

# Sainsbury's

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**Prime Securely Let Supermarket Development  
Funding Opportunity**

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Sainsbury's | Whitford Road | Bromsgrove | B61 7ED



# Investment Summary

- Forward funding of a prime supermarket investment on the edge of Bromsgrove town centre
- Prominently located on **Whitford Road, Bromsgrove, forming part of a new 490 home development**
- The immediate surrounding area has seen significant new residential development with a further 1,300 homes planned to the north at Perryfields
- The property will comprise a **detached new build single storey supermarket** extending to 372.07 sq.m (4,005 sq.ft) with 10 car parking spaces.
- Agreement for lease completed to **Sainsbury's Supermarkets Ltd**
- Lease term **15 years** (without break)
- Lease subject to five yearly upward only reviews to **CPI collared at 1% and capped at 3%** per annum compounded
- Rent £125,000 per annum (£31.21 per sq.ft)
- Excellent covenant with a **Dun & Bradstreet rating of 5A1 and an Experian rating of 100**
- Site has been granted detailed planning consent for the proposed development
- Practical completion **November 2026**
- Offers are sought for the forward funding of the investment in excess of **£2,175,000**
- Net initial yield **5.60%**, assuming costs of purchase on the site of 4.45%





## Location

Bromsgrove is situated approximately 15 miles south west of Birmingham and 14 miles to the north east of Worcester. The town benefits from excellent road communications being 2 miles from Junction 1 of the M42 motorway. Junction 4 of the M5 motorway is 3 miles to the north and Junction 5 of the M5 lies 4 miles to the south both via the A38 dual carriage way.

Bromsgrove is a prosperous and busy market town with a resident population of approximately 35,500 and a district population of 102,000. In terms of social economic profile, 46% of residents are classed as 'Wealthy Achievers' against a national average of 22%.

Bromsgrove railway station is operated by London Midland and provides regular services to Birmingham, Worcester, Hereford, Malvern and Cheltenham.

## Situation

The property is prominently situated on Whitford Road, one mile to the west of Bromsgrove town centre. Junction 1 of M42 is two miles to the north and Junction 5 is three miles to the south.

