

FOR SALE CAR SHOWROOM INVESTMENT

Kia/Fiat Blackpool
Unit 4, Amy Johnson Way
Blackpool FY4 2RP



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Investment Summary

- Located in a Motor Retail Cluster next to Renault, Citroen, and Nissan
- Close to Morrisons and Squires Gate Retail Park
- Rental Income £78,330 per annum (£9.35psf overall)
- Low site density of 26%
- 11 years unexpired
- Let to a Regional Dealer Group
- Estimated Reversionary Yield in May 2016 of 7%

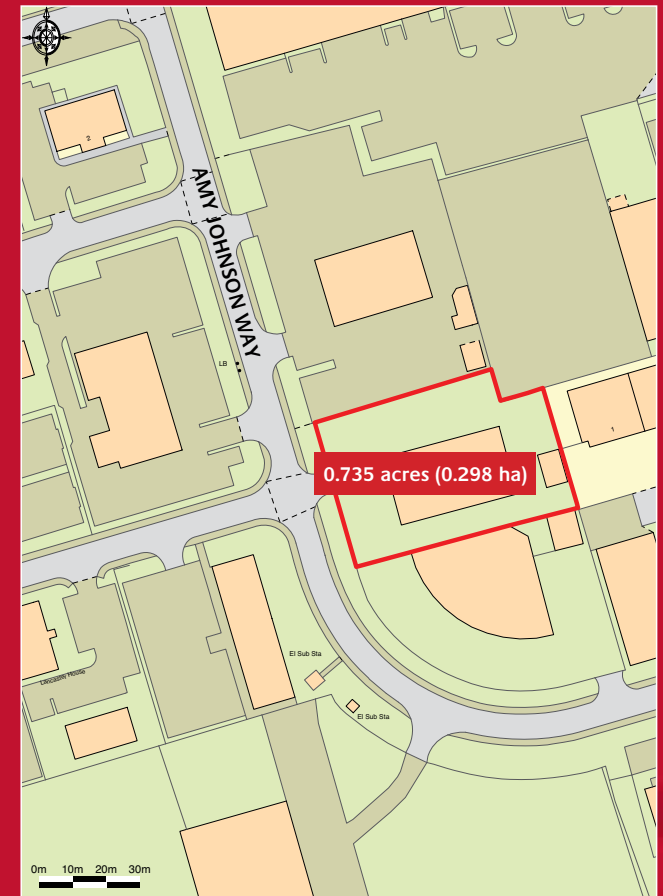


Location

Blackpool is a major seaside resort located in Lancashire, North West England. It is situated along England's northwest coast, between the Ribble and Wyre estuaries, 17.5 miles (28.2 km) northwest of Preston, 27 miles (43 km) north of Liverpool, 30 miles (48 km) northwest of Bolton and 40 miles (64 km) northwest of Manchester.

It has an estimated population of 142,100, making it the fourth most populated settlement in the North West behind Manchester, Liverpool and Warrington, and a population density that makes it the fourth most densely populated borough of England and Wales outside Greater London. According to Experion, Blackpool has a Population (within a 20 minute contour) of 392,621.

The M55 motorway provides Blackpool with a strategic link to the wider national motorway network. Other key routes into Blackpool include the Promenade (A584), Talbot Road (A586), Preston New Road (A583) and Progress Way / Squires Gate Lane (A5230).



Blackpool Airport is situated close to the dealership. In March 2015 the government announced that a new Enterprise Zone will be created at Blackpool Airport, using some airport land and some adjoining land.

The property is located on the Blackpool Business Park on Amy Johnson Way, off the A5230 which gives direct access to Junction 4 M55, and adjacent to Blackpool Airport.

Positioned within a cluster of other dealerships (Citroen, Renault and Nissan) together with being located close to Morrisons supermarket and the Blackpool Retail Park where retailers include; Currys, Dunelm Mill, Halfords, Maplin, PC World, Pets at Home, Poundstretcher, Staples, and McDonalds.



Description

The property is a modern purpose built steel portal frame car dealership comprising a showroom with a workshop behind with good road frontage. The property has extensive used car display with car parking and vehicle storage compound to the rear.

Tenure

The property is held Long Leasehold from Blackpool Borough Council and Blackpool Airport Ltd for 125 years from 2nd February 2000 expiring on 1st February 2125 (110 years unexpired) at a peppercorn rent.

