

FOR SALE CAR DEALERSHIP INVESTMENT BRISTOL STREET MOTORS - VAUXHALL & PEUGEOT

SUNDERLAND ENTERPRISE PARK • ALEXANDRA AVENUE • SUNDERLAND • SR5 2TB

Barber Wadlow

Fuel and Automotive Property Advisers



Vertu
Motors plc



• Executive Summary

Location

Property
Tenure

Tenancy

Floor Area

Site Area

Site Coverage Ratio

Tenant Covenant

New Car Sales

Investment Comparables

Proposal

VAT

EPC

Contact Information

Executive Summary

- High profile Vauxhall and Peugeot car dealership.
- Freehold.
- Property has recently undergone comprehensive refurbishment of showroom accommodation.
- Facility extends to 2,126 m² (22,884 ft²) on a site of 0.96 hectares (2.38 acres).
- Let to Vertu Motors (VMC) Limited, with a guarantee from Vertu Motors (VMC) Plc.
- Let on a 10 year lease from 1st February 2020 (8 years unexpired).
- Passing Rent: £247,500 (£10.82 per square foot).
- Rent subject to five yearly upwards only market rent reviews (next review – 01/02/2025).
- Attractive net initial yield of 7.75%



Proposal

We are instructed to seek offers in excess of **£3,000,000** (Three Million Pounds) subject to contract and exclusive of VAT for the freehold interest.

This pricing reflects an **appealing Net Initial Yield of 7.75%**. Pricing and yield profile based on standard purchaser's costs of 6.45%

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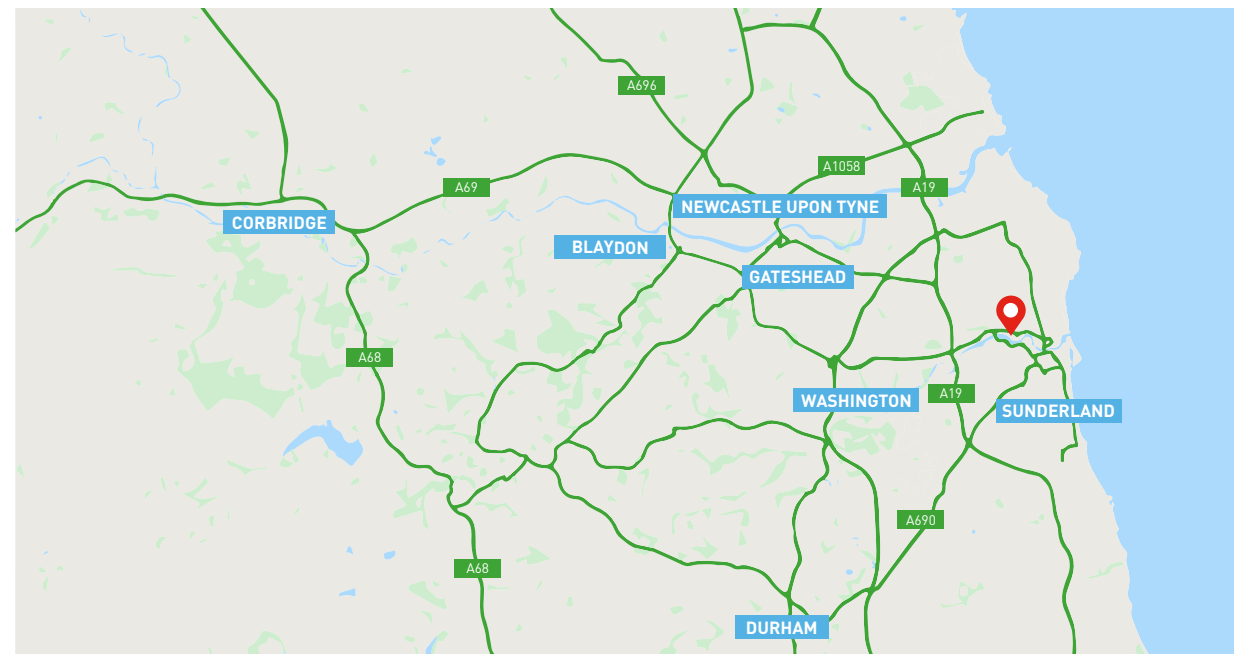
Contact Information

Location

Located in Sunderland, administrative centre of the City of Sunderland Metropolitan Borough in Tyne and Wear. The city has a population of 174,286.

