

The logo for the Australian Car Wash Association (ACWA) features the letters 'ACWA' in a bold, white, sans-serif font. A stylized white water droplet is positioned to the left of the 'A'.

Australian
Car Wash
Association

The need to know guide before you buy a car wash



01

Car Wash – an industry in growth mode

The car wash industry in Australia is not just growing, it's undergoing a significant transformation, driven by technology, water-saving regulation, changing consumer behaviour, and the rise of multi-site investors.

Population growth and urban density are driving higher car usage and more frequent washing, and it is estimated that there are more than 3,000 commercial car wash sites across Australia, with new ones opening each month.

Introduction

ACWA's 2023 National Consumer Study found:

- Trust, reliability, and timesaving are key drivers for repeat business.
- Convenience is king.
- Customers are increasingly brand loyal and willing to pay for premium services like hand finish or interior detailing.

Australia's car wash sector is not just growing, it's evolving and presenting exciting opportunities for new investors.

The takeaway? With the proper planning, location, and service model, a car wash business can generate strong returns – but only when based on data, not guesswork. That's where ACWA comes in.

Thinking about buying a car wash? Read this first.

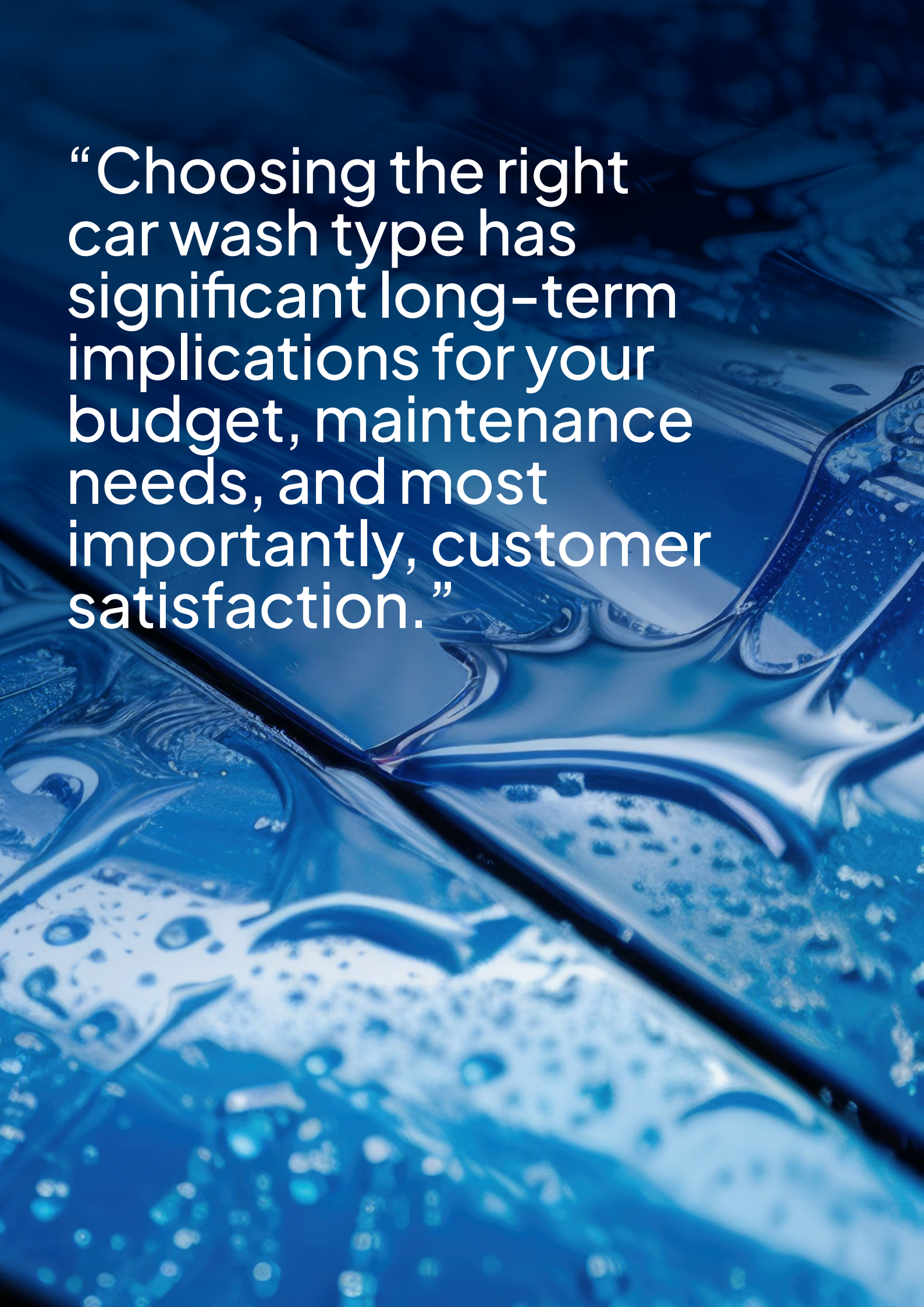
The Australian Car Wash Association (ACWA) has created this guide to help you make informed, confident decisions before investing in a car wash site. Whether you're just starting your research or already inspecting potential sites, this guide will help you:

