller: Pryor, Martha T 7300 Woodstock Trl Stanley, NC 28164 (704) 827-6732	
True Buyer: Development-Management Inc	True Seller: Pryor, Martha T	
<hr/> Sale Date: 12/12/2018 (3112 days on mkt) Sale Price: \$1,600,000 - Confirmed \$/AC Land Gross: \$683,868.63 (\$13.40/SF)		Land Area: 2.67 AC (111,848 SF) Lot Dimensions: - Proposed Use: Commercial
Density: - Topography: Level		Zoning: R2 Sale Conditions: -
Parcel No: 028-321-08 Financing: - Comp ID: 3777782 - Research Status: Confirmed		
2 lot 1 Prosperity Church Rd - Out Parcel #1		SOLD
Charlotte, NC 28268		Mecklenburg County
Recorded Buyer: Mecklenburg County ABC Board 3333 N Tryon St Charlotte, NC 28206 (704) 731-5900	Recorded Seller: Highland Creek Retail LLC 301 S College St Charlotte, NC 28202	
True Buyer: Mecklenburg County ABC Board	True Seller: Childress Klein	
<hr/> Sale Date: 08/24/2014 (1888 days on mkt) Sale Price: \$900,000 - Confirmed \$/AC Land Gross: \$676,448.26 (\$13.21/SF)		Land Area: 1.68 AC (87,864 SF) Lot Dimensions: - Proposed Use: Fast Food ...
Density: - Topography: -		Zoning: - Sale Conditions: -
Parcel No: 028-311-33 Financing: Down payment of \$900,000 (100.0%) Comp ID: 3131266 - Research Status: Confirmed		
3 5251 Ridge Rd		SOLD
Charlotte, NC 28268		Mecklenburg County
Recorded Buyer: SHW, LLC 1877 Federal Boca Raton, FL 33432	Recorded Seller: Eason Family Properties, LLC 8531 Hills View Rd Oakboro, NC 28129 (704) 485-8280	
True Buyer: Halvorsen Holdings, LLC	True Seller: Judy R. & Harold A. Eason	
<hr/> Sale Date: 06/12/2016 Sale Price: \$760,100 - Confirmed \$/AC Land Gross: \$674,787.28 (\$13.20/SF)		Land Area: 1.31 AC (67,084 SF) Lot Dimensions: - Proposed Use: Retail
Density: - Topography: -		Zoning: CC Sale Conditions: -
Parcel No: 027-681-08, 027-681-18 Financing: Down payment of \$0 (0.0%) Comp ID: 3441808 - Research Status: Confirmed		

A total of three comparable land comps within 1 mile from the subject were pulled from Costar. An average land value was assessed by the comparables and then multiplied by the relative price per acre to the size of the subject property. These comparables were selected based on proximity and use, while maintaining similarities to the subject. The comparables are zoned commercial but may not share the exact zoning of the subject site which is NS for neighborhood service.

An average acre price of \$577,725 was derived from comparable land sales from Costar. The subject site parcel is 0.60 AC and was multiplied by the average acre comparable price. The resulting land total is \$346,635 for the subject property. A total development cost will be assigned to the free-standing carwash site in a later section.