Tenancy

The property is let to Bugle Inn Motor Company Ltd, guaranteed by Bugle Inn Motor Company (Holdings) Ltd, trading under the Chorley Group name, for a term of 25 years from 4th May 2001 on FRI terms. The passing rent is £78,330 per annum effective from May 2011 reflecting £9.35 psf. Rent reviews are 5 yearly to Market Rent.



Covenant

Chorley Group are a family run business established over 20 years ago and hold the Nissan, FIAT, Hyundai and KIA brands from their dealerships in Blackpool, Burnley, Chorley, Preston and Wigan.

Bugle Inn Motor Company Ltd has a Dun and Bradstreet rating of **2A 2** representing a **Lower than Average Risk of Business Failure**. We have provided below a summary of the recent financial performance:

	31 Dec 2013	31 Dec 2012	31 Dec 2011
Sales turnover	101,323,224	93,451,457	86,115,863
Profit / (Loss) before tax	699,406	682,702	226,991
Tangible Net Worth	3,058,696	2,600,820	2,077,354
Net Current Assets (Liabilities)	581,138	560,207	(25,853)

Guarantor Bugle Inn Motor Company (Holdings) Ltd has a Dun and Bradstreet rating of **2A 1** representing a **Minimum Risk of Business Failure**. We have provided below a summary of the recent financial performance:

	31 Dec 2013	31 Dec 2012	31 Dec 2011
Sales turnover	101,323,000	94,659,000	87,990,000
Profit / (Loss) before tax	700,000	370,000	282,000
Tangible Net Worth	3,060,000	2,600,000	2,389,000
Net Current Assets (Liabilities)	581,000	558,000	282,000

Accommodation

	SQ FT	SQ M
Showroom	4,125	383.2
Sales Office	89	8.3
WCs (Showroom)	86	8.0
Showroom Offices	104	9.7
Workshop Offices	77	7.1
Parts Storage	357	33.2
Corridor	146	13.5
WCs (Workshop)	44	4.1
Workshop	2,388	221.9
Valet Bays	668	62.1
Plant	297	27.6
TOTAL GIA	8,382	778.7
Front Display	10	
Side Display	48	
Customer Parking	6	
Disabled Parking	2	
Rear Parking	14	

Site Area: 0.298 hectares (0.735 acres).

Site Density – 26%.

Franchise Background

Kia is one of the most exciting new brands colonising the UK with a strong reliability record, comparative pricing, and new model design. With Kia entering the UK market in 1991 and expanding their model range in 1999, Kia has swiftly reached a market share 2015 to date of 3.07%, showing a 6.16% increase in sales volume compared with June 2014. Leading models include the Picanto, Sportage and Cee'd.

Fiat/Abarth is a mainstay brand centered around the popular 500 model that has been re-enforcing its market position accounting for 2.45% of the market (2015 to date). With its range of sporty and alluringly designed models, now often supplemented by the rejuvenated Jeep brand, Fiat offers value and chic to the UK car buying public.

Taken together the two brands account for 5.52% market share and have shown a 4.5% sales growth compared to June 2014. Given the low property overhead in Blackpool the business can be expected to be thriving.

Rateable Value

According to the Valuation Office website, the premises have a current Rateable Value of £62,500 effective 1st April 2010.

EPC

Rating D – 94.

VAT

The property has been elected for VAT.

Proposal

We have been instructed to seek offers of **£1,150,000 (One Million One Hundred and Fifty Thousand Pounds)** for our Client's long leasehold interest, subject to contract and exclusive of VAT. A purchase at this level reflects an initial yield of 6.44% (assuming costs at 5.8%). Based off an estimated rental value of £85,000 (£10.14 psf) at review in May 2016 this leads to a reversionary Yield of 7%.

Further Information

Viewing strictly by prior arrangement.
For further information please contact:



