



M&S FOODHALL

84-90 LORDSHIP LANE
EAST DULWICH
LONDON SE22 8HF

PRIME, LONDON, LONG INCOME SUPERMARKET INVESTMENT
WITH ANNUAL RPI-LINKED RENTAL INCREASES



INVESTMENT HIGHLIGHTS

- ◆ **East Dulwich** is a highly affluent suburb, 6.5 miles south of Central London.
- ◆ **Densely populated catchment** with 211,500 people within a 10-minute drive time and 12,000 people within a 10-minute walk time.
- ◆ **The dominant convenience food store on Lordship Lane**, a thriving local high street.
- ◆ **Excellent transport communications**, located a 10-minute walk from **East Dulwich Rail Station** and served by **multiple bus routes**.
- ◆ Purpose-built supermarket extending to **8,900 sq ft** GIA with extensive frontage along the west side of Lordship Lane.
- ◆ **Virtual freehold interest** – 999 years from July 2016 at a peppercorn rent.
- ◆ Let to **Marks & Spencer Plc** until 10th July 2036, providing a **long unexpired term in excess of 10.75 years**.
- ◆ **Highly attractive annual RPI-linked rent review mechanism**, subject to collar and cap of 1% – 4% per annum. Next review 11th July 2026.
- ◆ Sustainable passing rent of **£400,199 pa.**
- ◆ Established and dominant store within its immediate catchment, with **strong trading performance**.



PROPOSAL

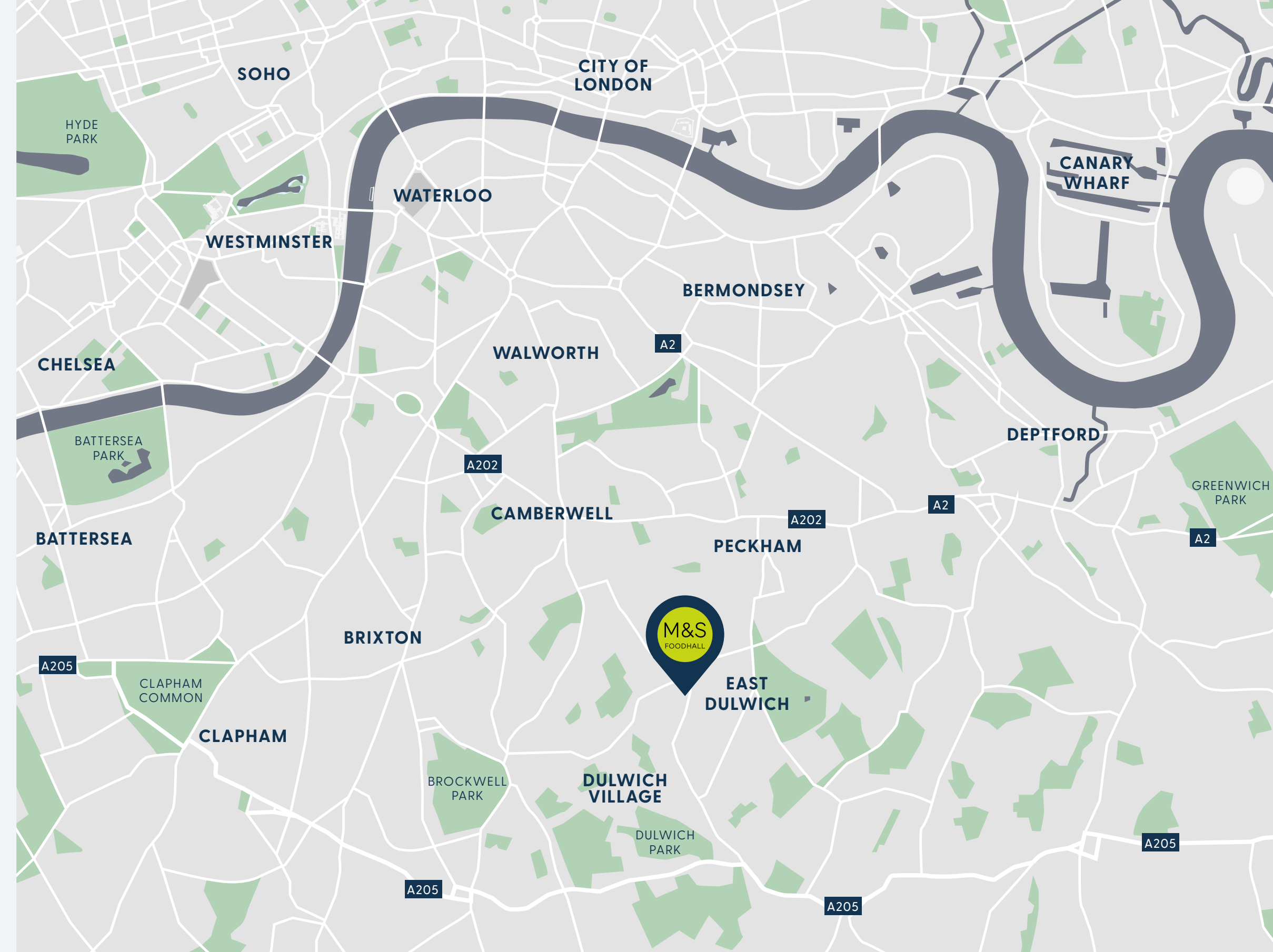
WE ARE INSTRUCTED TO SEEK **OFFERS IN EXCESS OF £6,005,000** (SIX MILLION AND FIVE THOUSAND POUNDS), SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT FOR OUR CLIENT'S VIRTUAL FREEHOLD INTEREST. A PURCHASE AT THIS LEVEL WOULD REFLECT **AN ATTRACTIVE NET INITIAL YIELD OF 6.25%**, ASSUMING STANDARD PURCHASER'S COSTS OF 6.63%.

