

Gas Stations: What I'm Seeing – May 2015

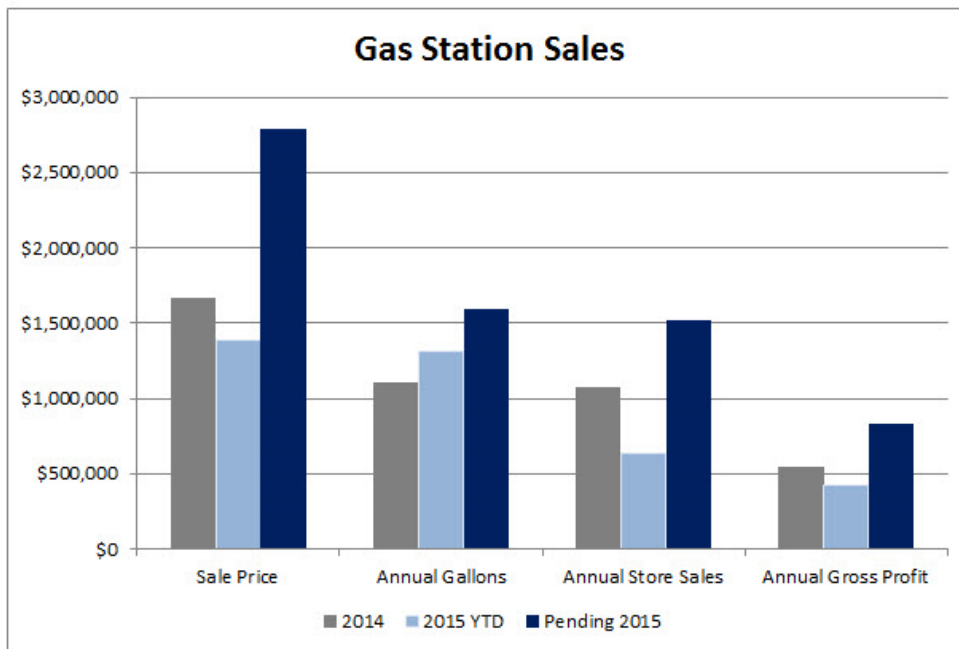


An increase in gas station sale activity in 2015 was noted a few months ago, but at the time a rise in prices or multipliers was yet to be seen. What a difference a few months can make. The tide of pending deals is rising as financing is becoming more easily accessible to buyers. Somewhat constraining the rise at this point is a lack of quality inventory available. Numerous brokers are indicating that there are more qualified buyers looking for value-add opportunities than there are sellers.

Of the deals currently pending, it is noted that the quality of the station is increasing. With the additional liquidity in the marketplace, buyers are willing to pay more and a number of new deals are reflecting gross profit multipliers of 3.5 to 3.6 as compared to 2.8 to 3.2 a year ago.

In addition, last year's strong year end performance (due to the strong decline in gas prices in late 2014) is causing some sellers to rethink whether they really want to sell a growing cash flow. However, there will always be those that need to sell and given the availability of financing in a strengthening market, it is expected that sale activity in 2015 will outpace last year's performance at increasing price levels.

Verified Gas Station Sale Averages						
Year of Sale	Sales	Sale Price	Annual Gallons	Annual Store Sales	Annual Gross Profit	GPM
2014	7	\$1,670,000	1,102,119	\$1,070,143	\$550,000	3.0
2015 YTD	2	\$1,390,000	1,312,004	\$639,357	\$420,000	3.3
Pending 2015	4	\$2,790,000	1,596,800	\$1,515,919	\$830,000	3.4



Please call anytime if I can be of assistance in Oregon or Washington:



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