The property is situated between Wessington Way (A1290) and the River Wear to the south, within Sunderland Enterprise Park, a major mixed use development in the Southwick area of north-west Sunderland. Nearby occupiers include Howdens, the North East Business and Innovation Centre, Jewson and Screwfix. Wessington Way is the principal location of automotive retail in Sunderland, with numerous franchised car dealerships including Pullman Seat, Vertu Honda, Evans Halshaw Nissan, Stoneacre Volvo and Mercedes Benz of Sunderland.

Sunderland Enterprise Park is highly accessible by road, being situated between the northern Spire Bridge and the Queen Alexandra Bridge and linking to the A19 via Wessington Way. Junction 65 of the A1(M) is approximately 6.7 miles to the west.



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Property

The property is a modern purpose built car dealership facility that provides a comprehensive range of facilities and extends to 2,126 m² (22,884 ft²). The tenant undertook a major refurbishment of the showroom space in Q4 2021 in order to accommodate both Vauxhall and Peugeot franchises. The property has been fitted out and finished in accordance with the two brands' latest corporate identity standards.

The twin showrooms are situated at the front of the building and provide a double height sales area with full height glazing to front and side elevations. The sales area is able to accommodate approximately ten vehicles. To the rear is an extensive aftersales facility that provides 18 service ramps and parts storage. Ancillary office accommodation is located at first floor level, overlooking the showroom.

Externally, the property provides an extensive area of vehicle display, storage and customer car parking with a total of 200 spaces.

Tenure

Freehold (Title No. TY352121)



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Tenancy

The property is let on FRI terms to Vertu Motors (VMC) Ltd (with guarantee from Vertu Motors Plc) for a term of ten years from 1st February 2020.

The rent is subject to five yearly upwards only market rent reviews, with the next review due on 1st February 2025.



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Floor Area

Accommodation	Sq M	Sq Ft
Showroom	534.23	5,750
Ground Floor Ancillary	28.23	304
Workshop	811.95	8,740
Parts	270.58	2,912
Parts Mezzanine	147.5	1,588
First Floor Offices	117.27	1,262
First Floor Ancillary	73.27	789
Valet	142.98	1,539
Total	2,126.01	22,884

