PRIME CAR DEALERSHIP INVESTMENT OPPORTUNITY

MITSUBISHI, AISCOMBE WAY/ HERLUIN WAY, WESTON SUPER MARE, BS22 8NA

FSP
Franck-Steier Price
PROPERTY INVESTMENT CONSULTANTS

INVESTMENT SUMMARY

- Prime car dealership investment
- Constructed in 2006 and totalling 8,620 sq.ft
- 6½ years unexpired
- Rent (based on top-up) of £133,000 per annum
- Asking price of **£1,525,000**
- Net initial yield based on rental top up of **8.22%** (assuming costs of 5.80%).

LOCATION

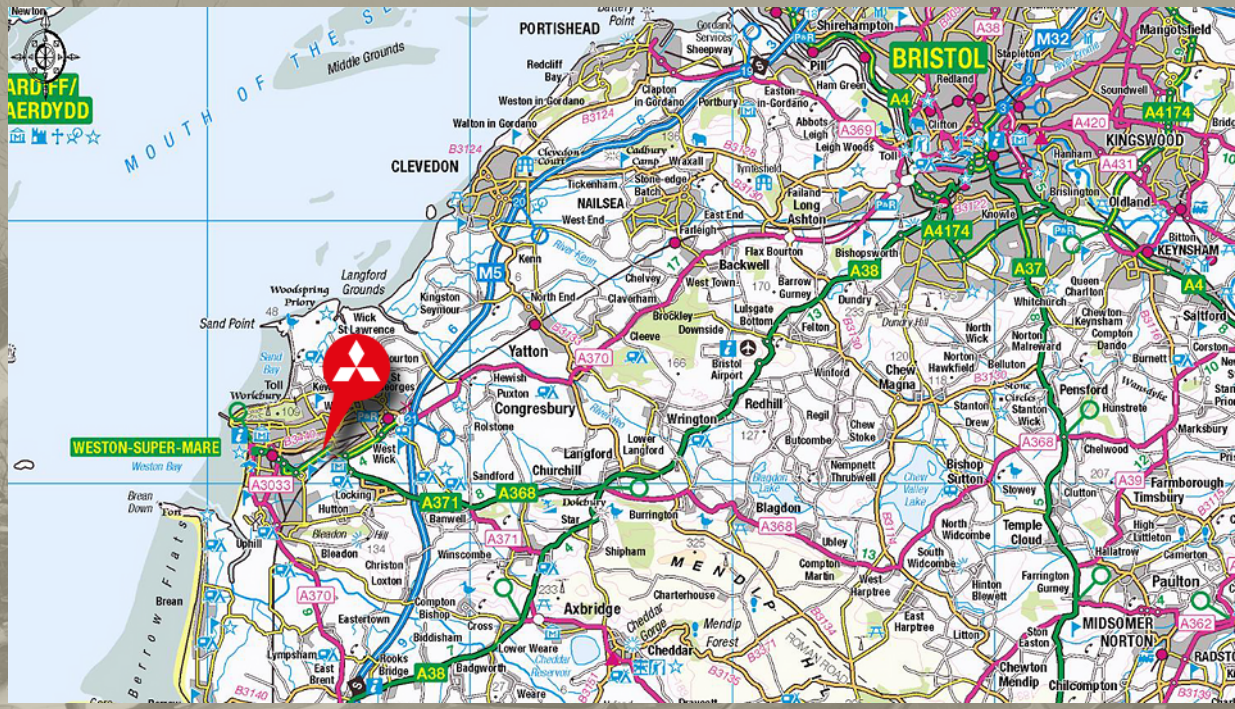
Weston-Super-Mare is approximately 23 miles south west of Bristol, 24 miles north of Bridgwater and 31 miles west of Bath with excellent road and rail communications.

Junction 21 of the M5 is just 3 miles to the east via the A370 Marchfields Way/Somerset Way Relief Road.

