



HONDA

WELL SECURED PRIME CAR DEALERSHIP INVESTMENT

HYDE ESTATE ROAD, **HENDON, LONDON**, NW9 6JZ

cortexpartners
CHARTERED SURVEYORS



INVESTMENT SUMMARY

- **Prime London Car Dealership Investment.**
- **Modern purpose built car showroom** constructed to a high specification.
- **Prominent situation** fronting (A5) Edgware Road adjacent to a Sainsbury's foodstore and petrol station.
- **Established retail and motor trade location** with surrounding occupiers including ASDA, Sainsburys, Homebase, Comet, Halfords, Pets at Home, Vauxhall, Lexus, Volvo, Toyota, Volkswagen, Ford, Kia, Mercedes, Subaru and Suzuki.
- **Total workshop and showroom accommodation of 2,341 sq m (25,198 sq ft)** on a site of approximately 0.59 hectares(1.47 acres) providing 108 parking and display spaces.
- Let to the secure covenant of **Honda Motor Europe Ltd (D&B 5A1)** for a term of 20 years expiring 10th September 2029 (**approximately 17.25 years unexpired**).
- **Minimum rental increases** for the first two reviews to the higher of OMV or RPI collared at 2% and 3.5%, with OMV thereafter.
- Current **passing rent of £370,000 pa**, within minimum increases to **£408,510 pa on 11th September 2014**, and **£451,028 pa on 11th September 2019**.
- Rated 'very good' under BREEAM.



Postcode: NW9 6JZ

Grid Reference:
TQ 21644 88560



We have been instructed to seek offers in excess of **£5,725,000 (Five Million Seven Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT. Assuming purchase costs of 5.80% and the **minimum RPI increase of 2% per annum**, the property provides the following yield profile:

- **Net Initial Yield:** 6.11%
- **September 2014:** 6.75%
- **September 2019:** 7.45%

LOCATION



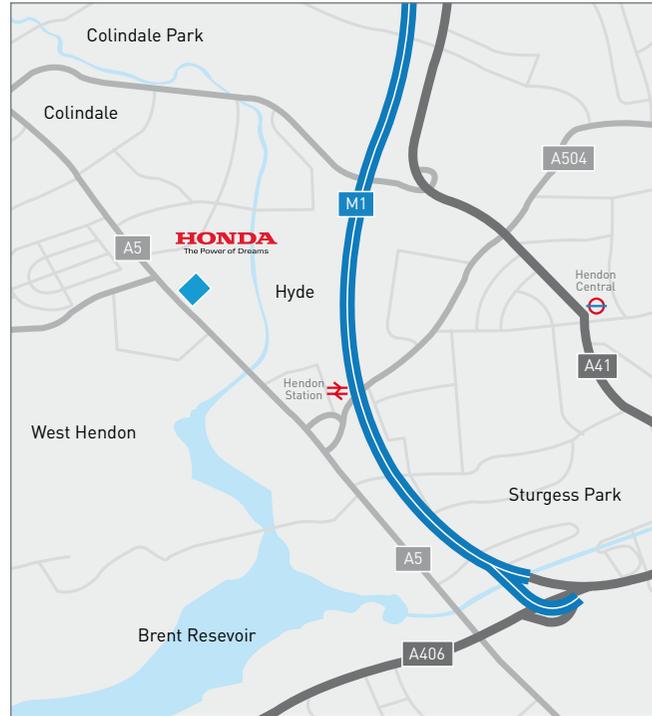
The London suburb of Hendon is located approximately 12.9 km (8 miles) north west of central London, within the London Borough of Barnet. The property is prominently located fronting the (A5) Edgware Road, at its junction with Hyde Estate Road, which links directly to the A406 (North Circular) and Junction 1 of the M1.

Hyde Estate Road, which runs along the front of the unit, provides access to a Sainsburys foodstore and petrol filling station.

The area, known as The Hyde, is an established location for retailing and car dealerships with occupiers including ASDA, Sainsburys, Homebase, Comet, Halfords, Pets at Home, Wickes, Lexus, Suzuki, Subaru, Volvo, Toyota, Mercedes, Kia, Ford, Hyundai and Vauxhall all represented.

