

SOUTH NORWOOD, LONDON

# SAINSBURY'S LOCAL

LONG LEASEHOLD INVESTMENT SALE



STRIPE  
STREET

# 112 PORTLAND ROAD

SOUTH NORWOOD, LONDON SE25 4PJ

INVESTMENT SALE

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## INVESTMENT SUMMARY

Prime South London Convenience Retail Investment in densely populated South Norwood (London Borough of Croydon)

Fully let to Sainsbury's Supermarkets Ltd

- Traded store since 2012
- Long Leasehold interest (999 years from 2013) at a peppercorn ground rent
- Original FRI lease from 27 June 2012, with 10 year reversionary lease expiring 26/06/2037
- Current passing rent: £103,172 per annum
- Rent to be reviewed 26/06/2032 in the open market, uncapped
- There is a tenant only break clause on 26/06/2032 on 6 months notice
- Nearest food store to Norwood Junction (at Eastern entrance)
- Highly prominent position on Portland Road, benefiting from a dense surrounding residential catchment
- Tenant rent free incentive until 6th November 2027 to be deducted from purchase price

## LOCATION

South Norwood is a well-established South London suburb in the London Borough of Croydon.

The area benefits from excellent transport connectivity, with convenient access to key arterial routes including the A125 (Portland Road), A213 (Selhurst Road) and A222 (Lower Addiscombe Road), providing links to Croydon (4 miles), Bromley (5 miles), Crystal Palace (2 miles) and wider South East London.

The area is well served by Norwood Junction Station, located approximately 0.3 miles from the property, providing fast and frequent rail services to London Bridge (c. 15 minutes), London Victoria (c.12 minutes), Clapham Junction (c. 24 minutes), East Croydon (c. 4 minutes) and Gatwick Airport. London Overground services also operate, providing services to Highbury & Islington in the north and West Croydon in the south.

The property is in a prominent location next to a bus stop on the approach to Norwood Junction Station, opposite a Shell Petrol Station. The neighbouring occupiers are generally local operators offering a range of uses from restaurants, takeaways and hairdressers creating an active and commercial environment.



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## SITUATION

Portland Road is a mixed commercial and residential thoroughfare, serving the densely populated immediate local catchment. The Sainsburys store is the nearest convenience store to the Eastern entrance/exit at Norwood Junction Station, the nearest national food and convenience retail stores are as follows:

- Tesco Express, 162 Portland Rd – 0.1 miles to the South
- Aldi, 18-20 Station Rd – 0.3 miles (Western Station Exit)

## DESCRIPTION

A modern purpose built convenience store of traditional construction forming the ground floor of a mixed use block.

The property comprises the largest floorplate retail shop on Portland Road on the eastern approach to Norwood Junction Station. Sainsbury's Local convenience store provides for:

- Main retail sales area
- Bakery section
- Ancillary storage
- Staff room and WC's
- Walk-in cold store and freezer
- Side access and rear yard

The property has been measured in accordance with the RICS Code of Measuring Practice (6<sup>th</sup> Edition) and provides the following approximate gross internal floor areas:

FLOOR / UNIT	TYPE	GIA SQM	GIA SQFT
Ground Floor	Convenience Store	344.5	3,708
Total		344.5	3,708

*\*Areas provided by the vendor.*

The external areas are utilised by the tenant for refuse and servicing.

## TENURE

The property is of a long leasehold tenure held on a 999 year term from 10th May 2013 at a peppercorn ground rent.



