



**DUTTON FORSHAW PEUGEOT & CITROEN (PART OF LOOKERS PLC)
SEVEN STILES AVENUE, NEWPORT, GWENT**



Prime Freehold Car Dealership Investment





**DUTTON FORSHAW
PEUGEOT & CITROEN**

EXECUTIVE SUMMARY

- Purpose built 3rd generation car dealership constructed in 2000 with further additions in 2009
- Freehold interest totalling 13,869 sq ft (excluding Citroen dealership as this is a tenants improvement) on a site area of approximately 1.65 acres (0.67 hectares)
- The property is situated in a prominent position adjacent to the busy Newport Retail Park

- Let to the Dutton Forshaw Motor Company Limited (Dun & Bradstreet 4A1), part of Lookers Plc (Dun & Bradstreet 5A1)
- Lookers Plc is the 5th largest motor retailer in the United Kingdom
- Rent passing £162,500 pa (£11.71 psf) rent review to open market value

- Over 13 years unexpired term
- Citroen element not currently rentalised

Offers in excess of **£1,980,000 (One Million, Nine Hundred and Eighty Thousand Pounds)** providing the purchaser with a **net initial yield of 7.76%** after allowing for normal costs of acquisition of 5.8%.

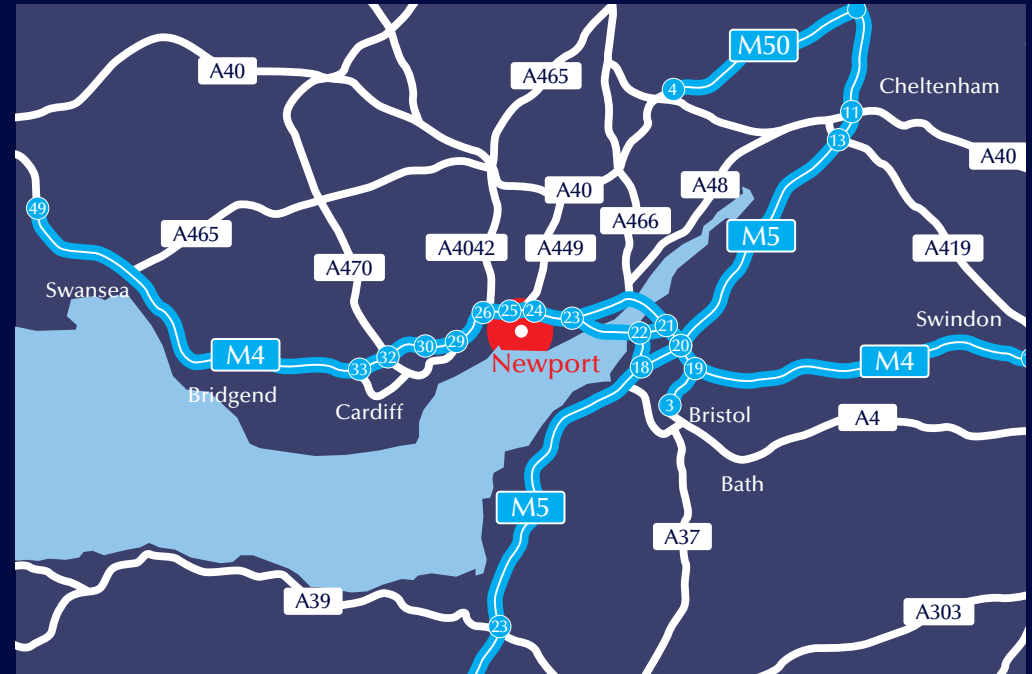
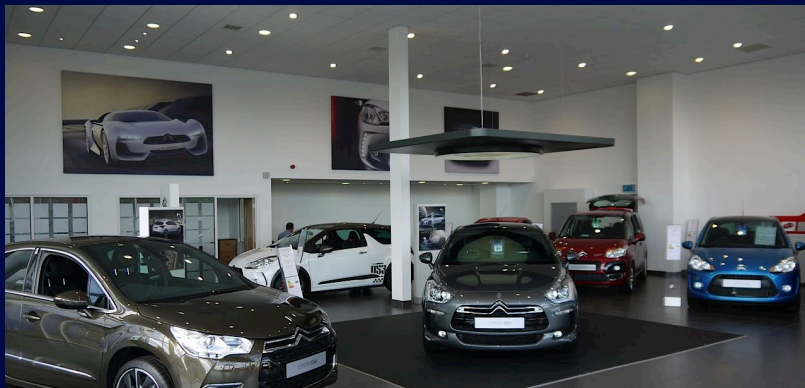
LOCATION

