

Nova Brislington 96 LLP & SIPP Syndicate

830 Bath Road | Brislington | Bristol | BS4 5QL



## Summary of property and position

This is a very rare opportunity to acquire just under 15 years of income without break clauses to a quality tenant

The property comprises 5,299 sq ft and is let to the strong covenant of National Tyre Services Ltd and trades as a tyre depot (with alternative warehouse or trade counter potential subject to planning). It is situated on the incredibly busy main thoroughfare that links Bristol and Bath.

The tenant has been in occupation of this unit for many years and their very recent commitment to an unbroken lease term of 15 years underpins their commitment to the location and suggests they trade very well.

We especially like the prominence of this unit which we feel will make it highly desirable for a great range of occupiers for many years to come.

## The Property

<b>Purchase Price:</b>	£925,000
<b>Tenure:</b>	Freehold
<b>Tenant:</b>	National Tyre Service Ltd
<b>Lease:</b>	15 years to 28th July 2035
<b>Rent:</b>	£50,000 per annum
<b>Rent Review:</b>	every 5 years



Description	Total including VAT (£)
Purchase price	925,000
Stamp duty	35,750
Legal costs	14,400
Mortgage arrangement fee	0
Agents fees	0
Lewis purchase fee	30,525
Options Fee / Float *	7,525
Valuation	4,800
<b>Total</b>	<b>£1,018,000</b>

\* = The float is designed to provide a buffer for any unanticipated costs.

This property is not elected for VAT



## The Investment

We are delighted to present an opportunity for pension and LLP investments from suitably knowledgeable and experienced investors.

The Immediate Income investors will accrue their share of the rent from day one after completion. There is no mortgage on this investment, so no Capital Growth investors.

For further information please contact your personal adviser at Lewis.

## Potential Return

**The syndicate is buying this property at a gross yield of 5.40%.**

## Immediate Income

**Income will be paid monthly in advance at 4.50% per annum before tax.**

An investment of £30,540 will pay income of £114.52 per month. This would acquire 3% of the property.

*This document has been produced for information purposes. It is not intended to be an invitation to buy, or an investor to act upon the comments made, and all/any investment decisions should be taken with advice, having taken into account an appropriate knowledge of the investor's circumstances. Investors must satisfy key criteria before they can be considered eligible to invest. For further information please contact your personal adviser at Lewis.*

The objective is to form a syndicate whose members can transfer in circa **£1,018,000** of fund. Investing in the LLP will result in taxation.

Lewis' annual fee is 4% plus VAT of the rental income (currently **£2,000 + VAT** per annum), paid quarterly in advance. Lewis Property Services (UK) Ltd annual fee is 2% plus VAT of the rental income (currently **£1,000 + VAT** per annum). If future rents increase, then so too will Lewis' ongoing fee.

## Summary

We are delighted to recommend this investment property for the following reasons:-

- A strong covenant of National Tyre Centre Ltd, who have just extended their lease by a further 15 years, with no break options. Their pre-covid accounts showed a net worth of more than £14 million.
- The location of this freehold is superb on the main run between Bath and Bristol fronting the A4 main road.
- With interest rates at historic lows, the return of 4.5% per annum after all costs is very attractive, with banks now paying virtually zero interest on accounts.
- Surrounded by car dealerships, this centre is very well located for its business purpose.

We are anticipating high demand on this purchase, mainly because of the long unbroken lease remaining.

Stay well and best wishes, Tim Lewis

## How the Syndicate works:

The investment in the LLP is known as a Property Investment Club because each member will have day to day control over the management of the property. For both LLP & SIPP investors although certain activities will be delegated to an appointed agent you will retain control over major aspects of the property management, including rental contracts, changes in tenancy agreements, potential sale etc. You will also receive ongoing education on the commercial property market through newsletters and AGMs.

You will have direct ownership of the property through either a Limited Liability Partnership (LLP) or, for pension investors, your Options SIPP. This will be limited to your share of the original purchase price and the costs involved. Rental income will be based on your percentage of ownership, after fees and any monies held back for a float account, which are outlined in this prospectus. If you choose the deferred income option or mortgage option for SIPP investors, you or your SIPP will be liable for your share of the overall mortgage repayment which will be repaid by your rental income until final redemption.

Full details of your exact share of the property, rental income, fees and mortgage repayment term will be provided in your recommendation report, if after discussion with your adviser it is felt that the investment is suitable for you. Any rental income will be subject to income tax for LLP investors at your marginal rate and will need to be included in your tax return. Rental income for SIPP investors will not be subject to income tax, however taxation can be charged when you start taking benefits from your SIPP.

Lewis Investment is a trading name of Lewis & Co (Investments & Pensions) Ltd which is authorised and regulated by the Financial Conduct Authority. Investment via your pension is regulated and will be covered by the Financial Compensation Scheme (FSCS) and the Financial Ombudsman Service (FOS). Direct investment into a commercial property, outside of a pension, is not regulated and as such, **may not** have recourse to the FSCS or FOS.

## Risk Factors

These will be detailed in your personal recommendation report, but key risks to consider are:-

- Inflation can have positive and negative effects on commercial property. Low interest rates tend to be beneficial where a mortgage is being repaid.
- Vacancy risk is twofold. Firstly an empty property has liabilities, like maintenance and empty business rates. Additionally, a failed tenant or lease expiry may require that the mortgage is paid whilst a new tenant is found. A location's general economic profile and demand for property may change over time.
- Although rent reviews tend to be upward, there is no guarantee that the rent will increase, it may reduce in uncertain times. Property yields and values can fall as well as rise and the costs tend to be high at purchase.
- The value of the property and the income from it may fall or rise. Past property market values are not a guide to future property values and you may not get back what you invested.

## Liquidity Issues

- Commercial property is a long term holding; generally for no less than 6 years.
- A member can leave the syndicate at any time. Under the terms of the Syndicate Rules any share to be sold will initially be offered to the remaining members. If they do not wish to purchase the entire share any remaining share will be offered to non-syndicate members.
- If a purchaser cannot be found the property will be sold. Due to the nature of the investment a sale may not be immediate.

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