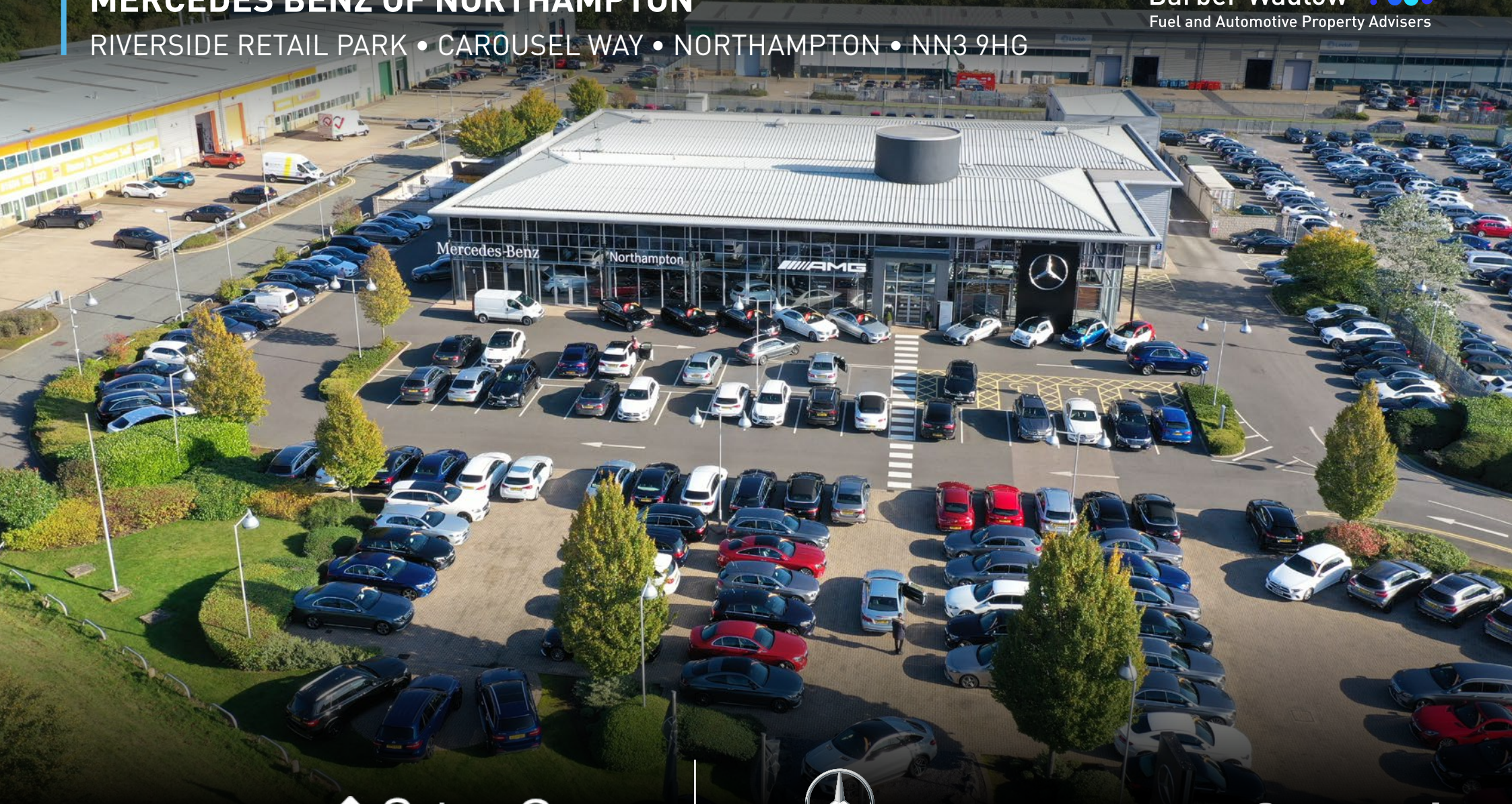


# FOR SALE PRIME CAR DEALERSHIP INVESTMENT MERCEDES BENZ OF NORTHAMPTON

RIVERSIDE RETAIL PARK • CAROUSEL WAY • NORTHAMPTON • NN3 9HG

Barber Wadlow

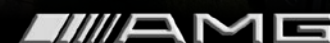
Fuel and Automotive Property Advisers



 Sytner Group



Mercedes-Benz

 AMG

 smart



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## Executive Summary

- Unique opportunity to acquire high profile **Mercedes Benz** dealership.
- Freehold.
- Benefits from **prime retail pitch** within the Riverside Retail Park, the principal franchised vehicle retailing location for Northampton.
- Facility extends to 3,014.9m<sup>2</sup> (32,452ft<sup>2</sup>) on a site of 1.201 hectares (2.969 acres).
- Let 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 lease, expiring 21.12.2025**, providing an unexpired term of just over 6 years. Sytner own the adjacent vehicle compound, demonstrating their commitment to the facility / location.
- **Passing rent:** £512,026 per annum (£15.78/ft<sup>2</sup>).
- Lease subject to five-yearly, **upward-only RPI-linked rent reviews**, with a cap of 13.14%.
- **Next rent review: December 2020** – rent will increase to £579,306 per annum (based upon the 13.14% cap) in just over 12 months.



