

# **BUMPERS**FARM

CHIPPENHAM MOTOR COMPANY,  
BUMPERS WAY, BUMPERS FARM INDUSTRIAL ESTATE,  
CHIPPENHAM, SN14 6LF

MODERN SINGLE LET CAR DEALERSHIP INVESTMENT

## INVESTMENT HIGHLIGHTS

- Modern single let car dealership investment
  - Single let on a Full Repairing and Insuring lease to Chippenham Motor Company passing rent of £300,000 per annum exclusive (£11psf)
  - New 15 year lease from September 2023 subject to 3 yearly uncapped RPI reviews
  - Creditsafe rated A covenant – trading at the property for over 20 years
  - Recently refurbished throughout to an expenditure of £1.1M
  - Large site extending to 1.9 acres with 25% building coverage
  - Property extends to a Gross Internal Area of 27,629 sq ft
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- We are instructed to seek offers in excess of £5,000,000 (Five Million Pounds) subject to contract and exclusive of VAT. This reflects a net initial yield of 5.64% after full purchaser's costs and a capital value of £180 per sq ft.



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## LOCATION

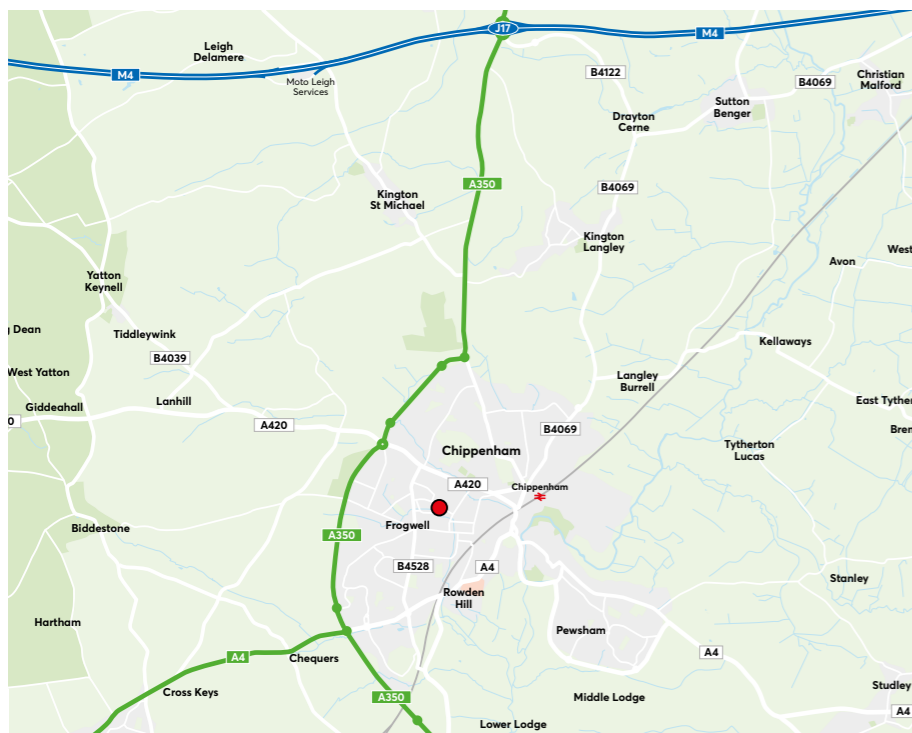
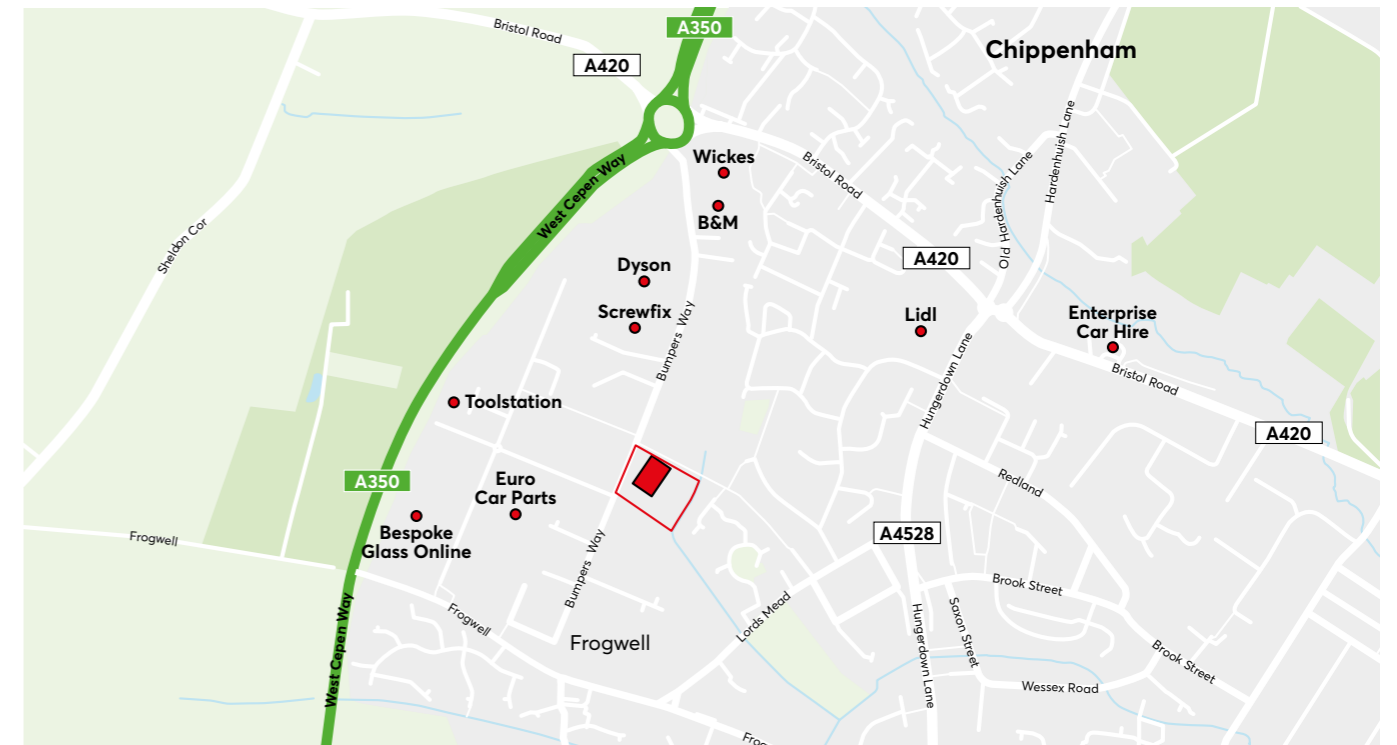
Chippenham, population approximately 45,400, is a historic market town in Wiltshire situated approximately 15 miles northeast of Bath, 21 miles southwest of Swindon, 28 miles east of Bristol and 38 miles south of Cheltenham. The town is surrounded by sparsely populated countryside and several woodlands, such as Bird's Marsh, Vincent's Wood and Briars Wood. It also benefits from a mainline railway station providing regular services to London Paddington and the South West.

Chippenham lies circa 5 miles south of junction 17 of the M4 motorway, which links the town to Bristol, Swindon, South Wales, and London. The A4 former coach road, A420 and B4069 provide further road links to Bath, Bristol and Oxford. The town is bypassed to the west by the A350, which links the M4 motorway with Chippenham and nearby towns to the south.

The property is located on the east side of Bumpers Way, within the Bumpers Farm Industrial Estate, just south of the A420 trunk road.

