

SITE

SELECTION

ROAD MAP TO SUCCESS



ROAD-MAP TO SUCCESS

SITE SELECTION

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When it comes to selecting a location for a new car wash, investors should look for the best possible potential site that they can obtain. A car wash is a location driven service business. Your competition cannot wash cars on-line. There is no substitute for committing to an A+ property and building a multi-million-dollar facility. Here are some critical components in site selection for a car wash.

DEMOGRAPHICS

Many variables should be used to determine if a property is feasible and will perform at a high volume. At the top of your checklist, review the current demographics of a one-mile radius, a three-mile radius, and a five-mile radius of the property. In our opinion, this is the most important step.

You need rooftops (lots of them) which will create a steady stream of traffic in the community that will patronize and support your car wash. Also, average household income, median income, average age, number of vehicles in the area, what percentage is under the poverty line, and the breakdown of the population are all factors to consider when evaluating a potential site.

THREE-MILE RADIUS SNAPSHOT

Demographics	Good	Better	Best
Population Density	40,000	50,000	65,000
Rooftops	15,000	20,000	30,000
Median Household Income	\$60,000	\$75,000	\$100,000
Median Per Capita Income	\$25,000	\$35,000	\$40,000
Age	20-29	30-39	40-54

We've all heard it before... Location. Location. Location.

ZONING

What is the current zoning? Is it presently commercial, or will re-zoning be required?

It is difficult, time-consuming, and expensive to get a property re-zoned from residential to commercial. Usually, the city or county will not consider re-zoning a property for the use of a car wash.

PROPERTY SIZE

The property size is extremely important. You want to determine the acreage and actual dimensions. The ideal size for a tunnel car wash is approximately one acre. Additionally, a minimum of 225 feet will be required in one direction to allow for at least a 125-foot conveyor. The best situation places the largest side of the property orientated along the road for maximum visibility to passing traffic.

AVAILABLE SPACE

If the plan is to build an express exterior model, you need sufficient room for vacuum pads, queuing lanes, and turning radii. If you want to build a flex-service, room is required for the post-vacuum and finishing area(s).

Building on less than an acre is certainly possible; however, everything will be reduced in size, and it becomes more difficult to perform at a high volume. The proposed length of the tunnel is also important because the longer the tunnel and conveyor, the faster you can run your line speed and process more cars per hour. In express exterior washes, you need space account for proper space in the drying area to ensure a dry car. In addition, it has been determined in Express Exteriors that the more vacuum pads, the better the operation.

Harvey M. Miller is the owner of Car Wash Consultants. He travels nationally to perform site selection services as well as to analyze existing facilities. Miller has owned and operated 32 car washes and detailing centers. He has been performing consulting services for the past 33 years. His car washes have been recognized eight times as No. 1 Car Washes. He is the past president of the Wester Carwash Association (WCA) and the International Carwash Association (ICA).



Visibility and exposure are critical... If you're out of site, you're out of mind!

VISIBILITY

Visibility and exposure are critical. If it's out of sight, it's out of mind. You may not want to build behind a service station or another type of business. For example, you do not see a McDonald's or a major gas station out of view. Ideally, locate the building out in front and build it parallel to the main street.

If dimensions require the tunnel to be built perpendicular to the street, try to get the building (entrance or exit) close to the street for visibility.

TRAFFIC COUNTS

Traffic counts are something investors and developers may put a lot of emphasis on. Even though we would rather have higher traffic counts than lower traffic counts, this variable is not nearly as vital as demographics. Keep in mind traffic is coming and going – usually heading to work or returning home – and many drivers do not want to get off of the highway to get their cars washed.

We have seen car washes with extremely high traffic counts not performing the required volume because they did not have the population. On the other hand, we have also witnessed lower traffic counts with sufficient population performing high-volume counts.

Sometimes, real estate brokers and parties selling their products/services will put importance only on high traffic counts and do not have the experience or know how to advise if a property should really be considered.

TRAFFIC SPEED

Traffic speed is important. For instance, if the traffic is going 50 MPH or more, drivers are usually going too fast to view the facility or to even want to turn in. It is also difficult for vehicles to exit the property into fast-moving traffic. Try to shoot for speed limits less than 45 MPH.