- Understand different car wash types and how they suit different business models
- Learn what drives car wash profitability (and what doesn't)
- Avoid common mistakes made by new investors
- Get connected to Australia's most trusted industry resources and advisors

As a New Investor Member of ACWA, you'll also receive our exclusive Business Planning Tool. This powerful resource can practically write your business plan for you. Plus, you'll gain access to:

- Industry data and consumer behaviour insights
- WHS and environmental compliance templates
- Supplier contacts and trusted contractors
- One-on-one advice from successful operators

Start smart. Join ACWA. Build your car wash business the right way.



“Choosing the right car wash type has significant long-term implications for your budget, maintenance needs, and most importantly, customer satisfaction.”

02

What car wash type is right for you

When stepping into the car wash industry, it's crucial to grasp the various car wash types and how the choice between friction (brush-based) and touchless (chemical and water-pressure-based) systems fits into the broader context of operational models.

This understanding will equip you with the knowledge needed to make informed decisions.

Choosing the right car wash type has significant long-term implications for your budget, maintenance needs, and most importantly, customer satisfaction.

Types of Car Washes

Automatic (Auto) Washes

These are the most common car washes. Customers drive in, and automated machinery handles the cleaning. Auto washes can incorporate either friction or touchless systems. They are ideal for high-volume locations.



Self-Serve Washes

In these setups, customers use pressure hoses, foam brushes, and other tools to clean their cars. These car washes are low-cost to operate and are often paired with vending machines and vacuums for additional revenue.



Tunnel Washes

Tunnel washes move cars along a conveyor belt through a series of cleaning stages. They can combine friction and touchless elements, offering a comprehensive clean. These systems are capable of handling the highest traffic volumes.



Types of Car Washes

Hand Washes

While hand washing is slower and more expensive, it provides a premium service that appeals to customers concerned about their cars or those looking for detailed cleaning.



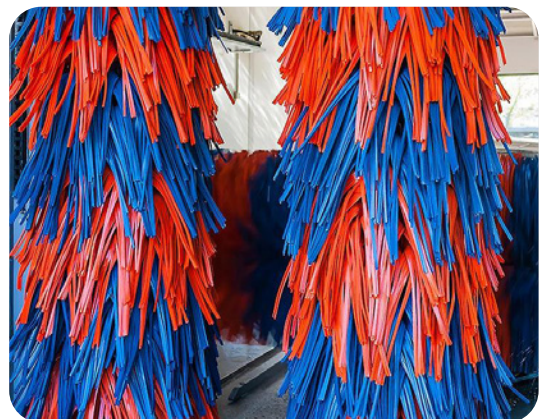
Combination Models

Many successful car washes blend models to cater to diverse customer needs. For example, some operators combine automatic washes with self-serve bays or offer hand finishing after a tunnel wash.