A purchase at this level would also reflect the following attractive running yield profile, assuming annual RPI-linked rental increases at 3% and 4% per annum:

Net Initial Yield (%)	RPI 3% PA	6.25%	RPI 4% PA	6.25%
Running Yield July 2026 (%)		6.43%		6.50%
Running Yield July 2030 (%)		7.25%		7.60%
Running Yield July 2035 (%)		8.40%		9.25%

LOCATION & COMMUNICATIONS

EAST DULWICH IS A DENSELY POPULATED, HIGHLY AFFLUENT SUBURB OF SOUTH EAST LONDON, WITHIN THE LONDON BOROUGH OF SOUTHWARK. IT IS BORDERED BY PECKHAM TO THE NORTH AND EAST, DULWICH VILLAGE TO THE SOUTH AND HERNE HILL TO THE WEST.



ROAD

East Dulwich benefits from excellent road connections, being served by the A2216 (Lordship Lane). This in turn connects with East Dulwich Rail Station and Camberwell in turn to the north, whilst to the south connecting with the A205 (South Circular).

TRAIN

East Dulwich railway station is located 0.5 miles north-west of the Property and is served by Southern Rail services, providing four services per hour to London Bridge in just 13 minutes. There is a bus stop just 30 metres from the Property, served by various routes.

PLANE

The nearest airport to East Dulwich is London City Airport, which lies approximately 10 miles to the north-east. Gatwick and Heathrow Airports are both within 25 miles.