THE COMMUNITY – TRAFFIC PATTERNS

Adjacent surroundings and communities are also noteworthy considerations. You should drive around and observe the businesses, shopping centers, strip malls, office buildings, and residential areas.

Bear in mind if the property is in an industrial area, you may only be privilege to the existing traffic on weekdays. On weekends, when you project your highest volume, streets could be bare and empty of any vehicles.

When driving around the residential areas, you want to view the housing, apartments versus homes, and the types of vehicles parked on the streets. Is the neighborhood deteriorating? Are vehicles so dirty you cannot clearly see their color? Will the neighborhood be willing and able to patronize a car wash regardless of price?

TRADE BARRIERS

Within a 3-mile radius, there may be traffic pattern or "trade barriers" that divide a proposed location and the competition, even though the locations are geographically close to each other. Typical trade barriers may be divided highways, one-way roads, rivers, neighborhoods, traffic patterns that favor one shopping center over another.

ENTRANCE AND EXIT POINTS

The ingress/egress, which is the entrance/exit for the property, has to contribute to producing high volume. Is there a center median where vehicles have to go to the next intersection and make a U-turn? This will reduce the number of customers who will consider patronizing your business.

Is the property on a service road where the vehicle has to leave the main street to enter a service road and then repeat the process getting back on the main street? All of this should be taken into consideration in analyzing the ingress/egress. You want it to be easy as possible to get on and off your site.

NEARBY RETAIL AREA

Business breeds business. If you are near other retail businesses, then there are additional draws to the area. Try to find an area that has fast-food and retail shopping. For example, a successful strategy has been to harness the destination draw from Big Box retail stores and locate a car wash on one of their out-lots.

NEARBY COMPETITION

Competing car wash in a 3-mile radius must be seriously considered as threat or deterrent to your proposed site. Visit all of the local washes that are not service station or self-serve washes in your three-mile radius and assess them as a competitor.

NEARBY COMPETITION – Continued

If your plan is to build an express exterior wash, can existing full-serves have the possibility of converting to an express or flex-server? Are there already express locations within the marketing area? Remember, whatever the population is in a three-mile radius, divide that into how many tunnel washes, including your potential site, that are in the area. For instance, if the population is 30,000 and you will be the third tunnel wash in the area, that reduces the population to approximately 10,000 for each location. In our opinion, there is too much competition for the population in this example.

SPACE FOR DIVERSIFICATION

Is there space for diversified or additional services or sales? A drive-through fast-food restaurant or a quick coffee shop could be compatible with an express exterior model.

COST OF PROPERTY OR LEASE

The cost of property or proposed ground rental on a lease agreement certainly has to be taken into consideration regarding your total investment cost or the monthly expense of your operation. In the article "Site Planning: Adding to the Carwash Experience," featured in a past issue of Professional Carwashing & Detailing, an Expert Interviewed for the article noted that site selection is no time to penny-pinch, adding, "Never be cheap when choosing a property." He could not be more accurate! If the site is right and projections show it could generate high volume, it is worth paying an additional amount to obtain the property or to agree to a higher monthly lease rate simply because there is no substitute in obtaining a great site. Whatever amount you have to pay for the desired property will be amortized over many years of operating. In the scheme of things, it will only require a minimum amount of increased volume to offset a high cost for the property or lease rate.

REPORTS AND REVIEWS

You certainly want to check with the city or county planning department to determine the required entitlements, permits, setbacks, landscaping requirements, etc. You also want to review a preliminary title report to determine recorded underground easements, existing property liens, or encumbrances.

You or your architect do not want to be surprised to discover underground easements where you are planning your improvements. Typically, it is difficult to get utility companies to agree to rerouting existing easements. It is also extremely expensive to do so even with their permission. Utility and sewer locations have to be determined because bringing these lines into the proposed site could be expensive.

Your architect will need a site survey and a topographical survey in order to review your site. Legal boundaries and grades need to be reviewed – are the grades too high or too low? If you have to remove or bring in dirt, it adds to the cost of your development.

OFF-SITE IMPROVEMENTS

The same is true for off-site improvements. If there are no sidewalks, curbs, gutters, or area lighting, this cost could easily run into the hundreds of thousands of extra dollars.