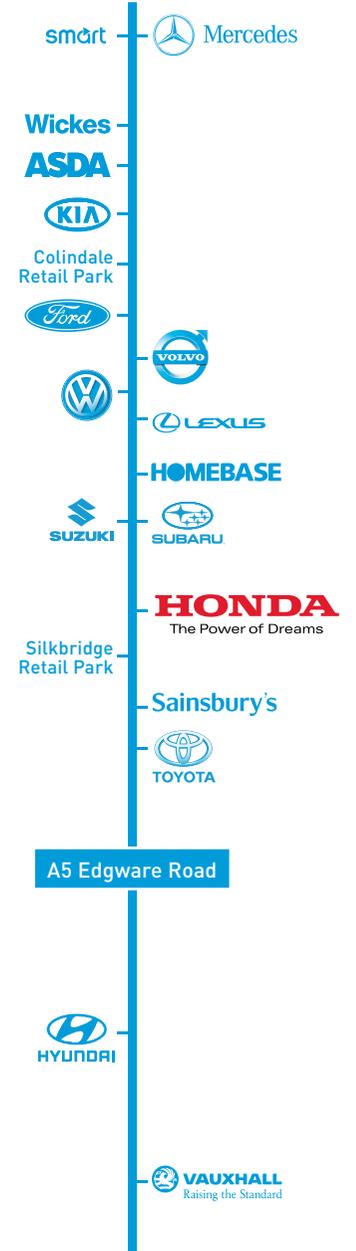
Hendon benefits from links with overground rail services at Hendon Station and the London Underground at Hendon Central (Northern Line), providing access to central London in 16 minutes and 22 minutes respectively.

SITUATION



The property is situated in an accessible and highly visible location at the junction of Hyde Estate Road and the (A5) Edgware Road. The location is densely populated by car showrooms with a total of 12 dealerships located along this 3.5km (2.2 mile) section of the (A5) Edgware Road.

The property is adjacent to a Sainsbury's foodstore and petrol filling station and is surrounded by a variety of commercial uses. Silkbridge Retail Park and Colindale Retail Park are in close proximity, in addition to other notable occupiers located nearby along the (A5) Edgware Road including ASDA, Homebase, and Wickes.



DESCRIPTION

The property comprises a modern, high specification car dealership. Previously an office and warehouse facility, works were completed in 2010 to redevelop the property into a high quality car showroom.

The property provides showroom and workshop accommodation arranged over ground and mezzanine floors. Both elements (new showroom and existing workshop) are of steel frame construction. The showroom has a flat roof and is clad with double height glazing incorporating aluminium louvres. The workshop has a pitched roof and elevations clad with composite sheeting. The building has been redeveloped to a BREEAM rating of 'very good'.

The external areas are landscaped and include hardstanding laid to tarmac to provide display, customer and workshop parking, totalling 108 spaces.

ACCOMMODATION

Area	sq m	sq ft
Showroom	811.69	8,737
Workshop	993.97	10,699
Mezzanine	535.31	5,762
Total	2,340.97	25,198

The site totals approximately 0.59 hectares (1.47 acres) providing a low site cover of approximately 31%.



TENANCY

The property is let in its entirety to Honda Motor Europe Ltd for a term of 20 years from 11th September 2009, expiring on the 10th September 2029. The current rent passing totals £370,000 per annum.

The tenancy is subject to five yearly upward only rent reviews, with the benefit of the first two reviews being reviewed to the higher of OMV or RPI, collared at 2% and 3.5%. Assuming a minimum of 2% per annum the rent will increase to £408,510 per annum in 2014 and £451,028 per annum in 2019.

At review it is assumed that the unit provides a GIA of 20,500 sq ft and is fitted out to shell and core.

The property has been under let by Honda Motor Europe Ltd to Crown Motors Bushey Heath (Distributors) Limited.

Copies of both leases are available on request.

TENURE

The property is held long leasehold for a term of 999 years from 25th March 1993 subject to a peppercorn rent.

Rights exist for the long leaseholder to acquire the freehold interest following 18th June 2018 for the consideration of £1.

A copy of the head lease is available on request.