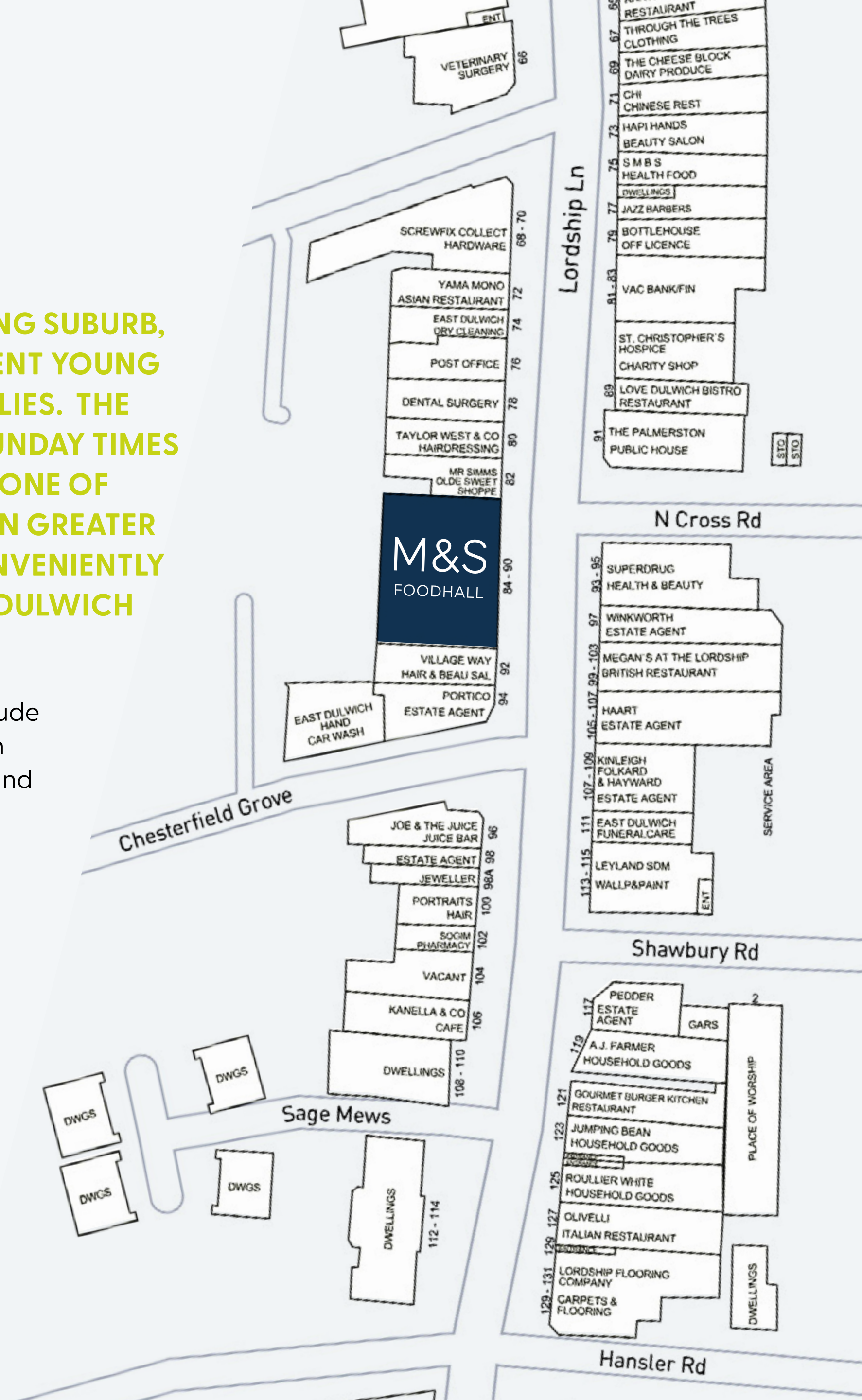
AFFLUENT EAST DULWICH

EAST DULWICH IS A THRIVING SUBURB, CHARACTERISED BY AFFLUENT YOUNG PROFESSIONALS AND FAMILIES. THE AREA WAS LISTED IN THE SUNDAY TIMES BEST PLACES TO LIVE 2025, ONE OF JUST SEVEN AREAS LISTED IN GREATER LONDON, POSITIONED CONVENIENTLY BETWEEN NEIGHBOURING DULWICH VILLAGE AND PECKHAM.

Numerous nearby attractions include the 76-acre Dulwich Park, Dulwich College, Dulwich Picture Gallery and Dulwich Hamlet FC.



For identification purposes only



The Property is located along Lordship Lane, a thriving local high street in East Dulwich. Nearby national occupiers include Superdrug, Joe & The Juice, Holland & Barrett, Screwfix, Leyland SDM, Gourmet Burger Kitchen, Megan's and Chipotle, as well as numerous local independent retailers, restaurants and bars. A successful local market (North Cross Road Market) takes place on North Cross Road and Lordship Lane each Saturday.

The Property occupies a strategic position in the middle of the western side of the high street, opposite the popular Palmerston Pub, Superdrug, Megan's Restaurant and the junction with North Cross Road.

Lordship Lane itself connects with the A205 (South Circular) at its southern end (1 mile south east of the Property) and East Dulwich Rail Station at its northern end (0.5 miles north west of the Property).