UTILITY AND SEWER – FEES AND LOCATIONS

Understanding the location of incoming utilities is a must. They could determine your specific site layout as well as add unexpected costs to the project. Water and sewer tap fees can have a wide range, from \$10,000 to upwards of \$150,000 or more.

LOCAL SIGN ORDINANCES

Are you planning on having a programmable L.E.D. sign at the street? You better check the local ordinance with city council, because many municipalities do not allow L.E.D. street signs. What size sign are you allowed to have? How high can it be? All are questions you will need to ask and understand moving forward.

ENVIRONMENTAL TESTING AND FEASIBILITY

Your proposed site needs to be tested. It needs to be investigated and tested to ensure that there is no environmental contamination, such as buried fuel oil tanks, or gasoline leaks. If it is contaminated, find out how much will it cost to clean up and re-mediate the site. Also, a geological report will analyze the soil on the property so the architect and engineer can properly design the building's foundation and determine drainage requirements. Hire local engineering firms who specializing in environmental testing to obtain this information. You need to uncover these potential hidden costs.



Site Selection Checklist

Finally, you must analyze the site. Is the property and location viable for an express exterior, full-service or flex-service? Is there a real need for this type of business in your desired location and community? Most importantly, should you proceed or pass and keep searching? And, what should you expect if you do go ahead and commit yourself to the cost of the property and building the facility?

At this point, you would want to prepare a projection statement with what you believe would be reasonable volume, gross income, and expenses. We have a Car Wash Proforma Profit and Loss Statement & ROI Statement document, based on industry averages, along with site specific analysis as proposed, that we can supply for you in order to help you with your decision.

We have witnessed many successful car wash projects, and, we have seen a few mistakes with building tunnel car washes. Some have been minor errors. Others were major errors. Make sure you perform due diligence in the site selection process to ensure that your new business will have the highest potential to be successful.

If the location measures up, and if built and operated properly, a car wash can be incredibly lucrative!

Need help? Motor City is here for you!



Site Selection

With our team of industry veterans, we can assist you in selecting the perfect "A" site location so that you can maximize your potential.



Business Model Clarification

Full-Service? Flex? Express? No worries, we can help you in defining the best business model for your needs.



Revenue Generating

Not every wash is the same! We can guide you to what revenue generating options you need to maximize your revenue per car.

	YES	NO	NOTES
1 DEMOGRAPHICS	<input type="checkbox"/>	<input type="checkbox"/>	
2 ZONING	<input type="checkbox"/>	<input type="checkbox"/>	
3 PROPERTY SIZE	<input type="checkbox"/>	<input type="checkbox"/>	
4 AVAILABLE SPACE	<input type="checkbox"/>	<input type="checkbox"/>	
5 VISIBILITY & EXPOSURE	<input type="checkbox"/>	<input type="checkbox"/>	
6 TRAFFIC COUNT	<input type="checkbox"/>	<input type="checkbox"/>	
7 TRAFFIC SPEED	<input type="checkbox"/>	<input type="checkbox"/>	
8 TRAFFIC PATTERNS	<input type="checkbox"/>	<input type="checkbox"/>	
9 INGRESS & EGRESS	<input type="checkbox"/>	<input type="checkbox"/>	
10 THE COMMUNITY	<input type="checkbox"/>	<input type="checkbox"/>	
11 NEARBY RETAIL	<input type="checkbox"/>	<input type="checkbox"/>	
12 COMPETITION	<input type="checkbox"/>	<input type="checkbox"/>	
13 DIVERSIFICATION	<input type="checkbox"/>	<input type="checkbox"/>	
14 PROPERTY/LEASE COST	<input type="checkbox"/>	<input type="checkbox"/>	
15 REPORTS	<input type="checkbox"/>	<input type="checkbox"/>	
16 UTILITY & SEWER	<input type="checkbox"/>	<input type="checkbox"/>	
17 LOCAL SIGN ORDINANCES	<input type="checkbox"/>	<input type="checkbox"/>	
18 OFF-SITE IMPROVEMENTS	<input type="checkbox"/>	<input type="checkbox"/>	
19 ENVIRONMENTAL	<input type="checkbox"/>	<input type="checkbox"/>	
20 FINAL EVALUATION	<input type="checkbox"/>	<input type="checkbox"/>	



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