

Highly Secure London Supermarket/Convenience Store Investment

Villiers Avenue | Lower Marsh Lane, Surbiton, London, KT5 8BH

FOR SALE PRIVATE TREATY

£ 1,950,000 Subject to contract

Location



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Surbiton is situated in south-west London, within the Royal Borough of Kingston upon Thames. Located next to the River Thames, the town is approximately 21 km (13 miles) from Central London. Kingston upon Thames town centre is approximately 3.2 km (2 miles) to the north and Epsom is 9.6 km (6 miles) to the south-east.

Surbiton benefits from good communications lying close to the A3 Kingston bypass providing access to Central London and the M25 London Orbital Motorway, approximately 13 kms (8 miles) to the south-west. Surbiton British Rail Station offers frequent mainline services to London Waterloo with a quickest journey time of approximately 18 minutes. Surbiton is also close to Heathrow Airport (15 km / 9 miles to the north-west) and Gatwick Airport (37 km / 23 miles to the south). Surbiton is also set to benefit from the planned Crossrail 2.

Surbiton serves an affluent population and is a highly sought-after residential area. Kingston Upon Thames is among the top five safest boroughs in London. The population is estimated to be approximately 172,692 as of 2024, showing a steady increase from the 168,063 recorded in the 2021 census. (Source: Kingston Council).

Richmond Park, the largest of the capital's eight Royal Parks, is a short distance to the north.

Summary

- Situated within London's Royal Borough of Kingston Upon Thames
- Modern, purpose-built supermarket/convenience store investment
- Let to Co-Operative Group Food Limited
- Highly secure income – Pre-Tax Profits £257.4 million
- CPI-linked rent reviews
- £1,950,000, subject to contract
- 7.56% net initial yield
- Minimum guaranteed yield in 2029 based on current CPI (September 2026) – 8.02%

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Situation

The subject property occupies a prominent position fronting Villiers Avenue, at its junction with Lower Marsh Lane. Surbiton Station is 1.3 km (0.8 miles) to the south-west and Kingston Upon Thames Station is 1.6 km (1 mile) to the north.

The property lies within a densely populated area, adjacent to local retail as well as a residential scheme known as Villers Point which was constructed in 2019 at the same time as the subject property.

Kingston University Campus and Halls of Residence are within close proximity. Hampton Court Palace and Bushy Park, home to the famous Diana Fountain, are also a short distance away.

Description

The property comprises a modern building constructed in 2019, arranged over ground and three upper floors, with the commercial investment element being the ground floor convenience store / supermarket which has been fitted out by the tenant to their usual corporate style.

The sale includes the car park area to the front of the property which provides 7 car parking spaces.

The upper floors comprise ten apartments. Whilst legally part of the sale, the tenure section below explains this section in relation to the investment.

Accommodation

Ground Floor Gross Internal Floor Area	413.7 sq m	4,453 sq ft

The Agreement for Lease (see legal package) stipulates a minimum threshold for the Gross Internal Area of 4,263.60 square feet, providing that should the Gross Internal Area be equal or greater than 4,375.8 square feet, the initial rent shall be £140,000 per annum. It was subsequently confirmed between the developer and the tenant that the Gross Internal Area is 4,453 square feet (413.7 square metres).

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Site

A Phase I Assessment was carried out by Delta Simons in October 2019 which concluded that "the Site represented an overall investment opportunity with a Low risk" and "flood risk at the Site is considered to be Low". A copy of this report is available to download for information purposes. Please also refer to the EnviroCommercial Report of May 2026.

Tenure

The interest being sold is in effect a freehold, plus a "virtual" freehold as explained below:

The entire building is held by the vendor on a freehold basis.

The entire building is let to "Paragon Asra Housing Limited", a housing association, on a 125 year lease at £1 per annum. Paragon sub-let the residential accommodation (ten flats) as a housing association. "Paragon" sublet the commercial element back to the freeholder on a 125 year lease (less two days) at £1 per annum.

The long-leaseholder (which is also the freeholder), then let the commercial element to Co-Operative Group Food Limited.

The vendor also has the benefit of a 125 year lease from 8th December 2016 at a peppercorn over the car park and road area to the front of the property. Both Paragon, as long leaseholder and Co-Op, as occupational tenant, have been granted appropriate rights over this area. A licence to assign will be organised post exchange of the sale contract from the freeholder of this area, Thames Water Utilities Limited.

