

WELL LOCATED AUTOMOTIVE INVESTMENT

# WORKS ROAD LETCWORTH GARDEN CITY HERTFORDSHIRE SG6 1JZ

LET TO VOLKSWAGEN GROUP UNITED KINGDOM LIMITED UNTIL 2058 (TOB 2033)



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## INVESTMENT CONSIDERATIONS

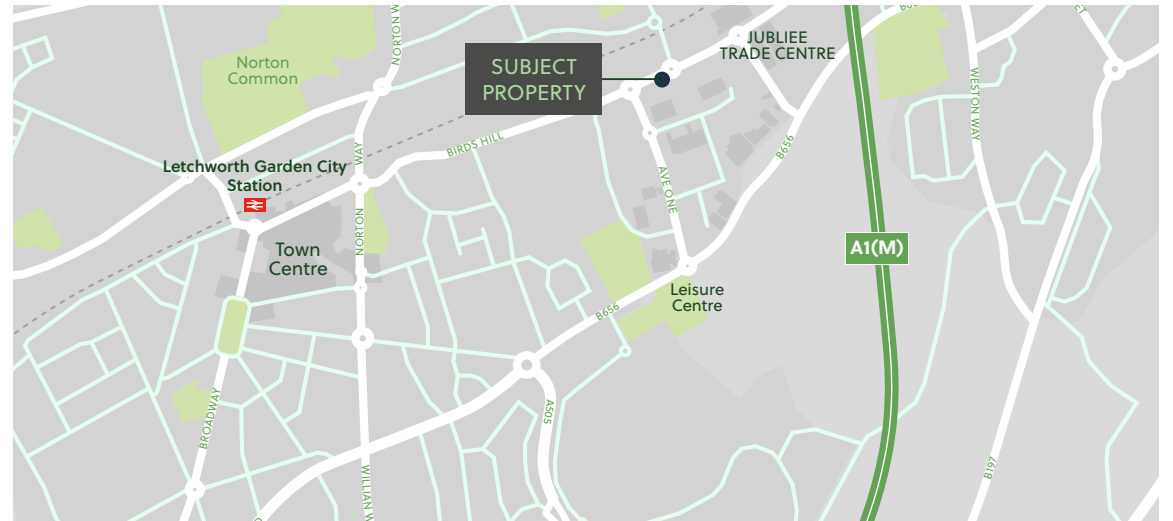
- An opportunity to acquire a **high-quality car dealership** in the **commuter town of Letchworth Garden City** in North Hertfordshire
- The property occupies a **prominent position along Works Road**, a busy through road surrounded by industrial and business occupiers
- Škoda car showroom and workshop with a total floor area of approximately **15,151 sq ft (1,407.60 sq m)**
- Let to Volkswagen Group United Kingdom Limited (£12.8 bn turnover in 2024) until 2058, with a TOB 2033, providing a term certain of circa 7.5 years
- Current net rent of **£164,119 pa**
- **5 yearly annually compounded RPI rent reviews** with a **collar and cap of 2% – 2.5%**
- The operational lease works back to **£11.34 psf**
- Held long leasehold

## PROPOSAL

- Offers sought in excess of **£2,205,000 (Two Million, Two Hundred and Five Thousand Pounds)** subject to contract and exclusive of VAT. This reflects a **net initial yield of 7%** on the net rent, after allowing for purchaser's costs of 6.33%.

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## LOCATION

Letchworth, the first Garden City, is an established and popular commuter town in the North of Hertfordshire, serving a population of 33,986.

Letchworth benefits from its strategic position located to the west of the A1(M), approximately 32.9 miles (53 km) north of Central London, 18.7 miles (30.1 km) north of St Albans and 11.8 miles (19 km) north east of Luton.

Letchworth is a well-established industrial location in the South East of England.



## ROAD

Letchworth has excellent connectivity to the UK road network, with immediate access to the A1(M) to the East which connects with the M25 and the wider motorway network.



## RAIL

Letchworth has excellent rail links with direct trains operating from Letchworth Station to London Kings Cross St Pancras with travel times of 25 mins.



## AIR

Stansted Airport is approximately 27 miles to the north west and has regular national and international flights to over 160 destinations.

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## DESCRIPTION

The property comprises a two storey VW Commercial Vehicle showroom and servicing facility, tenanted by Škoda extending to approximately 15,151 sq ft incorporating showroom, offices, workshop, parts room, dry and wet valets and ancillary accommodation. Internally the showroom is fitted to a high specification with full Škoda / Marshall branding throughout and benefits from a ground floor glazed showroom and prominent frontage facing Works Road. The rear servicing area comprises a workshop area with one roller shutter door, 7 servicing points and two individual wet and dry valet bays.