Newport lies within the county of Gwent and is located midway between Cardiff and Chepstow and is one of the principal commercial centres in south Wales. The city benefits from excellent road communication, with the town lying immediately to the south of junctions 24 & 25 of the M4 motorway which provides access to Cardiff and Swansea to the west and Bristol and London to the east. The M4 also links with the M5, just to the east of Bristol, which in turn provides access to the Midlands and the South West. Rail services from Newport to London Paddington have an approximate journey time of 1 hour 50 minutes.

SITUATION

The property is situated in a prominent position adjacent to the popular and busy Newport Retail Park. The dealership is located on Seven Stiles Avenue which connect directly to the A48 (Southern Distributor Road) and offers the benefit of significant traffic flow. The A48 is one of the main arterial routes into the city and provides links to the M4 motorway at Junctions 24 and 28.

The Retail Park boasts national occupiers including Boots, Peacocks, Asda Living, Next, SCS, Iceland, JJB Sports, PC World, The Carphone Warehouse, Matalan, McDonald's, Blockbuster, Cineworld, Pizza Hut, Frankie and Benny's, Tesco, as well as Wessex's Kia and Fiat dealership. Evans Halshaw Vauxhall & Stratstone Land Rover are both within close proximity of the property.



DESCRIPTION

The premises comprise a modern, purpose built car showroom with workshop and integral storage facilities and is fitted out to Peugeot's manufacturers specification. The showroom is of steel portal frame with glazed elevations incorporating offices at ground and first floor levels which link to both showroom and workshop areas.

The main showroom building incorporates a separate stores and parts area which includes loading door access. There are large roller shutter doors serving the workshop and separate MOT Bay.

The main showroom provides the sales areas for Peugeot. In 2009, the tenant constructed an additional showroom facility for Citroen which is treated as a tenant's improvement and as such is not rentalised.

The property has a secure yard to the rear of the property which serves both buildings.



ACCOMMODATION

The accommodation has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and comprises the following approximate gross internal areas which were agreed at the last rent review.

Area	sq ft	sq m
Showroom	3,067	284.9
Offices	774	71.9
Reception	445	41.3
Ancillary	549	51.0
Service/parts reception	548	50.9
Parts	933	86.6
Main Workshop	4,611	428.3
Other Workshop	965	89.6
First floor office	1,012	94.0
First floor ancillary	965	89.6
Total	13,869	1,288.4

Front Display Parking: 65 - Other Parking: 115 - Total Parking 180

Note that these areas do not include the Citroen dealership as this is a tenant's improvement.

The total site area extends to approximately 1.65 acres (0.67 hectares).



TENURE

Freehold.

TENANCY

The property is let in its entirety to The Dutton Forshaw Motor Company Limited for a term of 25 years from 9 October 2000 at a passing rent of £162,500 pa (£11.71 psf). Rent reviews are 5 yearly upwards only to open market value.

COVENANT

The Dutton Forshaw Motor Company Limited is a subsidiary company of Lookers Plc.

Lookers is one of the leading motor retail and aftersales service groups in the UK. Operations are carried out across the UK with a presence in most of the major population centres. The level of group turnover of just under £2bn per annum makes Lookers the fifth largest motor retail group in the UK and Lookers sell approximately 100,000 new and used cars per year. Lookers also have a very significant independent parts distribution business which is a market leader in its sector of the market.

The group operates through two distinct divisions, the motor division and the parts division and details of each division are explained in greater detail below.

