

PRIVATE CLIENT

# Sainsbury's Local

198-202 MARTIN WAY, MORDEN SM4 4AJ

---

VIRTUAL FREEHOLD CONVENIENCE STORE  
IN AN AFFLUENT RESIDENTIAL LOCATION

allsop





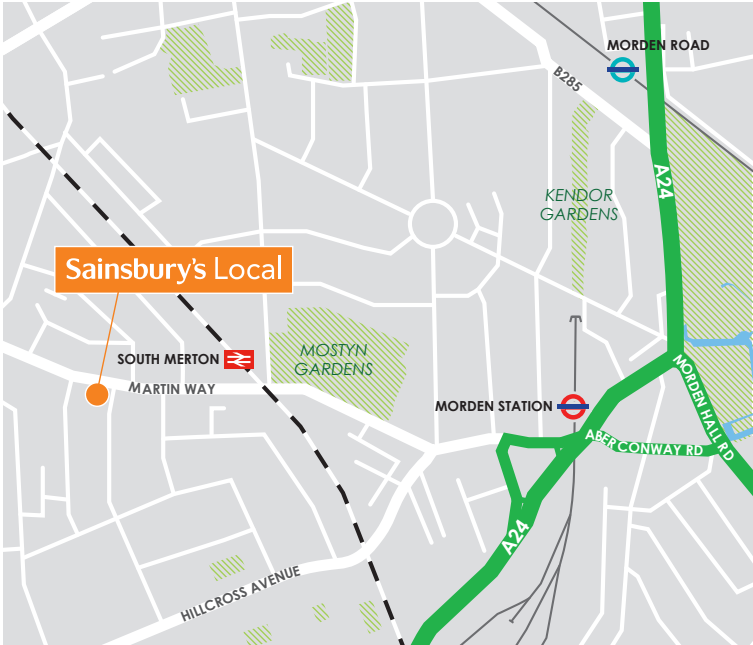
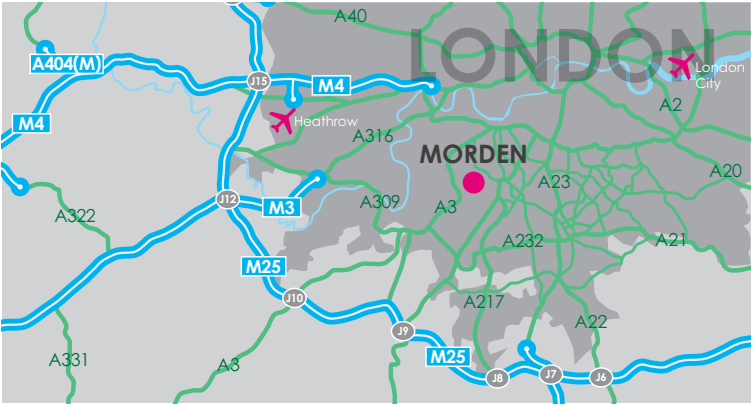
## INVESTMENT CONSIDERATIONS

- **Rare opportunity** to purchase ground floor convenience retail unit within an affluent residential suburb of London
- Prominent position on the popular **Martin Way**
- In close proximity to **South Merton Railway Station** and **Morden Underground Station**
- Let to the strong covenant of **Sainsbury's Supermarkets Ltd** with a **further 11.5 years to expiry**
- **No Breaks**
- Current rent passing of **£78,923.52** per annum
- **Rent to increase to approximately £90,773.24 per annum in August 2020**, based on RPI predictions
- **5 yearly reviews on RPI basis per annum compounded with an average based collar and cap of 1% - 3.5%.**
- Virtual Freehold
- Lack of local competition with nearest convenience store 0.8 miles away.
- We are instructed to seek offers in excess of **£1,425,000 (One Million Four Hundred and Twenty Five Thousand Pounds)** reflecting a net initial yield of **5.29%** assuming purchaser's costs of 6.06% and an **estimated reversionary yield of 6% in August 2020** based on a fixed increase to **£90,773.24 pa**



SAINSBURY'S LOCAL 198-202 MARTIN WAY, MORDEN SM4 4AJ

VIRTUAL FREEHOLD CONVENIENCE STORE IN AFFLUENT RESIDENTIAL LOCATION



LOCATION

The affluent suburb of Morden is located approximately 8 miles (12.9 km) south west of Central London, 1.5 miles (2.4 km) west of Mitcham and 2.5 miles (4 km) north of Sutton.