Figure 20. Closest Competition to Proposed Site

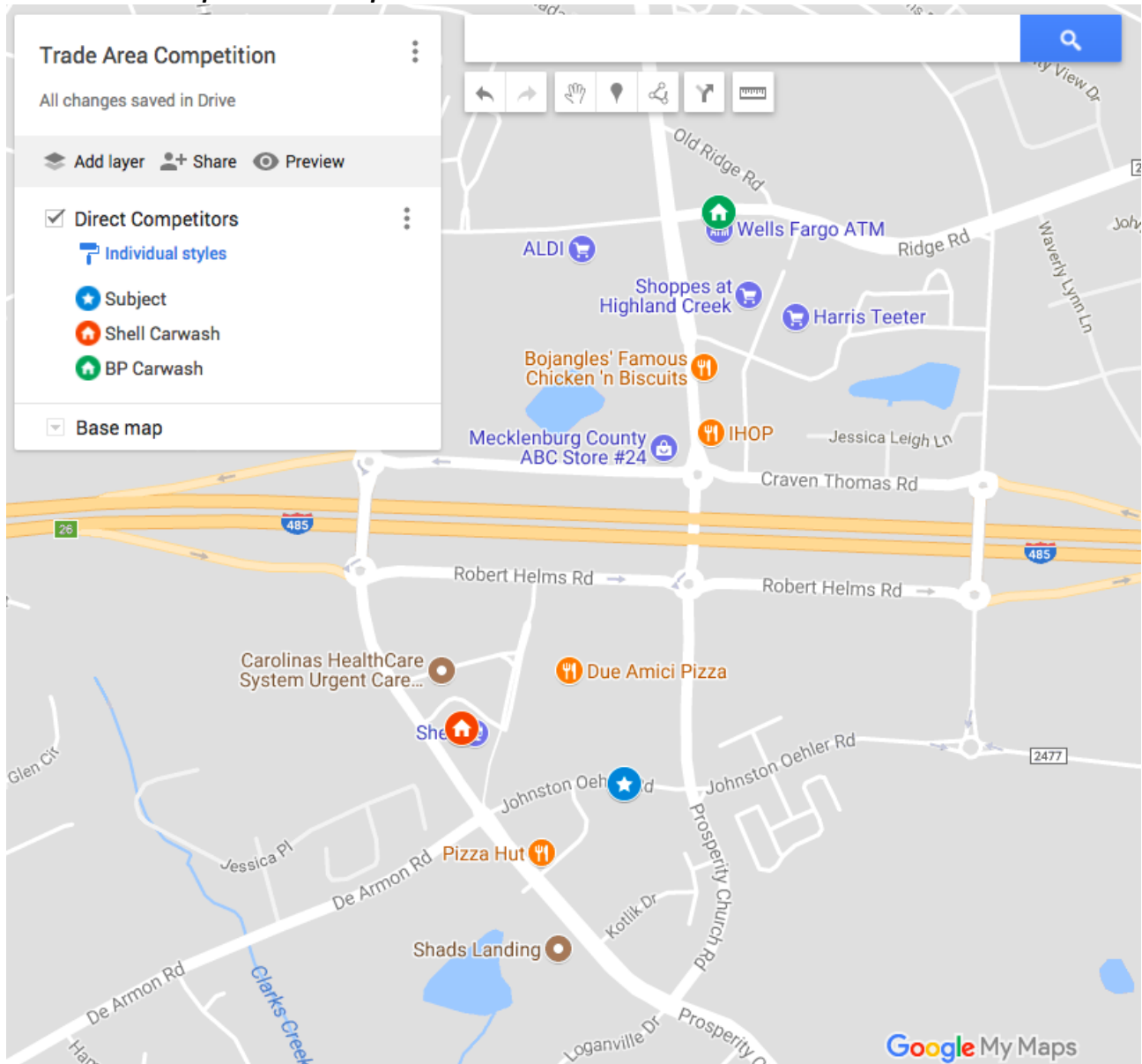
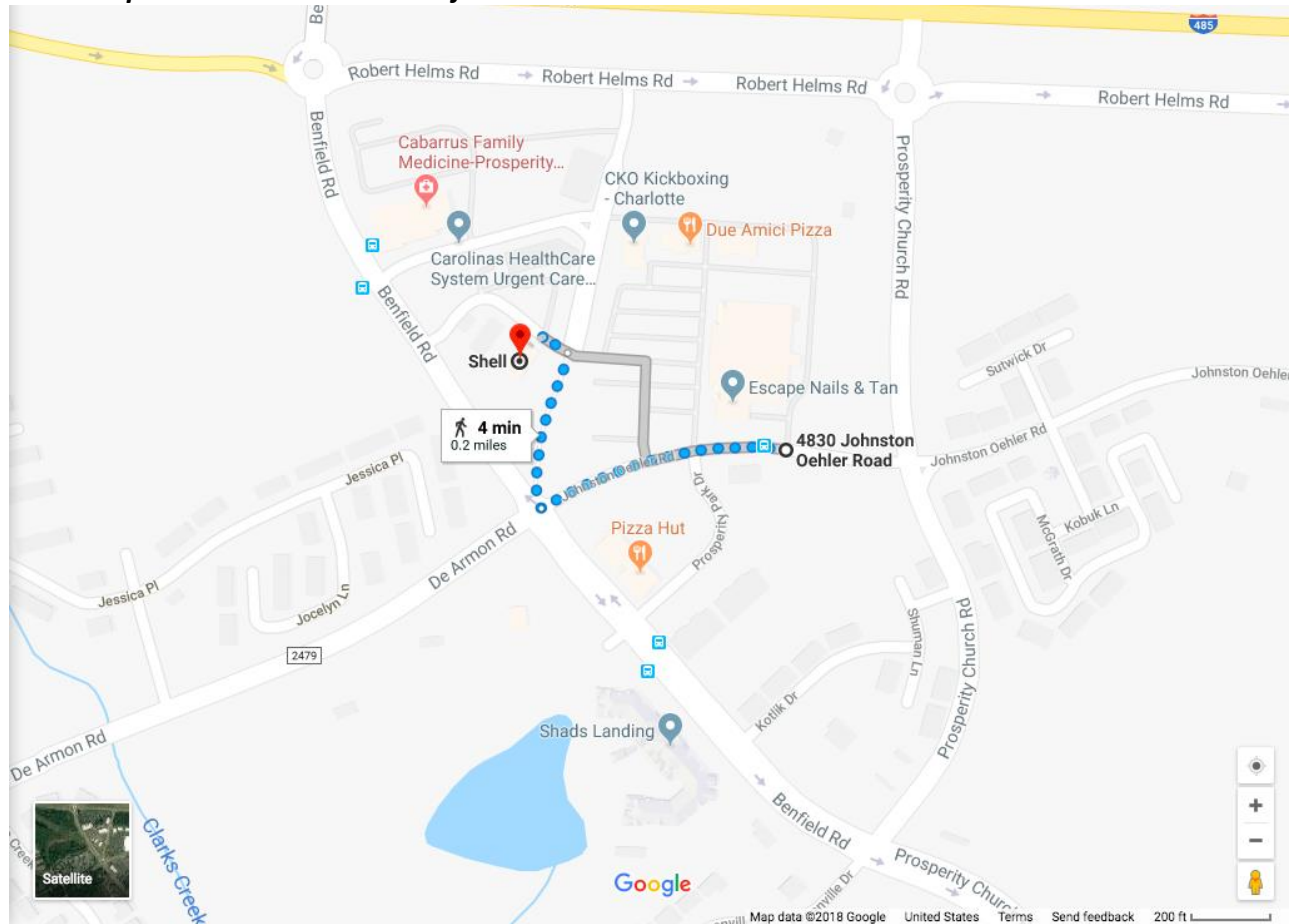


