

PEUGEOT & CITROËN - COVENTRY CV3 6PE



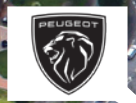
PRIME FREEHOLD CAR SHOWROOM INVESTMENT



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A45



LEAMINGTON ROAD

A45 KENPAS HIGHWAY



- Prime Coventry Dual-Brand; **Peugeot & Citroën** car showroom investment.
- Highly prominent location **fronting the A45** in the heart of the West Midlands.
- Situated in a **residential destination** and well-established commercial location with occupiers in the immediate vicinity including Premier Inn, Miller & Carter, BP and M&S Simply Food.
- **The tenant has consolidated their operations into this property after the closure of another facility.**
- **Freehold site of 1.74 acres.**
- The car showroom extends to approximately **20,327 sq ft (1,888.5 sq m).**
- Let to **Peugeot Motor Company Plc (D&B 5A2)** until 31 July 2027, (5.5 years income) with a **tenant right to renew the lease for a further 14.75 years.**
- **Rare guarantee from Peugeot SA (now Stellantis).**
- Total current income of **£284,836 per annum**, reflecting **£14.01 per sq ft** overall.
- Subject to five yearly, **CPI linked rent reviews with a cap of 4% and a collar of 2% per annum.**
- **Low site cover of approximately 22% with potential for future redevelopment of the site, subject to planning.**



PROPOSAL

Offers are invited in excess of **£3,960,000 (Three Million Nine Hundred and Sixty Thousand Pounds)**, subject to contract and exclusive of VAT, reflecting the following yield profile assuming costs of acquisition of 6.53%:

Net Initial Yield: 6.75%

Minimum 2% per annum CPI uplift in November 2022: 7.45%



LOCATION

Coventry is located at the heart of the UK. It is the second largest city in the West Midlands, and the 11th largest in the country. Birmingham is situated 20 miles to the west and London is approximately 95 miles southeast.

Coventry is a major commercial centre, being the 11th largest city in England with a population of 371,000 and a population over 6 million living within 1 hours drive time. The city is strategically located at the centre of the UK logistics' 'Golden Triangle', benefiting from unparalleled access to superb transport infrastructure.

There is direct access to Junctions 2 & 3 of the M6 via the A46 and A444 respectively. The A45 Birmingham to Coventry trunk road provides access to the M42 to the south, which in turn links to the M40 and the M5. The M1 is approximately 19 miles to the east and can be accessed via both the M6 and the M69. Approximately 85% of the UK's population is within a 4.5 hour HGV drive time, making it a highly desirable location for businesses.

For rail, Coventry is served by the West Coast Main Line and offers regular rail services between London and Birmingham. The Birmingham International Airport is 11 miles to the north west of the city whilst Coventry Airport is located 5 miles south of the city centre.

Coventry has had very strong links with the manufacturing industry, in particular the car industry through Peugeot, London Electric Vehicle Company, Rolls Royce and Jaguar Land Rover (JLR). The Government has identified Coventry as one of the UK's new Growth Points and is in the Top 10 Cities for Jobs Growth/ New Business Start Ups/ Sustainable Cities/ Environmental Performance and Quality of Life.

SITUATION

The property occupies a prominent and very busy mixed commercial and residential location, fronting the A45, which links Coventry with Birmingham. The property is positioned adjacent to the roundabout intersection with the B4113 Leamington Road, approximately 1.75 miles south of the city centre. The A45 together with the A46 are the main trunk roads intersecting the city. The A45 to the south of the city links with the M45 and M1 to the east and with the M42 to the west. The location is mainly residential with the University of Warwick one mile to the south west. Other occupiers close by include Premier Inn, Miller & Carter, BP and M&S Simply Food and a number of car dealerships including Lexus and Suzuki.



DESCRIPTION

The property occupies a highly prominent site with busy road frontage of approximately 180m and comprises a modern car dealership that has recently undergone refurbishment by the tenant to incorporate the latest Peugeot & Citroen brands as well as providing fleet services.