Junction 17 of the M4 is circa 4 miles north. The immediate surrounding area is commercial in nature and comprises a mixture of industrial units of varying ages and designs together with retail warehouse and trade counter units. Surrounding occupiers include Screwfix, Dyson, B&M and Wickes Stores. Bumpers Farm Industrial Estate remains an attractive estate for both local and national covenants with low vacancy rates and strong rents being achieved.

## LOCAL OCCUPIERS



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## DESCRIPTION

The property comprises a detached, 2 storey, car dealership facility understood to have been converted in 2004. It is constructed on a steel portal frame with elevations enclosed by a profile metal panels and / or composite cladding. The roof is shallow pitched covered in profile metal cladding. Fenestration is provided by a mixture of translucent polycarbonate panel rooflights and aluminium framed double glazed units. There is a single roller shutter door to the southern elevation of the vehicle workshop, which measures 3.9m (w) x 4.8m (h).

Internally, the accommodation has been upgraded to a modern specification throughout. The ground floor showrooms and service areas have been updated to the latest Kia manufacturer corporate identity completed in June 2023 at an expenditure of £1.1M inclusive of a new fully fitted reverse cycle air conditioning system.

There are 2 no. internal lifts, one passenger lift capacity (5 person / 410 KG) and one multi-floor vehicle inspection lift.

The workshop provides the following vehicle inspection ramps; 1 no. MOT ramp, 11 no. 2 post vehicle ramps and 1 no. 4 post ramp.

Externally, the site extends to 1.9 acres with a building coverage of 25%. The following spaces are provided: 19 no. front customer parking spaces, 5 no. handover area spaces, 112 no. rear customer parking spaces, 120 no. used vehicle display spaces, 14 no. rear new vehicle display spaces and 5 no. double electric charging points.



The subject property comprises a car dealership with 3 no. retail showrooms, vehicle workshops, retail display spaces and customer parking. The showrooms operate under the KIA brand. Franchise agreements as follows:

<b>Kia</b>	Sales, Service, Parts
<b>Seat</b>	Service, Parts
<b>Peugeot</b>	Service, Parts
<b>Citroen</b>	Service, Parts



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## ACCOMMODATION

CHIPPENHAM MOTOR COMPANY	APPROX. GIA (SQ M)	APPROX. GIA (SQ FT)
<b>GROUND FLOOR</b>		
Retail Showroom	613.9	6,608
Workshop	821.9	8,847
Workshop Offices / Stores	170.3	1,833
Ancillary	59.7	643
<b>FIRST FLOOR</b>		
Retail Showroom	576.5	6,205
Offices	248.5	2,675
Ancillary	75.9	817
<b>Total Gross Internal Area</b>	<b>2,566.7</b>	<b>27,628</b>

## TENURE / TENANCY / COVENANT

**Tenure** – Freehold

### Tenancy

The property is let to Chippenham Motor Company Limited on a 15 year lease from 15 September 2023 expiring 31st July 2038. The lease is drawn on FRI terms at a current passing rent of £300,000 per annum exclusive (£11 per sq ft overall). The lease is subject to 3 yearly RPI linked uncapped reviews. Chippenham Motor Company have traded from the property for over 20 years.

### Covenant Information

Chippenham Motor Company Limited (01962593)

The last financial results posted show the following;

**Turnover** £33,576,414  
**Pre tax profit** £950,848  
**Shareholders Funds** £3,265,959

The tenant has been in occupation for over 20 years and have recently showed their commitment by signing a new 15 year lease. Creditsafe provide a rating of 73 A.

