

FOR SALE PRIME CAR DEALERSHIP INVESTMENT

BENTLEY • LAMBORGHINI • TOYOTA • LEXUS

2-6 WINGFOOT WAY • FORT PARKWAY • BIRMINGHAM • B24 9HF

Barber Wadlow
Fuel and Automotive Property Advisers



 Sytner Group



• Executive Summary

Location

Property

Tenure

Tenancy

Sub-lease Toyota/Lexus

Floor Area

Site Area

Site Coverage Ratio

Tenant Covenant

Sub-Tenant Covenant –

Toyota & Lexus

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Executive Summary

- Unique opportunity to acquire a multi-franchise dealership facility serving the Greater Birmingham market.
- High profile retail pitch directly opposite the Fort Shopping Park, adjacent to the M6 Motorway.
- Three standalone dealerships extending to 6,353.0m² (68,386ft²) on a site of 2.684 hectares (6.632 acres).
- All three dealerships are let on individual but identical leases to **Sytner Properties Limited** and guaranteed by **Sytner Group Limited**, the retailer's 'top company' with a "Very Low Risk" Experian Rating.
- **Let on 20-year leases, expiring 14.12.2026** (unexpired term – just over 7 years).
- **Passing rent:** £1,039,040 per annum (£15.19/ft²).
- Leases subject to five-yearly, **upward-only RPI-linked rent reviews**, capped at 13.14%.
- **Next rent review:** December 2021 – rent will increase to £1,175,569 per annum based upon the 13.14% cap.

Proposal

We are instructed to seek offers in excess of **£14,975,000** (Fourteen Million Nine Hundred & Seventy Five Thousand Pounds) subject to contract and exclusive of VAT for the freehold interest.

This pricing offers an appealing **Net Initial Yield of 6.50%**, increasing to **7.36% in December 2021** based upon the 13.14% cap. Pricing and yield profile based upon standard purchaser's costs of 6.73%.



Bentley & Lamborghini



Lexus



Toyota

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Location

The property is located in Birmingham, the UK's second city with a population of 1,085,810 inhabitants [source: Census 2011].

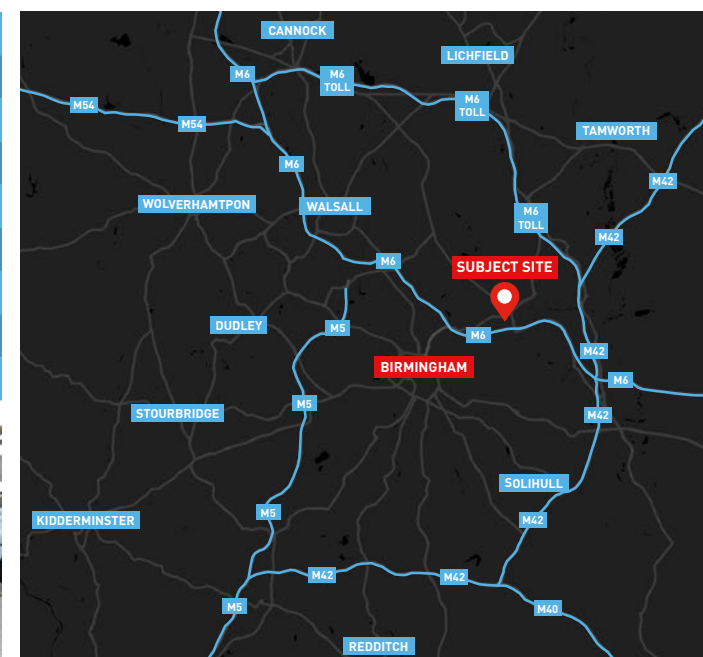
Positioned opposite the Fort Shopping Park, the property is situated 5 miles to the north east of Birmingham city centre and benefits from excellent transport links with the M6 Motorway running immediately to the south and Junction 5 being 1.5 miles to the east. The property enjoys good visibility from the M6 carriageway, further enhancing the profile of the property.

A recognised franchised vehicle retailing location that services the central and northern Birmingham area, a variety of brands are represented in the vicinity, including Land Rover, Audi, Honda, Peugeot, Citroen, Skoda, Mercedes Benz and Volvo.

The Bentley and Lamborghini franchises service the wider West Midlands territory. The subject property represents one of only 21 official Bentley outlets and one of only 8 Lamborghini outlets in the UK.