## Proposal

We are instructed to seek offers in excess of **£8,165,000** (Eight Million One Hundred & Sixty Five Thousand Pounds) subject to contract and exclusive of VAT for the freehold interest.

This pricing reflects an appealing **Net Initial Yield of 5.88%**, increasing to **6.65% in December 2020** based upon the 13.14% cap. Pricing and yield profile based upon standard purchaser's costs of 6.67%.





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## Location

Located in Northampton, the county town of affluent Northamptonshire, with a population of 215,963 inhabitants [source: Census 2011].

The town benefits from excellent road communications via the M1 Motorway. Milton Keynes is located circa 20 miles to the south, Coventry 35 miles to the north west and Leicester 40 miles to the north.

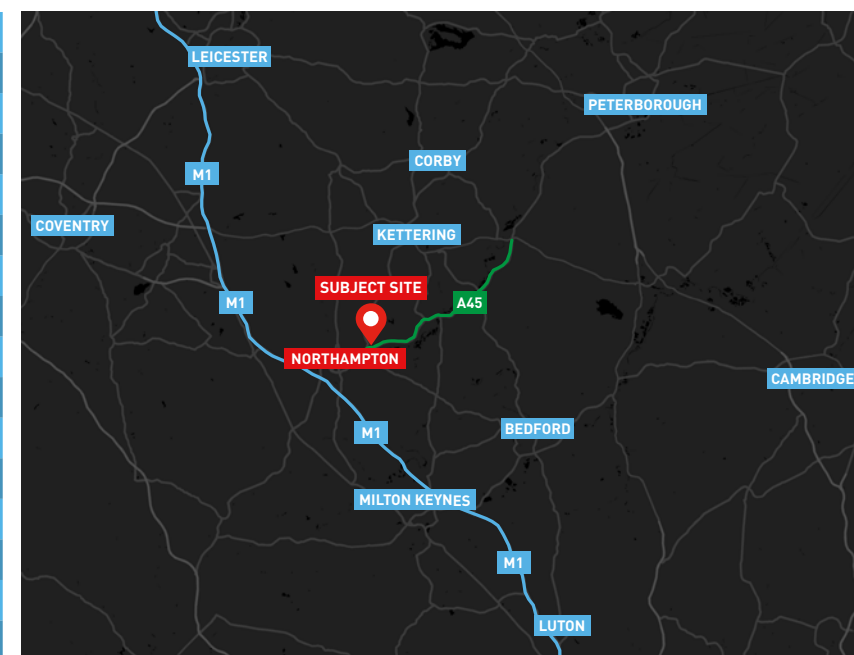
The property is situated on the Riverside Retail Park, the principal franchised vehicle retailing location in Northampton that has been fully developed out. Brands represented on the park include Ford, VW, Vauxhall, Land Rover, Honda, Peugeot, Hyundai, Mazda and Toyota. The subject property benefits from the premium retail pitch at to the entrance to the park.

Riverside Retail Park is highly accessible, positioned just off the A45, a dual carriageway route that acts as a bypass around the town, adjoining the M1 Motorway at Junction 15 (5.5 miles to the south west).

The subject property serves as an important territory for Mercedes Benz, with the trading area incorporating the entirety of Northamptonshire, extending northwards towards Coventry and Leicester, east towards Peterborough and south to Milton Keynes and Bedford.



- 1 Bristol Street Motors Vauxhall
- 2 Steven Eagell Toyota
- 3 Guy Salmon Land Rover
- 4 Virgin Active
- 5 Parkway Volkswagen
- 6 Listers Honda
- 7 Northampton Motors Mazda
- 8 Bristol Street Motors Peugeot
- 9 Spirit Hyundai
- 10 Harvester Restaurant
- 11 Allen Ford
- 12 McDonalds and Pizza Hut
- 13 Homebase
- 14 Next Home
- 15 Sports Direct
- 16 Halfords





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**Property**

The property comprises a modern, purpose-built dealership facility that provides a comprehensive range of facilities extending to 3,014.9m<sup>2</sup> (32,452ft<sup>2</sup>). It accommodates the Mercedes Benz and Smart franchises and has been finished in accordance with the brand's latest corporate identity standards.