The freehold and long leasehold of the commercial element (as well as the lease of the car park and road area), are being sold, thereby removing any management input for the freeholder, given Paragon (the long leaseholder) occupy under a full repairing and insuring obligation. At the end of the Paragon long lease, the entire accommodation reverts to the freeholder since residential property is excluded from statutory rights to renew, as with commercial leases

The net effect is a sale of the freehold of the property, the long leasehold of the car park area, and the long lease of the convenience store, with a purchaser deriving secure income from Co-Operative Group.

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Tenancy

The ground floor premises is let to **Co-Operative Group Food Limited (No. 26715R)** for a term of **15** years from 7th August 2019, expiring on 6th August 2034 (approximately 8 years unexpired lease term) or 6 August 2049 (if the tenant option for a new lease on the same terms is exercised). The tenant is to keep the premises and the Car Park Area in good and substantial repair and condition.

Rent reviews increase the rent in line with changes to the Consumer Price Index (CPI) capped and collared between 1% and 3%.

The rent increased from £140,000 per annum to the current passing rent of **£156,600 per annum** at the **August 2024 rent review**, with the next review due August 2029.

Having regard to the CPI Index in August 2024 of 134.3, August 2025 of 139.3, and the most recent Index at September 2026 of 144.1, applying the annual increase calculation would result of a minimum of **£166,134 per annum** were a review to occur today.

The tenant has an option to renew the lease for a further 15 years from expiry of the current lease and has been granted within the protection of the security of tenure provisions of the 1954 Act.

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Covenant

The property is well secured to **Co-Operative Group Food Limited** (No. 26715R) which has reported the following figures;

	3rd January 2026	4th January 2025	6th January 2024
Revenue	£8,362.0 million	£8,534.1 million	£8,495.8 million
Pre-Tax Profits	-£113.7 million	£257.4 million	£8.3 million
Net Assets	£1,499.1 million	£1,583.9 million	£1,873.9 million

The company is a wholly owned subsidiary of Co-operative Group Limited.

With origins tracing back to 1844 the Co-Operative Group has become one of the world's largest consumer co-operatives and the largest mutual business in the United Kingdom, with interests across food, funerals, insurance, electrical and legal services. Co-operative Group is owned by over seven million active members across the UK, operating over 2,300 Co-op stores. .

For further information visit www.co-operative.coop.

According to the financial statement at 31st March 2025, Paragon produced a turnover of £224m with a surplus of £44m. Total assets were reported at £625m.

VAT

The property has been registered for VAT. It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

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Letting Evidence

The current passing rent of £156,600 per annum equates to £377.08 per sq m / £35.03 per sq ft which is in line with other convenience store lettings within the London / Greater London area:

Property	Tenant	Size	Date of Letting	Passing Rent PA	Rent Per Sq Ft
Shirland Road, Maida Vale, London	Sainsbury's	3,554 sq ft	Nov-24	£130,000	£36.58
Regents Park Road, Finchley, London, N3	Tesco's	3,772 sq ft	Jul-25	£125,000	£33.14
Prospect House, Chipstead, Surrey	Tesco's	4,015 sq ft	Dec-24	£148,500	£36.96
Eastman Village, Harrow, London, HA1	Sainsbury's	4,778 sq ft	Aug-25	£150,000	£31.39
Askew Road, Shepherd's Bush, London, W12	Sainsbury's	4,043 sq ft	Aug-25	£121,800	£30.13

Investment Evidence

Property	Sale Date	Tenant	Term Certain	Sale Price	NIY
Coppice Road, Nottingham	Feb-26	Central England Co-Operative	14.75 years	£1,110,000	5.75%
Cowick Street, Exeter	Mar-26	Tesco	8.75 years	£1,130,000	4.79%

Proposal

We are seeking offers in the region of **£1,950,000** (One Million, Nine Hundred and Fifty Thousand Pounds), subject to contract, reflecting a net initial yield of **7.56%,** assuming standard purchaser's costs of 6.26%.

Based on the most recently published CPI figure (September 2026), the yield will increase to a minimum of **8.02%** at the rent review in August 2029.

Please note that a purchaser will be re-charged the cost of the searches (£1,573.54) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of 1.0% of the Purchase Price plus VAT.

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Investment Considerations

1. An opportunity to acquire a modern supermarket investment within Greater London;
2. The investment provides highly secure income from the covenant of Co-Operative Group Food Limited;
3. New 15-year lease from 2019 with no break options (approximately 8 years unexpired);
4. The occupational lease benefits from a CPI-linked rent reviews (capped and collared annually between 1% and 3%);
5. Situated within the affluent London borough of Kinston Upon Thames, with good communications to Central London and the M25 Motorway;
6. The passing rent is in line with recent lettings of convenience stores within Greater London, thereby offering good prospects for future growth.

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