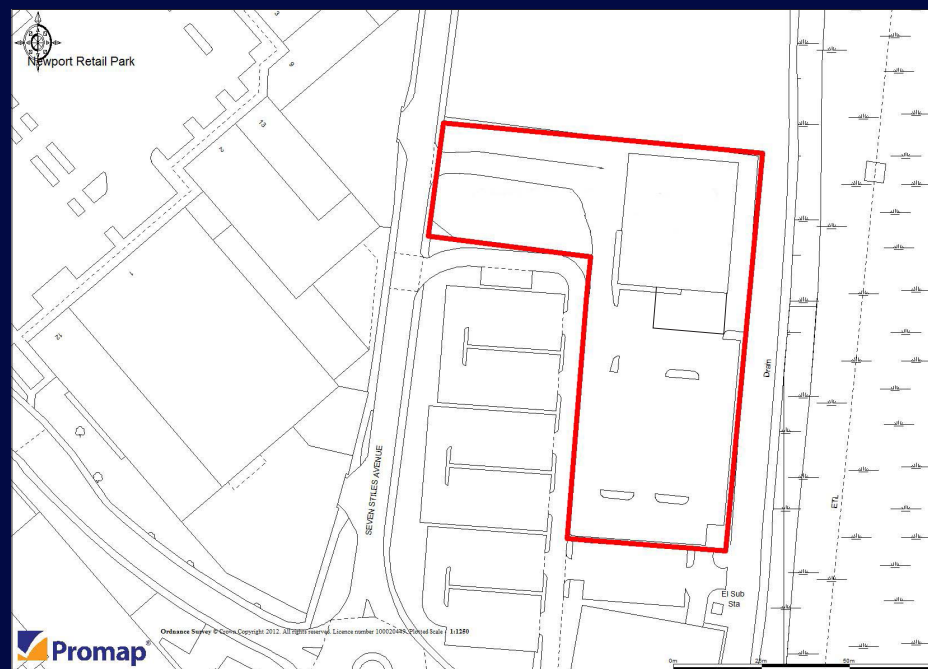
Motor division

The motor division consists of 111 franchised dealerships representing 31 marques from 70 locations. The business generates revenue from the sale of new and used cars and aftersales activities. After sales represents the servicing, repair and sale of franchised parts to customers' vehicles. The new car market in the UK has been approximately 2 million new cars sold during the past four years and Lookers' share of the retail sector of this market is just over 4%.

Parts division

Lookers parts division operates in the independent aftermarket sector of the UK motor retail market, where it operates through three distinct operating companies which supply automotive parts to the independent automotive aftermarket. Lookers' operate from 22 locations which provides a national network to cover the whole of the UK.

For further information on Lookers Plc please visit <http://investors.lookersplc.com>



We have been provided with the following financial information relating to the occupational tenant and its parent company:

The Dutton Forshaw Motor Company Limited – Dun & Bradstreet Rating 4A1 Creditsafe Rating 96/100

Year End	31/12/2010	31/12/2009	31/12/2008
Turnover	£429,315,000	£393,449,000	£347,626,000
Profit	£6,425,000	£5,830,000	£-1,037,000
Net Worth	£37,383,000	£33,789,000	£34,140,000

Lookers Plc – Dun & Bradstreet Rating 5A1 Creditsafe Rating 96/100

Year End	31/12/2011	31/12/2010	31/12/2009
Turnover	£1,898,500,000	£1,883,800,000	£1,749,000,000
Profit	£31,400,000	£31,100,000	£11,500,000
Net Worth	£196,800,000	£181,600,000	£160,100,000



Energy Performance Certificate
Non-Domestic Building

Unit 1, Seven Stiles Avenue
Newport Retail Park
NEWPORT NP19 4QS

Certificate Reference Number:
0096-2065-4830-6700-1203

This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building: one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information on the Governments website www.communities.gov.uk/epbd.

Energy Performance Asset Rating

More energy efficient

A+ Net zero CO2 emissions

A 0-25

B 26-50

C 51-75

56 This is how energy efficient the building is.

D 76-100

E 101-125

F 126-150

G Over 150

Less energy efficient

Technical Information

Main heating fuel: Natural Gas
Building environment: Heating and Natural Ventilation
Total useful floor area (m²): 1441
Building complexity (NOS level): 3
Building emission rate (kgCO₂/m²): 69.16

Benchmarks

Buildings similar to this one could have ratings as follows:

18 If newly built
49 Is typical of the existing stock

VAT

The property has been elected for VAT purposes and will be charged at the prevailing rate and will be treated as a TOGC.

PROPOSAL

Our client is seeking offers in excess of **£1,980,000 (One Million, Nine Hundred and Eighty Thousand Pounds)** for the freehold interest providing the purchaser with a **net initial yield of 7.76%** after allowing for normal costs of acquisition of 5.8%.

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FURTHER INFORMATION

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