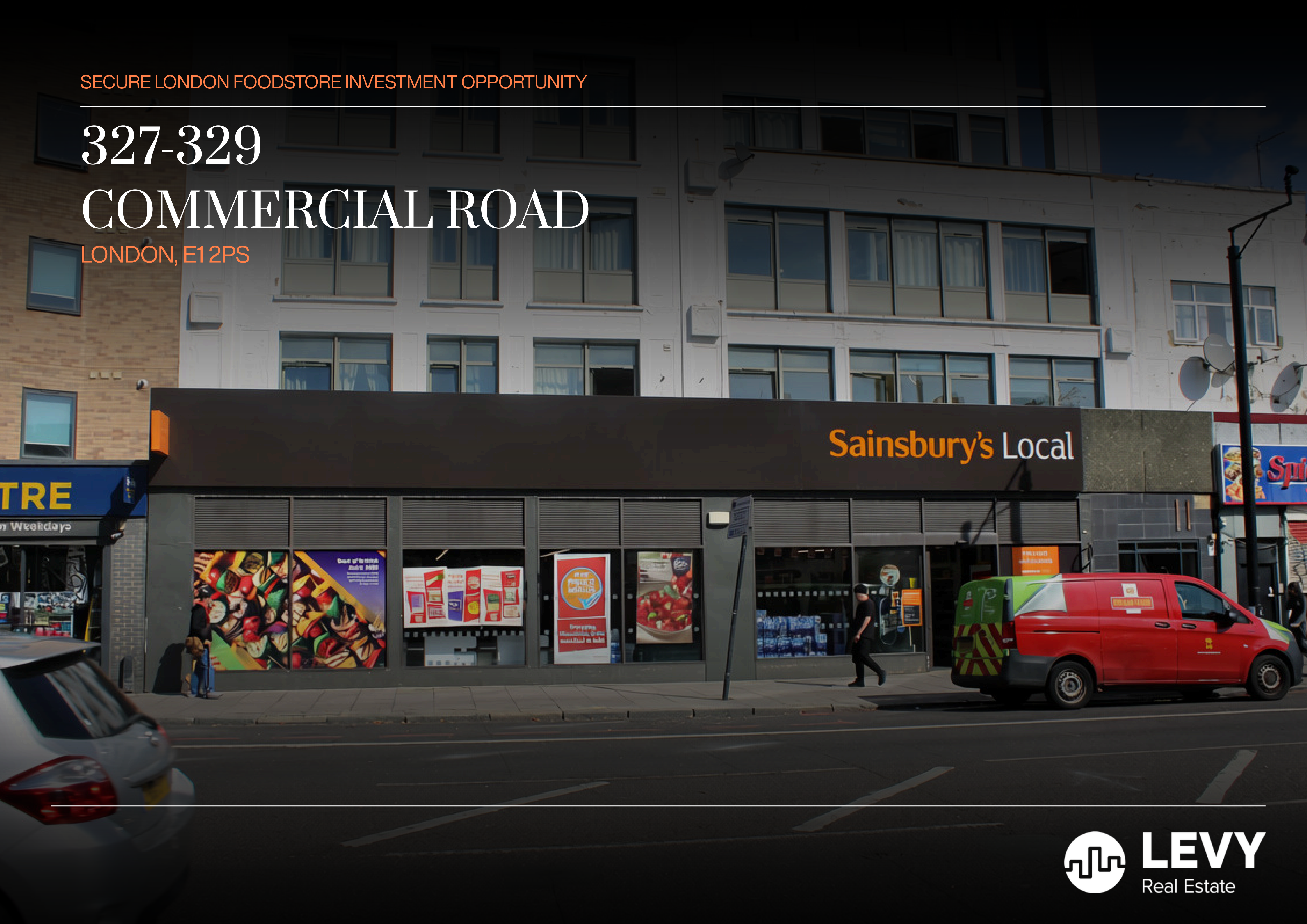
SECURE LONDON FOODSTORE INVESTMENT OPPORTUNITY

327-329 COMMERCIAL ROAD

LONDON, E1 2PS



LEVY
Real Estate

327-329 COMMERCIAL ROAD

Secure London Foodstore Investment let to Sainsbury's Supermarkets Ltd

£113,084	5,051	4.38 YRS	EPC B
PASSING RENT P.A.	SQ FT	WAULT TO EXPIRY	ENERGY RATING

Offers are invited in excess of £1.7million, subject to contract and exclusive of VAT. A purchase at this level represents a Net Initial Yield of 6.25% (assuming purchaser's costs of 6.18%) and a capital value of £337 per sq ft.

