

VOLVO+MG OXFORD

171-173 CUMNOR HILL | CUMNOR | OXFORD | OX2 9PL



**A RARE OPPORTUNITY
IN OXFORD TO ACQUIRE
A WELL-LET INVESTMENT
UNDERPINNED BY LIFE SCIENCE
REDEVELOPMENT POTENTIAL**

RAPLEYS **CBRE**

INVESTMENT SUMMARY

- **Prominent location** within an affluent and extensive catchment
- Located in the golden triangle of UK science with **strong long term growth prospects**
- Purpose built car dealership facility providing two showrooms with dedicated parking **totalling c. 27,372 sq ft (2,543 sq m)**
- Substantially underwritten by the residual values of **alternative use** (STPP)
- Low passing rent of £287,500 per annum, equating to **£9.41 psf**, when compared to alternative technology/industrial rents which are achieving up to **£24 psf** in the area
- Low site coverage of 32%
- Site area of **1.43 acres (0.58 ha)**
- Approximately **16.25 years unexpired**
- Rent reviewed to **higher of OMRV or RPI 1% and 3%** per annum
- **Freehold**
- Let to **Waylands Automotive Limited** trading as the established nationwide brands Volvo and MG

PROPOSAL

We are instructed to seek offers in excess of **£5,385,000 (Five Million, Three Hundred and Eighty Five Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 5%, rising to 6.6%** based on our ERV in December 2023, assuming purchaser's costs of 6.61%.

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LOCATION

Cumnor Hill is an affluent area of Oxford with the site being located 3.5 miles (5.6 km) to the west of Oxford city centre and 26.3 miles (42.3 km) north east of Swindon.

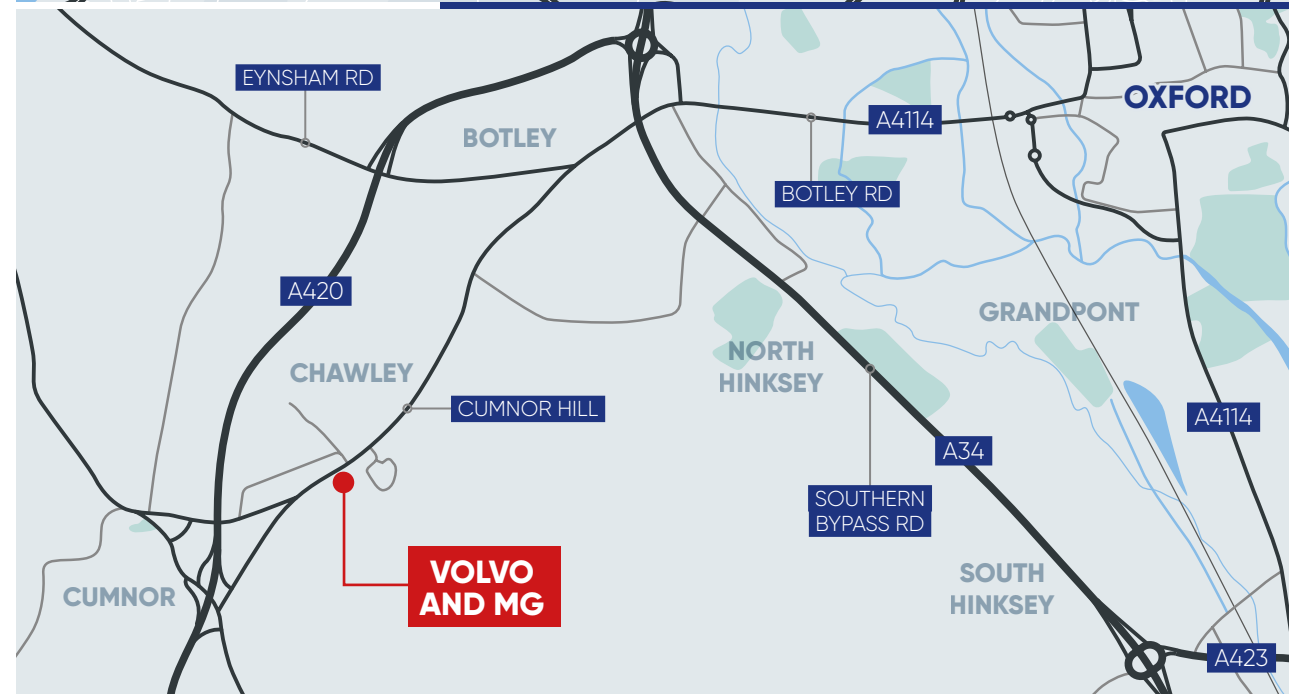
The area has excellent road connections being situated 0.7 miles (1.12 km) to the north east of the A420 which links Swindon in the south west to the A34 in the north east. The A34 Botley Interchange lies 3 miles (4.8 km) to the north east of the property and provides access to the M40 motorway and the wider motorway network to the north and to the M3 motorway and Southampton to the south.

