

**PRIME LONDON CAR SHOWROOM INVESTMENT
UNDERPINNED BY ALTERNATIVE USE VALUE**



**STAPLES CORNER
LONDON NW2**

**393
EDGWARE ROAD**

INVESTMENT SUMMARY

- **Highly prominent location** at the junction of Edgware Road (A5) and Humber Road. Junction 1 of the M1 and the A406 (North Circular Road) are located approximately 500 metres to the north.
- Situated in a **well-established commercial area** due to its accessibility, with Staples Corner Retail Park directly opposite and surrounding occupiers including Screwfix, Jaguar Land Rover, Renault, Big Yellow, Magnet and Decathlon.
- The property comprises a car showroom with additional service/workshop facility and mezzanine totalling **7,276 sq ft including parking and display spaces for 90 vehicles**.
- The site measures approximately 0.65 acres affording an attractive **site cover of 21%**.
- **Let to W Wing Yip (London) Ltd, who have a D&B rating of 5A1, until 31st July 2027.**
- **Subject to 5 yearly CPI reviews, collared at 2% and capped at 4%, with the next rent review on 1st November 2022.**
- Total current income of £129,046 per annum, reflecting £17.74 per sq ft. **The rent is expected to increase to approximately £148,000 per annum, reflecting a low rent of £20.34 per sq ft overall, in November 2022.**
- **Pricing underpinned by potential alternative use value and opportunity for rental growth.**
- Offers are invited in excess of **£3,725,000 (Three Million Seven Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT reflecting the following yield profile assuming acquisition costs of 6.52%:

Net initial yield:	3.25%
Forecast CPI uplift in November 2022:	3.73%
- The pricing reflects **£5.73 million per acre**, showing an attractive discount to industrial land values.





STAPLES CORNER BUSINESS PARK

BEADLES LAND ROVER

RENAULT

M1 (JUNCTION 1)

A406 N CIRCULAR ROAD

SCREWFIX

STAPLES CORNER RETAIL PARK

MAGNET

EASY BATHROOMS

HOME SENSE

A5 EDGWARE ROAD

ARGOS

SUBJECT PROPERTY

BRENT CROSS WEST STATION

WING YIP

DECATHLON

BESTWAY

CENTRAL LONDON

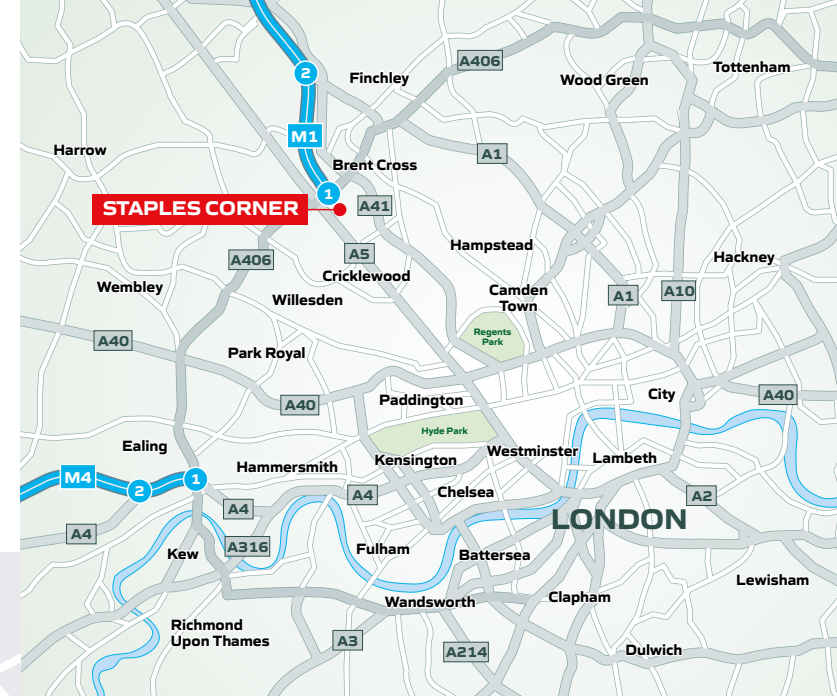
STAPLES CORNER LONDON NW2

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EDGWARE ROAD

BRENT CROSS

The London suburb of Brent Cross is located approximately 7 miles to the northwest of central London within the London Borough of Barnet. The property fronts Edgware Road (A5) and benefits from excellent connectivity, being 500 metres to the south of Junction 1, M1 and the A406 (North Circular Road).