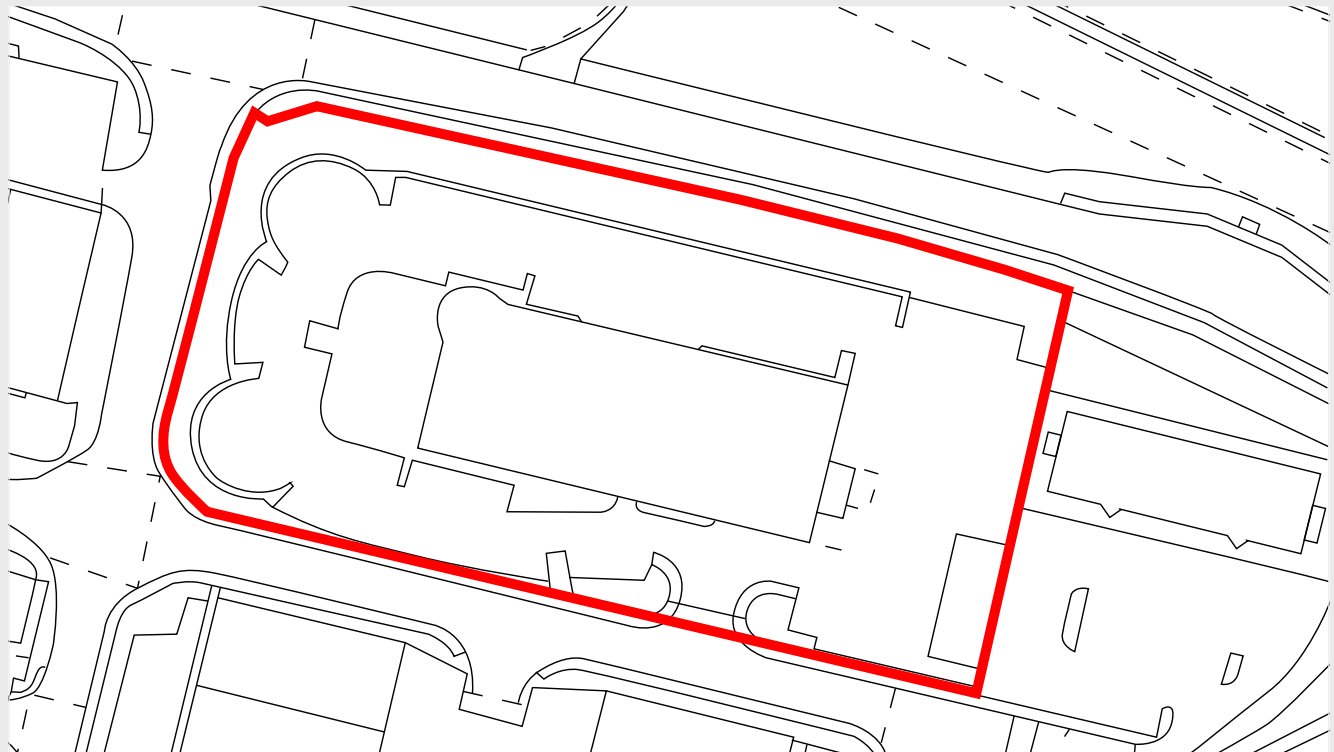


Site Area

The site (edged red) extends to 0.96 hectares (2.38 acres).

Site Coverage Ratio

Low site density at 21%.



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- **Tenant Covenant**
- New Car Sales**
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Tenant Covenant

Vertu Motors is the fifth largest UK dealer group by turnover, achieving over £2.5bn in financial year 2021.

The property is let to Vertu Motors (VMC) Ltd (00694464) with a parent company guarantee from Vertu Motors plc (Company No. 05984855).

Vertu Motors Plc

	FY 2021	FY 2020
Turnover	£2,547.7m	£3,064.5m
Profit Before Tax	£22.4m	£7.3m
Net Assets	£275.9m	£263.4m

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. Investment values are often underpinned by high alternative use land values in the industrial and retail sectors.

Location	Tenant	Franchise	Term Certain (Years)	Price	Net Initial Yield	Date
Manchester	Peugeot Motor Co Plc	Peugeot/Citroen	5.8	£5.75m	5.23%	Sold - Jan 22
Coventry	Peugeot Motor Co Plc	Peugeot/Citroen	5.8	£4.95m	5.4%	Sold - Jan 22
Birmingham	Volvo Car UK Ltd	Volvo	8.8	£3.75m	5.01%	Sold - Jan 22
Huddersfield	VW Group UK Ltd	Audi	2.5	£5.50m	6.75%	Sold - Dec 21
Stockport	Williams Motor Co (Holdings) Ltd	BMW/Mini	6	£9.0m	7.0%	Sold - Nov 21
Peterborough	Motorpoint Ltd	Used Car	9	£4.45m	6.85%	Sold - Sept 21
Guildford	Tesla Motors Ltd	Tesla	10	£4.026m	5.83%	Sold - Apr 21
Northampton	Sytner Group Ltd	Mercedes	5	£7.625m	7.13%	Sold - Oct 20



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Subject to Contract.

February 2022

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This pricing reflects an appealing Net Initial Yield of 7.75% based upon standard purchaser's costs of 6.45%.

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

(TBC)

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