Oxford train station lies 2.5 miles (4 km) to the north east.

SITUATION

The property occupies a highly visible site fronting Cumnor Hill, approximately 2.8 miles (4.5 km) to the west of Oxford city centre. Cumnor Hill connects the suburb of Botley the north east to the A420 and Cumnor in the south west.

Cumnor Hill is a mixed high value residential and commercial area. Surrounding uses include Chawley Park, a modern office park housing occupiers including Winckworth Sherwood, James & Cowper and Helios. There is also a nearby modern care home and high grade residential development.



DESCRIPTION

The property comprises two purpose-built dealership buildings which have recently been refitted and reconfigured in accordance with the manufacturer's latest corporate requirements and franchise standards.

The properties are of steel frame construction with full height glazing to the showrooms with clad rear elevations and workshop under a part pitched part flat roof. The accommodation is arranged over ground and first floor levels with external parking comprising a total GIA of approximately 27,372 sq ft (2,543 sq m).

The Volvo showroom is fitted to a high Scandinavian specification throughout providing 9 showroom display spaces with a reception desk area and customer waiting area to the centre, fitted with suspended ceilings, extensive lighting and overhead ventilation system. There are offices and ancillary areas to the rear of the showroom. Parts is accessed from the side of the building and the workshop, accessed at the rear of building, is configured to provide a total of 5 service bays. The first floor comprises offices, staff room, storage and ancillary.

The MG showroom provides 4 showroom display spaces with offices, a kitchenette, ancillary, storage and parts. The workshop area is configured to provide a total of 4 service bays. The first floor comprises parts and storage.

Externally, there is a detached valet unit and further workshop space and a total of 108 car parking spaces including new and used car display bays, customer parking and storage spaces.

ACCOMMODATION

The approximate Gross Internal Area (GIA) is:

| | SQ M | SQ FT |
|-----------------|-----------------|------------------|
| VOLVO | | |
| Ground Floor | 1,203.32 | 12,952.40 |
| First Floor | 388.95 | 4,186.60 |
| Total | 1,592.27 | 17,139.00 |
| MG | | |
| Ground Floor | 483.18 | 5,200.90 |
| First Floor | 116.99 | 1,259.30 |
| Total | 600.17 | 6,460.20 |
| EXTERNAL | | |
| Valet | 207.97 | 2,238.56 |
| Workshop | 142.61 | 1,535.04 |
| Total | 2,543.02 | 27,372.81 |

SITE

The site extends to approximately 1.43 acres (0.58 hectares).



*Plan predates the recent reconfiguration of the site.

**Area shaded blue is 0.1 acres of unadopted land, utilised by the tenant





COVENANT INFORMATION

Waylands Automotive Limited (company number 10253292) are an independent family owned and run car dealer representing Volvo, Kia and MG in Bristol, Newbury, Oxford, Bicester, Reading & Swindon. They most recently won the AM Award Dealer Group of the Year 2022 for the third year in a row and have achieved EVA (electric vehicle approved) accreditation across every business.

The latest published accounting information for Waylands Automotive Limited are as follows:

| Year End | 31/12/2021 | 31/12/2020 | 31/12/2019 |
|-----------------------|--------------|-------------|-------------|
| Sales Turnover | £124,561,288 | £89,035,894 | £85,586,470 |
| Pre-Tax Profit (Loss) | £2,701,800 | £1,255,896 | £502,330 |
| Tangible Net Worth | £2,401,566 | £154,856 | -£937,776 |

TENURE

The property is held Freehold.