VAT

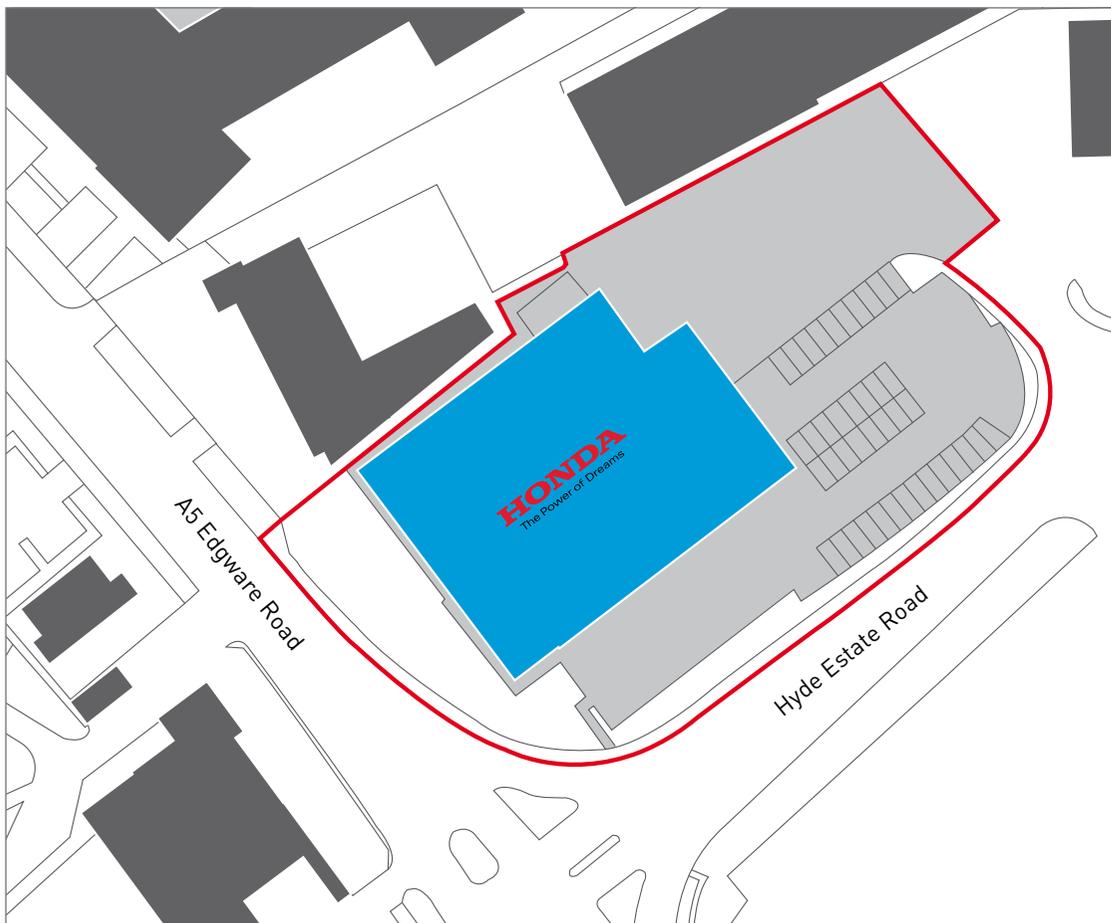
The property is VAT elected and therefore VAT will be payable on the purchase price.



TENANTS COVENANTS

Honda Motor Europe Limited is classified by Dun & Bradstreet as 5A1, representing a minimum risk of business failure. A summary of their financial results are as follows:

	31st March 2011 (000s)	31st March 2010 (000s)	31st March 2009 (000s)
Turnover	£4,856,848	£5,055,441	£6,783,543
Pre-Tax Profit/(Loss)	(£81,589)	(£87,186)	(£165,238)
Net Worth	£306,614	£415,292	£650,771



This plan is published for the convenience of identification only. Any site boundaries are indicative only and should be checked against Title Deeds.

RENTAL COMMENTARY

The subject property represents a prime London car dealership and as such provides the purchaser with the opportunity for rental growth above the level of the RPI increases.

The schedule below provides rental evidence for dealerships within London and the south east.

Address	Rent Passing	Area (GIA sq ft)	Rate (psf)	Transaction Type
Honda, Reading	£352,500 pa	17,242	£20.44	Nov 08 OML
VW, Bromley	£270,000 pa	15,522	£17.39	N/A RR
Volvo, Chiswick	£490,000 pa	15,445	£31.72	June 09 OML
Honda, Thames Ditton	£150,000 pa	7,990	£18.77	March 06 OML
VW, Camberley	£288,019 pa	8,114	£31.37	June 10 RR
Jaguar, Park Royal	£619,000 pa	31,938	£19.09	Sept 2009 RR



PROPOSAL

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EPC

Energy Performance Certificate
HM Government

Non-Domestic Building

Crown Honda Hyde Estate Road LONDON NW9 6JZ	Certificate Reference Number: 0450-0130-0149-5293-5002
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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 Government's 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
D	76-100
E	101-125
F	126-150
G	Over 150

58

This is how energy efficient the building is.

Less energy efficient

Technical information

Main heating fuel:	Natural Gas
Building environment:	Heating and Natural Ventilation
Total useful floor area (m ²):	1735
Building complexity (NOS level):	4
Building emission rate (kgCO ₂ /m ²):	75.68

Benchmarks

Buildings similar to this one could have ratings as follows:

38	If newly built
64	If typical of the existing stock





Cortex Partners, 7 Cork Street, London W1S 3LH.

Subject to contract and exclusive of VAT

Misrepresentation Act 1967

Cortex Partners, for themselves and the vendors of the property whose agents they are, give notice that:

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Further Information:

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