Friction vs. Touchless Systems

Friction systems involve brushes or cloth that physically clean the car's surface. These systems are faster and effective for heavily soiled vehicles. Touchless systems use high-pressure water and specialised chemicals to clean without physical contact.



Types of Car Washes

Financial Considerations

Your choice of system impacts upfront costs, maintenance expenses, and customer pricing.

As an ACWA Member, you'll gain access to industry reports and expert connections to help assess these options against your budget and location.

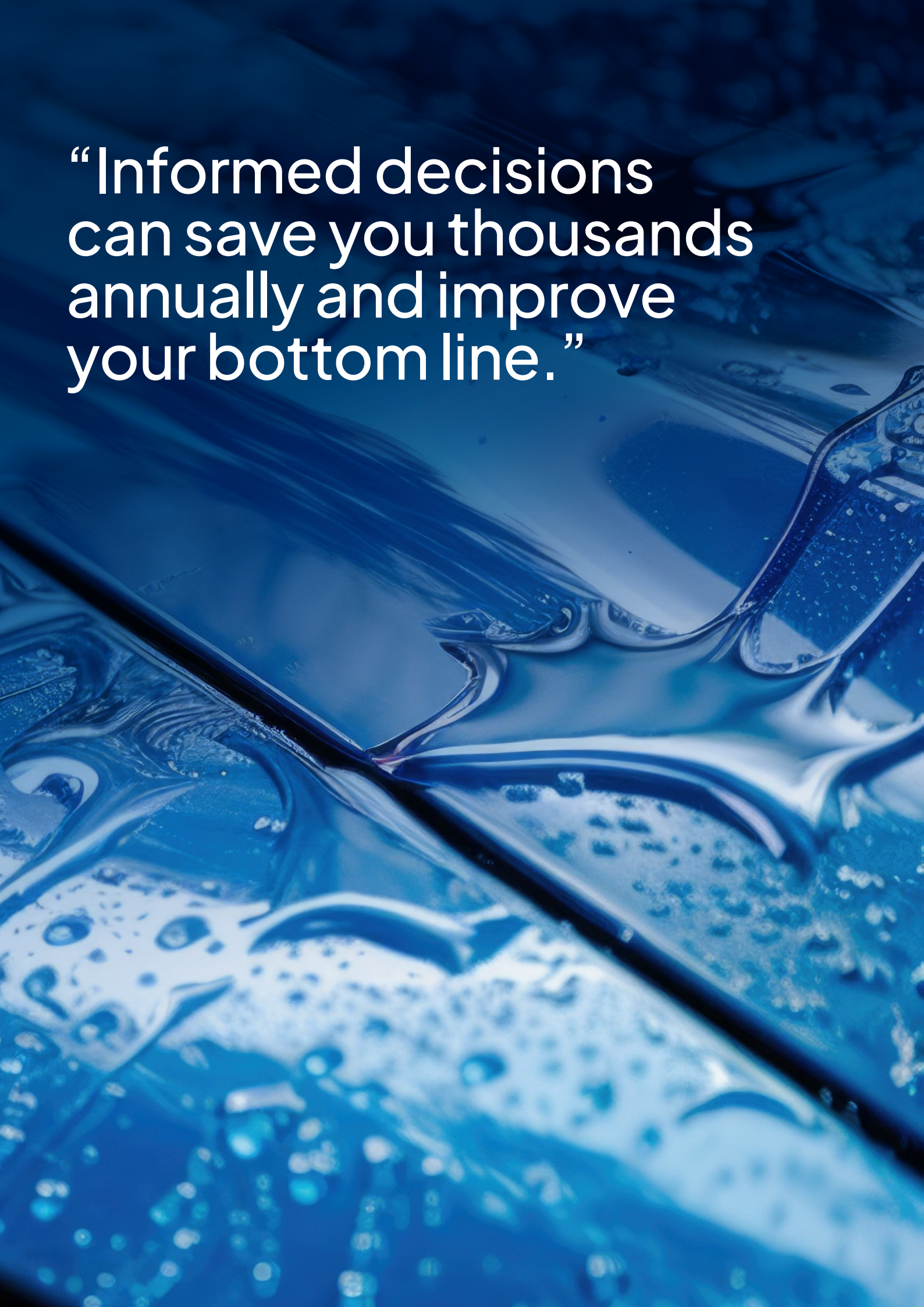
Customer Expectations

Understanding your target market is crucial. Urban areas may favour automatic washes for speed, while affluent neighbourhoods might support premium hand-wash services.

ACWA state meetings and events provide networking opportunities to learn how other operators align their services with customer preferences.

Combining these insights with resources available through ACWA's New Investor Membership allows you to make informed decisions about the systems and models best suited to your car wash business.

“Informed decisions
can save you thousands
annually and improve
your bottom line.”



03

The importance of understanding who the industry's main suppliers are

In any car wash business, the role of suppliers is as crucial as choosing the right location or equipment. They provide the equipment, chemicals, and services that enable your business to function. To succeed, you must understand the range of suppliers and their offerings and ensure you're getting competitive pricing, reliable products, and excellent support.

Informed decisions can save you thousands annually and improve your bottom line.

Supplier Categories

Equipment Suppliers

These include manufacturers and distributors of car wash systems such as automatic, self-serve, and tunnel equipment. Quality equipment is essential for maintaining uptime and ensuring customer satisfaction.

Chemical Suppliers

Car wash chemicals play a critical role in cleaning performance. Understanding the balance of cost, effectiveness, and environmental compliance is key. ACWA's network provides access to industry-leading chemical suppliers and reviews.

Maintenance Providers

Regular maintenance reduces downtime and extends the lifespan of equipment. Partnering with trusted maintenance providers ensures smooth operations.

Accessory Suppliers


From vending machines to vacuum systems, accessories can boost revenue and enhance customer experience. Evaluating these suppliers helps diversify income streams.

Networking and Relationships

