

HONDA

CAR SHOWROOM

222 CRAY AVENUE, ORPINGTON BR5 3PZ

SPRINGER
NICOLAS

PRIME GREATER LONDON INVESTMENT OPPORTUNITY





INVESTMENT SUMMARY

- 🏠 Orpington is located in the Greater London conurbation, approximately 15 miles south east of Central London within the Borough of Bromley.
- 🏠 Situated in a **prominent corner position** on Cray Avenue in an established area of industrial and retail warehousing, **diagonally opposite Nugent Shopping Park**.
- 🏠 **Modern well configured car dealership facility** arranged over ground and first floors, totalling **17,469 sq ft (1,623 sq m)** with **157 car parking spaces** on a **1.27 acre site** providing a **low site coverage of 23%**.
- 🏠 The property has an **EPC score of B41**.
- 🏠 Let to **Brayleys Cars Limited** with an **AGA to Honda Motor Europe Limited** for a term of **22 years from 13th October 2014**.
- 🏠 Current rent of **£316,329.75 per annum (£18.11 per sq ft)**.
- 🏠 **RPI rental increases** throughout the term of the lease capped at 4% per annum compounded and collared at 2.25% per annum compounded.
- 🏠 **Freehold**.
- 🏠 The vendor is seeking offers in excess of **£4,740,000 (Four Million, Seven Hundred and Forty Thousand Pounds)** subject to contract. A purchase at this level would reflect a **net initial yield of 6.25%** and a **maximum reversionary yield of 7.60% in October 2027** after allowing for purchaser's costs of 6.8%.



LOCATION

Orpington is situated in the Greater London conurbation approximately 15 miles south east of Central London within the Borough of Bromley. Bromley has a resident population of approximately 280,000 within its urban area, with a district catchment population of approximately 295,000. CACI have calculated that in excess of 350,000 people live within a 20 minute drive time contour from the property.

The catchment population of Orpington and the wider Bromley area is generally considered relatively affluent. This is illustrated by the fact 64.3% of residents aged between 16 and 64 within a 20 minute drive time contour are classified as being within social grade A, B or C, as opposed to a national average of 54.5%.

SITUATION

Situated in a highly prominent position on the corner of Cray Avenue (A224) and Stanley Way, the property is approximately 1 mile to the north east of Orpington Town Centre in an established area of industrial and retail warehousing serving a large catchment.

The A224 forms the principal route from the town to the A20 dual carriageway, which lies approximately 1 mile to the north of the property. The A20 forms a major arterial route from Central London to the South East and the Channel Ports via the M20. It also connects Central London to Junction 3 of the M25 motorway, which is situated 5 miles east of Orpington.

To the north of the property is Halo Business Park, Nugent Shopping Park (occupiers include Marks & Spencer, Next, WH Smith, JD Sports, Hobbycraft, Waterstones, Pets at Home and Clarks), TK Maxx and The Gym Group, Orpington Retail Park (occupiers include Sportsdirect and Dreams), Springvale Retail Park (occupiers include Currys, Argos, Harveys, PC World and Halfords) and to the south is Denvale Trade Centre. To the west of the property is a large densely populated residential area.



DESCRIPTION

The property, developed by Honda, comprises a modern, flagship car dealership facility built in 2014 with an extensive frontage to Cray Avenue. Customer access into the site is from Stanley Way.

The main dealership building comprises a fully glazed, double height showroom area to the front, finished to a high specification in accordance with Honda's corporate identity. This sales area includes a customer waiting area and ancillary sales offices. The showroom can accommodate a minimum of nine new display vehicles.

