

Nova Terminus 101 LLP & SIPP Syndicate  
Units 1 & 2 Terminus Road | Chichester | PO19 8TL

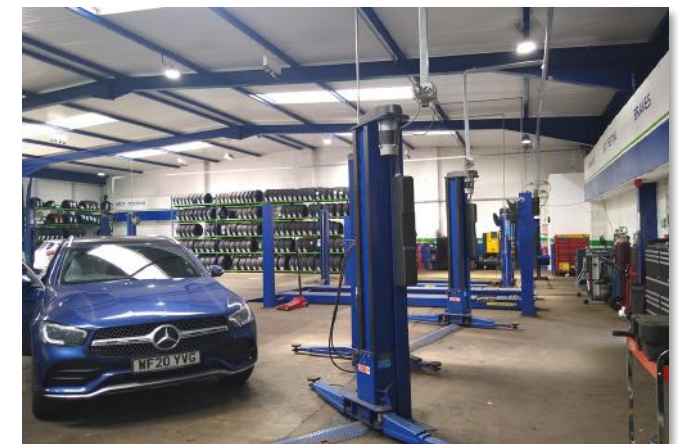


## Summary of property and position

Located in the popular and affluent city of Chichester on Terminus Rd, the main artery through the primary industrial area of the city. The building is situated amidst a number of complimentary occupiers, such as ATS, Euromaster and several car showrooms. The subject property occupies a generous plot of 0.23 acres and comprises a 5,851 sq ft semi-detached warehouse unit of modern construction and extensively fitted out as an MOT station and car repair workshop. The property is let to the very strong covenant of Formula One Autocentres who have been trading throughout the pandemic.

## The Property

<b>Purchase Price:</b>	£880,000
<b>Tenure:</b>	Freehold
<b>Tenant:</b>	Formula One Autocentres Ltd
<b>Lease:</b>	15 years from April 2015 (Break option 2025)
<b>Rent:</b>	£51,600 per annum
<b>Rent Review:</b>	5 yearly upwards only to market rent
<b>Repairs:</b>	Tenant responsible for repairs, subject to a schedule of condition compiled at the start of their tenancy.



Description	Total including VAT (£)
Purchase price	880,000
Stamp duty	33,500
Legal costs	10,800
Agents fees	10,560
Lewis purchase fee	29,040
Options Fee / Float *	5,000
Valuation	1,440
<b>Total</b>	<b>£970,340</b>

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

VAT will be reclaimed of circa £8,640 at first VAT quarter



## The Investment

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

Please note there is no mortgage option on this property. The Immediate Income investors will accrue their share of the rent from day one after completion.

For further information please contact your personal adviser at Lewis.

## Potential Return

**The syndicate is buying this property at a gross yield of 5.86%.**

## Immediate Income

**Income will be paid monthly in advance at 5.00% per annum before tax.**

**Therefore, an investment of £25,000 will receive income of £101.16 per month.**

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 **£970,340** of funds.

Lewis' annual fee is 4% plus VAT of the rental income (currently **£2,064** + VAT per annum), paid quarterly in advance. Lewis Property Services (UK) Ltd annual fee is 2% plus VAT of the rental income (currently **£1,032** + VAT per annum). If future rents increase, then so too will Lewis' ongoing fee.

Please note that the above annual fees will be discounted by 25% initially. The annual fee will be reviewed at the next rent review in 2025 with the intention of reverting to the standard rate.

## Summary

We really like this property and the sector, for the following reasons:-

- Chichester is a strong location and this property is well located on a good commercial estate.
- The tenant Formula One Autocentres Ltd has traded well despite the pandemic. For the year to 31 July 2020, the company turnover was £72 million, with a taxable profit of £3.39 million. The balance sheet shows a value of £5.1 million, with more than £8 million in the bank account.
- These types of properties have performed well in recent years and this is likely to continue, with the changes resulting from the pandemic.
- We are seeing a good number of opportunities at the present time, which is allowing us to cherry pick those that we believe have the strongest futures in all respects.

We are pleased to recommend this property to you. Please note that due to high demand, we may need to restrict the size of investments.

Stay well

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.

Full details of your exact share of the property, rental income and fees 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. 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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