TENANCY

The property is let to Waylands Automotive Limited on a full repairing and insuring lease for a term of 15 years expiring 31st December 2033, at a passing rent of £287,500 per annum (£9.41 psf). There is a reversionary lease which takes the unexpired term to approximately 16.25 years, expiring 31st December 2038. The rent is reviewed to the greater of open market rent or linked to the Retail Price Index with a collar and cap of 1% and 3% per annum. The next review is in December 2023, based on a gross internal floor area of 30,539 sq ft.

ERV

We are of the opinion that the ERV is £380,000 per annum, equating to £12.44 psf. Recent transactional evidence to support this is provided as follows:

| Site | Size Sq Ft | Transaction | Rent | Rent (psf) |
|----------------------------------|------------|---------------------|-------------|------------|
| Stockport Infiniti | 14,724 | Jul 2021 letting | £210,000 pa | £14.26 |
| Northampton Tesla | 16,749 | Dec 2021 assignment | £200,000 pa | £11.94 |
| Aylesbury Hilton Car Supermarket | 6,645 | Feb 2021 letting | £95,000 pa | £14.30 |
| Chelmsford Tesla | 13,057 | Jun 2020 letting | £215,000 pa | £16.47 |
| Birmingham Cazoo | 17,453 | Mar 2020 letting | £240,000 pa | £13.75 |
| Crawley Volvo | 19,850 | Jun 2020 letting | £495,000 pa | £25.28 |

DEALERSHIP MARKET

Within the dealership market, demand for prime assets offering long leases to strong covenants remains particularly high. The market is one of only a few sectors where the occupiers remain active and are willing to agree 15 year plus occupational leases, with fixed or index linked rent reviews.

Given the lack of prime stock providing these characteristics available in the open market, dealership yields have hardened in the last 12 months. Prime yields currently stand in the low 4%'s, with significant investor demand for assets within Greater London and the south east with strong underlying residual value.

Modern assets providing long income streams in strong locations continue to be targeted by both institutional and private investors, and we are therefore of the opinion that demand will remain robust for prime dealership assets in strong geographical locations, such as Cumnor Hill.

| LOCATION | MARQUE | TENANT | TERM CERTAIN (YEARS) | PRICE | NIY | DATE SOLD |
|------------|-----------------|---|----------------------|---------|-------|-------------|
| Chelmsford | Tesla | Tesla Motors Ltd | 5 | £3.91m | 5.16% | Under Offer |
| Godalming | Peugeot | Peugeot Motor Company Plc g/b Peugeot SA | 5 | £5.075m | 4.16% | Jul-22 |
| Preston | Volvo | Rybrook Holdings Ltd | 20 | £5.63m | 5.00% | Feb-22 |
| Romford | BMW | Sytner Group Ltd | 12 | £26.3m | 4.15% | Jan-22 |
| Manchester | Peugeot/Citroen | Peugeot MotorCo Plc | 5.8 | £5.75m | 5.23% | Jan-22 |
| Coventry | Peugeot/Citroen | Peugeot Motor Co Plc | 5.8 | £4.95m | 5.40% | Jan-22 |
| Birmingham | Volvo | Volvo Car UK Ltd | 8.8 | £3.75m | 5.01% | Jan-22 |
| Slough | Volvo | Volvo Car UK Ltd | 15 | £5m | 5.00% | Jan-22 |



THE TECH/SCIENCE OPPORTUNITY

Oxford is one of the UK's fastest growing cities and competes among the top technology clusters in the world. The area continues to attract businesses from around the world due to its world-wide reputation for education and research whilst also now generating significant company growth from within the intellectual property of The University of Oxford.

This inward investment has led to rapid growth of businesses but the real estate solutions are limited, particularly in the immediate Oxford area. Cumnor Hill provides a rare long term opportunity for redevelopment close to Oxford with excellent bus, car and cycling communications to Botley and the city centre area.



University of Oxford:
No.1 university in the world



Leading university in the UK for company spinouts.



£1.2bn of inward investment to spinouts in 2021.

In our view the site may be best suited to a tech box style development to meet the needs of the burgeoning R&D and tech manufacturing markets around the area. Achieved rents for this type of product are in the range of £18 - £25 per sq ft.

The only currently comparable scheme in Oxford will be developed at Novo, Watlington Road, Oxford by Wrenbridge comprising approximately 43,473 sq ft with an tentative quoting rent of £24psf.