SITUATION

The property is situated to the west of the town centre approximately 2 miles to the east of the M5 motorway in a prominent main road position. The site fronts the (A370) Herluin Way dual carriageway, the main approach road to the town centre from the motorway at the junction with Aiscombe Way.

Other car dealerships in the vicinity include Vauxhall (immediately to the rear) and Volkswagen. The property lies opposite a Premier Inn hotel and Beefeater restaurant, with Aldi, Morrisons, PC World, ATS, Matalan and Asda all within close proximity.



DESCRIPTION

Constructed in 2006, the property provides an high quality car showroom along with adjacent workshop, parts department and internal offices at ground and first floor level. There is a freestanding valet bay to the rear of the site. The site has a large tarmac surface vehichle display area to the front and side of the main building with access to the site off Aisecombe Way.

The main road frontage is approximately 85 metres allowing for excellent visibility from the main road frontage.

Internally the showroom has display space for up to 6 cars and the workshop benefits from an eaves height of approximately 5 metres with a total of 7 service bays.

ACCOMODATION

We have measured the property in accordance with the latest Code of Measuring Practice and the property provides the following Gross Internal floor areas:-

Floor	Description	SQ.M	SQ.FT
Ground	Showroom	245.59	2,644
	Showroom offices / w/c's	41.21	444
	Workshop	223.43	2,405
	Parts	29.43	317
	Workshop offices / wc's	41.71	449
	Ancillary	31.59	340
First	Offices	127.73	1,375
Ground	Valet Bay	60.00	646
Total		**800.69**	**8,620**

Display	Prime Display	35
	Secondary Display	32
	General parking	46

SITE AREA

The property has a site area of 0.98 acres.

TENURE

The property is held freehold.

TENANCY

The property is let to CCR Motor Co Limited for a term of 15 years with effect from 5th June 2006. The passing rent is £117,344 per annum and there are 5 yearly upwards only rent reviews to the higher of the open market rental value or uncapped RPI.

The next rent review is due 4th June 2016 and assuming conservative RPI growth over the previous 5 years we anticipate that the rent could rise to approximately £133,000 per annum. The vendor will top up this rental level from the date of completion until rent review date.

COVENANT INFORMATION

CCR Retail Limited is the largest Mitsubishi car dealership group in the UK operating from 9 sites throughout the south of England. The company was established over 30 years ago and is currently owned by VT Holdings Co Ltd one of the largest Japanese based automotive groups with 151 global locations. The company is financed by commercial loans from various Japanese banking corporations, the obligations of which are guaranteed by the parent company VT Holdings.

For the year ended 31st March 2013, the company reported a turnover of £41,801,000, a pre-tax loss of £1,717,000 and shareholder's funds of £5,329,000.

THE CAR DEALERSHIP MARKET

The market is continuing to improve as evidenced by the data reported each month by the Society of Motor Manufacturers and Traders (SMMT). The most recent SMMT findings, based on October 2014 registrations, are as follows:

- New car registrations jumped 14.2% in October to 179,714 units, marking the 32nd consecutive month of growth.
- 2,137,910 cars registered in 2014 (up to October) – this is the first time the market has passed two million in October since 2007. The number plate change in September 2014 saw 425,861 registrations which is the biggest September since 2004.
- There was a 65% increase in Mitsubishi registrations from 2013 to 2014.

EPC

The property has an EPC rating of D98 and a copy of the EPC is available on request.

VAT

The property has been elected for VAT however it is anticipated that the sale will be handled as a TOGC subject to purchaser's status.

PROPOSAL

We are instructed to seek offers in excess of **£1,525,000 (One Million Five Hundred and Twenty Five Thousand Pounds).**

Assuming conservative RPI growth of 2.5% per annum and based on a "top-up" to the next rent review in June 2016 to a rental of £133,000, a purchase at this price would represent a net initial yield of **8.22%** (allowing for usual costs of purchase of 5.80%).

FURTHER INFORMATION

For further information or if you wish to arrange a viewing, please contact :-

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