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Petro **MARK**®

VALUATION SOFTWARE

Client-Licensed Software

For Convenience Stores and Gas Stations.

Using today's cloud computing technology, PetroMARK® is the fastest, most efficient software program available for completing fair market evaluation reports for convenience stores and gas stations. Not only does PetroMARK® compute the fair market value estimates of all three asset classes:

- tangible assets, realty (real estate);
- tangible assets, non-realty (equipment);
- intangible assets (business value);

but, PetroMARK® also produces a 20-page printed report providing you with superior, hard-copy loan file documentation fulfilling the requirements of the *Interagency Guidelines for Appraisals and Evaluations* (Part XIII, published by the FDIC, 2010).

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ALL OF THIS IN LESS THAN 15-MINUTES!

An Evaluation Report
Panther Creek C-Store

Enter Street Address of Study Location
 Enter City of Study Location
 Enter State of Study Location
 Enter ZIP of Study Location

COMPLETED BY:
 Enter Your Business Name
 Enter Your Street Address
 Enter Your City, State, ZIP

Monday, November 12, 2012

Processed with PetroMARK® Valuation Software
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Year	2006	2007	2008	2009	2010
Median Price	\$142.17	\$130.83	\$122.33	\$95.00	\$107.15

USA MEDIAN C-STORE SALE PRICES 2006 TO 2010

The estimated value of the subject store is: **\$435 per square foot**

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THE NATION'S LARGEST
SERVICE PROVIDER

of on-line evaluation reports
for gas station and convenience
store properties.

**MEETS FDIC INTERAGENCY
GUIDELINES FOR APPRAISALS
AND EVALUATIONS**



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Petro MARK
VALUATION SOFTWARE



INPUT PANEL			
Subject Property			
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2005	7
3	Site Size	1,029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	\$500,000	\$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibility (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	
Trade Area			
13	ESRI Supply/Demand	1	
14	Retail Spending Index	1	
15	Hypermarket Threat	0	
16	Local Population	10,000	0.97
17	Local Fuel Retailers	5	
18	Highway Location (0=No, 1=Yes)	0	
Operations History			
19	Actual 3-Yr Gallonage	1,000,000	
20	Actual 3-Yr Gross Profit	\$750,000	
21	Other Real Estate Income	\$0.00	



Quick Start Guide

It Only Takes 15 Minutes!

Step 1

Questionnaire

Download the 4-page Evaluation Report Questionnaire from the PetroMARK® website and e-mail or fax to the store owner/operator. In this step, the store owner/operator also provides you with photographs and the latest tax assessment statement. Once the questionnaire is completed and returned, you are ready to begin.

Step 2

PetroMARK® On-Line Program

Log into the on-line PetroMARK® website. Enter the information into the Property Identification Panel. Go to the Trade Area Module and click the print button for ESRI's® *Retail Marketplace Report*, Site Map and Traffic Count Map, all in one PDF.

Go to the Input-Output Panel and enter the 21 property evaluation variables in the Input Panel.

Step 3

Print

Click the Evaluation Report print button. You're done!

Examples of Many Ways to Use PetroMARK®

- **Estimate the Fee Simple Value of a Convenience Store**
- **Trade Area Supply/Demand Analysis on Over 40 Different Retail Property Types**
- **Feasibility Analysis on a Proposed Convenience Store**
- **Estimate Real Estate NOI for Debt Coverage Ratios and Lease Rates**



Your Evaluation Report examines the physical and location characteristics of your store along with the earnings potential and property transaction data to develop a credible and sophisticated estimate of value. Values are reported for both:

1. The fee simple market value under typical management as a going concern.
2. Shutdown value (orderly liquidation value).

These reports are 18 to 20 pages.

Economic earnings projections for typical management are made for :

- Gross Sales
- Fuel Gallonage
- Gross Profit
- EBIDTA
- NOI to Real Estate



INPUT PANEL

Subject Property		
1	Store Building Size	2,520
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20	Actual 3-Yr Gross Profit	\$750,000
21	Other Real Estate Income	\$0.00

DO NOT ENTER THIS SECTION

Industry 3-Year Rolling Average

A	Forecasted Retail Fuel Price	\$3.50
B	Forecasted Base Gallons/FP	150,000
C	Forecasted Base In-Store Sales/SF	\$425
D	Forecasted Avg State Fuel Margin	\$0.142
E	Forecasted In-Store Margin	25%
F	Forecasted Food Service Sales/Sq. Ft.	\$500
G	Forecasted Food Service Margin	50%
H	Forecasted Car Wash Sales	\$50,000
I	Forecasted Accounting Profit	\$67,000
J	Forecasted Economic Profit	\$0

DO NOT ENTER THIS SECTION

Real Estate Market Metrics

K	OAR to Real Estate	8.1%
L	Land Capitalization Rate	6.0%
M	Gross Profit Multiplier	2.6

OUTPUT PANEL

INDICATED VALUES
FEE SIMPLE VALUE
VALUE UNDER TYPICAL MANAGEMENT

Tangible Assets Realty	\$2,060,000
Tangible Assets, Non-Realty	\$113,000
Intangible Assets	<u>\$134,000</u>
Total Assets of the Business	\$2,307,000

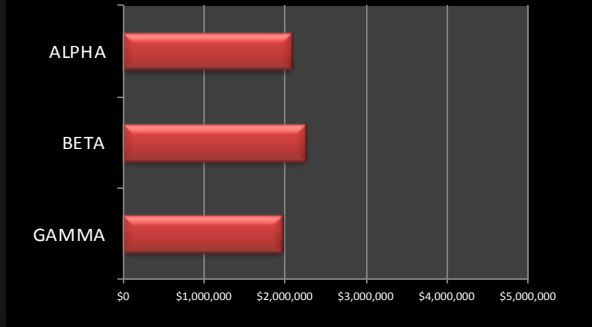
Maximum Tangible	\$3,031
Estimated	\$6,494
Economic	\$55.22
Economic	\$41.42
CURRENT	94%
Forecast	\$8,000
Forecast	\$4,309
Forecasted Adjusted EBITDA	\$526,776

PetroMARK® gives you everything you need to complete these 21 key valuation variables.