This attractive residential area of south-west London is very well connected with Morden Underground Station located on the Northern Line, regular tram link services between Croydon and Wimbledon, as well as Overground rail services from South Merton along the Southern & Thameslink lines offering routes to London Blackfriars, Farringdon and St Pancras International.

Heathrow International airport is located 13.5 miles (21.7 km) west of the subject property

Morden has an excellent provision of parks and green spaces. Morden Hall Park is approximately 125 acres and run by the National Trust

SITUATION

The property is situated in a prominent position fronting Martin Way (B286) close to its junction with Ashridge Way.

The property is part of a local retail parade comprising a café, barber and glazing shop. The surrounding area is both affluent and residential in nature.

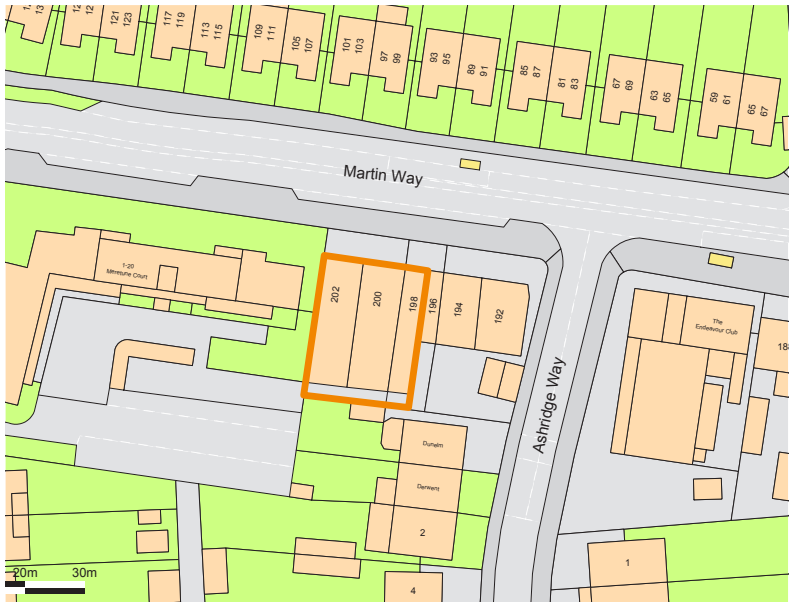
The property is extremely well connected in its role as a convenience shopping location:

Station	Distance from Property
South Merton Railway	0.3 miles
Morden Tube Station (Northern Line)	0.7 miles
Morden South Railway	0.8 miles
Wimbledon Chase Railway	0.8 miles

There is also a bus stop located directly outside the subject property which offers routes to Morden Underground Station, Sutton Station, West Sutton Station, South Merton Station, Wimbledon Chase station and Wimbledon Railway Station.



SAINSBURY'S LOCAL 198-202 MARTIN WAY, MORDEN SM4 4AJ



© Crown Copyright, ES 100004106. For identification purposes only.

### DESCRIPTION

The property comprises a ground floor convenience store as part of a 3 storey building. The upper floors comprise 12 residential units which are sold off on long leases. The ground floor unit comprises a convenience store with triple unit frontage to Martin Way.

There is on street parking at the front of the property that services the parade. Deliveries are handled via the front of the store and the side, which is accessed via a communal service yard off Ashridge Way.

### ACCOMMODATION

The property comprises a gross internal area of 328.5 sq m (3,536 sq ft) on the ground floor only.

### TENURE

Virtual Freehold by virtue of 995 year lease.