Figure 21. Competitor Site 1



Figure 22. Competitor 1 Distance to Subject

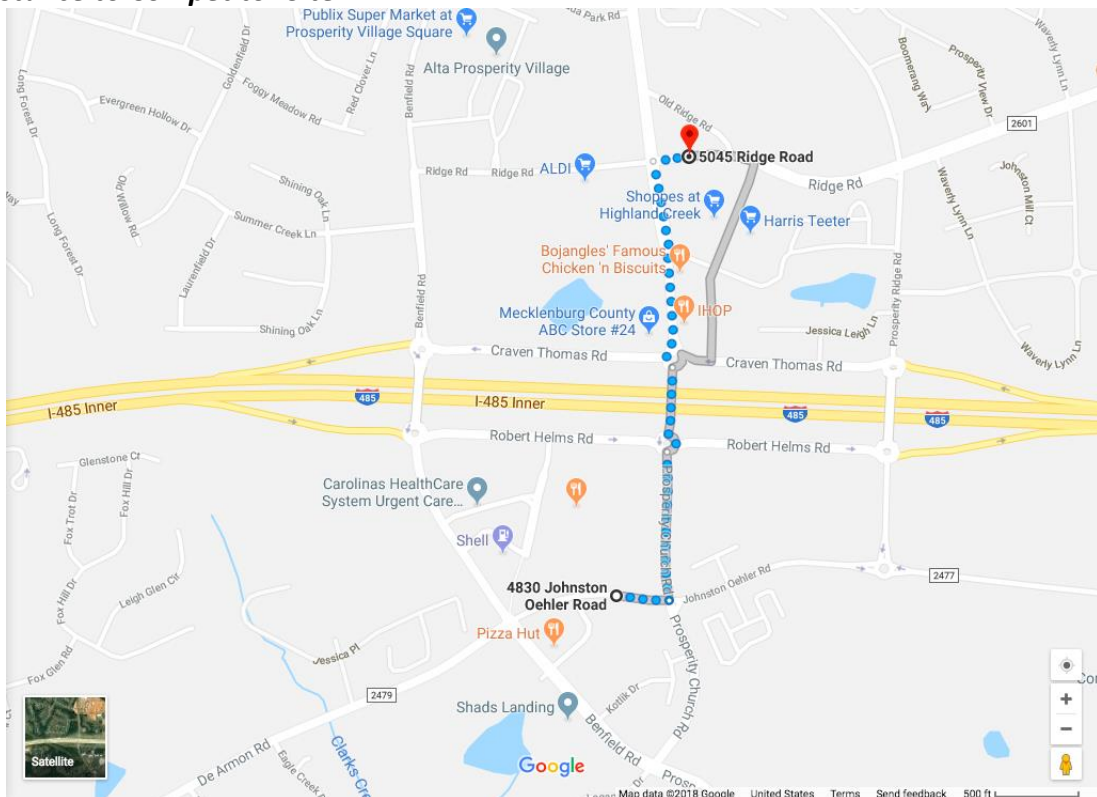


The first competitor located approximately 0.2 miles from the subject is a Shell Gas Station, at 5335 Docia Crossing Rd, Charlotte, NC 28269. The competition to the potential site are located within 1 mile of the subject site and are attached to fuel stations. These competitors are free standing car washes and they're adjacent to the filling stations. The washes operate as part of the gas station and are owned by the corporation or franchise owner. The locations