

HENDY

FORD, KIA & MAZDA CAR SHOWROOMS

Prime Car Showroom Investment
In Affluent South East Location



LONGFIELD ROAD
TUNBRIDGE WELLS TN2 3UP

LEWIS ELLIS

INVESTMENT CONSIDERATIONS

- Royal Tunbridge Wells is an affluent and well located town in the south east.
- Situated in the premier retail, car showroom and commercial location on Longfield Road, close to the A21 Pembury Bypass.
- Freehold, flagship car showroom and workshop premises.
- Independent showrooms for Ford (including commercial vehicles), Kia and Mazda.
- GIA totalling 53,649 sq ft over ground and first floors (47,120 sq ft excluding tenant's improvements).
- Let to Hendy Group Limited until 4th March 2044, with tenant only break options on 5th March 2034 and 5th March 2039, providing 8.8 years term certain.
- Current passing rent of £800,000 per annum (£16.98 per sq ft).
- Fixed uplift on 5th March 2029 to £880,000 per annum (£18.68 per sq ft).
- Five yearly open market rent reviews from 5th March 2033, subject to a minimum five yearly uplift of 5.1%.
- Tenant opened for business in January 2025 having invested circa £6m in a high specification refurbishment and fit-out.
- EPC Rating A (8).
- Hendy Group Ltd reported a turnover of £1.163bn and pre-tax profit of £11.048m (Y/E 31/12/23).

PROPOSAL

Offers in excess of **£12,000,000 (Twelve Million Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 6.25%** after deduction of standard purchaser's costs.



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SKODA

Jeep

SUZUKI

BENTLEY
Lamborghini

TOYOTA

LEXUS

Wickes

halfords

M&S

wren

McDonald's

ASDA

bm

BMW

currys

oak
furnitureland

dfs

B&Q

ALDI

BIG
YELLOW
SELF
STORAGE

MOUNTAIN
WAREHOUSE

HENDY

BOOKER
WHOLESALE

TKmaxx

NEXT

A21
PEMBURY BYPASS
0.3 MILES

FURNITURE
Village

TN2 GATEWAY
INDUSTRIAL DEVELOPMENT
500,000 SQ FT



LOCATION

Royal Tunbridge Wells is an attractive spa town located in Kent, approximately 37 miles (60 km) south of central London, 22 miles (35 km) east of Crawley and 29 miles (47 km) north of Eastbourne.

Tunbridge Wells benefits from excellent accessibility to the UK's motorway network. It is strategically located close to several major arterial roads, with access to the M25, M26, and M20 via the A21 and the A26.

Gatwick airport is located 22 miles west of the town and can be reached by the A264 in approximately 40 minutes by car. Gatwick is one of Europe's busiest airports with approximately 46 million passengers annually. It is proposing to expand and increase their capacity to 75 million passengers per annum. The government is 'minded to approve' the £2.2bn expansion.

Tunbridge Wells is a key commuter-transport hub with regular direct train services to London Bridge (46 minutes) and Charing Cross (54 minutes).



