

PEUGEOT, GUILDFORD, GU7 2RD
PRIME FREEHOLD CAR SHOWROOM INVESTMENT





GODALMING

Charterhouse School

HURTMORE ROAD



INVESTMENT SUMMARY

- **Prime Peugeot car showroom let in the affluent Surrey town of Guildford.**
- **Situated in a highly affluent residential area**, close to Charterhouse School and approximately 1 mile to the east of the A3.
- **Freehold** site of approximately **1.9 acres** offering **high residual site value**.
- The car showroom extends to approximately **20,487 sq ft**.
- Let to **Peugeot Motor Company Plc (D&B 5A2)** until **31 July 2027, (in excess of 5 years income)** with a tenant right to renew the lease for a further **14.75 years**.
- **Rare guarantee from Peugeot SA (now Stellantis)**.
- **One of Peugeot's top 3 strongest trading car showrooms in the UK.**
- Total current income of **£225,167 per annum, reflecting a low rent of £10.99 per sq ft overall,**

- Subject to five yearly, **CPI linked compounded rent reviews with a cap of 4% and a collar of 2% per annum.**
- **Low site cover of approximately 19%** with potential to add additional car brands and also offering attractive credentials for the future redevelopment of the site, subject to planning.

PROPOSAL

Offers are invited in excess of **£4,000,000 (Four Million Pounds)**, subject to contract and exclusive of VAT, reflecting the following yield profile assuming costs of acquisition of 6.54%:

Net Initial Yield: 5.28%

Forecast CPI uplift in November 2022: 6.07%



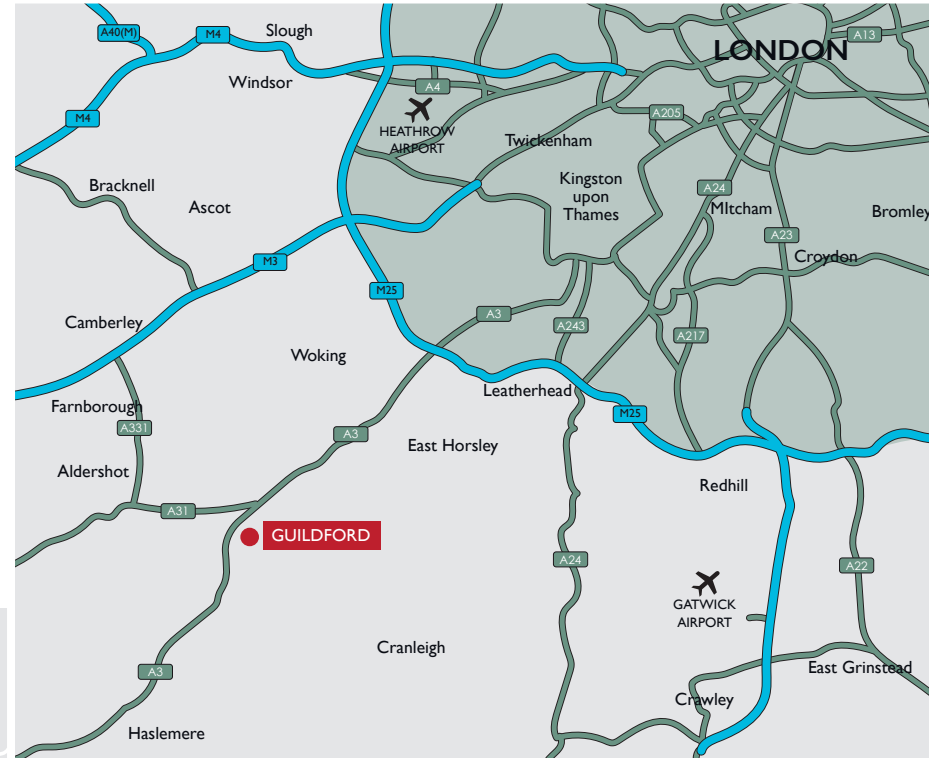


LOCATION

Guildford is the commercial centre of Surrey and benefits from excellent connectivity to Central London, attractive residential areas, and extensive shopping and leisure facilities. It has an affluent and highly skilled population and is home to the University of Surrey, one of the UK's leading research universities and Surrey Research Park, a 70 acre R&D park which is home to over 100 companies across approximately 653,000 sq ft. It is also considered one of the South East's leading office markets, attracting many large international and national occupiers.

