



For Sale

**Sainsbury's, 9 Silver Hill,
Winchester, SO23 8AQ**

Freehold Investment with a 55 year lease to Sainsbury's Supermarkets LTD

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Investment Summary



Freehold property with
55 years unexpired



Strong (very low risk) covenant of
Sainsbury's Supermarkets LTD



Annual Rent of £13.50 per sq ft
£269,000 per annum



Pre-1995 lease benefits from
Privity of Contract



Gross Internal Area
19,923 sq ft

Offers in excess of £5,800,000 (Five Million Eight Hundred Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level will reflect an attractive Net Initial Yield of 4.35% and a capital value of £291 per sq ft.



Location

Winchester is an affluent and historic cathedral city and commercial, administrative and tourist centre situated approximately 12 miles north of Southampton and 15 miles south west of Basingstoke.

Winchester, with a catchment population of approximately 95,000, is well served by communications with Junctions 9-11 of the M3 situated 1 mile to the west. This provides access to London and Basingstoke while to the south is the M27 Motorway which links Portsmouth and Southampton.

Situation

The property is situated at the junction of Silver Hill and Middle Brook Street, just to the north of High Street and south of the Brooks Shopping Centre which is the principal shopping area in Winchester. Nearby occupiers include Marks and Spencer, Primark, Poundland, Debenhams and Superdrug.

Winchester train station is located a short distance to the east of the subject property.

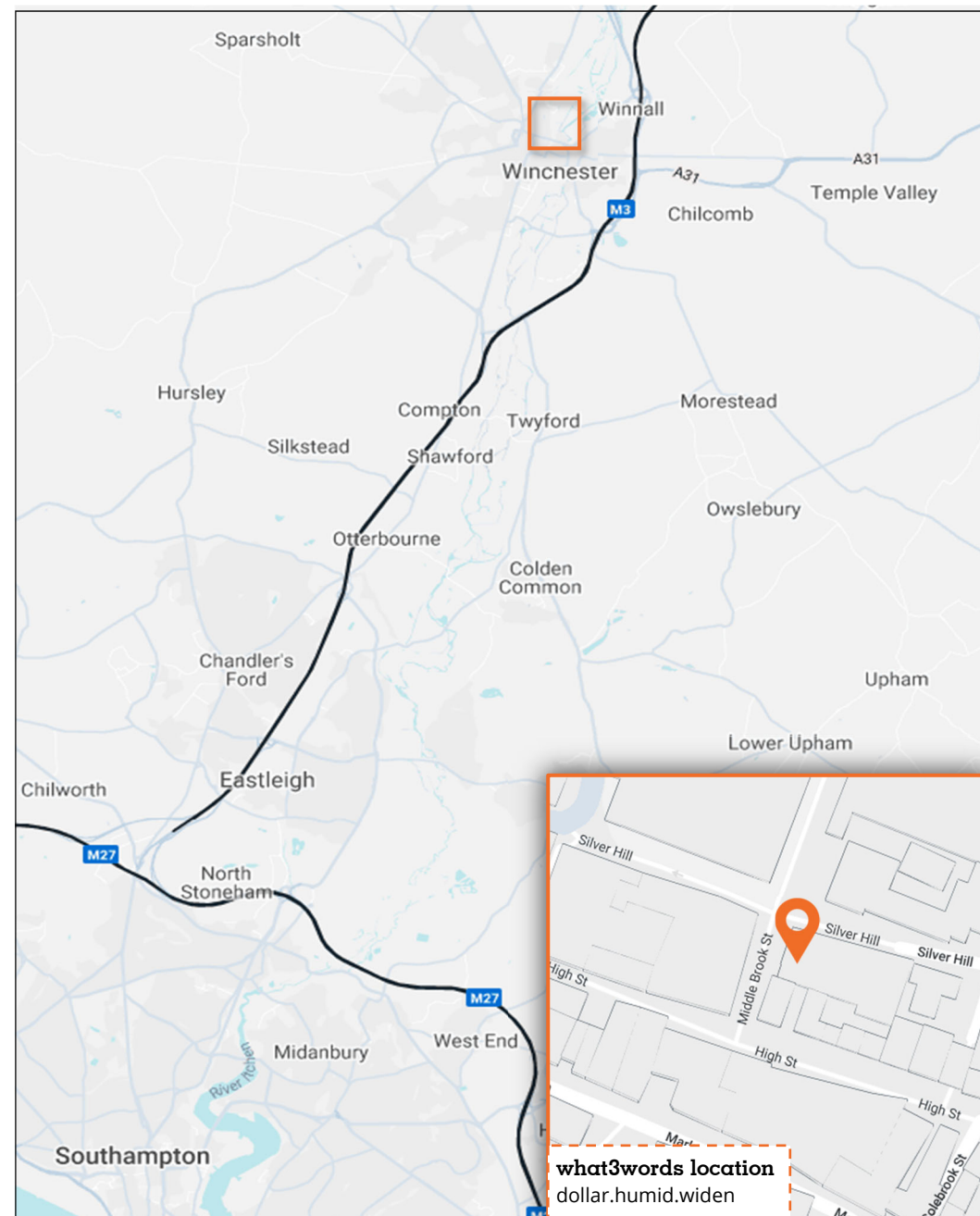
Winchester City Council has revealed plans to revitalise the Central Winchester Regeneration area in the heart of the city centre, putting the subject property in a great strategic location.