DEMOGRAPHICS



WALK

DRIVE

5 minutes	3,300 people	45,900 people
10 minutes	12,000 people	211,200 people
15 minutes	24,700 people	592,200 people

Within a 10-minute walk time:



£64,532
Average annual household income.

51% higher than the GB average and, 20% higher than the London average.

80.6% of people are Economically active.

Source: StorepointGeo



44.5% of people in the highest (AB) social group.

96% higher than the GB average and 55% higher than the London average.

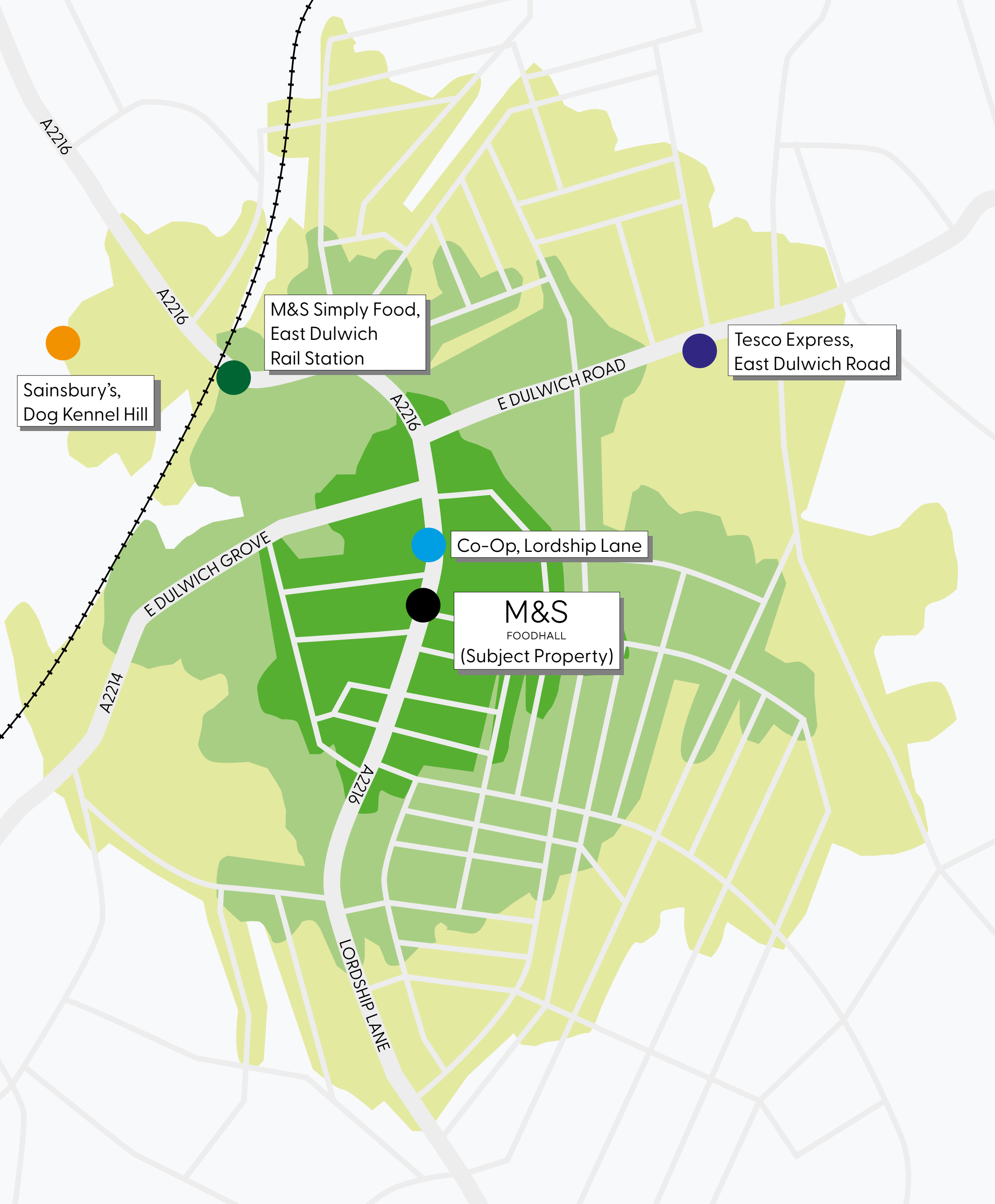
Average house Price £817,000

(Land Registry Data)