Existing railway connections are plentiful. Brent Cross (Northern Line Underground), Cricklewood, Hendon (both Midland Main Line) and Dollis Hill (Jubilee Line Underground) are all in close proximity. In 2022/2023 the new Thameslink Rail Station - Brent Cross West will open. This is situated within 300 metres to the north-east of the property and will enhance public transport in the area by linking to central London (King Cross St Pancras) in 12 minutes and providing direct rail services to Luton and Gatwick airports.



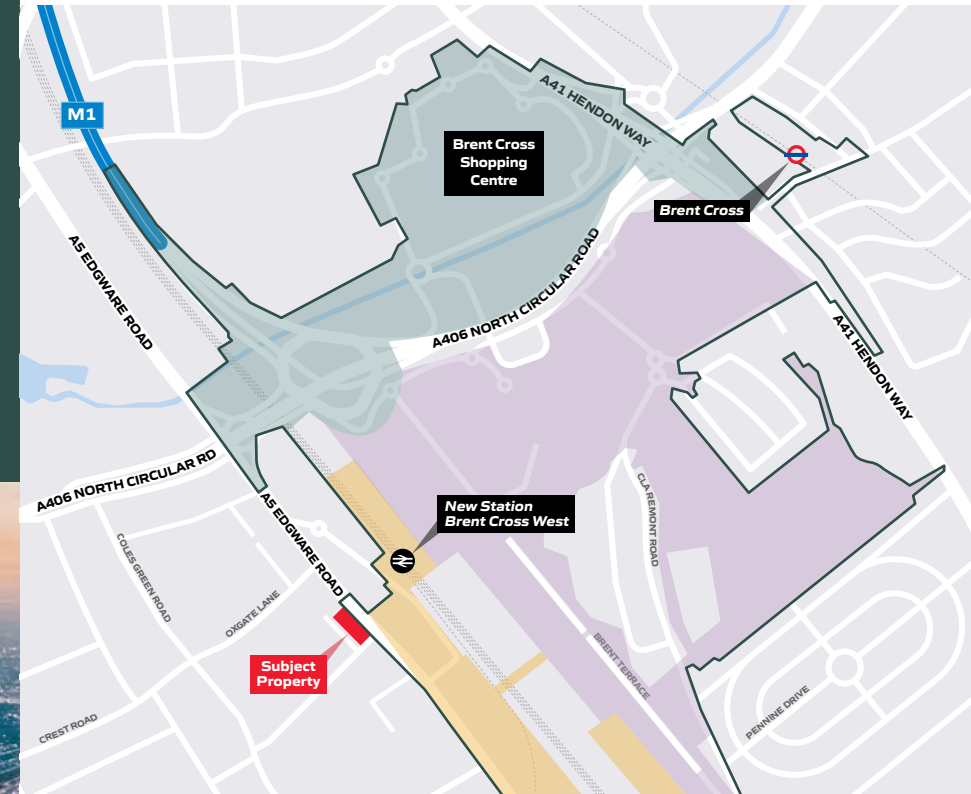
Given the exceptional road and rail connections and the population density in the area, Brent Cross is a sought-after commercial location for a variety of uses. There are three dominant retail parks in the immediate area; Staples Corner Retail Park, Brent South Shopping Park and Staples Corner Shopping Park which amount to 285,000 sq ft in total, and are in direct proximity to the property. Other neighbouring occupiers include Wickes, Argos, Jaguar Land Rover, Renault, Wing Yip Chinese Supermarket and Magnet, as well as numerous other trade counter, wholesaler and commercial operators.

Heathrow Airport, the UK's largest airport, is approximately 15 miles (24 km) to the south-west by car.

BRENT CROSS REGENERATION

Staples Corner will benefit significantly from being adjacent to one of the Mayor of London's key growth projects, Brent Cross Cricklewood. This is an area of 370 acres and is the biggest redevelopment and growth programme Barnet Council has ever undertaken. It has been named a key growth project by the Mayor of London. Construction began in 2020, with the first residential buildings planned to complete in 2024.

A fundamental element to the scheme is the £1.4bn redevelopment of Brent Cross Shopping Centre, which will include a 592,000 sq ft extension to accommodate 150 new shops, 50 new restaurants and other leisure businesses including a luxury cinema. John Lewis, which is the anchor tenant at the shopping centre, has recently announced that it has signed a new lease and will refurbish its store as part of the redevelopment.