Demographics

According to Property Market Analysis LLP, Winchester is one of the most affluent of the surveyed catchments.

This is reflected in the demographic profile and spending habits of the Primary Retail Market Area, as per capita total retail spending levels are significantly above the PMA average.

Aside from Sainsbury's, other supermarkets in the centre of Winchester are limited to Iceland, Tesco Express and an M&S Food Hall (within their High Street store).



Winchester Regeneration

Winchester City Council has revealed plans to revitalise the Central Winchester Regeneration area in the heart of the city centre, and adjacent to the subject property.

The vision for the area is for the delivery of a mixed-use, pedestrian friendly quarter that is "distinctly Winchester" and supports a vibrant retail and cultural / heritage offer, set within an exceptional public realm and incorporating the re-use of existing buildings. The scheme will bring high quality new homes, vibrant workspaces, an improved night-time economy with new leisure attractions, and beautiful public spaces that people will want to spend time in. The proposals blend three main elements - places for people to live, to work and to play.

The vision includes plans for attractive buildings, streets and places designed and laid out with Winchester character and scale to preserve the aesthetics of the city. By bringing a balance of restful and active spaces in the heart of the city, and opening up the brook to the east of the regeneration site, the Council hope to create a public realm that is a positive legacy for the city.

The Council are creating a new bus hub and routing buses away from The Broadway and High Street to allow for environmental improvements to accommodate markets and other street based activities. It will aim to serve the whole community in a balanced approach.



Further information can be found at: <https://www.winchester.gov.uk/projects/5744/central-winchester-regeneration>

Description

The property is a 1960s retail unit arranged on ground and first floors to provide a ground floor shop trading as a Sainsbury's supermarket with storage on first floor. A small second floor accommodates a plantroom. We have been provided areas by our client and purchasers should verify as part of due diligence.

FLOOR AREAS (GIA)		
	Sq M	Sq Ft
Ground Floor	880.83	9,481
First Floor	885.76	9,535
Second Floor	84.26	907
TOTAL	1,850.85	19,923

Site Area

The site extends to approximately 0.2491 acres (0.10 hectares).



Lease Terms

- Let to Sainsbury's Supermarkets LTD for 99 years from March 1977.
- Current rent £269,000 per annum.
- 5 yearly, upward only rent reviews to market value, assuming a term equivalent to the unexpired term.
- Being a pre-1995 lease, the landlord benefits from Privity of Contract in the event of Sainsbury's assigning their lease.

Covenant

Sainsbury's is one of the "big four" UK food retailers and includes both the highly successful Sainsbury's Bank and expanding Sainsbury's Local convenience food stores, as well as Argos and Habitat. J Sainsbury Plc is a constituent of the FTSE 100 and is a "blue chip" covenant. The company employs 171,400 people and generates 28.1 million customer transactions per week from 1,415 stores (608 supermarkets and 807 convenience stores). For further information visit www.j-sainsbury.co.uk

Key Financials

Year to Date	Turnover	Pre Tax Profit	Shareholder's Funds	Employees
07/03/2020	£28,993,000,000	£255,000,000	£7,277,000,000	171,400
09/03/2019	£29,007,000,000	£202,000,000	£7,286,000,000	179,900
09/03/2008	£28,456,000,000	£409,000,000	£6,915,000,000	121

Sainsbury's Supermarkets LTD is a wholly owned subsidiary of J Sainsbury Plc. For the corresponding financial years the finance information is summarised in the table below:

Key Financials

Year to Date	Turnover	Pre Tax Profit	Shareholder's Funds	Employees
09/03/2019	£24,030,000,000	£174,000,000	£5,838,000,000	97
10/03,2018	£23,606,000,000	£187,000,000	£4,712,000,000	102
11/03/2017	£23,234,000,000	£243,000,000	£4,498,000,000	107

Tenure

Freehold.

EPC

The Energy Performance Asset Rating is E. A copy of the certificate can be provided upon request.

Data Room

A dedicated online data room is available on request to interested parties to review key documents.

VAT

The property has not been elected for VAT.

Proposal

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A purchase at this level will reflect an attractive **net initial yield of 4.35%** and a **capital value of £291 per sq ft.**



**If you would like to know
more please get in touch.**

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- 2) Identification and verification of ultimate beneficial owners.
- 3) Satisfactory proof of the source of funds for the Buyers / funders / lessee.

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