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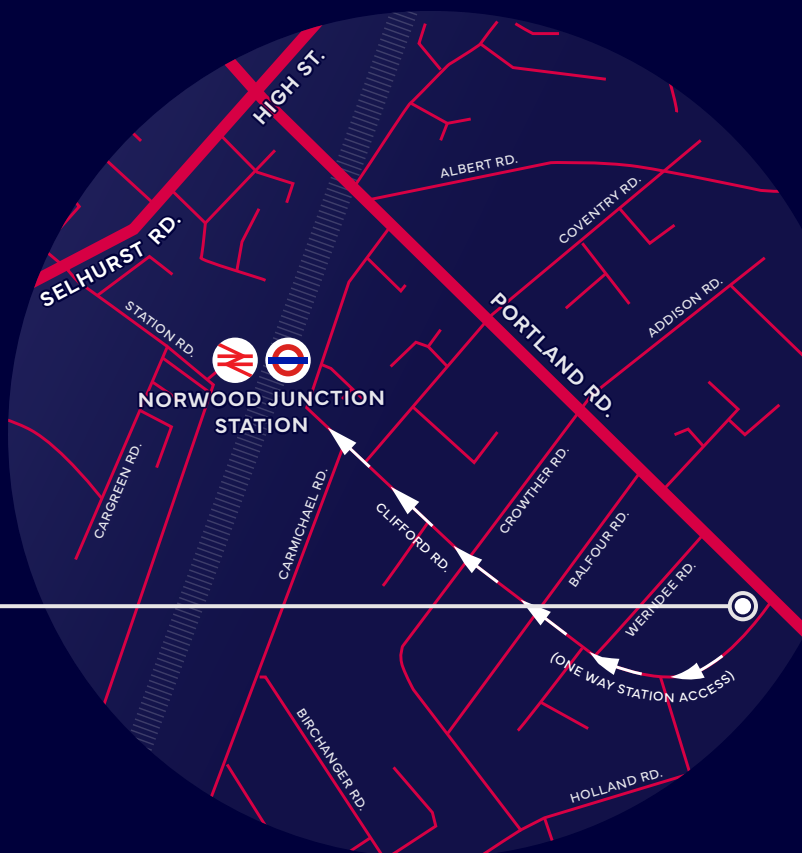
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## TENANCY

The property is entirely let to Sainsbury's Supermarkets Ltd, who have traded the site since 2012 on an effective full repairing and insuring lease extended term of 10 years from 27 June 2027, expiring on 26 June 2037. The lease has been re-gearred on 6th May.

The current passing rent is £103,172 per annum. The June 2027 review has been pre-agreed at nil uplift with the next open market review in 2032, which is uncapped. The tenant has a break option 26/06/2032 on 6 months notice at which time they will have traded the store for 20 years.

112 PORTLAND RD.



## COMPARABLES

The below table shows examples of rents achieved over a number of comparable convenience stores where the purchaser benefits from the potential for future rental uplift at the open market review in 2032.

TENANT / ADDRESS	TRANSACTION / DATE	FLOOR AREA	TERMS	RENT	ANALYSIS (GF RATE)
Sainsbury's Local, Spectrum House, Gospel Oak, London NW5	Letting 10/2023	GIA 2,669 sq. ft.  With 922 sq. ft. with remote storage	A new 15-year lease with 6 months' rent free and CPI linked reviews.	£132,500 pa  (£105,000 pa for the store + £27,500 pa for the store)	£36.28 psf
Sainsbury's Local, 74/77 Chalk Farm Road, London NW1	Rent Review 12/2018	GIA 5,298 sq. ft.	A 15 year lease with OMRV reviews.	£212,000 pa  (off £140,000 pa)	£40.00 psf  (off £26.43 psf)
Tesco Express, 4-8 Haverstock Hill, Chalk Farm, London NW3 2BL	Letting AFL 04/2023	GIA 4,199 sq. ft.	15 year lease with 9 months rent free and CPI reviews.	£140,000 pa	£37.70 psf
Sainsbury's Local, 126-132 Fortess Road, Tufnell Park, London NW5	Lease Renewal 09/2024	GIA 5,378 sq. ft.	A 15-year term with TBO at the 10th year.  CPI reviews 1% & 3% pac	£161,500 pa  (off £121,000 pa).	£30 psf  (off £22.50 psf)

\*Purchasers should rely on their own investigations on ERV.

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## Sainsbury's

### COVENANT STRENGTH

Sainsbury's is one of the United Kingdom's largest grocery and general merchandise retailers and is widely recognised as the second-largest supermarket chain in the UK by market share and footprint. The business has a long heritage in British retail and has been providing for customers with grocery, clothing and general merchandise products for over 150 years.

Sainsbury's operates a multi-format retail estate across the UK, including:

- Approximately 600 full range Sainsbury's supermarkets.
- More than 850 convenience stores.
- Over 1,100 Argos collection points integrated into its estate.

The tenant, Sainsbury's Supermarkets Ltd (Reg. No. 03261722) has reported the financial results over the last three years

	04/03/2023	02/03/2024	01/03/2025
Shareholders Funds	£4,684,000,000	£4,059,000,000	£4,319,000,000
Pre-Tax Profit	£137,000,000	£273,000,000	£338,000,000
Turnover	£26,693,000,000	£28,544,000,000	£27,877,000,000

### PROPOSAL

Seeking offers in the region of **£1.496m**, reflecting a net initial yield of 6.5% after purchasers costs of 6.28%.

\*Rent free period to be deducted from purchase price



### INVESTMENT SALE CONTACTS

For further information or to arrange an inspection please contact:

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