The wider Brent Cross Cricklewood scheme will cover circa 141 hectares (370 acres) and provide 7,500 new homes, 4m sq ft of new office space, three new schools, new public realm and enhanced community facilities. Brent Cross West Thameslink station is part of the BXC Masterplan's improved transport infrastructure and will see the brand new Brent Cross West Thameslink station link to Central London in under 15 minutes, provide direct rail services to Luton and Gatwick airports, and connect with the wider London transport network.

DESCRIPTION

The property comprises a single storey industrial style car showroom unit, which is rectangular in shape, with a small side extension which is used for MOT inspections. The property is of steel frame construction with profile metal cladding to the roof and elevations and a glass frontage. The property benefits from level access roller shutter doors on the western elevation. There is a showroom area at ground floor level, with a raised sales, parts store and workshop area. A mezzanine area comprises offices and there is additional storage and ancillary areas at first floor level. A large hard surfaced yard in front of the unit is used for courtesy car and staff / customer parking for approximately 90 vehicles.

The site measures approximately 0.65 acres affording a site cover of 21% and a yard depth of approximately 50 metres.



ACCOMMODATION

The approximate GIA floor areas of the property are as follows:

Accommodation	Sq M	Sq Ft
Showroom and offices (GF)	214.9	2,314
Sales / reception / offices (GF)	88.0	947
Parts (GF)	49.1	528
Workshop (GF)	102.2	1,100
Workshop Offices (GF)	27.8	299
MOT bay (GF)	76.6	825
Offices (M)	71.2	767
Canteen & Comms (FF)	46.1	496
Total GIA	676.9	7,276

TENURE

Freehold.

There is a restrictive covenant in a Transfer dated 03.06.1987 which states that no structure can be developed above ground floor level on the car park, with the exception of fences, curbing and lighting. Further information is available on the data site.



TENANCY

The original lease dated 1st November 2012 to Peugeot Motor Company Plc, with a guarantee from Peugeot SA, for a term expiring on 31st July 2027 (approximately 5 years unexpired) was assigned to W Wing Yip (London) Ltd on 2nd July 2018. The current passing rent is £129,046 per annum, reflecting £17.74 per sq ft overall.

The rent is paid quarterly in advance and is next reviewed on 1st November 2022. The rent is subject to 5 yearly upward only rent reviews. **The rent is reviewed to CPI compounded with a collar at 2% p.a. and cap at 4% p.a. The rent is expected to increase to approximately £148,000 per annum, reflecting £20.34 per sq ft overall, in November 2022.**

The property has been sublet to Splend Ltd from 3rd April 2019, expiring 27th July 2027, at an annual rent of £150,000 per annum reflecting £20.62 psf.

TENANT COVENANT

W Wing Yip (London) Ltd (Company No: 01338172)

Wing Yip is a Chinese supermarket chain founded in Birmingham in 1970 which is now recognized as the UK's leading Oriental grocer. The company is headquartered in Birmingham and has superstore branches in Manchester, Birmingham, Croydon and Cricklewood. In more recent years the company has expanded into wholesale and export (international trade) and real estate development.

Year Ending	Sep 2021	Sep 2020	Sep 2019
Turnover	£62,631,000	£50,969,000	£52,916,733
Pre-Tax Profit	£5,927,000	£4,159,000	£3,081,469
Net Worth	£40,845,000	£37,050,000	£33,530,538

Peugeot Motor Company Plc (Company No: 00148545)

The principal activity of the company is the distribution and sale of Peugeot cars, light commercial vehicles and replacement parts in the UK.

The parent organization and group controlling party was Peugeot SA incorporated in France. In January 2021, Fiat Chrysler Automobiles combined with Peugeot SA to form Stellantis with brands including Citroen, Alpha Romeo, Chrysler, Peugeot, Dodge, DS, Fiat, Jeep, Maserati, Opel, RAM, Vauxhall, Lancia and Abarth. The company employs over 300,000 people in more than 130 countries. www.stellantis.com.

Peugeot Motor Company Plc has a current D&B rating of 5A3 and reported the following financial information for the last three years;

Year Ending	Dec 2020	Dec 2019	Dec 2018
Turnover	£1,571,122,000	£1,770,896	£1,707,356
Pre-Tax Profit	£16,817,000	£28,467,000	£8,798,000
Net Worth	£198,647,000	£199,285,000	£153,889,000

The lease is guaranteed by the ultimate parent company Peugeot SA, which is a holding company incorporated in France (following the merger this company is now Stellantis). This guarantee is rarely offered by the company and as such this investment provides unique security of income.