The showroom is positioned at the front of the building and provides a double-height sales area with full-height glazing to front and side elevations. The sales area is able to accommodate 12 vehicles. To the rear is an extensive aftersales facility that provides 20 ramps as well as parts storage. Ancillary office accommodation is provided at first floor level, overlooking the showroom.

Externally, the property provides an extensive provision of vehicle display, storage and customer car parking with a total of 251 spaces.

A standalone valet building is positioned at the rear of the site providing wet and dry valeting facilities.

To demonstrate Sytner's (and Mercedes Benz's) commitment to the property and location, the dealer group owns the adjacent vehicle compound (cross-hatched blue on the plan overleaf) that provides approximately 200 spaces.

**Tenure**

Freehold (Title No. NN268962).





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Tenancy

The property is let to Sytner Group, the UK's largest franchised vehicle retailer, on the following lease terms:

Tenant	Guarantor	Lease Term / Expiry	Unexpired Term	Rent Passing (per annum)	Rent Review	Rent Increase @ Next Review
Sytner Properties Ltd	Sytner Group Limited	20 years, expiring 21.12.2025*	Just over 6 yrs	£512,026 (£15.78/ft²)	5-yrly, upward-only, RPI-linked (increase capped at 13.14%)	22.12.2020 – rent will increase to £579,306 p.a. (£17.85/ft²)

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





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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.

Description	M <sup>2</sup>	Ft <sup>2</sup>
Mercedes Benz		
Showroom (inc. Ancillary Offices)	1,021.8	10,999
Workshop/Parts (inc. Ancillary Offices)	1,181.0	12,712
First Floor Offices / Plant / Parts / Ancillary	590.2	6,352
Valet Building	221.9	2,389
Total	3,014.9	32,452
External Parking		
Display		111 spaces
Other		141 spaces
Total		251 spaces

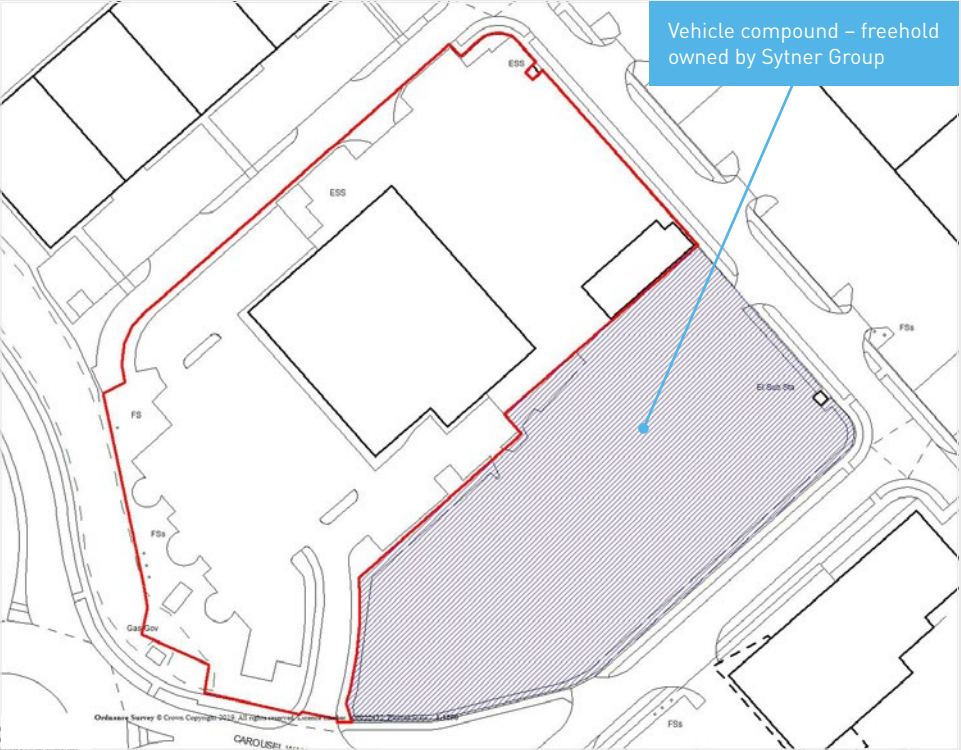


Site Area

The site (edged red) extends to 1.201 hectares (2.969 acres).

Site Coverage Ratio

Low site density at 20%.



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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 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

## 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

**Barber Wadlow**

Fuel and Automotive Property Advisers



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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

D87

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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