



# INSURANCE AUTO AUCTIONS, INC.

1446 W MYSTERY AVENUE, WASILLA, AK 99654

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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by FNL in compliance with all applicable fair housing and equal opportunity laws.

## EXCLUSIVELY LISTED BY:

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## STATE BROKER OF RECORD:

### STEWART S. SMITH

SSS COMMERCIAL REAL ESTATE

AK #6724



## INVESTMENT SUMMARY

List Price:	\$2,120,653
Current NOI:	\$159,049.00
Initial Cap Rate:	7.5%
Land Acreage:	7.55
Year Built	2014
Building Size:	2,400 SF
Lease Type:	Absolute Net
Original Lease Term:	15 Years

## INVESTMENT OFFERING

Fortis Net Lease is pleased to exclusively present for sale the Insurance Auto Auctions property located at 1446 W. Mystery Avenue in Wasilla, AK. The property comprises 7.55 acres with a 2,400 SF building, various out buildings, and is encumbered by a 15 year Absolute Net lease with 9+ years remaining on the primary term. The lease includes annual CPI escalations capped at 3% with an additional three 5-year options to renew.

Insurance Auto Auctions is one of the leading North American salvage auto auctions with the largest facility footprint, strong buyer base and high auction returns. Their exclusive focus on the automotive total-loss industry and over 170 corporate owned facilities across the United States and Canada provide Sellers and Buyers with the best solution to process and acquire total-loss, recovered-theft, fleet lease, dealer trade-in and collision damaged rental vehicles.

The subject property is the only IAA location in the state of Alaska. IAA's top clients require locations in all 50 states, and the property is ideally situated in a central location along a major regional artery. Additionally, due to local permitting and regulations, there is a high cost associated with relocating. The investment offering provides an investor the chance to own a strategic tenant with no management responsibilities and a long term annually escalating lease.



PRICE \$2,120,653



CAP RATE 7.5%



LEASE TYPE Absolute Net



TERM REMAINING 9+ Years

## INVESTMENT HIGHLIGHTS

- **Mission Critical Facility - Only Location in the State of Alaska (Tenant Must be in All 50 States to Service Most Major Accounts)**
- Absolute Net Lease - Zero Landlord Responsibilities
- Annual CPI Escalations (3% Max)
- Build to Suit for Insurance Auto Auctions in 2014
- Centrally Located Along a Main Regional Artery
- Excellent Demographics - 13%+ Projected Growth by 2023
- 10 Years Remaining on Original 15 Year Lease
- Local Permitting Required to Operate Ensures Strong Likelihood of Renewal
- IAA's Business Model is e-Commerce Resistant

## FINANCIAL SUMMARY

INCOME		PER SF
Gross Income	\$159,049	\$66.27
EXPENSE		PER SF
Gross Expenses	-	-
NET OPERATING INCOME	\$159,049	\$66.27

## PROPERTY SUMMARY

Year Built:	2014
Lot Size:	7.55 Acres
Building Size:	2,400 SF
Zoning:	Commercial
Construction Style:	Metal Frame

## LEASE SUMMARY

Tenant:	Insurance Auto Auctions, Inc.
Lease Type:	Absolute Net
Primary Lease Term:	15 Years
Annual Rent:	\$159,049
Landlord Responsibilities:	None
Taxes, Insurance & CAM:	Tenant Responsible
Roof, Structure & Parking:	Tenant Responsible
Lease Start Date:	January 9, 2014
Lease Expiration Date:	January 8, 2029
Lease Term Remaining:	9+ Years
Rent Bumps:	Annual CPI Escalations (capped at 3%)
Renewal Options:	Three 5-Year Options
Lease Guarantor:	Insurance Auto Auctions, Inc.
Lease Guarantor Strength:	S&P Rated BB- (Stable)
Tenant Website:	www.iaai.com



GROSS SALES:  
\$1,219 M



STORE COUNT:  
170+



GUARANTOR:  
IAA



S&P RATING:  
BB- (STABLE)



OVERVIEW

Company:	Insurance Auto Auctions, Inc.
Founded:	1982
Total Revenue (IAA):	\$1,219 M
Full Time Employees (KAR):	17,500
Market Cap (KAR):	\$7.691 B
Headquarters:	Westchester, IL
Website:	www.iaai.com

TENANT HIGHLIGHTS

- IAA is a Subsidiary of KAR Auction Services, Inc. (KAR)
- Largest Retail Footprint in the Industry with Over 170 Locations
- Hybrid Business Model with Live, Online, and Proxy Bidding
- High Barriers to Relocation
- Major Clients Require Presence in All 50 States
- e-Commerce Resistant Business Model

RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	BUMP
Years 1-15	\$159,049 (current)	CPI (3% Cap)
Option 1 (16-20)	TBD	CPI (3% Cap)
Option 2 (21-25)	TBD	CPI (3% Cap)
Option 3 (26-30)	TBD	CPI (3% Cap)

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Their hybrid auction model, including live, Internet and proxy bidding – combined with their mature buyer base and diverse inventory – produce exceptional returns from each sale. With over 25 years in the industry, they hold the most comprehensive warehouse of automotive total-loss auction data.