AUTOMOTIVE MARKET

Demand for prime automotive investments remains very competitive in the more affluent urban locations, particularly where the site offers viable alternative use potential. Investors are attracted to the strong covenants on offer and the capital expenditure which is invested into the property by the operators of the business.

Transactional evidence suggests that investors have confidence in retailer commitment to specific locations. Vacancy rates for prime automotive stock is extremely low and this coupled with high development costs creates a favourable environment for investors in which there is greater potential to secure extensions in lease lengths.

ALTERNATIVE USE VALUE

The property is located in a highly sought after location for last mile urban logistics, with significant frontage to the A5 Edgware Road and direct access to the North Circular. The conversion of the property to higher value industrial use, dark store / kitchen or other roadside use should (subject to any planning permissions required) be straightforward and therefore represents an attractive asset management opportunity in the future.

The passing rent and quoting price reflect a very favorable discount to industrial values in the area as evidenced below.

Rental Transactions:

Address	Size (Sq Ft)	Date	Terms	Tenant	Condition
Unit 22-26 Westway Estate, Acton	15,875	U/O	£38.00 psf 8 years	Wagamama	Second hand refurbished
PR1, Gli Park Royal	56,115	Jun 22	£32.00 psf 5 years	Classic Fine Foods	Brand new Grade A 15m eaves 50m yard depth
Unit 9 Victoria Industrial Estate, Acton	3,754	Mar 22	£31.00 psf 2 years	Visual Impact	Second hand refurbished
Unit 3 Vision Industrial Estate, Acton	3,877	Feb 22	£27.50 psf 5 break 3	Scootech	Second hand refurbished
Unit 24 Mitre Bridge Industrial Estate, White City	4,496	Nov 21	£25.00 psf 3 years	Deliveroo	Second hand unit

Investment Transactions:

Deal Date	Property	Size (Sq Ft)	Tenant	Term Certain (Years)	Price	NIY	CV PSF (Per Acre)
Aug-22	Staples Corner Business Park, Brent	c. 370,000	Multi-let	9.8	c. £180,000,000	c. 2.5%	c. £486 psf (£13.24m per acre)
Apr-22	Park Royal - Nucleus	130,441	Multi-let	6.00	£108,000,000	1.80%	£828 psf (£19.05m per acre)
Mar-22	Park Royal - Grand Union	101,105	Multi-let	4.00	£84,000,000	1.90%	£839 psf (£19.95m per acre)
Feb-22	49-53 Standard Road, Park Royal	22,208	Vacant	VP	£17,000,000	-	£766 psf (£30.91m per acre)
Jan-22	Wembley - Hannah Close	245,000	Multi-let	3.80	£157,000,000	2.15%	£641 psf (£12.85m per acre)
Dec-21	Enfield - 1371 Mollison Avenue	100,567	Vacant	VP	£47,500,000	-	£472 psf (£11m per acre)
Dec-21	Kingston - Fairfield Trade Park	75,376	Multi-let	4.55	£38,750,000	2.58%	£514 psf (10.7m per acre)
Dec-21	Park Royal - Waxlow Road, Rock & Roll	58,684	Garden Campus Ltd	9.30	£41,030,000	2.49%	£699 psf (£17.9m per acre)
Dec-21	Park Royal - Panalux, 12 Waxlow Road	41,781	AFM Group	1.90	£51,000,000	1.04%	£1,149 psf (£16.6m per acre)
Dec-21	Fulham - Imperial Studios	30,645	Multi-let	1.00	£19,100,000	2.50%	£623 psf (£44.1m per acre)
Nov-21	Wembley - Abbeydale Road	58,578	Multi-let	3.40	£32,050,000	2.53%	£547 psf (£15.6m per acre)
Sept-21	Enfield - DHL	100,355	DHL	0.24	£43,000,000	1.90%	£428 psf (£10.7m per acre)



PROPOSAL

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FURTHER INFORMATION

For further information or to arrange an inspection to view, please contact:

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SUBJECT TO CONTRACT | EXCLUSIVE OF VAT

VAT

The property is elected for VAT and VAT will therefore be chargeable on the purchase price if it is not possible to arrange this transaction by way of a transfer of a going concern.

EPC

The property EPC assessment can be downloaded from our marketing website.

MARKETING DATA SITE

A marketing data website has been set up to provide details of all the property and legal information. Access details will be provided upon request.

ANTI-MONEY LAUNDERING

In accordance with Anti Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

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