### LOCAL COMPETITION

This Sainsbury's is crucial for the local residential area with an evident **lack of competition** nearby:

Convenience Store	Address	Distance from Property
Lidl/Iceland	2a, 29 Aberconway Road, Morden SM4 5LN	0.8 miles
Tesco Express	367-373 Kingston Road, Wimbledon Chase, London SW20 8JX	0.9 miles
Sainsbury's Supermarket	London Road, Morden SM4 5HT	1 mile
Co-Operative Supermarket	300 Grand Dr, London SW20 9NQ	1.3 miles

VIRTUAL FREEHOLD CONVENIENCE STORE IN AFFLUENT RESIDENTIAL LOCATION



### TENANCY

The property is let in its entirety to Sainsbury's Supermarkets Limited for a term of 15 years (no breaks) from 24th August 2015 at a current passing rent of £78,923.52 per annum. Therefore there are 11.5 years unexpired (23rd August 2030).

The lease provides for five yearly upward only rent reviews, calculated on a compound annual basis, linked to RPI with an average based collar and cap of 1% and 3.5%. Based on RPI figures for the past 3 years and projecting 2019 and 2020 at 2.5% we estimate an increase in rent to approximately £90,773.24 in August 2020.

### COVENANT

Founded in 1869, Sainsbury's has grown exponentially to become the second largest food retailer in the UK with a 16.9% market share.

With 608 supermarkets, 191 Argos stores and 3.9 million active customers at Sainsbury Bank and Argos Financial Services, the company has recently reported total group sales have grown 9% with like for like sales up 1.3%.

In April 2018, Sainsbury's announced plans to merge with Asda (Walmart). Should this go through, this merger would create the UK's largest grocery chain with total sales in excess of £51 billion and a combined market share of 32%.

Sainsbury's Supermarkets Ltd most recent published accounts are as follows:

	10th March 2018	11th March 2017	12th March 2016
Turnover	£23,606,000,000	£23,234,000,000	£23,168,000,000
Pre-Tax Profit	£187,000,000	£342,000,000	£406,000,000
Net Worth	£4,562,000,000	£4,353,000,000	£4,458,000,000





### VAT

The property is elected for VAT and we would expect the transaction to be treated as a Transfer of a Going Concern (TOGC).

### EPC

Please see dataroom.

### DATAROOM

For access to the Allsop dataroom please use the following link:  
<https://datarooms.allsop.co.uk/register/SainsburysMorden>

### INVESTMENT COMPARABLES

Property	Sale Date	Tenant	Earliest Determination	NIY	Sale Price
44/48 High Street, Whitstable, Kent	Feb-19	Sainsburys Local	7.8 years	5.34%	£1,350,000
Conisholme Road North Somercotes	Feb-19	Co- Operative	14.8 years	5.27%	£1,430,000
99-407 Clapham Road, SW9	Dec-18	Sainsbury's Local	11 years	3.99%	£2,600,000
Middlegate Manby, Grimoldby, Lincolnshire	Jul-18	Co- Operative	14.8 years	4.78%	£1,420,000
62 High Street, London, SW19 2BY	Jul-18	Co- Operative	14.4 years	4.75%	£1,730,000
Co-Op, Stoke Gifford, Bristol	Jun-18	Co- Operative	10.6 years	5.12%	£2,200,000

## PROPOSAL

We are instructed to seek offers in excess of **£1,425,000 (One Million Four Hundred and Twenty Five Thousand Pounds)** reflecting a net initial yield of **5.29%** assuming purchaser's costs of 6.06% and an **estimated reversionary yield of 6% in August 2020** based on a fixed increase to **£90,773.24 pa**

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

#### PRIVATE CLIENT TEAM

Ronnie Morgan  
 020 7543 6808  
[ronnie.morgan@allsop.co.uk](mailto:ronnie.morgan@allsop.co.uk)

Alex Butler  
 020 7543 6722  
[alex.butler@allsop.co.uk](mailto:alex.butler@allsop.co.uk)

Henry Tye  
 020 7543 6737  
[henry.tye@allsop.co.uk](mailto:henry.tye@allsop.co.uk)

[allsop.co.uk](https://allsop.co.uk)

**allsop**