



DAVID BAROUKH ASSOCIATES

CROWN HOUSE, FARADAY ROAD, NEWBURY, BERKSHIRE



Leasehold Investment For Sale

Investment Summary

- **Let to Cheyne Motors (Berkshire) Ltd on a lease expiring 2017.**
- **Net initial yield of 7.1%.**
- **Minimum uplift to 8.1% in 2007.**
- **Lease guaranteed by Cheyne Motors Ltd.**

Location

Newbury in Berkshire is located 16 miles to the west of Reading and 16 miles north-west of Basingstoke.

The property is prominently located on Faraday Road, in close proximity to the A34 and A4 (London Road) roundabout. The A34 provides direct access to Junction 13 of the M4 approximately four miles in distance.

Situation

The building adjoins other franchised motor dealerships, Mercedes Benz, Saab, Mazda, Vauxhall and Seat. To the front of the property with frontages to London Road other occupiers include Kwik Fit, Lidl and Majestic Wine Warehouse. The site benefits from frontages to both Marconi Road and Faraday Road.

Description

The property was completed in 1996 comprising showroom, workshop, office and store accommodation.

The building is of steel portal frame construction on concrete foundations, precast concrete mezzanine floor on steel frame. There are colour coated profiled steel finishes to walls and roof with part blockwork and masonry. The showroom is double glazed to full height with a colour coated aluminium curtain wall system.

Accommodation

We have been advised by our client that the measured area is as follows ;

Workshop	631.7 sq m	(6,800 sq ft)
Showroom	320.0 sq m	(3,450 sq ft)
Offices	153.0 sq m	(1,650 sq ft)
Storage & Distribution	102.0 sq m	(1,100 sq ft)
Total	1,208 sq m	(13,000 sq ft)

There are 96 on site car spaces. The site occupies an area of approximately 1 acre.

Tenure

The property is held leasehold from the Local Authority for a term of 99 years from 1 December 1979 at a current passing rent of £11,000 per annum. There are 7 yearly upward only rent reviews based on 10.6% of the open market value of the property.

Tenancy

The property is let in its entirety to **Cheyne Motors (Berkshire) Ltd** with a guarantee from **Cheyne Motors Ltd** a privately owned company established over 20 years. The lease term is from 1st May 1997 expiring on 1st May 2017, therefore having approximately **13 years unexpired**.

The passing rent is **£162,000 per annum**, exclusive of rates. The lease is drawn on full repairing and insuring terms. There are five yearly upward only rent reviews providing for a minimum fixed uplift at the next review in 2007 to 4% compound or open market value to the higher of B1, B8 or car showroom use, whichever is the greater.

The minimum rent in May 2007 will be £182,070 per annum.

Covenant

	Cheyne Motors (Berkshire Ltd)	Cheyne Motors Ltd
Turnover	£789,250	£376,503
Pre-tax Profit	(£258,586)	£97,209
Net Assets	(£138,719)	£1,649,248

Source: Financial Statements at 31 December 2002.

VAT

The property has been registered for Value Added Tax. It is anticipated that the purchaser will be treated as a Transfer of Going Concern.

Price

The leasehold interest can be acquired for a price of **£2,000,000**, subject to contract and exclusive of VAT, reflecting a **net initial yield of 7.1%** assuming costs at 5.75% **rising to 8.1% in 2007**.

Contact Information

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