

Sainsbury's seals £431m deal to buy freeholds of 21 stores

Sainsbury's has agreed a £430.9 million deal to buy the freeholds of 21 supermarkets.

It will take full ownership of an investment vehicle holding a raft of stores after exchanging contracts to buy the remaining 51% stake it does not already own in [Highbury](#) and Dragon from real estate investment trust Supermarket Income REIT.

Sainsbury's has held a 49% stake in the Highbury and Dragon sites since they were set up in 2000.

The investment vehicle holds the freeholds of 26 Sainsbury's stores which are leased to the supermarket giant.

The retailer will buy the freeholds of 21 of the premises it previously rented, which will continue to be run as Sainsbury's stores, while the remaining five will be sold, four of which it will lease back.

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The deal is expected to close on March 17, with payment made

in three tranches.

Sainsbury's said: "Going forward, Sainsbury's will not recognise revaluation gains and losses on these assets as they will be held as owner-operated freehold stores, instead seeing a reduction in depreciation and interest expenses, alongside a reduced cash outflow on rent."

The company has more than 600 supermarkets and more than 800 convenience stores.