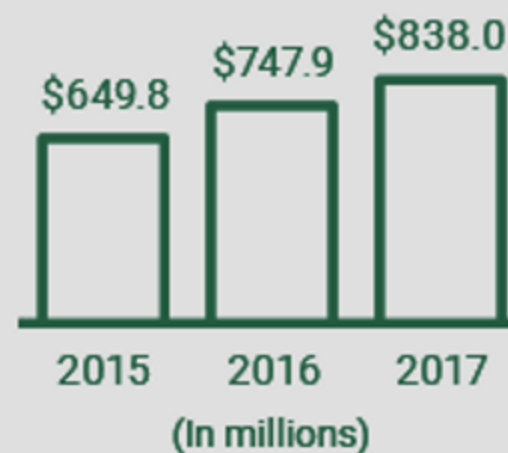
Insurance Auto Auctions, Inc. is a subsidiary of KAR Auction Services, Inc., and together with its subsidiaries, provides used car auction and salvage auction services in the United States, Canada, Mexico, and the United Kingdom. The company operates through three segments: ADESA Auctions, IAA, and AFC. The IAA segment offers various loss solutions and salvage vehicle auction services that facilitate the remarketing of vehicles for a range of sellers, including insurance companies, dealerships, rental car companies, fleet lease companies, and charitable organizations. This segment also provides catastrophe, vehicle inspection center, and transportation and towing services. As of December 31, 2017, the company had a network of 75 whole car auction locations and 175 salvage auction sites. KAR Auction Services, Inc. was founded in 2006 and is headquartered in Carmel, Indiana.

## COMPANY OVERVIEW

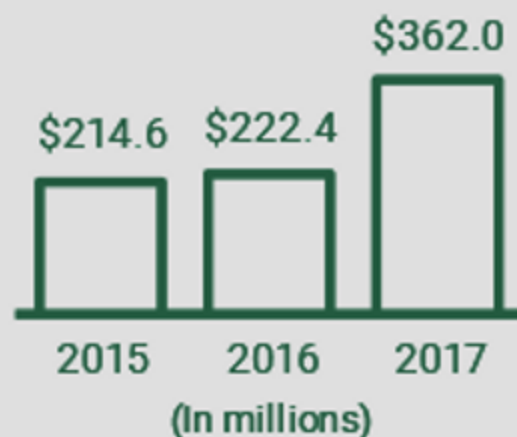
### Revenue by segment



### Adjusted EBITDA\*



### Net income



120+	Number of countries with active customers
5.5M	Vehicles sold by ADESA and IAA in 2017
2.9M	Vehicles sold online by ADESA and IAA —53% of all vehicles sold
1.7M	AFC loan transaction units in 2017
\$325M	Returned to stockholders (dividends & share repurchases)

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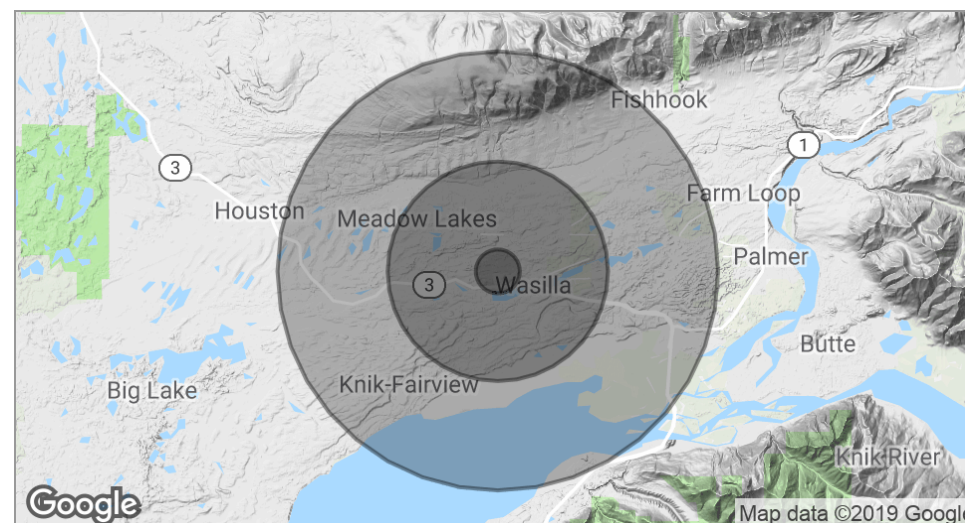






Wasilla is a city in Matanuska-Susitna Borough and the sixth-largest city in Alaska. It is part of the Anchorage MSA, which has a total population of over 400,000 according to the 2016 U.S. census. Wasilla was incorporated in 1973. The current city resident population is 7,028 with a conservatively estimated population of more than 80,000 adjacent Borough residents who patronize the Wasilla business and commercial center. In Wasilla, major growth resulted from the 1970s and 80s Alaska oil boom and pipeline development and by 1984 Wasilla had again become the commercial heart of the Matanuska-Susitna Borough and for a time was the fastest growing city of its size in the United States. By the end of 2015, the City of Wasilla had 1,959 businesses registered with the Department of Finance, Sales Tax Division. The Subject Property is centrally located along Parks Highway (Alaska Route 3), a major regional thoroughfare, and is ideally positioned to serve the needs of the tenant.

POPULATION	3 MILES	5 MILES	10 MILES
Total Population 2018	19,822	39,695	71,999
Total Population 2023	22,470	44,930	81,224
<b>Population Growth Rate</b>	<b>13.36%</b>	<b>13.19%</b>	<b>12.81%</b>
Median Age	29.5	31.9	32.3
# Of Persons Per HH	2.8	2.8	2.9
HOUSEHOLDS & INCOME	3 MILES	5 MILES	10 MILES
Total Households	6,922	13,576	24,534
Average HH Income	\$82,799	\$87,914	\$94,279
Average House Value	\$228,742	\$234,789	\$238,303





TOTAL SALES VOLUME

\$5.5B

PROPERTIES SOLD

2,500+

BROKER & BUYER REACH

345K

STATES SOLD IN

40

*The FNL Team*

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