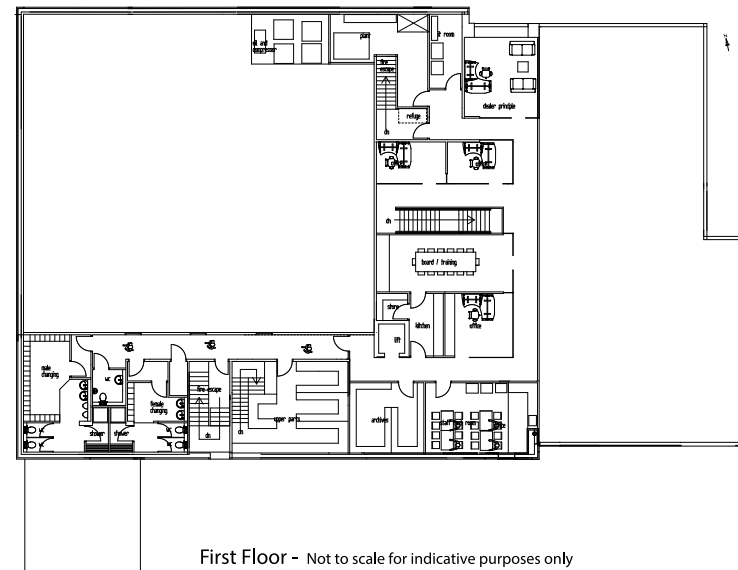
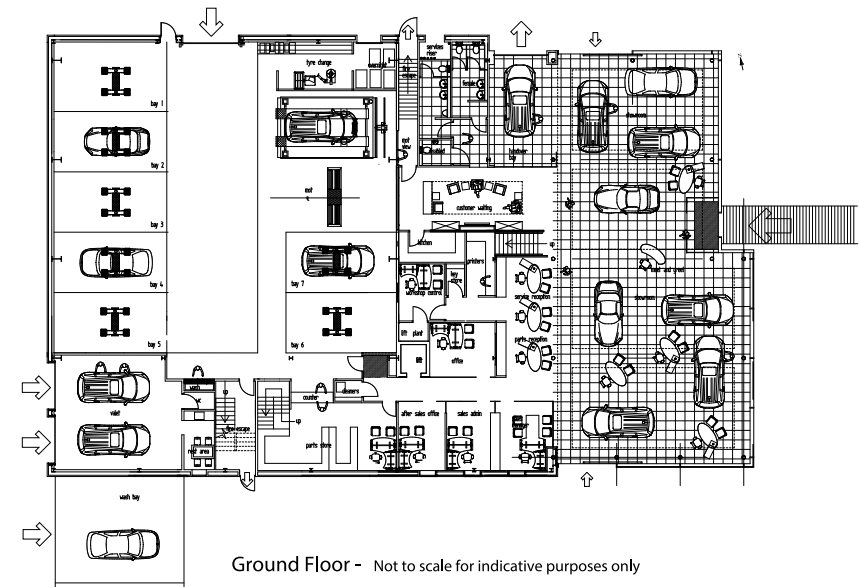
The remainder of the ground floor comprises a workshop, parts store and staff accommodation. The workshop accommodates eight work ramps, together with a separate MOT bay, wash bay and two valet bays. At first floor are additional offices, meeting room and staff changing rooms. The dealership has an excellent car parking provision with a display forecourt and customer parking for 157 vehicles.

ACCOMMODATION

The property provides the following approximate gross internal floor areas:

Demise	Sq Ft	Sq M
Ground Floor	12,873	1,196
First Floor	4,596	427
Total	17,469	1,623

The site extends to approximately 1.27 acres (0.51 ha) providing a site coverage of 23%.