Guildford has a population of approximately 80,000 and extensive primary catchment of 507,000. Guildford's catchment population is one of the most affluent catchments in the UK, ranked 1st out of the PROMIS centres on the PMA Affluence indicator.

“ Guildford's catchment population is one of the most affluent in the UK ”



SITUATION

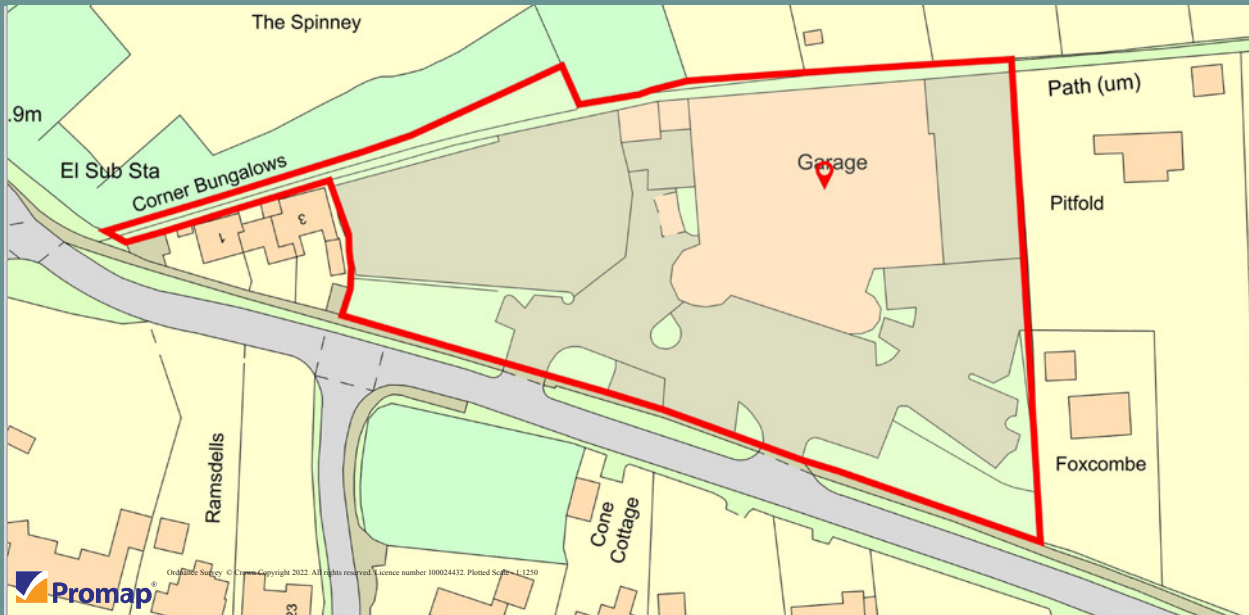
The property is situated on Hurtmore Road, approximately 5 miles south west of Guildford and 2 miles north west of Godalming in an affluent residential location. The property is approximately 1 mile to the east of the A3 which provides a direct route to the M25 and Central London.

There has been a car dealership on the site since Stag Hill Motors in the 1980s. The property occupies a prominent position with approximately 135 metres of frontage to Hurtmore Road. The immediate area is primarily characterised by large residential dwellings and the property is surrounded on either side by high end houses on large plots. The independent Charterhouse School and its extensive grounds are situated just to the south of the property.



DESCRIPTION

The property comprises a car dealership that incorporates the latest Peugeot and commercial fleet vehicles, on a site of approximately 1.9 acres with 132 car spaces. The low site cover of approximately 19% offers the potential to introduce another vehicle brand to the site, which in light of the trading performance may be deemed appropriate by the tenant. The car dealership, which has been extended at various points in recent history, is of steel frame construction, with an eaves height of 3.7m, profile steel cladding and a steel corrugated roof. There is a glazed showroom area with office, workshop, staff, and ancillary areas.



