

Prime South-East Car Showroom Investment

Essex Ford, 691 Prince Avenue
Southend-on-Sea, Essex SS0 0JA





INVESTMENT SUMMARY

- Southend-on-Sea is one of Essex's principal commercial centres, with an affluent urban population of 160,257 and 627,949 people within 12.5 miles of the town.
- Purpose-built car showroom providing a total of 23,897 sq ft of accommodation.
- Highly prominent site totalling 1.77 acres, with a low site density of 31%.
- Potential alternative use and demand as food store.
- Freehold.
- Let to an established operator, Essex Auto Group Limited, with just under 17.5 years unexpired.
- 5 yearly rent reviews to the higher of RPIX or Open Market Value.
- Current passing rent of £341,299 pa, reflecting a low passing rent of £14.28 per sq ft.
- Offers in excess of £3,900,000 (THREE MILLION, NINE HUNDRED THOUSAND POUNDS) subject to contract and exclusive of VAT.
- A purchase at this level reflects an attractive net initial yield of 8.25% and a reversionary yield of 9.01%, based on the September 2009 RPIX figure.





LOCATION

Southend-on-Sea is a major commercial centre located in Essex within the Thames Estuary, approximately 43 miles east of Central London, 15 miles east of Basildon and 20 miles south-east of Chelmsford.

The town benefits from excellent communications with the A127 and A13 providing direct links to the M25, approximately 18 miles to the west. In addition, the A127 connects with the A130 approximately 13 miles to the west, which in turn provides direct access north to Chelmsford and south to Thurrock.

Rail services are provided from Southend East and Central Stations to local destinations and London Fenchurch Street, with a journey time of 50 minutes. Victoria Station provides rail links to London Liverpool Street, with an average journey time of 1 hour.

London Southend airport is situated 2 miles north of the town centre and currently provides a range of domestic and European services.



CATCHMENT AND DEMOGRAPHICS

Southend-on-Sea has an urban population of approximately 160,257 persons with an estimated 627,949 people living within 12.5 miles of the town. The Southend catchment population is affluent and contains a significantly above average proportion of adults of working age categorised within the most affluent AB social group. In contrast, the least affluent D and E social groups are particularly under-represented within the Southend area.

The level of owner occupation in Southend is significantly above average.

SITUATION

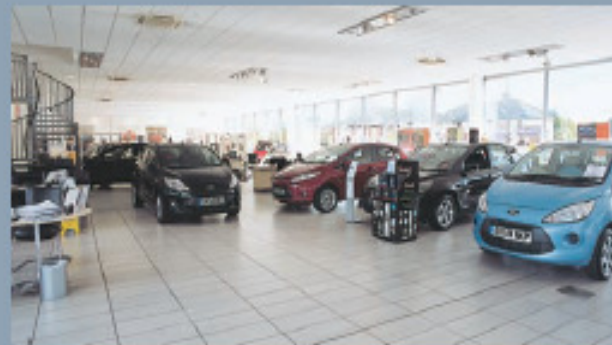
The property is very prominently located at the Kent Elms junction of the A127, which serves as the main arterial route providing access to Central London via Rayleigh Wier and Basildon. The property is located approximately 2 miles to the west of Southend-on-Sea town centre in the Kent Elms area.

The subject property is located within the main cluster of car showrooms in the town, with other dealers including Audi, Mini, Mercedes-Benz, MG Rover and BMW all represented on the A127.

There is also a Tesco Extra Supermarket and Virgin Health Club in close proximity.

ESSEX FORD 691 PRINCE AVENUE





DESCRIPTION

The subject property comprises a modern purpose built dealership facility providing showroom, workshop, parts area, bodyshop, offices and external parking areas.

The property was refurbished and extended in 2007 with the showroom comprising a modern building of steel frame construction under a pitched corrugated roof.

The workshops provide the main valeting and car preparation facility, along with the customer care area, MOT area, WCs, office space, parts department, bodyshop and vehicle repair centre.

The external areas provide approximately 190 spaces.

ACCOMMODATION

DESCRIPTION	FLOOR AREA (GIA)	
	SQ M	SQ FT
SHOWROOM	1,286.84	13,852
PARTS	232.10	2,498
NEW WORKSHOP	131.26	1,413
ORIGINAL WORKSHOP	437.86	4,713
MEZZANINE	132.01	1,421
TOTAL	2,220.07	23,897

The total site extends to 0.72 hectares (1.77 acres), providing a low site cover of 31%.



* Plan for illustration purposes only.



PLANNING

The original planning consent was dated 2nd June 1989 to erect one single storey block to form an enlarged new car sales showroom and bodyshop.

We are aware that the site has been subject to a number of applications for food store consent between 2005 and 2006. There was most recently a resolution to approve (subject to a S106 Agreement) for the redevelopment of the site for a food retail store (1,874 sq m) with revised parking and servicing in November 2006. However the S106 was not signed and the application was withdrawn. Further details can be provided upon request.

ENVIRONMENTAL

A Phase 1 desk top environmental report was completed by Delta Simons. Details are available upon request.

TENANCY

The property is let in its entirety to Essex Auto Group Ltd (No. 02382874), trading as Essex Ford Group, for a term of 20 years from 9th March 2007 (just under 17.5 years unexpired). The current passing rent is £341,299 per annum, equating to £14.28 per sq ft.

The lease is drawn on a full repairing and insuring basis, with 5 yearly rent reviews based on the higher of Open Market Value or RPIX calculated in accordance with the formula contained in the lease. Further information available upon request.

TENURE

Freehold.



TENANT'S COVENANT

ESSEX AUTO GROUP LIMITED has evolved over the past 20 years as an independent, Motor Retail Group. The company, founded in 1989, now operates 7 franchises under Essex Auto Group, including Basildon, Billericay, Lakeside and Rayleigh, employing 300 people.

A summary of the company's last three years' accounts is set out below:

YEAR ENDING	31/10/2008	31/10/2007	31/10/2006
SALES TURNOVER	£101,556,125	£102,015,804	£99,946,721
PROFIT BEFORE TAX	£2,875,107	£1,659,408	£613,894
TANGIBLE NET WORTH	£7,639,700	£7,166,580	£4,546,135

RENTAL EVIDENCE

The table below summarises recent car showroom rental transactions we are aware of:

DATE	BRAND	ADDRESS	SIZE SQ FT	RENT PER SQ FT
JAN-08	Ford	Shendley Road, St Helens	17,401	£15.75
JUN-08	Bentley	Mobberley Road, Knutsford	24,568	£13.22
AUG-07	BMW	Yew Street, Stockport	41,180	£13.96
MAY-07	Mercedes	Unbs Causeway, Bristol	44,600	£14.50
OCT-06	BMW	Highlands Road, Solihull	45,274	£15.02

VAT

The property is elected for VAT.

PROPOSAL

Our client is seeking offers in excess of £3,900,000 (THREE MILLION, NINE HUNDRED THOUSAND POUNDS), reflecting an attractive net initial yield of 8.25% and a reversionary yield of 9.01% based on the September 2009 RPIX figure, subject to contract and exclusive of VAT, based on purchaser's costs of 5.725%.

November 2009

Subject to Contract