are the heat dots mentioned earlier, inside the red box illustrated for market saturation.

Figure 23. Competitor Site 2

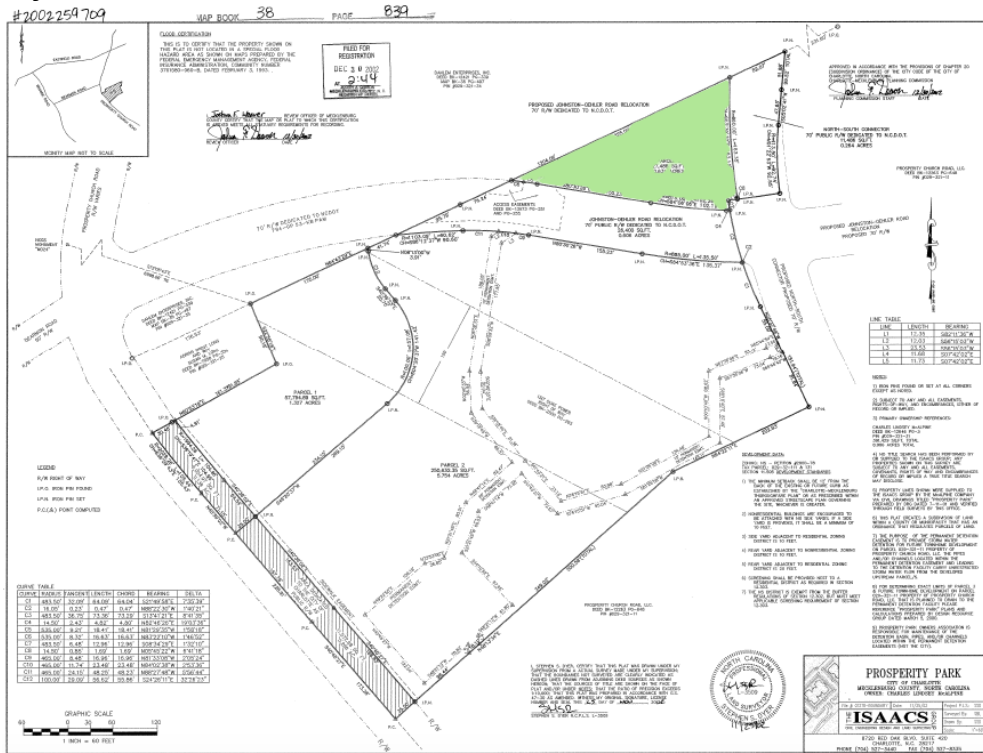


Figure 24. Distance to Competitor Site 2



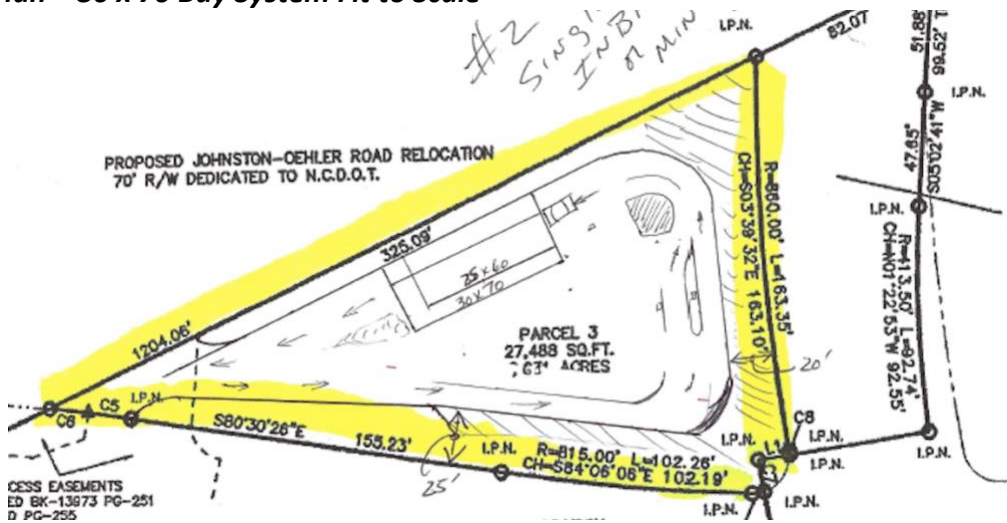
The next site is located at 5045 Ridge Rd, Charlotte, NC 28269, and is approximately 0.5 miles from the subject site. Both of the competitors' sites are automatic carwashes within one mile of the subject site. The competitors are located with existing gas stations and will likely catch traffic from the location of the carwashes.