- 1 Prologis JLR Castle Bromwich
- 2 McDonalds Drive Thru
- 3 The Fort Shopping Park
- 4 DHL
- 5 Fort Dunlop
- 6 Jaguar Land Rover Castle Bromwich Assembly Plant
- 7 Amazon
- 8 Hermes
- 9 Iron Mountain



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Property

The property comprises three standalone dealership facilities that extend to a total floor area of 6,353.0m² (68,386ft²) on a site of 2.284 hectares (6.632 acres).

All three dealership facilities provide modern, purpose-built accommodation that accommodates four individual brands, providing corporate identity compliant outlets. The dealerships all provide a comprehensive range of facilities, including showroom and aftersales. All showrooms benefit from a double-height sales area with full-height glazed elevations.

Externally, the low site density affords a substantial vehicle display and parking provision with 558 spaces across the three dealerships.

Tenure

Freehold (Title No. WM874216 & WM847471)

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Tenancy

The three dealership facilities are all let to Sytner Group, the UK's largest franchised vehicle retailer, on the following lease terms:

Sub-Lease*

The Toyota and Lexus dealerships have been sub-let to Vantage Motor Group Limited on identical terms to the above leases, including rent passing and review provisions. That said, both leases have been excluded from the L&T Act 54' and do not benefit from options to renew upon expiry.

Property	Tenant	Guarantor	Lease Term / Expiry	Unexpired Term	Rent Passing (per annum)	Rent Review	Rent Increase @ Next Review
Bentley/ Lamborghini	Sytner Properties Ltd	Sytner Group Limited	20 years expiring 14.12.2026**	Just over 7 yrs	£327,436	5-yrly, upward-only, RPI-linked (increase capped at 13.14%)	15.12.2021 - rent will increase to £370,461 p.a. (based upon 13.14% cap)
Toyota*	Sytner Properties Ltd	Sytner Group Limited	20 years expiring 14.12.2026**	Just over 7 yrs	£415,627	5-yrly, upward-only, RPI-linked (increase capped at 13.14%)	15.12.2021 - rent will increase to £470,240 p.a. (based upon 13.14% cap)
Lexus*	Sytner Properties Ltd	Sytner Group Limited	20 years expiring 14.12.2026**	Just over 7 yrs	£295,977	5-yrly, upward-only, RPI-linked (increase capped at 13.14%)	15.12.2021 - rent will increase to £334,868 p.a. (based upon 13.14% cap)
Total					£1,039,040 (£15.19/ft²)		£1,175,569 (£17.19/ft²)

**The leases are all subject to a tenant option to renew for 3x successive terms of 10yrs. The renewal leases to be on identical terms to the existing leases, including rent review provisions, providing continued upwards only, RPI linked rental growth.



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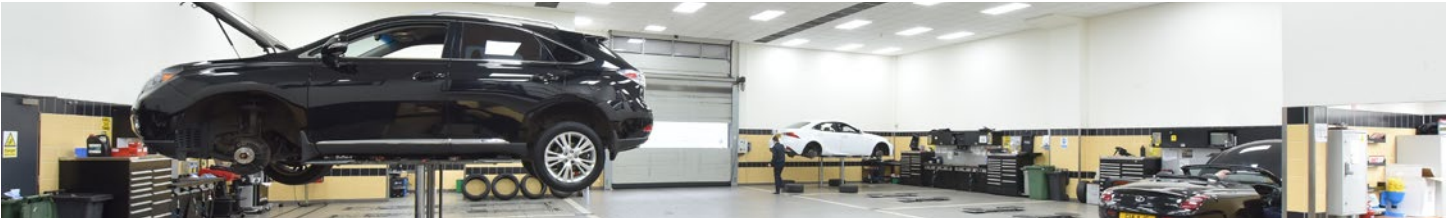
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Floor Area

The property has been measured by Greenhatch Limited, specialist measured building surveyors. A Measured Survey Report can be made available on request and a letter of reliance provided.

