

PEUGEOT & CITROËN - SALE, MANCHESTER M33 4BL



PRIME FREEHOLD CAR SHOWROOM INVESTMENT



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MANCHESTER

M60

A56





- Prime Greater Manchester Dual-Brand; **Peugeot & Citroën car showroom investment.**
- **Highly prominent location fronting the A56**, a principal arterial route into Manchester; in the heart of Sale.
- **This is one of the strongest performing Robins & Day dealerships across the whole operational portfolio and a new Fiat range is to be introduced in the new year.**
- Situated in a residential area offering **high residual site value.**
- **Freehold site of 1.91 acres.**
- The car showroom extends to approximately **26,032 sq ft (2,418.4 sq m).**
- 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).**
- Total current income of **£320,863 per annum, reflecting £12.33 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 40%** with potential for future redevelopment of the site, subject to planning.



PROPOSAL

Offers are invited in excess of **£4,460,000 (Four Million Four 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

Manchester is the commercial and administrative capital of the North West of England with the UK's second largest economy. The city is the largest corporate, media and financial centre outside of London with 80 members of the FTSE 100 represented in the city, whilst the BBC and ITV are based in MediaCityUK in Salford. The city has an estimated primary catchment population of over 2.23 million and a labour pool of approximately 7.2 million within an hour's commute from the city centre. The city is approximately 200 miles north-west of London, 90 miles north of Birmingham and 35 miles east of Liverpool.

Manchester benefits from outstanding communication links with over 100 miles of motorway within the conurbation. The city has two mainline railway stations, Piccadilly and Victoria, linked by shuttle bus and the Metrolink tramway. There are intercity train links to all major cities within the UK with a half hourly service to London Euston (journey time approximately 2 hours 10 minutes). Additionally, Manchester International Airport is the UK's 3rd largest, with over 100 airlines offering direct flights to 225 destinations worldwide. A major contributory factor in the continuing success of Manchester is its connectivity on an international, national and regional level. 60% of the UK population is within a 2 hour drive time from Manchester.



SALE

Sale is an affluent South Manchester suburb within the Metropolitan Borough of Trafford approximately 6 miles south west of Manchester city centre.

The property fronts the A56, the main arterial route connecting Manchester City centre with Altrincham, whilst providing direct access to Junction 7 of the M60 motorway and Junction 4 of the M56 motorway. The M60 orbital motorway provides easy access to the M6, M61 and M62. Sale benefits from excellent public transport links, with multiple Metrolink tram stops within walking distance and a mainline railway station at Navigation Road in Altrincham providing regular services to Manchester Piccadilly, Stockport and Chester.

The property occupies a prominent and very busy location with frontage of approximately 80m to the A56 Washway Road, to the south of Sale town centre and north of Altrincham. The immediate vicinity is predominately residential with Kingsway Church immediately to the north. Access to the site is directly off the A56. Other car showrooms fronting the A56 include Ford, Nissan, and Toyota.





DESCRIPTION

The property occupies a highly prominent site with busy road frontage of approximately 80 metres and comprises a modern car dealership that incorporates the latest Peugeot & Citroën 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 the A56 (Washway Road) 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 benefit from an number of ESG initiatives including solar panels on the roof. The unit has 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	1084.6	11,675
Workshops, Parts Store and Ancillary Areas	933.5	10,048
FIRST FLOOR		
Ancillary Offices, Parts Store	400.3	4,309
TOTAL GIA	2,418.4	26,032

The site extends to approximately 1.91 acres benefiting from a low site cover of approximately 40%.

There is display, customer and workshop car parking for approximately 186 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 £320,863 per annum, reflecting £12.33 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 £4,450,000.

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 and the intention is to introduce a new Fiat range at this showroom, showing renewed commitment to the location.





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 organisation 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.

This is one of the strongest performing Robins & Day dealerships across the whole operational portfolio and a new Fiat range is to be introduced in the new year.

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.



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	Coventry	Peugeot Motor company Plc	5.5 years	£3,960,000	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



FUTURE DEVELOPMENT POTENTIAL

The subject property benefits from being a highly prominent, substantial site of 1.91 acres with a low site cover of approximately 40% and road frontage of approximately 80 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 due to its residential setting.

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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PROPOSAL

FURTHER INFORMATION

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

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INVESTMENT

DEVELOPMENT

ASSET MANAGEMENT

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