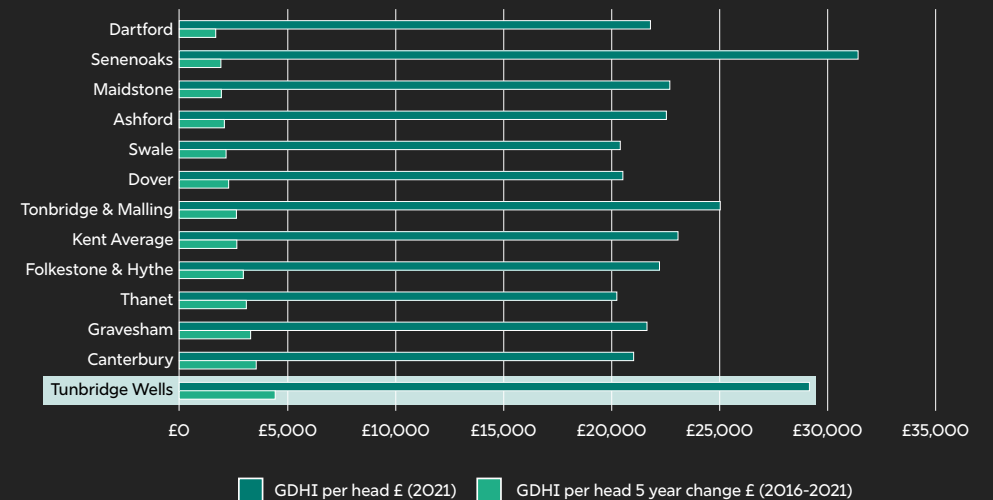
CATCHMENT AND DEMOGRAPHICS

Royal Tunbridge Wells is an affluent town in the south east of England, which boasts high achieving demographics:

- The Tunbridge Wells Primary Retail Market Area is one of the most affluent of the PROMIS catchments, ranked 12 of the PROMIS centres by PMA Affluence.
- The total population within the Tunbridge Wells Primary Retail Market Area is estimated at 226,000 at end of 2023 (the consumer base is estimated to be 342,000), ranking the town 69 out of the PROMIS Centres.
- Reflecting the demographic profile and spending habits of the Primary Retail Market Area, per capita total retail spending levels are above the PROMIS average.
- Tunbridge Wells is projected to see above average growth in population over the period 2023-2028.
- Census data confirms that multiple car ownership in Tunbridge Wells from 2001-2021 has consistently been above both the Kent average and the national average.
- Tunbridge Wells has the 2nd largest Gross Disposable Household Income per head in Kent (2021), has seen the biggest 5 year growth in Gross Disposable Household Income per head across the county (2016-2021) and consistently ranks as one of the county's most affluent towns.



Gross Disposable Household Income per Head (£)



SITUATION

The property is 2.8 miles north of the town centre, close to the A21 Pembury Bypass which leads to Sevenoaks and Junction 5 of the M25 to the north. The premises occupy a prominent location at the junction of Longfield Road / Kingstanding Way and benefit from significant frontage onto Longfield Road.

The area is the premier location in Royal Tunbridge Wells for out of town retail, industrial warehousing, trade and car showroom occupiers. Adjacent to the property is Great Lodge Retail Park, occupied by several national retailers including B&Q, Aldi, DFS and Currys. Opposite the premises is Tunbridge Wells Shopping Park, where Next, TK Maxx, Mountain Warehouse and New Look are located. To the north of the premises is a Booker cash and carry and the Kingstanding Business Park which includes occupiers such as Jewson and an Arriva Bus depot.

Hendy benefits from being in a cluster of complimentary car retailers. Stratstone BMW is located diagonally opposite on Longfield Road, with Caffyns Skoda, Audi, Toyota, Nissan, Hyundai, Volkswagen, Lamborghini, Lexus and Thames Motor Group Alfa Romeo/Fiat/Jeep also in close proximity.

The immediate location will be further enhanced by the TN2 Gateway development on an adjoining 33 acre site, which will provide 500,000 sq ft of industrial facilities across nine units. Construction for Phase 1 has commenced.



DESCRIPTION

The premises comprise a flagship, state-of-the-art, car dealership together with modern workshops and extensive offices / staff facilities with the following specification:



Ford, Kia and Mazda car showroom with extensive frontage onto Longfield Road



High quality offices and customer facilities



£6,000,000 refurbishment, opened in January 2025



15 bay workshop and 2 dedicated MOT test bays



Extensive PV solar panels



Separate service yard and external valeting area



Extensive parking provision of 133 spaces



Eaves height of 6.4m



1 roller shutter door



ACCOMMODATION

The floor areas have been measured on a GIA basis in accordance with the RICS Code of Measuring Practice (6th edition).

Description	Area (Sq Ft)	Area (Sq M)
Ground Floor	45,031	4,183.5
First Floor	8,618	800.6
Total GIA	53,649	4,984.1
Total GIA (excluding tenant's improvements)*	47,120	4,377.6

*At first floor level there is 8,618 sq ft (800.6 sqm) of offices and staff facilities, the majority of which are 'tenant's improvements'.