PROPERTY	TENANT	SIZE (SQ FT)	TERM CERTAIN	PRICE	NIY	RENT REVIEW STRUCTURE
Chippenham Motor Company	Chippenham Motor Company Ltd	27,629	14.5	£5,000,000	5.64%	3 yearly upward only uncapped RPI reviews
Mercedes-Benz, Swindon	Sytner Properties Ltd	35,885	15	£7,750,000	6.22%	5 yearly RPI reviews capped at 2.5% per annum
Audi, Lysander Road, Bristol	Mon Motors Ltd	36,218	10	£9,500,000	6.0%	-
Audi, Swindon	Inchcape Estates Ltd	37,046	9	£9,375,000	5.85%	-
Volkswagen, Solihull	Johnson Cars	51,627	17	£15,000,000	4.75%	5 yearly RPI reviews cap at 3%, collar at 1%
Mercedes, Dorchester	Dorset and Wiltshire Limited	11,861	8.5	Available - £2,250,000	5.73%	-

### Dealership Investment Comparables

## MARKET COMMENTARY

The automotive industry is a vital part of the UK economy and integral to supporting the delivery of the agendas for levelling up, net zero, advancing global Britain, and the plan for growth. Automotive-related manufacturing contributes £67 billion turnover and £14 billion value added to the UK economy, and typically invest around £3 billion each year in R&D.

With more than 182,000 people employed in manufacturing and some 780,000 in total across the wider automotive industry, we account for 10% of total UK exports with more than 150 countries importing UK produced vehicles, generating £77 billion of trade.

Annual January new car registrations in the UK fell dramatically from 2020 to 2021 and have shown year on year growth since then, with the 2023 figures at 131,994 marginally behind 2020 at 163,064 units according to figures released by the Society of Motor Manufacturers and Traders (SMMT).

January saw an overall increase of 14.7% in new registrations, driven by big increases in both fleet and business demand, which offset a fall of 4.3% in private registrations.

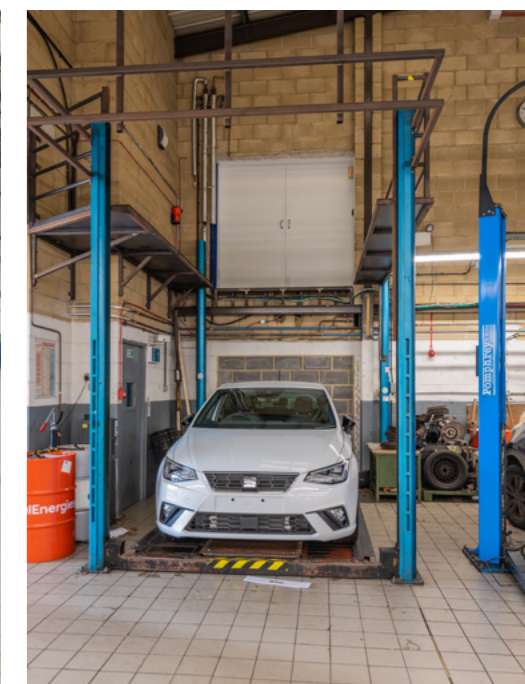
The UK government has also brought forward the proposed ban on the sale of new petrol, diesel and hybrid car to 2035, with a view to the UK meeting its target of emitting virtually zero carbon by 2050.

The ban is also being expanded to hybrid cars and plug-in hybrids, which had not been included under the original proposals. As a result, people will be able to buy only electric or hydrogen cars and vans.

As a result of such policy, the biggest decline in new car registrations in 2022 was in the diesel fuel sector with new registrations of diesel cars, down -12.1%. In contrast, the hybrid and electric car sectors saw growth in new registrations with HEV (Hybrid Electric Cars) showing the biggest increase at +40.6%. Interestingly, petrol car saws an increase in registration of +14.6%.

Used car demand and residual values remain strong. Demand factors such as consumers buying used instead of new vehicles, combined with supply shortages, have driven up prices. Aftersales continue to remain a lucrative area of business for car dealers and the most recent data from the DVLA shows that the average age of cars in the UK has crept up to 8.6 years at the end of 2020. This is bolstering dealers' profits and is offsetting the impact of volume reductions.





## FURTHER INFORMATION

### VAT

The property is elected for VAT.

### EPC

The property has an Energy Performance Rating of C 71.

### Proposal

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