

**Estimated 9.9% Cash on Cash Return (ROC)  
At a Typical Modern Gas Station w/ 2 Profit Centers (Fuel & C-Store)**

Description of Typical Existing Gas Station Location	Specifics	Comment
Privately owned new to industry (NTI) facility or former Major Oil Company owned unit sold to incumbent 3 party dealer.	At signalized intersection	Good visibility Good accessibility Strong competitors absent from intersection Layout does not permit added profit centers
Lot Size	22,000 SF	30,000+ SF far corner preferred
Frontages	150'	150'+ is preferred
Traffic Count	30,000 ADT	30,000+ ADT is preferred
2,000 SF C-Store		Positioned using the "Home Plate" design
6 MPDs under canopy		6 MPDs is minimum acceptable # of dispensers
Fuel Sales	350,000	Gallons monthly
Fuel Sales Gross Profit @ \$.10	\$35,000	
C-Store Sales	\$75,000	Monthly ex-lottery
C-Store Gross Profit @ 38%	\$28,500	Monthly
Total Gross Profit	\$63,500	Monthly
Expenses (24/7 operation)	\$20,000	Monthly
Net Operating Income (EBITDA)	\$43,500	Monthly
EBITDA	\$522,000	Annually
Sale Price (business & land)	\$5,220,000*	s/b 10-12 x EBITDA if motivated seller *Includes 6% fee to buyer's broker
Down Payment @ 30%	\$1,566,000	
\$3,654,000 Mortgage @ 8% for 20 years	\$30,564	Monthly
Net Cash Flow after debt service	\$12,936	Monthly x 12 = \$155,232 Annually
Cash on Cash Return (ROC)	9.9%*	\$155,232 / \$1,566,000

\* 9.9% ROC assumes an absentee owner. Generally, the owner of this type of gas station works the cash register for a significant number of hours weekly and / or employs family members / relatives for this purpose.

Some such gas stations are for sale because buyers will pay the 10-12 x EBITDA prices asked by sellers. Savvy buyers look for properties where an upside potential exists which, if achieved, will significantly increase the cash on cash return. When a likely candidate is identified, the buyer's due diligence should include the items listed on an experienced consultant's checklist such as those found at [DUE DILIGENCE for Buying an Existing Gas Station](#) .

Jack Muellerleile performs these services for buyers. His experience includes 23 years with Big Oil plus 20 years on his own as a Petro-related consultant and real estate broker. He may be contacted as follows:

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