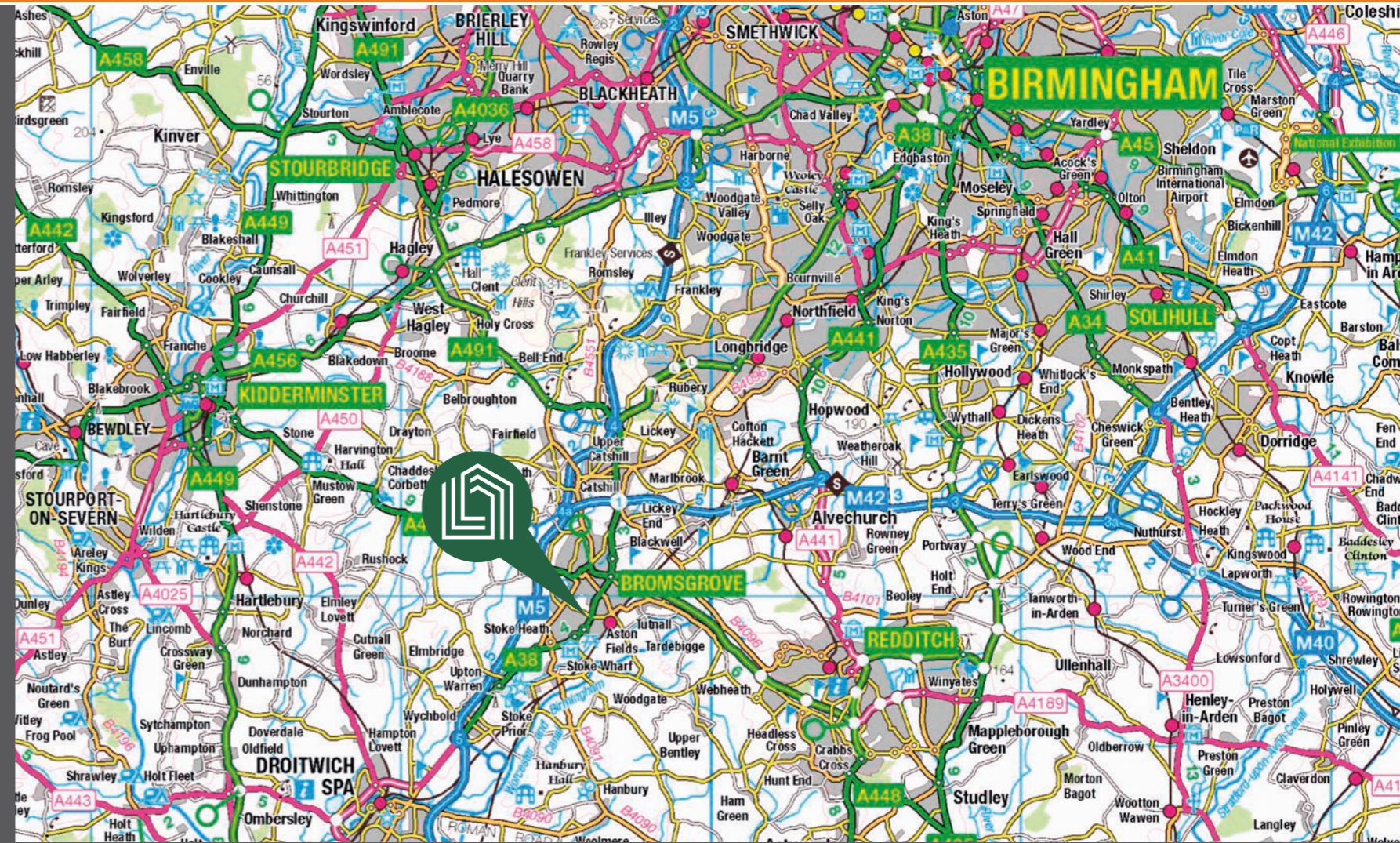
The property is situated at the entrance to a new 490 home development which is being delivered by Bellway Homes. Half a mile to the north of the site is the Perryfields housing development, which has outline consent for a further 1,300 homes.

## Description

The development will comprise a supermarket and car park on a self-contained and landscaped site. The property will extend to 372.07 sq.m (4,005 sq.ft).

The supermarket will be constructed to Sainsbury's latest corporate specification comprising a large ground floor retail area with ancillary storage and staff accommodation to the side of the unit. A loading area will be situated to the side elevation. Externally there will be 10 car parking spaces including one disabled space.

The unit will be constructed to a target EPC rating of A.



## Site Area

The site extends to 0.15 hectares (0.37 acres).