Building strong supplier relationships gives you leverage for better pricing, flexible payment terms, and priority service during emergencies. Networking opportunities offered through ACWA, such as state meetings and events, allow New Investor Members to connect with industry leaders and evaluate supplier performance.

Professional Services

This group of talented business professionals includes marketing agencies, business brokers, HR consultants, and legal and accounting professionals who provide essential support throughout your business journey. As an ACWA New Investor Member, you can connect with experienced professionals across these fields — all familiar with the specific challenges and opportunities in the car wash sector.



“One of the most critical lessons for prospective car wash owners is understanding that success doesn’t happen overnight”

04

It takes time to establish a thriving business

One of the most critical lessons for prospective car wash owners is understanding that success doesn't happen overnight. While you might envision a grand opening with lines of cars stretching down the road, the reality is that building a loyal customer base and achieving financial stability takes time and strategic effort.

Customer Growth

Customer growth takes time

New businesses often face a slow start as they build awareness in their community. Marketing, word-of-mouth referrals, and customer trust are vital to developing a regular clientele. For car washes, location plays a crucial role, but even a well-placed site can take years to gain traction. You'll need to experiment with promotions, loyalty programs, and partnerships with local businesses to encourage repeat visits.

Strategic planning is key

ACWA's New Investor Membership provides tools to help you create a robust business plan. From cash flow projections to marketing strategies, these resources enable you to plan for the long haul. Successful car wash operators set realistic expectations and use data to measure progress, whether tracking cars per hour or revenue per wash.

Scaling and optimisation

Many new operators assume their car wash business will run itself. In reality, ongoing investment in equipment upgrades, employee training, and customer service is needed to remain competitive. The ACWA community is invaluable for advice and case studies on growing a car wash business over time, helping you avoid common pitfalls.

Generic business principles apply

Patience and adaptability are essential traits for any entrepreneur, especially in the car wash business. Monitor your performance regularly, identify areas for improvement, and make data-driven decisions. While initial results may fall short of your expectations, persistence will lead to long-term success.