Figure 25. Site Plat for the Site Plan



The site plat in Figure 25 shows the property setbacks for 4830 Johnston Oehler Rd, and was pulled to create an efficient fitting for the site plan. The property is highlighted in green and shows how the unique shape of the parcel must be taken into consideration when laying out the carwash.

Figure 26. Site Plan – 30 x 70 Bay System Fit to Scale



The site plan illustrated above was laid out in a way that will allow for the maximum number of cars to be in line to wait for the use of the carwash system. There was a total of three iterations of this site plan layout and it was determined that the 30 x 70 bay system was the best use of the site.

The parcel is 0.60AC in size and the 30 x 70 bay system fits reasonably well for the shape of the parcel. This opinion is based on the layout of the site and the cut in seen to the front left of the parcel, efficiently allowing traffic to pass through and form a line to wait for use at the carwash.

FINANCIAL ANALYSIS

Figure 27. ROI Table

Exit in Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Revenue	\$ 126,720	\$ 127,987	\$ 130,960	\$ 131,865	\$ 133,184	\$ 137,180
Operating Cost	\$ (53,349)	\$ (54,952)	\$ (56,340)	\$ (57,766)	\$ (59,233)	\$ (61,010)
DS	\$ (57,507)	\$ (57,507)	\$ (57,507)	\$ (57,507)	\$ (57,507)	\$ (57,507)
Taxes	\$ (2,915)	\$ (2,915)	\$ (2,915)	\$ (2,915)	\$ (2,915)	\$ (2,915)
NOI	\$ 12,949	\$ 12,613	\$ 14,198	\$ 13,677	\$ 13,529	\$ 15,748

Rent Growth	3%
Opex Growth	3%

Land Purchased		Carwash	\$ 824,456	Financing	
Sales Price	\$ 196,849	Land	\$ 346,635	Months	300
Sales Comission	\$ (7,874)	Debt	\$ 819,764	Interest	5%
Loan Balance	\$ (726,148)	Equity	\$ 351,327	Loan Amt	\$ 819,764
Equity Payment	\$ -	TDC	\$ 1,171,091	Payment	(\$4,792)
Net Profit	\$ (537,174)				
PBTCF	\$ (537,174)	Cap Rate	8%	DS	(\$57,507)
ROI	-46%	Exit NOI	\$ 15,748	DCR	2.39x
Annual ROI	N/A				

With a total development cost of \$1,171,091 and a five-year exit, the ROI is -46%.

The revenue assumptions were based on a traffic count of 4,225 cars per day and an average carwash price of \$8.33 per wash. An average price was derived by taking the mean of the three basic washes offered, then multiplied by the number of cars captured per day (42.25). This number is an estimated 1% capture based on the traffic count closest to the site (4,225).

STATEMENT OF FEASIBILITY

It is my opinion that 4830 Johnston Oehler Rd, Charlotte NC is not the ideal site for an automatic carwash system. The negative ROI is the single biggest factor in this decision process. The site is developed for a total cost of \$1,171,091, including the land.

The returns on the carwash with a five-year exit are non-existent with an NOI of \$15,748 in year 6. This yields a sales price of less than \$200,000 after the hold period. An exit cap rate of 8% was used to calculate this value. The traffic to the site would need to be roughly three times what the current traffic capture is estimated to be.

At a 3% capture of the traffic count the NOI can approximately be 3 times the NOI of year 6. This is due to the fact that the current year 6 NOI is based on 1% traffic capture and an average ticket price of \$9.00.

The existence of automatic carwashes connected to gas stations within 0.5 miles of the subject, is the number one reason for a negative recommendation of feasibility. It is believed that the new automatic carwash will struggle to capture traffic flow with the nearby competition being attached to fuel stations. The location of a corner lot is the single greatest strength of the property, but most likely won't be enough.

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