- Virtual freehold interest with approximately 981 years unexpired at a peppercorn rent.
- Prominent convenience foodstore investment located on Commercial Road, within the London Borough of Tower Hamlets.
- The property comprises a self-contained commercial unit arranged over ground and lower-ground floors, extending to approximately 5,051 sq ft.
- Let in its entirety to Sainsbury's Supermarkets Ltd until 18th January 2031.
- The lease provides a WAULT of approximately 4.38 years to expiry.
- Current passing rent of £113,084 per annum, equating to a highly reversionary £22.39 per sq ft overall.
- The property has strong energy credentials with an EPC rating of B.
- The property is occupied and trading as a Sainsbury's Local, providing an essential convenience retail offer to a densely populated Inner London catchment.
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- Sainsbury's is the UK's second-largest grocery retailer and represents a strong, nationally recognised covenant.
- Excellent connectivity, with Shadwell and Whitechapel stations both within easy walking distance.
- Strategically positioned between the City of London and Canary Wharf, with direct access to the A13 and wider East London transport network.
- The investment offers secure and defensive income from one of the UK's leading supermarket operators in a supply-constrained London location.

LOCATION & SITUATION

The property occupies a prominent position on Commercial Road in the London Borough of Tower Hamlets, within the established East London district of Stepney and close to Shadwell and Whitechapel. Commercial Road is one of East London's principal arterial routes, extending eastwards from Aldgate and the City of London towards Limehouse and the wider Docklands area. The road provides an important connection between the City, Whitechapel, Canary Wharf and the residential neighbourhoods of the East End.

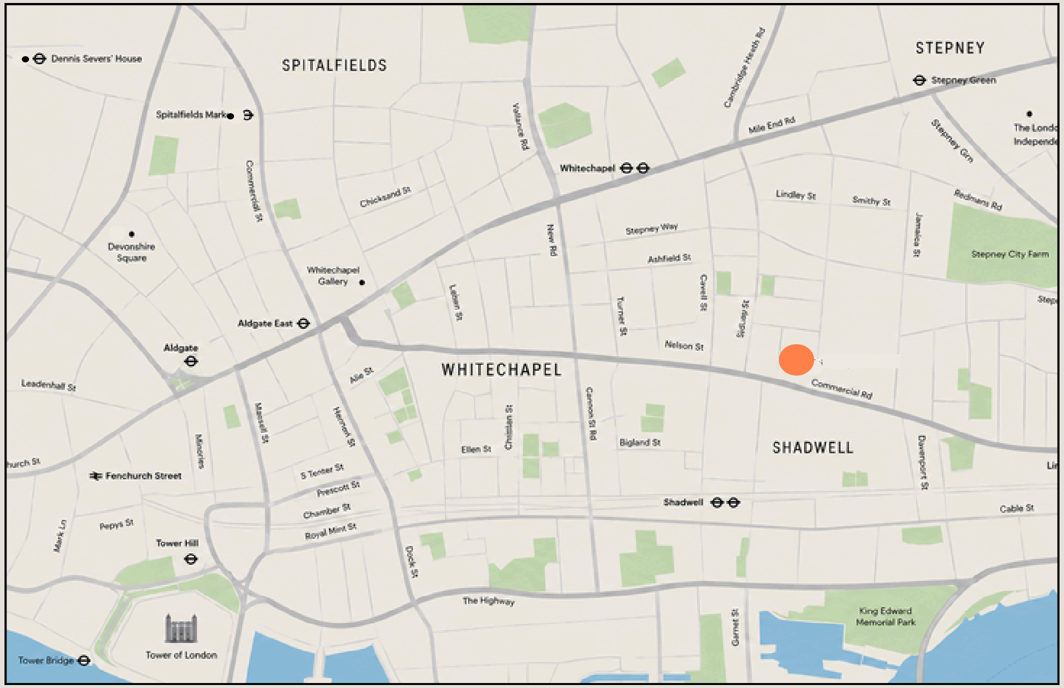
The immediate surrounding area is predominantly residential, interspersed with established retail, leisure, community and commercial uses. This provides the property with access to a substantial local catchment, together with passing trade generated by Commercial Road and the nearby public transport network.