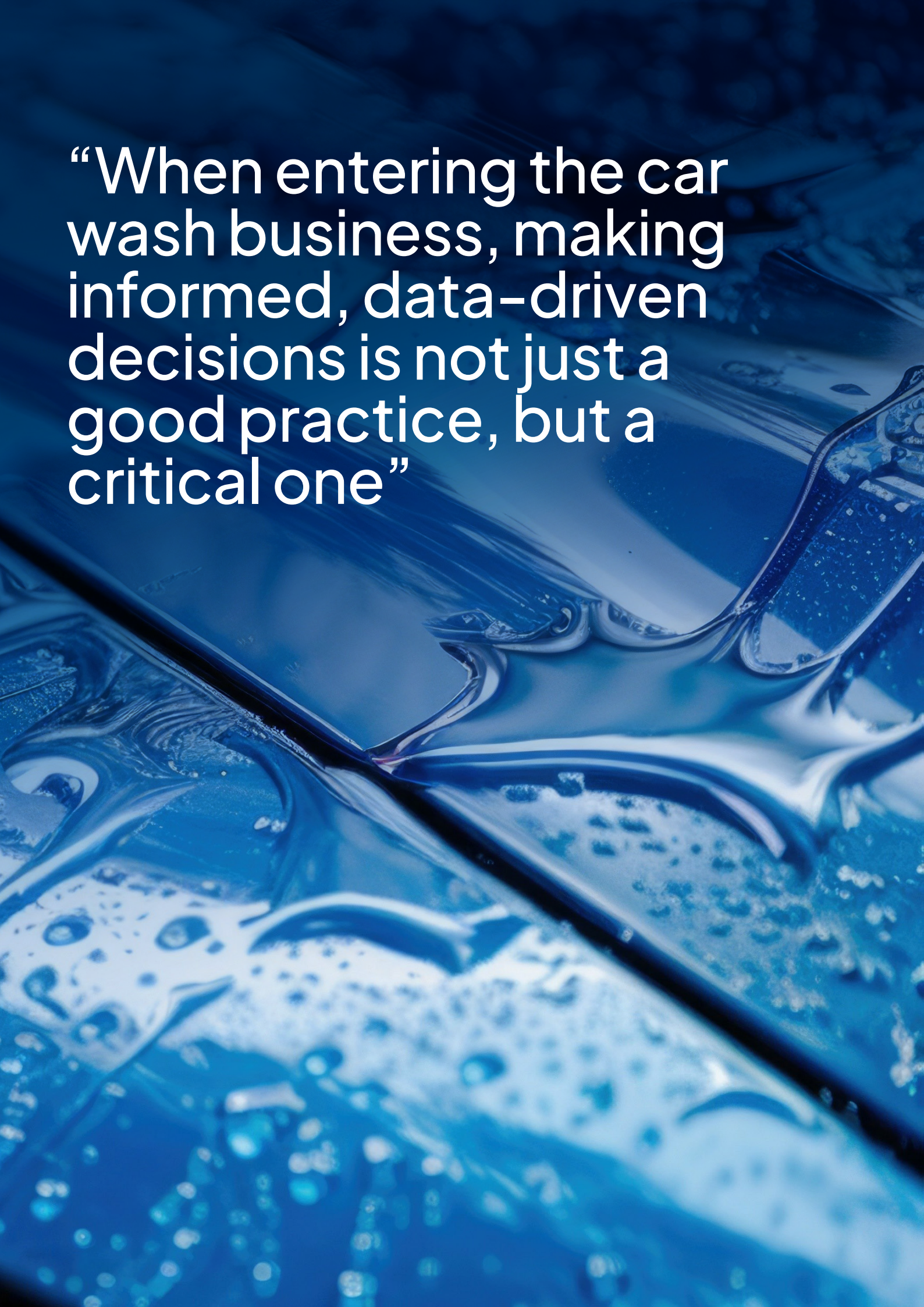
ACWA Business Planning Tool

Build a plan. Back it up with data. Present it with confidence.