Included in the 45,031 sq ft ground floor GIA are three car showroom sales areas:

Description	Area (Sq Ft)	Area (Sq M)
Ford	4,690	435.7
Mazda	4,323	401.6
Kia	4,823	401.6

The property benefits from an extensive external car parking provision of 133 spaces.

The total site area is 3.21 acres (1.30 hectares) with a low site cover of only 32.37%.

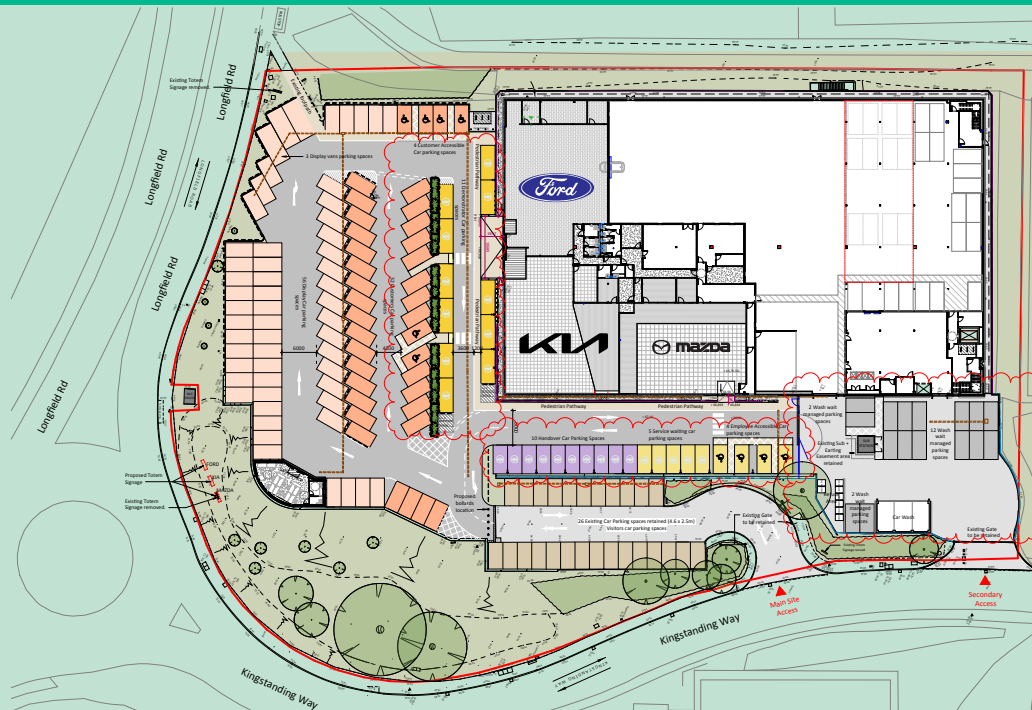
Externally there is a free standing, used car sales office located in the extensive front car park.

TENANCY

The floor areas have been measured on a GIA basis in accordance with the RICS Code of Measuring Practice (6th edition).

Tenant	Hendy Group Limited
Passing Rent	£800,000 per annum (£16.98 per sq ft)*
Lease Term	20 years 6 months from 5th September 2023, expiring on 4th March 2044.
Next Rent Review Date	5th March 2029: Fixed uplift to £880,000 per annum (£18.68 per sq ft)*
Rent Review Mechanism	Five yearly thereafter to OMV subject to a minimum 5 yearly uplift of 5.1%
Break Option	5 March 2034 (tenant only) 5 March 2039 (tenant only)
Repairing Obligations	Fully Repairing & Insuring
L&T Act 1954	Inside
Permitted Use	Motor dealership with showrooms, workshops, offices, storage, vehicle display, parking and valeting areas or subject to Landlord's prior written approval (not to be unreasonably withheld or delayed) any other use under the Classes E, B2 or B8 as referred to in the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020.

*Based on a Landlord's GIA of 47,120 sq ft which excludes tenant's improvements.



COVENANT

The Hendy Group has been established for over 160 years and is one of the largest multi franchise dealership networks in the south of England with approximately 30 sites and over 1,600 employees. They currently represent 22 automotive brands including Ford, Mazda, Kia, Land Rover, Jaguar and Nissan as well as Vauxhall, Peugeot, Fiat and Citroen which they added in 2024.

