

Speed Queen

221 Shepard Street
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www.speedqueen.com



LAUNDROMATS: THE **PERFECT** TENANT

David Horton: The gentleman that owns this laundry purchased this commercial property investment. It was empty, and he decided to put in a self-service laundry. It was a wise choice because this laundry is really successful and busy.

AK Gharwal: This is my second laundromat business. When we came in here, you know, the landlord was definitely not happy with the last two tenants.

See how we completely redid everything?

Came in here – we promised him we’re gonna make it look nice, and now it’s – I think this is one of the good-looking laundromats in – that I’ve ever seen, actually.

Probably the customers’ favorites –

Steven Lu: They were able to bring up Vallarta and second was to go to coin laundry to try to resuscitate this whole plaza.

David Horton: The benefit to having a laundry for a shopping center owner is that that space is not likely to go dark again. So you know that you’re gonna be collecting rent from that space for a long, long period of time.

Steven Lu: I personally enjoy the type of a business model that this particular business offers, such as low working capital requirement, high cash flow.

[00:01:02]

As a result, I decided to enter this business as well.

Ed McCobb: This is it! The Lavanderia el Gringo!

We’ve felt very much under the thumb of landlords over the years. So we thought our next move was really, “Let’s buy some property. Let’s own something.”

My brother and I were deciding, “What the heck are we gonna do with that giant building? An investment – something that could fill our property?” and this seemed to be a really good idea.

David Horton: Laundries do something that other businesses don’t generally do, and that is that they hold their customers

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captive in the location for an hour to an hour and a half. While they're there, they can wander next door to whatever kind of business they're associated with and increase the revenues from other kinds of businesses that they're collocated with.

Steven Lu:

The main anchor in this particular shopping plaza is the Vallarta Supermarket, and we wanna take advantage of that foot traffic because people have to come to wash clothes and to buy groceries.

[00:02:01]

Rick Juarez:

It does play I think a real major role having a laundromat in a strip center that it's beneficial to other businesses as well. For instance, they have a major anchor, Fresh and Easy, and so that's a big draw for a customer base.

Female Voice:

How did you even find out about this place?

Socorro Martinez:

Because I go get my water next door.

Water Store Female:

Certain customers that come and get water, they also are customers from the laundry. Once you're doing your laundry, at the same time you come and get your water, and you're not back and forth going to one place and then going to another. I think that's one of the benefits.

Socorro Martinez:

And then I saw this – one time I came in, and I saw them. They were nice and clean. I'm here, and like I says, I come in every week or every 15 days. I don't use the small ones. I use the big machines.

Ed McCobb:

Speed Queen has been with us every step of the way, and they continue to be with us.

Jeff Harvey:

We finance commercial laundry equipment. We're different than a bank. We're a captive finance company.

[00:02:59]

Anna Figueroa:

Unlike any other manufacturer out there, Speed Queen offers that support I believe that these customers do need.

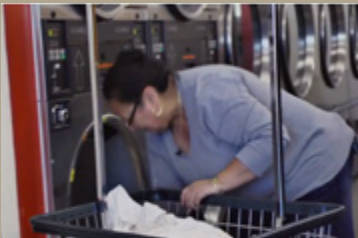
Ed McCobb:

Our banker agreed that it was the best possible financing. They couldn't compete on any level, and then the flexibility of the finance department.

Steven Lu:

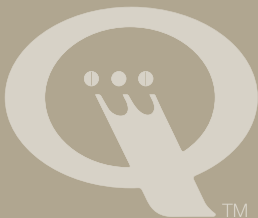
Every business has its risk. What's important is to make sure that any investment you make is on a risk-reward

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adjusted basis, and it appears that the reward outweighs the risk in this particular case.

AK Gharwal:

I have a restaurant, two laundromats now, and I'm still looking for another laundromat business because it's convenient enough to open multiple.

Rick Juarez:

They've made a success of it, and we're ready for the next one.

[End of Audio]

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