The property is located close to Watney Market and a wide range of shops, cafés, restaurants, pharmacies, schools and community facilities. Whitechapel lies to the north-west and has undergone significant investment and regeneration, including the opening of the Elizabeth line.
The City of London is approximately 1.5 miles to the west, while Canary Wharf is approximately 2.5 miles to the south-east. The property is therefore strategically positioned between two of London's principal employment centres.

EAST LONDON REGENERATION

East London has undergone extensive regeneration and investment, supported by substantial residential development, infrastructure improvements and sustained population growth. Whitechapel has emerged as an increasingly important mixed-use district, benefitting from its proximity to the City, the Royal London Hospital, Queen Mary University of London and the wider life sciences and medical cluster. The Commercial Road corridor continues to benefit from residential intensification, supporting long-term demand for essential convenience retail uses.

MAP & CONNECTIVITY



STATION / LINK	SERVICES	APPROX. DISTANCE	INDICATIVE WALK
Shadwell	London Overground and DLR	0.2 miles	c. 5 minutes
Whitechapel	Elizabeth, District, Hammersmith & City and Overground	0.4 miles	c. 8–10 minutes
Stepney Green	District and Hammersmith & City	0.6 miles	c. 12 minutes
Aldgate East	District and Hammersmith & City	0.7 miles	c. 14–16 minutes
Limehouse	DLR and National Rail	0.8 miles	c. 16 minutes
Commercial Road / A13	Direct road and bus connections	Adjacent	—

NEARBY OCCUPIERS

Boots

TESCO express

SUBWAY

Iceland

TROXY

327–329 Commercial Road benefits from excellent transport connectivity, with access to London Overground, Docklands Light Railway, London Underground and Elizabeth line services. Shadwell provides direct connections towards Bank, Canary Wharf, Canada Water, Shoreditch High Street and Highbury & Islington. Whitechapel provides fast Elizabeth line services across central London, including Liverpool Street, Tottenham Court Road, Paddington, Canary Wharf and Heathrow Airport.

Commercial Road forms part of the A13 and provides direct road access towards Aldgate and the City to the west, and Limehouse, Canary Wharf and East London to the east. Numerous bus routes operate along Commercial Road and the surrounding streets.

DESCRIPTION

The property comprises a purpose-built commercial unit arranged over ground and lower-ground floors at 327–329 Commercial Road. The premises are occupied and trading as a Sainsbury's Local convenience foodstore.

The ground floor provides the principal customer-facing retail accommodation, with prominent frontage and direct pedestrian access from Commercial Road. The lower-ground floor provides ancillary accommodation associated with the operation of the store, including storage, staff and back-of-house areas.

The property forms part of a larger mixed-use building, with residential accommodation situated above and outside the subject ownership. The commercial premises extend to approximately 5,051 sq ft in total.