ACCOMMODATION

Plowman Craven have undertaken a measured survey of the property which will be assignable. The approximate GIA floor areas of the property are as follows:

Floor	Use	Area (sq m)	Area (sq ft)
Ground	Showroom & Office Workshop	748.9 1,081.7	8,061 11,643
First	Office	72.7	783
OVERALL TOTAL		1,903.3	20,487

The site extends to approximately 1.9 acres benefitting from a low site cover of approximately 19%.

There is display, customer and workshop car parking for approximately 132 cars.

TENURE

The property is held **FREEHOLD**.

DESCRIPTION & ACCOMMODATION





TENANCY

Peugeot SA carried out a sale and leaseback in October 2012.

The property is let to Peugeot Motor Company Plc, from 1st November 2012 expiring on 31st July 2027 (5.5 years unexpired) at a current passing rent of £225,167 per annum, reflecting a low rent of £10.99 per sq ft overall.

The lease is subject to a rarely offered guarantee from Peugeot SA (now Stellantis). The Guarantee is limited to an aggregate sum of £3,310,000.

The lease is excluded from sections 24 to 28 of the Landlord and Tenant Act 1954 but the Tenant has a right to renew for a term of 14.75 years.

The rent is paid quarterly in advance and is next reviewed on 1st November 2022. The rent is subject to five yearly upward only reviews to CPI compounded, subject to a collar at 2% and cap at 4% per annum.

The dealership is operated by Robins & Day Limited, who are a wholly owned subsidiary of the tenant. .



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

Robins & Day are a wholly owned subsidiary of the Citroen Retailing Group, part of Stellantis, and now operate over 62 dealerships for Peugeot, DS, Citroen and GO Vauxhall plus Fleet & Business vehicles as well as selling used cars from all major manufacturers. www.robinsandday.co.uk

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 car dealership 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 car showroom 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. This is reflected in the yields which are achieved for investments with shorter income lengths which show only a relatively small differential to prime, longer let stock.

RELEVANT RECENT TRANSACTIONS

Date	Location	Tenant	Unexpired Term	Price	NIY	Comments
On Market	Birmingham	Lookers Motor Group Ltd	8 years	£5,160,000	6.00%	Open market rent reviews.
Feb 2022	Romford	Sytner Ltd	12.5 years	£27,300,000	4.00%	RPI capped at 13.14%.
Jan 2022	Sale	Peugeot Motor Company Plc	5.5 years	£4,950,000	5.40%	CPI 2% to 4%. Option to renew for 14.75 years.
Jan 2022	Coventry	Peugeot Motor Company Plc	5.5 years	£5,750,000	5.23%	CPI 2% to 4%. Option to renew for 14.75 years.
Dec 2021	Tring	Specialist Cars Ltd (BMW & MINI)	13 years	£7,750,000	5.39%	RPI 2% to 4.5% pa.
Apr 2021	Reading	Sytner Group Ltd (Audi)	20 years	£19,150,000	4.62%	RPI capped at 3% pa.
Apr 2021	Guildford	Tesla Motors Ltd	10 years	£4,026,000	5.83%	RPI 2% to 4% pa.
Dec 2020	Thames Ditton	BMW	20 years	£14,000,000	4.72%	RPI 2% to 4% pa.
Aug 2020	Bracknell	Lancaster Plc	11 years	£5,810,000	5.30%	Higher of open market or 2.5% pa.
Jun 2020	Crawley	Volvo	20 years	£9,340,000	4.95%	RPI 1% to 3%.



FUTURE DEVELOPMENT POTENTIAL

The property is set amidst a highly aspirational residential area surrounded by multi-million-pound houses. The site benefits from an attractive leafy setting but is also perfectly situated for access to London, the South Coast, the South Downs and Heathrow and Gatwick airports. With strong schools and plentiful amenity close by, a

high-end residential offering on this site would command high values.

The substantial and attractively orientated site of 1.9 acres therefore provides a longer-term opportunity, subject to planning, to reposition the site for a luxury residential redevelopment.



“ Highly prominent site of 1.9 acres with 135m road frontage in very affluent area ”



ENVIRONMENTAL

CBRE Environmental have carried out a Phase 1 Environmental Report which rates the site low risk. The report will be assignable to a purchaser and is available on our datasite.

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 data site.

FUTURE DEVELOPMENT POTENTIAL, ENVIRONMENTAL, VAT & EPC



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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

INVESTMENT

DEVELOPMENT

ASSET MANAGEMENT

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