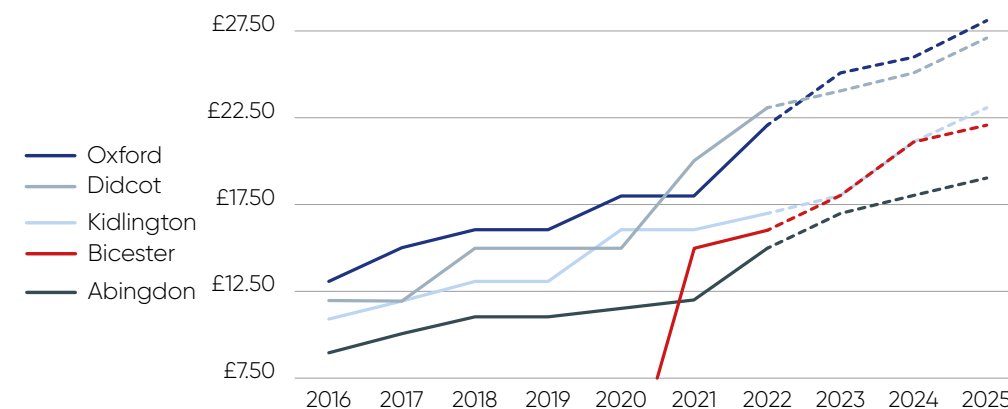
Catalyst, Bicester



TECHNOLOGY UNIT RENT COMPARABLES

| DATE | ADDRESS | SIZE | RENT | TENANT |
|---------|-------------------------------|--------------|---|---------------------|
| Q4 2021 | Zeus Building, Harwell Campus | 29,952 sq ft | Ground floor shell - £22 psf First Floor Offices - £33 psf | Astroscale |
| Q3 2021 | Zeus Building, Harwell Campus | 31,204 sq ft | Ground floor shell - £22 psf First Floor Offices - £33 psf | Vaccitech |
| Q4 2021 | 178 Milton Park, Abingdon | 21,220 sq ft | Overall £17.50 psf | New England Biolabs |
| Q3 2021 | 155 Milton Park, Abingdon | 20,514 sq ft | Overall £17.50 psf | Exscientia |
| Q1 2022 | 1-3 Catalyst, Bicester | 33,810 sq ft | Overall £15 psf | Evolito |

TECHNOLOGY UNIT RENTALS AND FORECAST



source: CBRE research



LAND VALUE

LAND VALUE COMPARABLES

| DATE | ADDRESS | SITE AREA (ACRES) | SALE PRICE | PRICE PER ACRE | PURCHASER |
|--------|--|-------------------|----------------|----------------|----------------------------|
| Feb 21 | Botley Road (Argos and Furniture Land) | 2.4 | £10 million | £4.17 million | Mission Street |
| Dec 21 | Oxford Innovation Park | 5.9 | £45 million | £7.63 million | Ellison Institute |
| Sep 21 | New Barclay House Botley | 2.66 | £22.4 million | £8.42 million | Threadneedle /Berwick Hill |
| Dec 21 | 2600 Oxford Business Park | 3.91 | £61.45 million | £15.72 million | RLAM |

Whilst there is limited land sale evidence for high tech industrial land, office and lab land opportunities around Oxford have recently traded at values of typically between £6m per acre and £12m per acre.



All images - Nebula scheme, Milton Park, Abingdon



VAT

The property has been elected for VAT purposes and it is anticipated that the transaction will be treated as a Transfer of a Going Concern (TOGC).

EPC

The property has an EPC rating of C66.

ANTI-MONEY LAUNDERING POLICY

In accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Purchaser will be required to comply with our Anti-Money Laundering policy. Further details are available upon request.

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CONTACT

For further information or to arrange an inspection, please contact:

RAPLEYS

Martin Carey

07774 112 146

martin.carey@rapleys.com

Rick McIntosh-Whyte

07917 536 613

rick.mcintosh-whyte@rapleys.com

Rebecca Harper

07768 083 700

rebecca.harper@rapleys.com

CBRE
020 7182 2000

www.cbre.co.uk

Tom Barton

07817 033078

tom.barton@cbre.com

John Knight

07768 927578

john.knight@cbre.com

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