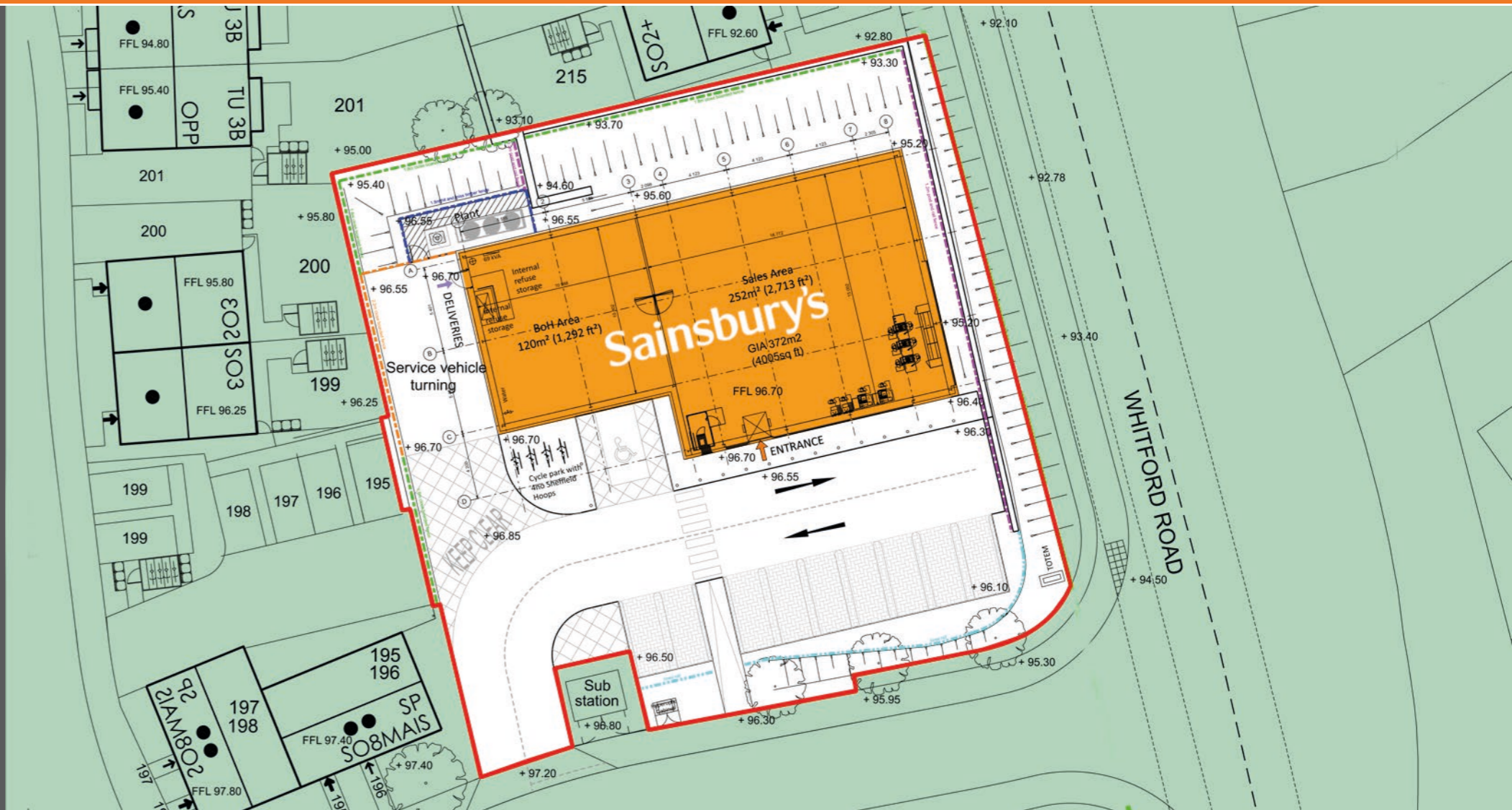
## Tenure

Freehold.

## Tenancy

The property is pre-let to Sainsbury's Supermarkets Ltd for a term of 15 years from practical completion. The lease is to be held on full repairing and insuring terms with five yearly upward only reviews to CPI, collared at 1% and capped at 3% per annum compounded.

The commencing rent will be £125,000 per annum (£31.21 per sq.ft).



South Elevation



East Elevation



North Elevation



West Elevation

## Covenant

# Sainsbury's

Sainsbury's was founded in 1869 and is the second largest foodstore operator in Great Britain, with a current 15.5% market.

Sainsbury's occupy over 23 million sq.ft of retail space in the UK across over 1,400 stores. Sainsbury's announced their results for the 2025 financial year, with total grocery sales up 4.4% and Group underlying profit before tax coming in at £338 million.

The company has a Dun & Bradstreet rating of 5A1 and an Experian rating of 100 classified as Very Low Risk.