Bentley / Lamborghini			Toyota			Lexus		
Description	M²	Ft²	Description	M²	Ft²	Description	M²	Ft²
Showroom	1,032.9	11,118.3	Showroom	710.5	7,648	Showroom	647.8	6,973
Workshop	766.9	8,255.3	Workshop	1,121.4	12,071	Workshop	775.1	8,343
First Floor Offices	62.8	676.0	First Floor Offices	542.2	5,836	First Floor Offices	472.5	5,087
			Valet Wash Building	133.0	1,432	Valet Wash Building	87.9	946
Total	1,862.6	20,050	Total	2,507.1	26,987	Total	1,983.3	21,349
External Parking			External Parking			External Parking		
Display	12 spaces		Display	88 spaces		Display	35 spaces	
Other	95 spaces		Other	215 spaces		Other	113 spaces	
Total	107 Spaces		Total	303 spaces		Total	148 spaces	



Site Area

The site (edged red) extends to 2.684 hectares (6.632 acres).

Blue and green shaded area indicates sublease demise.

Site Coverage Ratio

Low site density at 19.5%.



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Tenant Covenant

Sytner Group is the largest automotive retail group in the UK (by turnover), achieving circa £6bn in the financial year ending 31.12.2018.

The property is let to Sytner Properties Limited (Company No. 03611990) and guaranteed by Sytner Group Limited (Company No. 02883766), the 'top company' for the Group and rated "Very Low Risk" by Experian, the top Commercial Delphi Band (report available upon request). The rent is received directly from Sytner Group Limited.

Sytner Group Limited			
	FYE 31.12.2018	FYE 31.12.2017	FYE 31.12.2016
Turnover	£5.954bn	£5.563bn	£4.812bn
Profit Before Tax	£113,266,000	£99,119,000	£109,376,000
Net Assets	£394,869,000	£350,820,000	£282,187,000

Sub-Tenant Covenant – Toyota & Lexus dealerships

The Toyota and Lexus dealerships are sublet to Vantage Motor Group Limited (Company No. 04652938), a regional dealer group with 24 franchised dealerships, with a particular focus on Toyota (13 outlets).

The group now controls all Toyota and Lexus dealerships located across the Greater Birmingham area, including Wolverhampton, Solihull and Tamworth, as well as the subject property.

Vantage Motor Group Limited			
	FYE 31.12.2017	FYE 31.12.2016	FYE 31.12.2015
Turnover	£280,119,000	£262,040,000	£209,253,000
Profit Before Tax	£1,462,000	-£38,000	£1,005,000
Net Assets	£7,322,000	£6,132,000	£6,859,000



New Car Sales

The Society of Motor Manufacturers & Traders ('SMMT') forecast for new car sales in 2019 is 2.313m units. Whilst the sector has seen a decline in sales, it should be appreciated that the market is falling back from an all-time high (2.693m units in 2016).

2019 performance is currently running in line with the annual average over the last 10 years.



Investment Comparables

Investors are attracted to the sector as a result of strong property fundamentals and dealer / brand commitment to outlets, which offer asset enhancement opportunities through lease restructuring.

Location	Franchise	Tenant	Term Certain (Years)	Price	Net Initial Yield	Date
Beckton (East London)	Porsche	Lancaster Plc	16	£12m	4.17%	Sept-19
Manchester	Peugeot/Citroen	Peugeot Motor Company Plc	8	£5.87m	5.38%	Aug-19
Croydon	Mazda	Drift Bridge Limited	5.75	£3.35m	5.40%	Jun-19
Tunbridge Wells	VW	Volkswagen Group UK Limited	7	£4.83m	5.75%	May-19
Bristol	Peugeot	Peugeot Motor Company Plc	8.5	£3.47m	5.41%	Apr-19
Watford	Hyundai	Spire Automotive Ltd	9.9	£2.86m	5.4%	Apr-19
Edgware (London)	Peugeot	Peugeot Motor Company Plc	9	£7.95m	4.76%	Mar-19
Newcastle Upon Tyne	Infiniti	Honda Motor Europe Limited	13	£3.62m	5.5%	Jan-19
Cheltenham	Aston Martin	Broughtons of Cheltenham Limited	5.5	£6.60m	5.75%	Nov-18
Cheltenham	VW	Volkswagen Group UK Limited	6	£4.10m	5.83%	Nov-18



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Subject to Contract.
AGW/RB/2019/0060/818
November 2019

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VAT

We understand that VAT will be applicable to the purchase price. Subject to the buyer's VAT status, the property may be transferred as a going concern.

EPC

Bentley/Lamborghini: B45
Toyota: C52
Lexus: B49

Certificates available upon request.

Barber Wadlow for themselves and for the vendors or lessors of this property whose agents they are give notice that:

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(ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchasers or tenants should not rely on them as statements or representations of fact but

must satisfy themselves by inspection or otherwise as to the correctness of each of them;

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