ACWA's Business Planning Tool is not just a resource, it's a powerful asset designed to help new investors develop a robust, site-specific business plan with minimal guesswork. Whether you're just starting or already negotiating a site, this tool is your key to turning your vision into a viable business strategy.

By entering details about your potential site and your future aspirations, the tool will generate a tailored business plan you can present to lenders, advisors, or business partners.

- Customisable Business Plan Output
- Generate a professionally structured plan tailored to your intended site and business model.
- Profit & Loss Statement Template
- Includes a sample P&L to help you understand revenue, costs, and breakeven benchmarks.
- Supports Accountant Collaboration
- Use the plan and included templates to work with your accountant on developing:
 - A site-specific P&L
 - A realistic cash flow projection



“When entering the car wash business, making informed, data-driven decisions is not just a good practice, but a critical one”

05

Base decisions on quantifiable results, not anecdotal evidence

When entering the car wash business, making informed, data-driven decisions is not just a good practice, but a critical one. Relying on hearsay, unverifiable claims, or anecdotal evidence can lead to costly mistakes. By basing your decisions on quantifiable results, you can feel empowered and confident in your choices.

Informed decisions

The problem with anecdotal evidence

Sellers may present overly optimistic projections or boast about off-the-record cash sales. Without documented proof, these claims are unreliable and often misleading. For example, traffic numbers may be inflated, or income from additional services like vending machines may be exaggerated.

Using data to your advantage

Gathering accurate data is essential before making any major investment. Traffic counts, demographic reports, and verified profit and loss statements are critical tools for evaluating a site's potential. ACWA provides industry reports and surveys to New Investor Members to help assess performance and market viability.

Due diligence is non-negotiable

Beyond the numbers, investigate the site's condition, infrastructure, and legal standing. For example, verify that all necessary permits are in place and that the equipment is in good working order. Consulting with an industry expert can provide insights that may not be immediately apparent.

Business principles apply

Working with trustworthy sellers, brokers, and advisors reduces the risk of being misled by anecdotal claims. ACWA's community helps you identify credible professionals within the car wash industry.

In any business, success comes from basing decisions on measurable, verifiable data. Developing this habit early ensures your car wash business is built on a strong foundation.

“Success in the car wash business depends on collaboration with reliable partners, suppliers, and advisors.”



06

Work with people you can trust

Success in the car wash business depends on collaboration with reliable partners, suppliers, and advisors. Trustworthy relationships ensure transparency, accountability, and shared success.

Trustworthy relationships

Identifying trustworthy partners

- **References:** Request references and verify credentials for suppliers, contractors, and brokers.
- **Contracts:** Use formal agreements to define expectations and prevent misunderstandings.
- **Consistency:** Build long-term relationships with proven partners who understand your business.

ACWA's role in building trust

ACWA's network introduces New Investor Members to a community of experienced operators and suppliers. By participating in State Meetings and events, you can develop relationships with industry leaders who can guide your journey.

Synergy with other points

Trust is a recurring theme, from negotiating leases to verifying information. By working with trusted individuals, you minimise risks and set your business up for success.

Generic business principle

Trust is earned through due diligence and experience. By surrounding yourself with reliable people, you create a strong support system to navigate challenges and seize opportunities.

“Choosing the right site is one of the most critical decisions for any car wash operator.”



07

Site selection: the cornerstone of car wash success

Choosing the right site is one of the most critical decisions for any car wash operator. A prime location can significantly impact traffic volume, customer convenience, and overall profitability. However, selecting a site involves more than just picking a visible spot; you must consider long-term viability, costs, and potential upgrades.

Site selection

Location and traffic volume

The ideal car wash site is located in a high-traffic area where potential customers naturally pass by, such as near shopping centres, or along commuter routes. New investors should consider conducting a thorough traffic volume analysis to ensure the site has consistent activity throughout the day and week. Proximity to residential areas can also boost business by catering to locals seeking convenience.