ACCOMMODATION

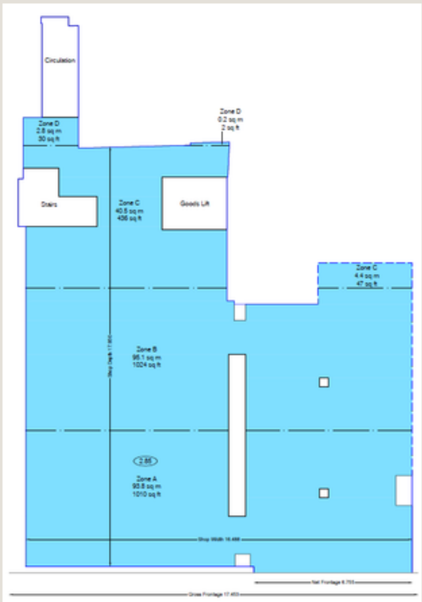
The commercial accommodation can be summarised as follows:

Floor	Use	Sq Ft (GIA)	Sq M (GIA)
Ground	Retail Sales and Ancillary	2,827	262.6
Lower Ground	Ancillary / Storage	2,224	206.6
Total		5,051	469.2

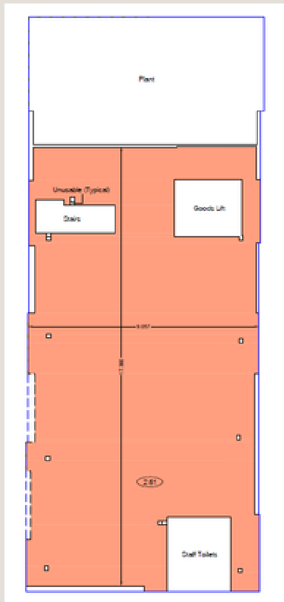
The areas have been measured on a GIA basis. The areas have been verified via an independent measured survey undertaken by Lane & Frankham. A letter of reliance can be provided to the purchaser.

FLOOR PLANS

GROUND FLOOR

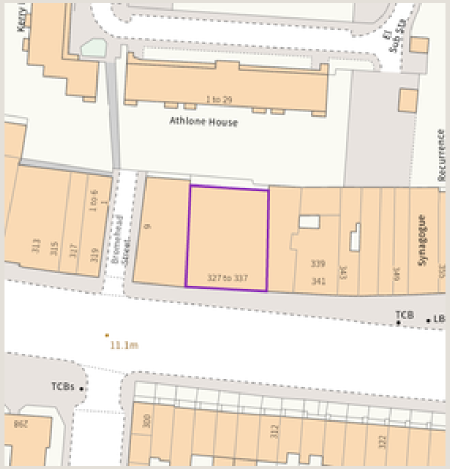


BASEMENT FLOOR



TENURE

The property is held by way of a virtual freehold interest with approximately 981 years unexpired at a peppercorn rent. The property is registered under title number EGL556209.



TENANCY

The property is let in its entirety to Sainsbury's Supermarkets Ltd (Company number 03261722). The current passing rent is £113,084 per annum, equating to approximately £22.39 per sq ft overall. The lease expires on 18th January 2031, providing an unexpired term of approximately 4.38 years to expiry.

TENANT	DEMISE	LEASE EXPIRY	PASSING RENT	RENT PSF
Sainsburys Supermarkets Ltd	Ground and lower-ground commercial unit	18th January 2031	£113,084 pa	£22.39

SAINSBURY'S

Sainsbury's was founded in 1869 and is one of the UK's largest and most established food retailers. The business has traded for more than 150 years and operates a nationwide network of supermarkets and convenience stores.

The property is let to Sainsbury's Supermarkets Ltd, the principal supermarket operating company within the wider J Sainsbury plc group. J Sainsbury plc is listed on the London Stock Exchange and is the UK's second-largest grocery retailer, serving millions of customers each week and employing approximately 140,000 colleagues across the UK.

For the 52 weeks ended 28 February 2026, J Sainsbury plc reported Group revenue (excluding VAT, including fuel) of approximately £33.65 billion, retail underlying operating profit of approximately £1.03 billion, retail free cash flow of approximately £574 million and statutory profit after tax of approximately £393 million.

Sainsbury's represents a strong institutional covenant due to its nationally recognised brand, substantial revenues, operating profitability, cash generation, diversified store network and the defensive nature of grocery expenditure. The essential role of convenience foodstores within local communities further supports the security of the occupational income.