A summary of the company's last three years' accounts is set out below:

Sainsbury's Supermarkets Ltd Co No: 03261722	01/03/2025 £m	02/03/2024 £m	04/03/2023 £m
Turnover	28,544	27,877	25,238
Pre Tax Profit	313	273	244
Net Assets	4,319	4,059	5,418

## Supermarket Investment Comparables

Address	Tenant	Term Certain	Transaction Date	Price £	Yield %	Comments
Edwalton, Nottingham	Sainsbury's	15 years	Feb 26	£2,263,000	5.50%	5 yearly reviews to RPI collared at 1% and capped at 3% per annum compounded. Full forward funding.
Lockerbie	Tesco	14 years	Apr 25	£1,100,000	5.50%	5 yearly reviews to RPI collared at 1% and capped at 3% per annum compounded.
Gloucester	Aldi	9 years	Apr 25	£5,550,000	5.22%	9 years unexpired. 5 yearly reviews to RPI collared at 1% and capped 2.5% per annum compounded.
Crawcrook, Tyne & Wear	Co-op	15 years	Feb 25	£1,300,000	5.50%	5 yearly reviews to CPI collared at 1% and capped at 3% per annum compounded.
Skegness	Tesco	15 years	Jan 25	£1,380,000	5.33%	5 yearly reviews to CPI collard at 1% and capped at 4% per annum compounded.

## Planning

The Developer has received a detailed planning consent (application number 24/00150/REM) for the development.

A copy of the planning consent is available on request.

## Development Programme

The major milestones for the development are as follows:

- **The development will commence in May 2026.**
- **Practical completion in November 2026.**

A full suite of contractor and design warranties will be provided to the purchaser upon Practical Completion of the development.

## Developer



The property will be developed by Hinton Group, who is one of the leading hotel, leisure, retail and childcare developers in the UK. Hinton Group is a privately owned company specializing in land acquisition, development, architectural design and construction.

Hinton has been delivering innovative development solutions for over two decades and to date Hinton has developed over 1,500,000 sq ft of commercial property, 66 hotels and 6,500 rooms. Recent projects include:

- Sainsbury's and Costa Coffee Drive Thru, Droitwich
- Little Pioneers Nursery, Stratford upon Avon
- Starbucks Drive Thru, Bedford
- Costa Coffee Drive Thru, Bromsgrove
- 86 bed Premier Inn hotel, Abingdon
- Costa Coffee Drive-Thru, Minworth
- Little Pioneers Nursery, Emersons Green, Bristol
- Aldi supermarket, Costa Coffee Drive Thru and a Little Pioneers Nursery, Corinthian Park, Cheltenham
- 90 bed Travelodge and Costa Coffee Drive Thru, Emersons Green, Bristol
- 78 bed Travelodge and Costa Coffee Drive Thru, Workington
- 63 bed Travelodge and Costa Coffee Drive Thru, Witney
- Lidl supermarket and Starbucks drive thru unit Cheltenham
- 60 bed Travelodge, Greggs and Starbucks drive thru Melksham
- 70 bed Travelodge, Subway and Starbucks drive thru Swindon
- Waitrose supermarket, Bromsgrove
- Aldi supermarket, Leicester
- 68, bed Travelodge, Telford
- KFC Drive-Thru and Aldi supermarket, Telford

Further information can be found on the company website [hintongroup.co.uk](http://hintongroup.co.uk)

## VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price.

## Proposal

We are instructed to seek offers for the forward funding of the property in excess of **£2,175,000 (Two Million One Hundred and Seventy Five Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level would reflect a net initial yield of **5.60%**, assuming costs of purchase on the site of 4.45%.

## Funding Structure

We are seeking a full forward funding package based upon the lease terms above. The envisaged structure is as follows:

- **An initial site purchase of £500,000**
- **Monthly payments based on Employers Agent's certificates.**
- **The Development will take 6 months to construct.**
- **A balancing payment at practical completion to bring the total expenditure to the anticipated total consideration of £2,175,000, reflecting an overall funding yield of 5.60%.**
- **All expended monies will attract a monthly interest return based upon the proposed capitalisation rate of 5.60%.**
- **Our calculations are based on a 50/50 share of the SDLT saving that the full forward funding structure creates.**



## Contacts

For further information or if you wish to arrange a viewing please contact:

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