REAL ESTATE VALUE INDICATIONS

Alpha Value	\$2,060,000
Beta Value	\$2,231,000
Gamma Value	\$1,950,000

GRAPHED INDICATIONS



- ✓ Lower-Cost/Better Quality. PetroMARK® will save you 50% to 70% of your current cost of evaluations and at the same time produce superior valuation analyses and provide you with better documented reports. PetroMARK® is your one-stop solution for evaluation reports on any gas station or convenience store anywhere in the USA.
- ✓ Intuitive and Easy! Anyone can use PetroMARK®. Simply type in 21 key variables of the location characteristics and physical features of the property, and the valuation results are instantly displayed! You are in-and-out in less than 15 minutes!
- ✓ Cloud computing technology allows 24/7 access for an unlimited number of users from any Internet connection.
- ✓ Trade Area supply/demand analysis is built-in to PetroMARK® and is powered by ESRI®, the most reliable and widely used GIS demographic platform in the world. This is an essential element of credible gas station and convenience store evaluations.
- ✓ Valuation estimates are based on earnings potential of the property for a typical operator. This is the valuation method endorsed by the appraisal industry and recommended by Guidance Note 12, of *International Valuation Standards (IVS)*.



Most appraisers across the nation charge an average of \$2,000 to \$6,000 for a commercial property appraisal report. An Evaluation Report is a better choice for you when a full appraisal is not needed.

Evaluation Reports include the estimated value of

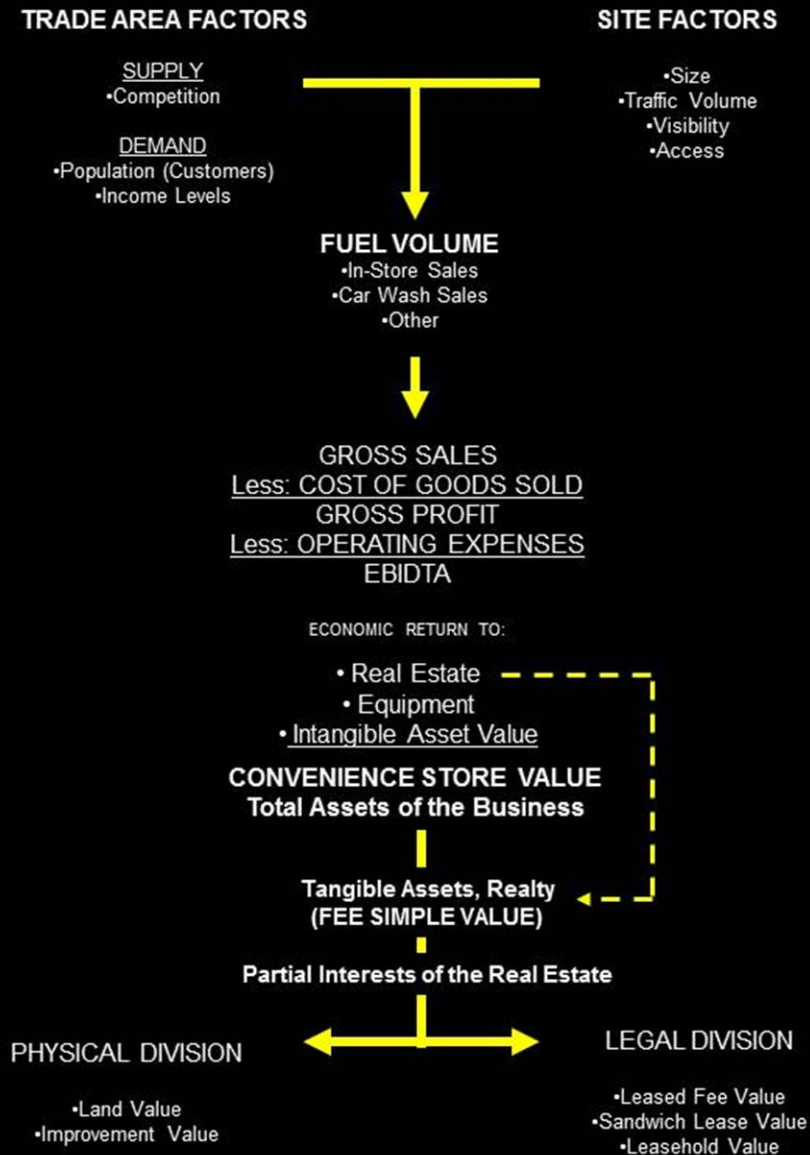
- (a) the **Real Estate** (site, store building, canopy, dispensers, USTs),
- (b) the **Equipment** (moveable personal property),
- (c) and **Business Value** (intangible assets).

UNDER TYPICAL MANAGEMENT (FEE SIMPLE VALUE)



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How Retail Property Value is Created



"We've been very successful so far and your evaluation reports have been a big part of our success." - Property Tax Appeal,
International Convenience Store Chain



Meets FDIC Interagency Guidelines for Appraisals and Evaluations

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