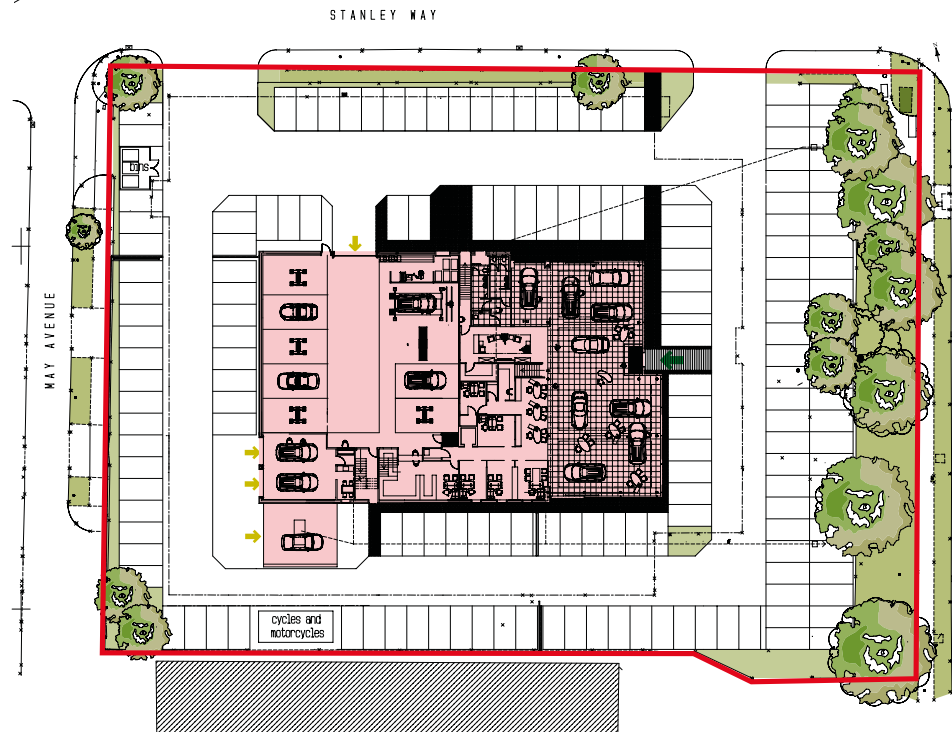
TENANCY

The entire property is let to Brayleys Cars Limited with an AGA to Honda Motor Europe Limited on a full repairing and insuring lease for a term of 22 years from 13th October 2014, expiring on 12th October 2036. The first rent review was on the 13th October 2017 with subsequent rent reviews being 5 yearly thereafter to RPI capped at 4% per annum compounded and collared at 2.25% per annum compounded. The next rent review is on 13th October 2027.

The current passing rent is £316,329.75 per annum, which equates to £18.11 per sq ft.

TENURE

Freehold.



Not to scale for indicative purposes only

INCOME FLOW

DATE	MINIMUM RENT	MAXIMUM RENT
Current rent	£316,329.75 per annum	-
13th October 2027	£353,554 per annum	£384,863 per annum
13th October 2032	£395,160 per annum	£468,245 per annum



COVENANT INFORMATION

Brayleys

Together We Drive

Brayleys Cars Limited was founded in 2003 and has grown from its roots as a family-run business to become a trusted name in the automotive sector, representing 9 leading manufacturers: Nissan, Kia, Mazda, Renault, Dacia, Hyundai, Honda, Suzuki, and Honda Bikes. They operate from 30 locations across the North West, Midlands and Greater London areas.

For the year ending 31st December 2023 Brayleys Cars Limited reported a turnover of £230.68 million, a pre tax profit of £4.67 million and net assets of £19.69 million.

HONDA

Honda Motor Europe Limited is a wholly owned subsidiary of Honda Japan, who are one of the leading manufacturers of automobiles and power products and the largest manufacturer of motorcycles in the world with a market cap of approximately US \$50 billion. The principal activities of the tenant company, Honda Motor Europe Limited, are the manufacture and sale of Honda products throughout the Europe, Middle East and Africa regions.

For the year ending 31st March 2024 Honda Japan reported a revenue of ¥20,428.8 billion, a profit before income taxes of ¥1,642.3 billion and total assets of ¥29,774.1 billion.

For the year ending 31st March 2024 Honda Motor Europe Limited reported a revenue of £4.498 billion, a pre tax loss of £29.88 million and total assets of £3.26 billion.

RENTAL COMMENTARY

The passing rent of £316,329.75 per annum equates to £18.11 per sq ft. We are of the opinion that there is a good basis for rental growth especially given where retail warehouse rents have reached in the area, top lettings on units at Springvale Retail Park equate to £32.50 per sq ft. Top lettings on units at Halo Business Park equate to £19 per sq ft.

CAPITAL ALLOWANCES

There are no capital allowances available.

EPC

The property has an EPC rating of B41, a copy of the certificate is available on request.

VAT

The property has been elected for VAT purposes and therefore VAT will be payable upon the purchase price. It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).



PROPOSAL

The vendor is seeking offers in excess of **£4,740,000 (Four Million, Seven Hundred and Forty Thousand Pounds)** subject to contract. A purchase at this level would reflect the following yield profile after allowing for purchasers costs of 6.8%:

DATE	MINIMUM YIELD	MAXIMUM YIELD
Net Initial Yield	6.25%	-
October 2027	6.98%	7.60%
October 2032	7.81%	9.25%



FURTHER INFORMATION

For further information please do not hesitate to contact:

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