FOOD STORE COMPETITION

- M&S Foodhall (Subject Property)
- Co-Op, Lordship Lane
- Tesco Express, East Dulwich Road
- M&S Simply Food, East Dulwich Rail Station
- Sainsbury's, Dog Kennel Hill
- 15 minute walk
- 10 minute walk
- 5 minute walk



ASIDE FROM A CO-OP CONVENIENCE STORE (8,400 SQ FT GIA), THERE ARE NO OTHER NATIONAL CONVENIENCE STORES WITHIN A 10-MINUTE WALK OF THE PROPERTY.

Other convenience store competition within the area includes a smaller format M&S Simply Food at East Dulwich Rail Station (0.5 miles to the north west / 11-minute walk) as well as a Tesco Express store along East Dulwich Road, a 12 minute walk to the north east.

The nearest larger format supermarket competition is Sainsbury's, Dog Kennel Hill, a 15-minute walk / 5 minute drive to the north west.

M&S, Lordship Lane is the closest convenience food store for 5,800 people as well as the closest M&S (all formats) for 90,200 people.

Interestingly, there is very limited discount food retailer provision in the area. Lidl's nearest store is 1.3 miles away on Peckham High Street, whilst Aldi's nearest store is 3 miles away at Bell Green Retail Park, Sydenham.

PROPERTY DESCRIPTION

THE PROPERTY COMPRISES A MODERN CONVENIENCE SUPERMARKET, EXTENSIVELY REFURBISHED AND DEVELOPED IN 2016.

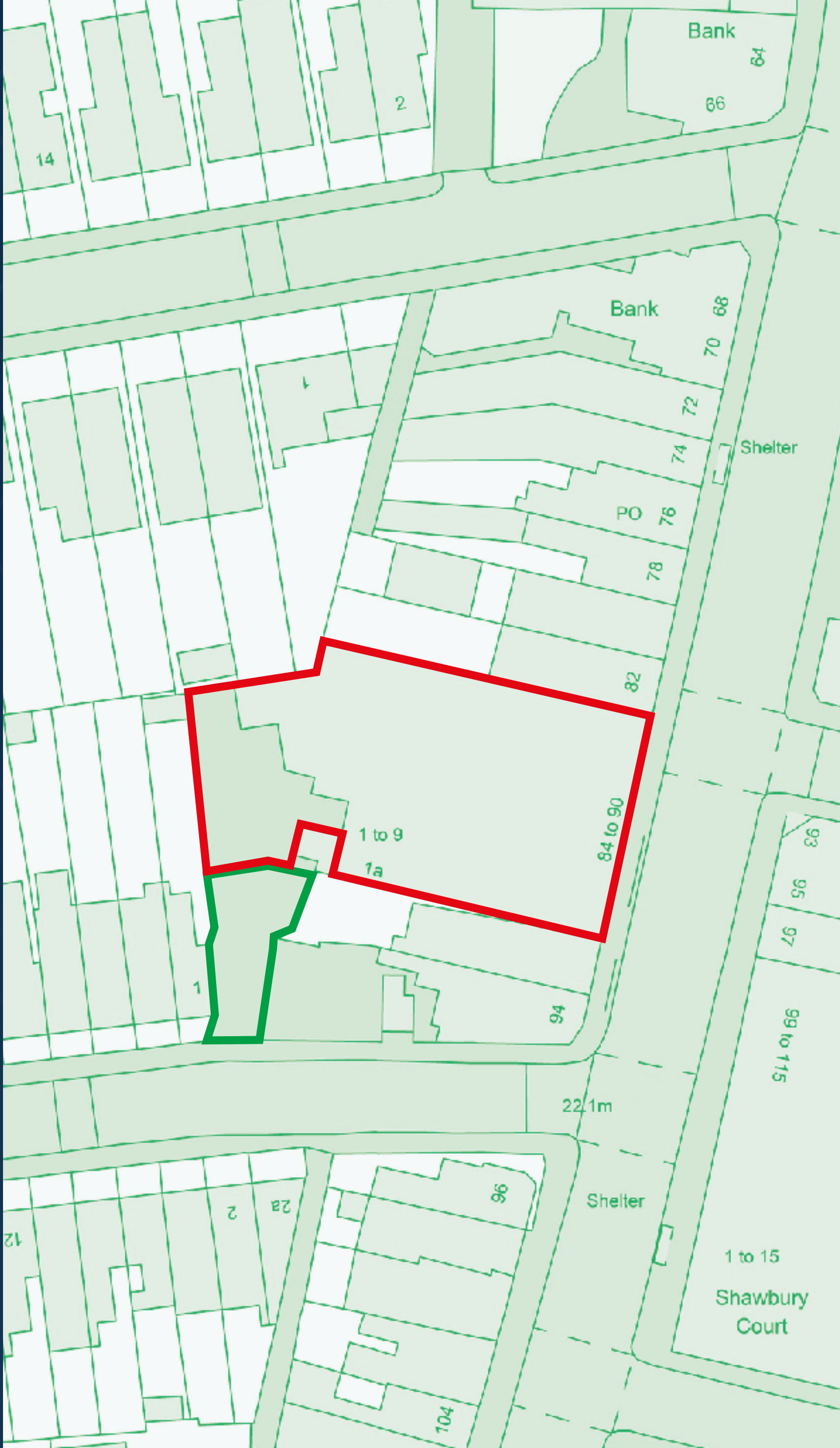
The property extends to 8,900 sq ft GIA, arranged over ground floor level, with external plant facilities at part first floor. Customer access is via Lordship Lane, whilst there is separate service access via Chesterfield Grove to the rear. There are residential uppers (10 apartments over three upper floors) over part of the Property, which are in separate ownership.