## SITUATION

The property is situated on the east side of Works Road, approximately 0.7 miles north east of Letchworth Garden City town centre and 2.1 miles north of Junction 9 of the A1(M). The property benefits from prominent frontage and visibility along one of Letchworth's principal commercial routes, making it a strong location for a car showroom. Furthermore the property benefits from a strategic central location within the town's main industrial and business district, ensuring accessibility to a wide customer base from the surrounding residential and commercial areas.

The surrounding area features strong automotive and trade representation, with nearby occupiers including Citroën and Peugeot dealerships, as well as various national trade and industrial operators such as Screwfix, Toolstation, and Howdens. The wider area is a well-established business location with a mix of light industrial, trade counter, and retail uses.

Other notable occupiers in the vicinity include a Morrisons supermarket 0.6 miles to the north, and a retail cluster along Avenue One and Baldock Road. The area is also well served by local amenities including cafes, fitness centres, and public transport links via Letchworth railway station, approximately 0.8 miles north.

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## TENURE

The property is held on a long leasehold basis for 990 years from 1937 and we understand the freeholder is Letchworth Garden City Heritage Foundation. There is a ground rent payable of £7,700 pa, which was increased from £4,000 pa at the last review in 2019. The reviews are upwards only and 20 yearly, subject to an annually compounded cap and collar of 7% and 3%, with the next review in March 2039. For full information on the rent review mechanisms and provisions please see the head lease and the deed of variation in the dataroom.

## PARKING

The property benefits from approximately 60 car parking spaces to the front, side and rear of the property. This includes 1 disabled parking and 4 EV charging parking.

## SITE AREA

0.88 acres (0.36 ha).

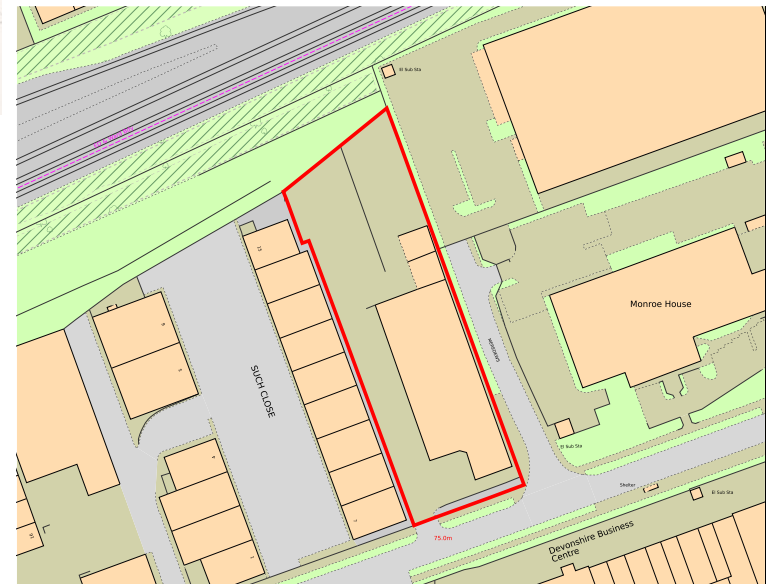
## ACCOMMODATION SCHEDULE

Floor	Use	Area GIA (sq m)	Area GIA (sq ft)
Lower Ground	Workshop	611.04	6,577
	Parts room	85.38	919
	Valet	120.52	1,297
Ground	Showroom / Offices	314.52	3,385
Mezzanine	Office/Ancillary	276.14	2,972
<b>Total</b>		<b>1,407.6</b>	<b>15,150</b>

Measurements are approximate and any interested party should carry out their own measured survey to confirm the above measurements.

## TENANCY

The property is let in its entirety to Volkswagen Group United Kingdom Limited on a 50-year lease from 28 March 2008, expiring on 27 March 2058 at an annual rent of £171,819. There is a tenant's break option on 28th March 2033 and 2038 and 2048 thereafter. Therefore, providing circa 7.5 years term certain unexpired. The lease is subject to 5 yearly upward only rent reviews linked to RPI, collared at 2% and capped at 2.5% per annum compounded. We understand the property has been sublet and is trading as Marshall Škoda, further information can be found on the data room.



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## VOLKSWAGEN GROUP REMAINED MARKET LEADER TAKING 8.52% OF 2024 UK MARKET SHARE

**VOLKSWAGEN  
GROUP SALES\***

**9.0m**

**SALES  
REVENUE**

**€324.7bn**

**OPERATING  
PROFIT**

**€19.1bn**

### COVENANT INFORMATION

#### Volkswagen Group United Kingdom Limited

Company number 00514809. Experian Very Low Risk.



Volkswagen has been a key player in the UK since 1952 and remains the country's largest vehicle importer. In 2024, it was the UK's best-selling car brand for the fourth consecutive year, with 166,304 new registrations and a 8.52% market share in the UK. The Volkswagen Golf led the brand's success, ranking as the sixth best-selling car in the UK with 32,370 units sold, while the Polo secured the tenth spot with 28,981 units.