The importance of signage

Effective signage can make or break your business, even at a prime location. Large, clear, and well-lit signage should be visible from multiple directions, guiding potential customers to your wash. Creative and professional signage can also differentiate your site from competitors, conveying the value and quality of your services.

Evaluating Competition

Understanding your competition is vital. Research other car washes in the area to determine if the market is saturated or underserved. Assess their services, pricing, and customer reviews to identify gaps you can fill. For instance, if the area lacks premium hand wash services, this could be a niche to explore.

Freehold vs. Leasehold

Freehold: Buying a site provides long-term stability, asset ownership, and the freedom to make changes without landlord restrictions. However, if the location underperforms, it requires significant upfront capital and carries greater financial risk.

Leasehold: Leasing is more affordable initially, but lease terms can significantly impact profitability.

Site selection

Hidden costs and clauses

Beyond rent, leases often include additional costs such as maintenance fees, utility charges, or shared expenses for property upkeep. These can add up quickly and should be carefully reviewed before signing. Ensure all terms are clearly defined, and consider engaging a lawyer or lease specialist to uncover hidden pitfalls.

ACWA's New Investor Membership connects you with experienced operators who can offer advice on negotiating favourable lease terms and avoiding common traps.

Planning for upgrades

Upgrading a car wash site can transform its profitability, but failing to plan for the costs can lead to financial strain. Whether upgrading equipment, infrastructure, or aesthetics, a clear understanding of what's required is essential.

Common upgrades

Power Supply: Many older sites need more electrical capacity to support modern car wash systems. Upgrades can cost tens of thousands of dollars, so it's critical to include these in your budget.

Water Infrastructure: High-pressure systems often require specialised plumbing or filtration systems to meet operational and environmental standards.

Permits and Compliance: Zoning changes or environmental impact studies may be required before making major modifications.

ACWA's support for New Investor Members

ACWA provides resources to help you anticipate and plan for these costs. By connecting with experienced members, you can learn from real-world examples and avoid unexpected expenses.

Site selection

Business principles apply

Site selection should be guided by data and strategic planning. Invest time in due diligence, evaluate all costs—including upgrades—and prioritise locations with sustainable long-term potential. A well-chosen site, combined with thoughtful planning and execution, lays the foundation for a thriving car wash business.

When budgeting for upgrades, always include a contingency fund of at least 20% to account for unforeseen challenges. This ensures you're prepared for any surprises.

ACWA can help

ACWA's networking opportunities allows you to learn from the experiences of established operators. By consulting with ACWA members, you can gain insights into choosing the best location and avoiding common pitfalls.

Mistakes

Mistake

01

Misjudging the commitment and complexity of a car wash business

Many prospective car wash owners underestimate the effort and complexity involved in running a successful operation, often misjudging it as a passive investment. While the business can be highly rewarding, success requires a hands-on approach, strategic decision-making, and an understanding of the round-the-clock nature of the industry.

Misjudging the commitment

The reality of commitment

Car washes often operate continuously to maximise revenue, especially in high-traffic locations. This requires constant oversight, as unexpected issues such as equipment breakdowns or site maintenance can occur at any hour. Ensuring smooth operations demands either direct involvement from the owner or a reliable, well-trained team to handle these situations. Customer satisfaction further underscores the need for active management. Providing consistent service, maintaining site cleanliness, and ensuring reliable equipment performance are not one-off tasks but ongoing responsibilities. Neglecting these areas leads to negative reviews, reduced traffic, and a potential loss of business.

Avoiding pitfalls through preparation

Misjudging the commitment required often stems from a lack of preparation or reliance on anecdotal claims. For example, sellers may describe the business as “easy money” or highlight unverified cash sales, creating a false sense of simplicity. These misleading narratives can lure new buyers into a business they’re unprepared to manage effectively. Instead, base your decisions on verified, quantifiable data. Tools such as traffic counts, demographic studies, and profit-and-loss statements provide a realistic picture of the business’s potential.