The Hendy Group won the best used car dealership group at the Automotive Management Awards in 2021 and Car Dealership of the Year in 2018.

FINANCIAL RESULTS

	YE 31/12/2023 £	YE 31/12/2022 £	YE 31/12/2021 £
Sales / Turnover	1.163bn	1.004bn	0.931bn
Pre-Tax Profit	11.048m	20.337m	17.564m
Tangible Net Worth	63.841m	54.617m	37.030m
Net Assets	66.992m	58.040m	40.810m

Hendy have recently announced that Daksh Gupta (former CEO of Marshalls Motor Group) has taken up the role as non-executive chairman of Hendy as the group looks to expand further.



MOTOR TRADE INVESTMENT MARKET

Motor trade investments exhibit a range of attributes that are particularly appealing to investors as they typically occupy large sites in strong commercial locations, often with alternative use potential and low building density. Tenants are generally of strong financial standing and usually have long income streams which incorporate some form of fixed or geared rental uplift.

We set out below a table of recent comparable transactions:

PROPERTY	DATE	TENANT	PRICE	NET INITIAL YIELD	UNEXPIRED TERM (YEARS)	COMMENTS
BMW / Mini, Worcester	Current	Sytner Ltd	Q. £10,500,000	6.25%	11.5	5 yearly fixed 2.5% pa reviews.
Tesla, St Albans	U/O	Tesla Motors Ltd	£5,000,000	6.11%	6 (TBO)	Under offer at asking. 5 yearly CPI reviews, 2% - 4% pa.
Honda, Oprington	April 2025	Brayleys Cars Ltd	£5,330,000	5.57%	11.5	5 yearly CPI reviews, 2.25% - 4% pa.
Nissan, Tunbridge Wells	November 2024	Marshall Motor Group Ltd	£4,375,000	5.74%	16.75	5 yearly RPI reviews, 1.5% - 4% pa.
York Motor Park, York	August 2024	Vertu Motors Property Ltd	£10,500,000	6.46%	16	2025 fixed increase, then OMV reviews.
Volkswagen, Coulsdon	July 2024	Motorline (Kent) Ltd	£7,600,000	6.50%	14.5	Long leasehold interest. 5 yearly RPI reviews, 1.5% - 3% pa.
BMW, Luton	June 2024	Sytner Ltd	£5,150,000	6.35%	12.5	Annual RPI increases, capped at 2.77% pa.
Tesla, Crawley	May 2024	Tesla Motors Ltd	£3,500,000	5.85%	6.5	OMV reviews.

EPC

The property has an EPC rating of A (8).

AML

Purchasers will need to provide appropriate documentation, capable of satisfying the requirements of the Anti-Money Laundering Regulations.

VAT

The property is elected VAT, and it is anticipated that the sale will be treated as a TOGC.

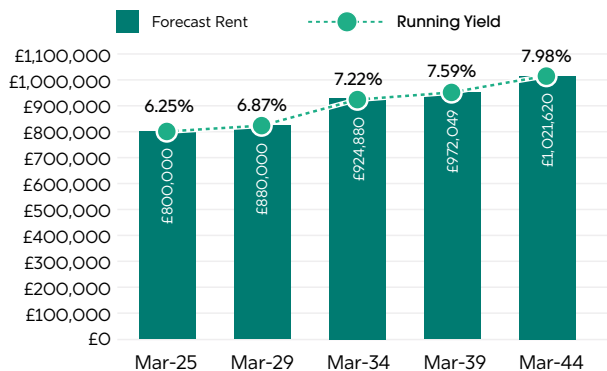
TENURE

Freehold.

RUNNING YIELD

Quoting Net Initial Yield	6.25%
Mar-29	6.87%
Mar-34	7.22%
Mar-39	7.59%
Mar-44	7.98%

The above running yield profile assumes a purchase price at quoting terms, fixed uplift of 10% in March 2029 and minimum 5 yearly uplift of 5.1% thereafter.'



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