The company remains committed to the electric vehicle market, with EVs accounting for 19.6% of all UK car sales in 2024. While UK-specific figures for Volkswagen's EV market share are not readily available, the brand continues to expand its electric lineup to meet rising consumer demand. Globally, Volkswagen delivered 383,100 all-electric vehicles in 2024, maintaining its position as a leading EV manufacturer despite intensified competition.

	31 Dec 2022	31 Dec 2023	31 Dec 2024
Turnover	£9,372,500,000	£12,636,900,000	£12,836,300,000
Pretax Profit	£148,800,000	£184,700,000	£123,200,000
Total Net Worth	£769,900,000	£659,100,000	£604,700,000



## THE AUTOMOTIVE MARKET



In March 2025 the market saw **357,103 new cars registered** (up 12.4% vs same month previous year), with Battery Electric Vehicles reaching a record monthly share of 19.4% (The Standard, 2025)



**Consumers still say they need to physically interact with either the vehicle itself or real salespeople** the next time they are in the market for a vehicle (Deloitte, 2024)



In 2024, Volkswagen increased its UK registrations to **166,304 new cars**, maintaining the same market share of **8.52%** and retaining its position as the UK's best-selling new-car brand (Vertu Motors, 2024)



**More than a third** of all UK vehicles made last year were **hybrid or electric models**, marking a record high (Financial Times, 2024)



In 2024, **381,869 new zero-emission cars** registered in the UK, accounting for **19.1% of all new car registrations** (GOV, 2024)



The **Volkswagen Golf** is the **most successful European Car** having more than **37 million vehicles** delivered to date (VW Newsroom, 2024)



The UK new-car market recorded its second consecutive year of growth in 2024: about **1,952,778 new cars** were registered, up roughly **2.6%** from about 1,903,000 in 2023 (The Standard, 2024)



Globally, new vehicle sales are forecast to reach about **89.6 million units** in 2025, representing a **1.7% increase** year-on-year (S&P Global)

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## INVESTMENT COMPARABLES

Date Transacted	Allsop or External sale	Address	Price	NIY	Size Sq Ft	Tenant	Rent £pa	Rent psf	Cap Val psf	Term Certain	Tenure
September 2025	Allsop	2 Europa Close, Tinsley, Sheffield, S9 1XS	£2,825,000	6.37%	15,573	Volkswagen Group United Kingdom Limited	£191,513	£12.30	£181.40	c.8 years	Freehold
March 2025	Allsop	Wheatpark Place Ayr	£3,325,000	6.74%	14,773	Volkswagen Group United Kingdom Limited	£238,654	£16.15	£225.07	c.8 years	Heritable Title
March 2025	Allsop	145 Bath Road, Reading RG30 2BD	£2,725,000	6.71%	10,824	Volkswagen Group United Kingdom Limited	£194,459	£17.97	£251.76	c.8 years	Freehold
August 2024	External Sale	Volkswagen & Skoda Capital Interchange Way London TW8 0EX	£35,000,000	5.90%	188,610	Volkswagen Group United Kingdom Limited	£2,216,312	£11.75	£185.57	17 years	Freehold
August 2024	External Sale	Sytner Audi Harrogate, Knaresborough, HG5 8PY	£8,700,000	6.57%	35,280	Sytner Properties Limited	£610,344	£17.30	£247.00	11.6 years	Freehold
July 2024	Allsop	Nottingham Audi, 11 Abbeyfield Road, Nottingham NG7 2SZ	£7,720,000	7.25%	30,242	Volkswagen Group United Kingdom Limited	£596,637	£19.73	£255.27	c.9 years	Long Leasehold
June 2024	Allsop	Audi, Skyliner Way, Bury St. Edmunds, Suffolk, IP32 7YB	£4,800,000	6.85%	22,345	Volkswagen Group United Kingdom Limited	£350,616	£15.69	£214.81	c.9 years	Freehold
May 2024	External Sale	Edinburgh Audi, Sighthill, Edinburgh, EH11 4EJ	£9,100,000	7.50%	43,774	Volkswagen Group Limited	£726,648	£16.60	£208.00	10.5 years	Freehold
May 2024	External Sale	Shrewsbury BMW, SY1 4AQ	£7,000,000	6.96%	36,074	Rybrook Limited	£519,466	£14.40	£194.05	13.6 years	Freehold

## EPC

A new EPC has been commissioned and will be available in the data room.

## VAT

The property is elected for VAT and therefore will be payable on the purchase price. It is anticipated that subject to qualification the sale will be treated as a TOGC.

## ANTI-MONEY-LAUNDERING

A successful bidder will be required to provide information to satisfy the AML requirements when Heads of Terms are agreed.

## DATA ROOM

For access to the Allsop data room please use the following link:

[CLICK HERE](#)



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**allsop**

For further information or to make arrangements for viewing please contact:

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