


Singer Vielle

# Costa Coffee Investment, London

29 The Market, Wrythe Lane,
Carshalton SM5 1AG

SUBJECT TO CONTRACT

## £450,000

NET INITIAL YIELD

## 6%

Subject to Contract & Exclusive of VAT

View online at singervielle.com

# Investment Summary

- London Costa Coffee investment
- Highly prominent position in busy retailing pitch
- Let to an established Costa Coffee franchise partner
- Lease expiry November 2033
- VAT-free investment
- £450,000, subject to contract
- 6% Net Initial Yield





## Location

The property is situated within the London Borough of Sutton, approximately 18 km (11 miles) south of Central London.

Sutton town centre, the borough's principal commercial hub, lies approximately 2.4 km (1.5 miles) to the north-east. Road connections are strong with Rose Hill Roundabout providing direct access to the A217, a north-south route linking Sutton with Belmont, Banstead and Reigate. The A217 in turn provides a direct route south to M25 Junction 8 at Reigate Hill, giving access to the wider national motorway network and connections towards the M23, M3, M4 and M1 Motorways. The A297 St Helier Avenue provides access towards Morden and the wider south-west London road network. The A232 is also readily accessible, providing east-west connections through Sutton, Carshalton, Croydon and towards Epsom. The A24 provides a strategic route south towards Epsom and north towards Wimbledon and London.

Sutton is well served by public transport, with Sutton railway station providing frequent services into London Victoria (approximately 31 minutes) and London Bridge (approximately 37 minutes) via Thameslink.

Extensive bus routes along Wrythe Lane and the Rosehill corridor link the local residential catchment to Sutton town centre and Morden underground station (Northern line) to the north. Heathrow Airport is approximately 19 miles to the north-west and Gatwick Airport some 20 miles to the south.

## Situation

The property occupies a prominent position fronting Wrythe Lane, immediately off the Rosehill Roundabout.

Wrythe Lane is an extremely busy thoroughfare and established bus route, connecting Rosehill Roundabout with St Helier Hospital and continuing towards Carshalton. The property benefits from a high volume of passing vehicular traffic, while a pedestrian crossing located directly in front of the unit further enhances pedestrian footfall. The premises are situated within a densely populated residential area.

Surrounding occupiers include Savers (adjacent), Lidl, Beftred, Papa Johns and Barnardo's.

The property also benefits from being within a few minutes' walk from St Helier Hospital, one of the borough's largest employers. In addition, St Helier national rail station is approximately 0.8 km (0.5 miles) to the north-west.

## Description

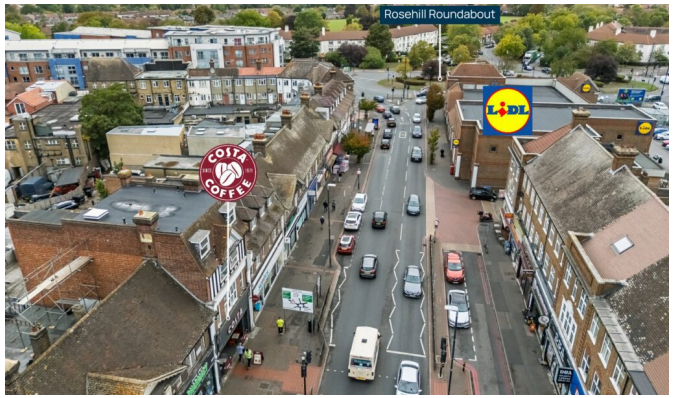
The property comprises a ground floor retail unit which has been fitted out by the tenant in Costa's usual corporate style, incorporating a customer-facing counter and service area, seating accommodation, and supporting back-of-house ancillary space.

The property has an EPC rating of 'D', valid until 5th April 2028.

The upper floors comprise residential accommodation which is not included in the sale.










## Accommodation

The property has been measured by BKR Floor Plans and provides the following Net Internal Areas:

| | | |
|---|---|---|
| Net Frontage | 4.83 m | 15'10" |
| Gross Frontage | 6.88 m | 22'6" |
| | | |
| Zone A | 38.46 sq m | 414 sq ft |
| Zone B | 38.55 sq m | 415 sq ft |
| Zone C | 33.82 sq m | 364 sq ft |
| Remainder | 94.76 sq m | 464 sq ft |
| ITZA | | 770 |
| **Total** | **153.94 sq m** | **1,657 sq ft** |

A set of floor plans is available to download, and the measured survey will be re-addressed to a purchaser at a cost of £590 + VAT.

## Tenure

Virtual Freehold – 999 year lease from 31st May 2019 at a peppercorn rent.

## Tenancy

The ground floor is let to **P2M Coffee Limited**, **trading as Costa Coffee**, on an effectively full repairing and insuring lease for a term of 15 years from 26th November 2018, expiring on 25th November 2033. The lease is inside the Landlord and Tenant Act 1954.

The current passing rent is **£28,000 per annum.** There are five yearly open market, upwards only rent reviews, the next being on 26th November 2028.

## Covenant

P2M Coffee Limited (Co. No. 05753363) is an established Costa Coffee Franchise Partner operating a chain of 12 coffee shops across north and south London, Surrey and Sutton. The company was incorporated over 20 years ago and for the year ending 31st March 2025 reported Net Assets of £682,678.

Costa Coffee itself was founded in 1971 and is the UK's largest coffee shop chain and the second largest globally, operating thousands of stores across more than 38 countries worldwide. In the last financial year Costa Limited reported a Revenue of £1,231,795,000, Pre-Tax Profits of £65,046,000 and Net Assets of £263,990,000.

In January 2019 The Coca-Cola Company announced that it had completed the acquisition of Costa Limited from Whitbread PLC for **$4.9 billion**. The Coca-Cola Company is the world's largest non-alcoholic beverage company with numerous

brands sold across more than 200 countries and territories, serving 2.2 billion drinks per day.

For further information see www.costa.co.uk and www.coca-colacompany.com.

## Rateable Value

According to the Valuation Office website the rateable value is £24,250.

The business rates multiplier is 38.2 pence, hence the rates currently payable by the tenant are £9,263.






## VAT

The property has not been elected for VAT.

## Proposal

We are instructed to seek a figure of **£450,000 (Four Hundred and Fifty Thousand Pounds)**, subject to contract, reflecting a net initial yield of **6%**, assuming purchasers' costs of 4.47%.

Please note that a purchaser will be re-charged the costs of the measured survey (£590 + VAT) and searches (£738.32) 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.

We are also instructed to sell another Costa investment at 12-14 St James Street, London, E17 7PF – See Here.

## Investment Considerations

1. An opportunity to acquire an attractive London Costa Coffee investment;
2. The property occupies a highly prominent position fronting a very busy thoroughfare;
3. Let to an established Costa Coffee franchisee until November 2033;
4. VAT-free investment;
5. A purchase at the asking price reflects an attractive net initial yield;
6. Attractive lot size to an investor.

## Contacts

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**Data room** Open the data room

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