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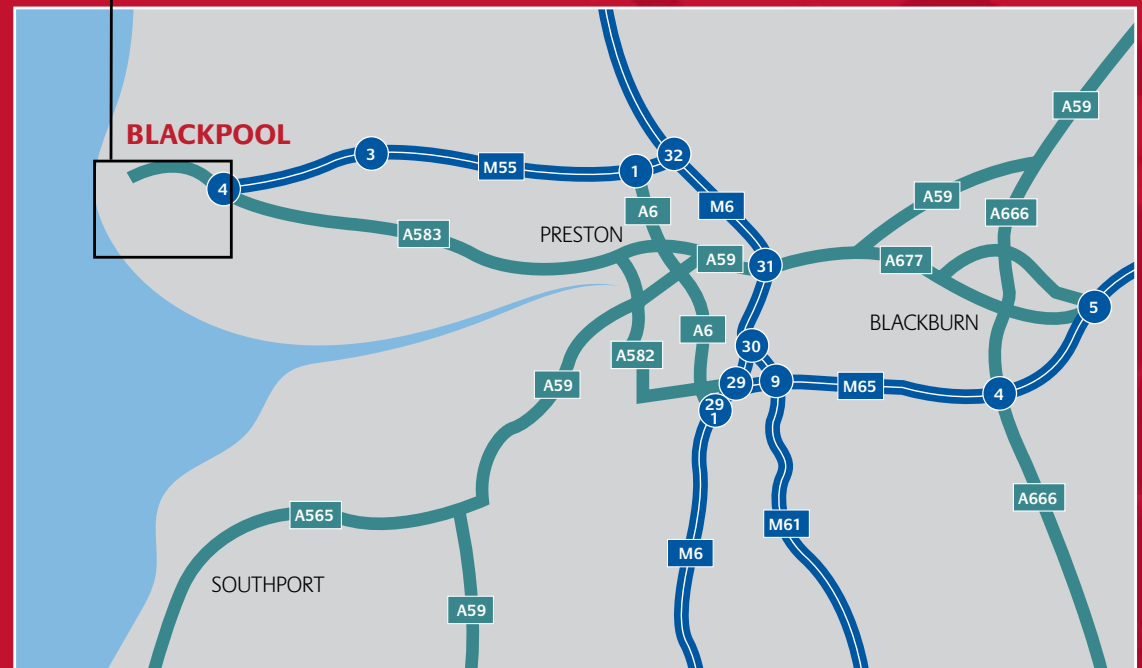
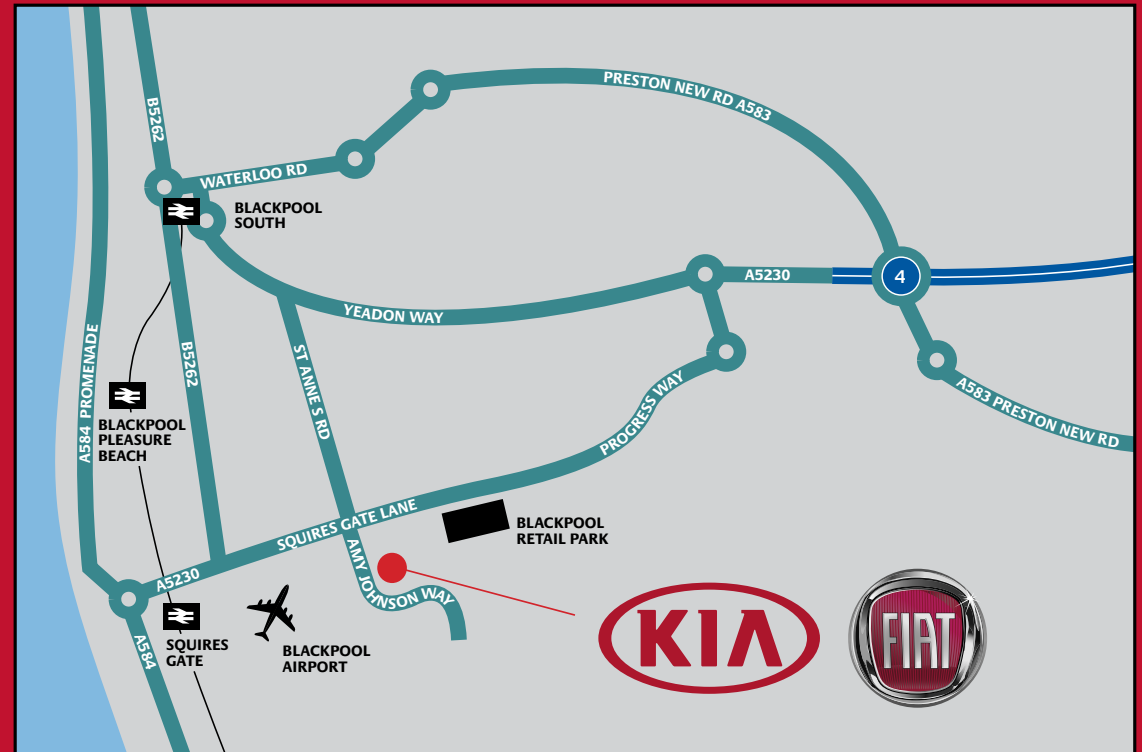
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AUGUST 2015