MARKET CONTEXT

RETAIL

The UK retail investment market has continued to show resilience over the past 12 months, despite a more uncertain macroeconomic backdrop. Renewed inflationary pressure, driven largely by higher global energy prices, has tempered expectations of further interest rate cuts. In this environment, investors have increasingly prioritised defensive, income-producing assets, with particular appetite for essential retail underpinned by strong covenants, secure cash flow and inflation-linked income.

Foodstore investments continue to attract significant demand from institutional, REIT and private capital. Transactional volumes in 2025 were ahead of long-term averages, reflecting the sector's proven operational performance, defensive trading profile and critical role within local communities. A chronic shortage of prime stock continues to underpin pricing for best-in-class assets.

LONDON AND EAST LONDON

London remains the UK's most liquid and sought-after investment market, benefitting from its scale, diverse economy and sustained population growth. East London continues to benefit from residential development, infrastructure investment and demographic expansion. Commercial Road occupies a strategically important arterial route connecting the City of London, Canary Wharf and the wider Docklands area. This places it within one of the capital's most densely populated and rapidly evolving urban catchments.

FOODSTORE INVESTMENT

Foodstore assets let to major operators such as Sainsbury's are particularly well positioned in the current economic environment. Grocery expenditure remains one of the most resilient areas of consumer spending, with supermarkets benefitting from structural demand drivers irrespective of wider economic cycles. At a time of heightened inflation and interest rate uncertainty, investors continue to place a premium on assets offering secure income, strong tenant covenants and strategic trading locations.

Accordingly, the property presents an opportunity to acquire a highly defensive London retail investment. It combines secure income from a nationally recognised supermarket operator with the long-term fundamentals of one of the capital's most dynamic and supply-constrained urban markets.

INVESTMENT COMPARABLES

Address	Tenant	Date / Status	Unexpired Term	Pricing	NIY
Camden High St, NW1	Sainsbury's	On Market	12.6 years	£3.12m	5.25%
657-661 Commercial Road, E14	Tesco	Under offer	12 Years	Quote £1.96m	Quote 5.50%
Frances Street, Woolwich, SE18	Tesco	Sold	15 Years	£1.54m	5.66%

SAINSBURY'S LOCAL, 10-12 CAMDEN HIGH ST, LONDON NW1 0JH

Prime retail investment located in Camden that has recently come to the market in Sept 2026. A reversionary lease has been signed and the tenant break removed highlighting the tenant's desire to be in that location.

TESCO, 657–661 COMMERCIAL ROAD, LONDON E14

The Tesco investment at 657–661 Commercial Road is currently being marketed at approximately £1.96 million, reflecting a quoted Net Initial Yield of 5.50%. The property reportedly has approximately 12 years unexpired and benefits from uncapped RPI-linked rent reviews. The comparable is particularly relevant due to its Commercial Road location, national supermarket covenant and convenience foodstore use, although adjustments will be required for its longer unexpired term and uncapped index-linked reviews.

TESCO, WOOLWICH, LONDON SE18

Levy Real Estate recently sold a Tesco foodstore investment in Woolwich, London SE18. The property was let on a new 15-year lease without break and achieved a Net Initial Yield of approximately 5.66%.

FURTHER INFORMATION

USE

The property is currently used as a convenience foodstore. The existing planning use is understood to fall within Use Class E.

PLANNING

The property is situated within the London Borough of Tower Hamlets.

VAT

The property is elected for VAT. It is anticipated that the transaction will be treated as a Transfer of a Going Concern, subject to the purchaser satisfying the relevant requirements.

EPC

The property has an EPC rating of B.
A copy of the EPC will be available in the data room.

ANTI-MONEY LAUNDERING

In accordance with anti-money laundering regulations, the successful purchaser will be required to provide appropriate identification and evidence of the source of funds.

OFFERS

Offers are invited in excess of **£1.7million**, subject to contract and exclusive of VAT. A purchase at this level represents a Net Initial Yield of **6.25%** (assuming purchaser's costs of 6.18%) and a capital value of **£337 per sq f**t.

DATA ROOM

Access to the data room can be provided upon request.

CONTACT

For further information or to request an inspection please contact:

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