Building a foundation for success

A clear-eyed view of the business’s requirements, paired with diligent research and preparation, is essential for long-term success. Recognising the nature of car wash operations and relying on measurable data over anecdotal evidence ensures prospective owners enter the industry with realistic expectations and a plan for sustainable growth.

Mistake

02

Failing to conduct comprehensive Due Diligence

Entering the car wash business without thorough due diligence can lead to costly missteps. Several critical areas are often overlooked, including relying on anecdotal evidence rather than validated data, neglecting to scrutinise lease agreements, and underestimating machinery's age and upgrade costs. These oversights can quickly derail even the most promising ventures.

Due Diligence

The danger of anecdotal evidence

Relying on unverified claims or hearsay is a common pitfall. Sellers might inflate traffic numbers, exaggerate revenue from vending machines, or boast about off-the-record cash sales. While these stories might sound appealing, they are often misleading. Without hard data to back them up, such claims can mask deeper problems with the business.

To avoid falling into this trap, base your decisions on quantifiable and verifiable data. Analyse traffic counts, review demographic studies and scrutinise profit-and-loss statements. These tools provide a realistic understanding of the site's performance and market potential. New investors can leverage resources like ACWA's industry reports and surveys, which may help to guide informed decision-making.

The risks of overlooking lease terms

For car washes operating on leased land, the lease agreement is a foundational element of the business's viability. An attractive purchase price often conceals unfavourable lease terms, such as steep annual rent increases. These escalating costs can quickly outpace revenue growth, leaving new owners struggling to cover expenses.

Unfavourable leases are a common reason sellers price their businesses below market value. Without a detailed review of the lease agreement, buyers risk inheriting financial burdens that undermine profitability. Key factors to examine include the lease duration, renewal options, and alignment of rent increases with the business's projected earnings.

Due Diligence

Underestimating machinery age and upgrade costs

The condition of a car wash's equipment is another area where due diligence is often lacking. Machinery that appears to be functioning during a site inspection may be outdated and nearing the end of its useful life or poorly maintained. These issues can lead to frequent breakdowns, reduced efficiency, and higher operational costs.

Upgrading or replacing machinery is a significant investment. Buyers who fail to account for these expenses may be unprepared for the financial outlay required to keep the business running smoothly.

To avoid surprises, obtain a detailed equipment inventory, including maintenance records and age estimates. Engage a qualified technician to inspect the machinery and provide a professional assessment of its condition and potential upgrade costs.

Building a strong foundation

Comprehensive due diligence extends beyond data analysis and lease reviews, it includes a thorough assessment of the site's condition, equipment, and legal compliance. ACWA's network of professionals, including trusted brokers, advisors, and technical experts, can provide valuable insights and help identify potential red flags.

Success in the car wash industry hinges on making informed decisions based on measurable data, realistic assessments, and an understanding of future costs. By combining a reliance on validated information with a careful evaluation of leases and equipment, prospective owners can avoid costly mistakes and lay the groundwork for a profitable and sustainable business.

Mistake

03

Not becoming an ACWA member

One of the most significant oversights by new car wash operators is not joining the Australian Car Wash Association (ACWA). Membership provides a wealth of resources, industry insights, and networking opportunities that are invaluable for both new and experienced operators.

ACWA offers tools such as WHS guides, site templates, and access to workplace health and safety experts, industrial relations, and business operations. These resources ensure compliance with regulations and help operators manage their businesses effectively. The association's member helpline offers tailored support for navigating challenges unique to the car wash industry.

Beyond resources, ACWA membership connects operators with a community of industry peers. Networking opportunities allow members to share insights, learn from one another, and stay informed about trends and innovations. For those new to the industry, this support network is invaluable.

Choosing not to join ACWA often leaves operators isolated, struggling to find reliable information or assistance when problems arise. In an industry where regulations, technologies, and customer preferences continually evolve, staying connected through ACWA is critical for success.



Australian
Car Wash
Association