The Property benefits from approximately 73 ft frontage along the western side of Lordship Lane, in a prominent position opposite the popular Palmerston Pub, Superdrug, Megan’s Restaurant and the junction with North Cross Road.

Whilst the majority of trade is pedestrian, shoppers benefit from 30 minutes’ free parking along Lordship Lane, in addition to unrestricted car parking along some nearby residential streets.

Store opening hours:

Monday – Saturday: 08:00 – 21:00;
Sunday: 11:00 – 17:00.



PLANNING

The property operates under a Class A1 consent as a foodstore, which now falls within Use Class E(a) following changes to the Use Class Order in 2020.



TENURE

The Property is held virtual freehold for a term of 999 years from 29th July 2016. The annual rent payable is one peppercorn.

The extent of the virtual freehold interest is outlined in red. Service access is not included within the demise but the Property benefits from pedestrian and vehicular rights of access over the area outlined in green.

The freeholder operates a service charge at the Property, contributions are fully recoverable from M&S.



TENANCY

The Property is entirely let to Marks and Spencer Plc, on a 20-year lease from 11th July 2016, expiring 10th July 2036, providing an unexpired term of approximately 10.75 years.

The property benefits from a rare and attractive rent review mechanism, with annual RPI-linked rent reviews, subject to a collar of 1% and cap of 4%. The next rent review is on 11th July 2026.

The passing rent is £400,199 per annum.



TENANT COVENANT

Marks and Spencer is one of the UK’s leading retailers, listed on the London Stock Exchange and a constituent of the FTSE 100 Index. Founded in 1884, the company employs 65,000 people and serves nearly 30 million customers every year.

Highlights from M&S’ recent 2024/25 Annual Report include:

- ◆ Group revenue of £13.8bn, up from £13.0bn on the previous year.
- ◆ Food sales increased by 8.7%, with like-for-like growth of 8.6%.

A summary of Marks & Spencer Group PLC’s most recent accounts are set out below:

FINANCIAL YEAR ENDING	MAR-25	MAR-24	MAR-23	Creditsafe Rating
Sales / Turnover (£000s)	£13,816,800	£12,896,800	£11,847,100	86A
Pre-Tax Profit (£000s)	£511,800	£686,600	£432,600	
Net Assets (£000s)	£2,951,400	£2,830,100	£2,830,100	



VAT

The property is elected for VAT and it is anticipated the transaction will be treated as Transfer of a Going Concern.

EPC

A-25. A copy of certificate is available upon request.

AML

The successful purchaser will be required to comply with our and the vendor's anti money laundering requirements.

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