The unit is of steel frame construction with profile steel cladding and a steel corrugated roof. There is a glazed showroom area fronting Kenpas Highway with offices, ancillary areas and the main workshop to the rear. First floor accommodation provides a range of offices, staff canteen and WCs. The unit has extensive staff and customer parking around the building.



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:

Accommodation	Area (sq m)	Area (sq ft)
GROUND FLOOR		
Showroom, Sales Offices and Ancillary Areas	666.8	7,177
Workshops, Parts Store and Ancillary Areas	849.5	9,144
FIRST FLOOR		
Ancillary Offices, Parts Store	372.2	4,006
TOTAL GIA	1,888.5	20,327

The site extends to approximately 1.74 acres benefiting from a low site cover of approximately 22%.

There is display, customer and workshop car parking for approximately 215 cars.

TENURE

The property is held **FREEHOLD**.





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 **£284,836 per annum, reflecting £14.01 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 £4,090,000.

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, 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 & Citroen brands as well as commercial fleet vehicles are available at the unit having recently consolidated their operations with the closure of the Coventry Citroen dealership.**



TENANT COVENANT

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 5A2 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.

Stellantis have consolidated their Coventry operations into this site which now sells, services and distributes their Peugeot & Citroen brands whilst also providing commercial fleet services.

“ 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. ”



TENANT COVENANT & AUTOMOTIVE MARKET



RELEVANT RECENT TRANSACTIONS

Date	Location	Tenant	Unexpired Term	Price	NIY	Comments
On market	Birmingham	Volvo Car UK Ltd	8.8 years	£3,250,000	5.78%	RPI capped at 3% per annum.
On market	Sale Manchester	Peugeot Motor company Plc	5.5 years	£4,460,000	6.75%	CPI 2% to 4%. Minimum uplift to 7.45% in 2022. Option to renew for 14.75 years.
On market	Tring	Specialist Cars Ltd (BMW & Mini)	13 years	£7,125,000	5.86%	RPI 2% to 4.5% pa. Minimum uplift to 6.43% in 2024.
Aug 2021	Peterborough	Motorpoint Ltd	9 years	£4,450,000	6.85%	Open market reviews.
July 2021	Nottingham	Sytner Group Ltd (BMW)	16 years	£9,025,000	6.06%	RPI capped at 2.5% pa. Long Leasehold.
Apr 2021	Stourbridge	Volvo Car UK Ltd	10 years	£3,153,000	7.28%	Open market rent reviews
Apr 2021	Reading	Sytner Group Ltd (Audi)	20 years	£19,150,000	4.62%	RPI capped at 3% pa. Minimum uplift to 5.1% in Sept 2021.
Apr 2021	Guildford	Tesla Motors Ltd	10 years	£4,026,000	5.83%	RPI 2% to 4% pa. Minimum uplift to 6.43% in Jan 2026.
Oct 2020	Northampton	Sytner Group Ltd	5 years	£7,625,000	7.13%	No reviews outstanding.
Aug 2020	Bracknell	Lancaster Plc	11 years	£5,810,000	5.30%	Higher of open market or 2.5% pa. Minimum uplift to 6% in June 2022.
May 2019	Royal Tunbridge Wells	Volkswagen Group UK Ltd	6 yrs	£4,825,000	5.76%	OMRV
Apr 2019	Bristol	Peugeot Motor Company Plc	8 yrs	£3,470,000	5.41%	OMRV



RELEVANT RECENT TRANSACTIONS



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FUTURE DEVELOPMENT POTENTIAL

The subject property benefits from being a highly prominent, substantial site of 1.74 acres with a low site cover of approximately 22% and road frontage of approximately 180 metres. Although the property is currently fully occupied and recently refurbished by the tenant, the site provides a longer term opportunity, subject to planning, to reposition the site and increase the massing. Whilst in a highly residential area there have previously been approaches from supermarket operators so any future redevelopment could potentially comprise a supermarket led residential development.

ENVIRONMENTAL

CBRE Environmental have carried out a Phase I Environmental Report which rates the site low risk. The report will be assignable to a purchaser.

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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