For Sale

Neighbourhood Shopping Centre Investment
Anchored by Sainsbury's

naylors

Gilesgate Shopping Centre, Sunderland Road, Durham, DH1 2LH

For Sale

Investment Summary

- Established neighbourhood shopping centre anchored by Sainsbury's Supermarkets Ltd until August 2033
- Sainsbury's has been in occupation since October 2007 and last renewed in 2023
- Located in busy residential / commercial location
- Let to 7 tenants, offering a diverse mix of income
- Includes a 'free to use' car park
- WAULT to expiry 5.1 years (4.8 years to break)
- Virtual Freehold
- Total passing rent of £123,251 per annum, with growth prospects
- Seeking offers over £1.545m. This shows a net initial yield of 7.52% after standard purchaser's costs
- No VAT

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Location

Gilesgate Shopping Centre occupies a prominent position approximately 1.5 miles east of Durham City Centre, serving the densely populated residential areas of Gilesgate, Belmont and the wider Durham catchment. The scheme benefits from excellent connectivity, with direct access to the A690 providing links to the A1(M) the region's principal motorway. The property fronts onto the busy Sunderland Road.

Gilesgate Shopping Centre provides an established neighbourhood retail offering, benefiting from a loyal customer base and a strategic position within one of County Durham's most sought-after residential and commercial locations.

Demographics & Local Investment

The population of Gilesgate is 6,746 (2021 Census) and the population including the surrounding towns is 13,640 (Elvet, Gilesgate and Shincliffe).

Due to the property's close-proximity to Durham City Centre, there has been investment nearby in Student HMO development and recent improvements to cycle infrastructure.

Durham County Council has spearheaded a £70 million county-wide five-year plan to build 500 new affordable homes. In Gilesgate, this includes the completion of bungalows at Hartley Gardens and the targeted acquisition of properties to bolster the local affordable housing stock.

Description

The property consists of a two-storey retail parade comprising of 8 units. The property is of brick construction with a flat roof. The retail units face onto the busy Sunderland Road, with loading areas to the rear. The upper floors are a mix of office and storage uses.

Included with the property is an adjoining car park.

The property has been improved during the period of the current ownership through several refurbishments and upgrades to the units and car park. It also benefits from most of the units having long established tenants.

Tenure

Long leasehold from Durham County Council at a peppercorn for a term of 2,000 years from 23 December 1993.

Service Charge

The units are let on effective FRI terms with a service charge in operation.

Current service charge is £29,496 pa (£1.78 psf). We understand there is no shortfall. The current service charge year runs from 01/06/2026 to 31/05/2027.

The service charge covers common costs for items including management fees, health & safety compliance and maintenance and repair of the building and the car park. The service charge costs are apportioned between all the tenants. Durham County Council shares responsibility for maintaining the car park.

Tenancy Schedule

Unit	Tenant	Lease Start	Lease End	Break	Next Review	Repair	Area (Sq. Ft)	Rent (per annum)	EPC	Comments
9	Sainsbury's Supermarkets Ltd	11/08/2023	10/08/2033	N/A	11/08/28	Effective FRI	10,020	£50,000 (£4.99 psf)	C (54)	5 yearly open market rent reviews Tenant has been in occupation since 2007
1 & 2	Midshires Care Limited (t/a Helping Hands)	02/01/2023	01/01/2028	N/A	N/A	Effective FRI	1,667	£22,250 (£13.35 psf)	D (96)	Tenant has been in occupation since January 2018
3	A&D Traditional Turkish Barber Ltd (personal guarantor)	29/03/2023	28/03/2032	28/03/2029	29/03/2029	Effective FRI	869	£10,750 (£12.37 psf)	D (96)	Open market rent review The tenant receives one month rent free if they do not exercise their break option £3,000 deposit In occupation since March 2023
3A	Eve Woodward (personal guarantors)	02/09/2024	01/09/2029	N/A	N/A	Effective FRI	1,338	£11,000 (£8.22 psf)	D (97)	£2,500 deposit In occupation since September 2024
4	Gilesgate Limited (Tax Assist Accountants) (personal guarantor)	09/02/2023	15/02/2033	N/A	09/02/2028	Effective FRI	699	To 08/02/26 - £8,100 To 08/02/2027 - £8,250 From 09/02/2027 - £8,500 (£12.16 psf)	E (113)	Open market rent review In occupation since February 2018
5	NK & EY Ltd (t/a China Diner) (personal guarantor)	31/10/2018	30/10/2033	N/A	31/10/2027	Effective FRI	803	£10,600 (£13.20 psf)	C (71)	3 yearly open market rent reviews £4,200 deposit Family tenants in occupation since December 2002
6	William Hill Organisation Limited	24/06/2012	23/06/2025	Holding Over	N/A	Effective FRI	1,220	£10,400 (£8.52 psf)	C (57)	Holding Over In occupation since June 2012
	NEDL		Indefinite					£1.15		Wayleave
Total							**16,616**	**£123,251.15**		

Covenants

There is a mix of national occupier covenants and local covenants in the property. Covenant information for the larger occupiers as follows:

Sainsbury's Supermarkets Ltd

Classed as very low risk with a **Delphi Rating of 100**

Sainsbury's Local

Accounts to Year Ending	Mar 2025 (£'000)	Mar 2024 (£'000)	Mar 2023 (£'000)
Turnover	£28,544,000	£27,887,000	£26,693,000
Profit Before Tax	£313,000	£273,000	£137,000
Shareholders Funds	£4,319,000	£4,059,000	£4,684,000

William Hill Organisation Limited

Classed as a below average risk with a **Delphi rating of 77**

William HILL

Accounts to Year Ending	Dec 2024	Dec 2023	Dec 2022
Turnover	£502,400,000	£535,400,000	£510,000,000
Profit Before Tax	£30,500,000	(£3,800,000)	£5,100,000
Shareholders Funds	£17,500,000	(£13,000,000)	£19,600,000

Legal Costs

Each party to be responsible for their own legal costs incurred in the transaction.

VAT

The property is not elected for VAT.

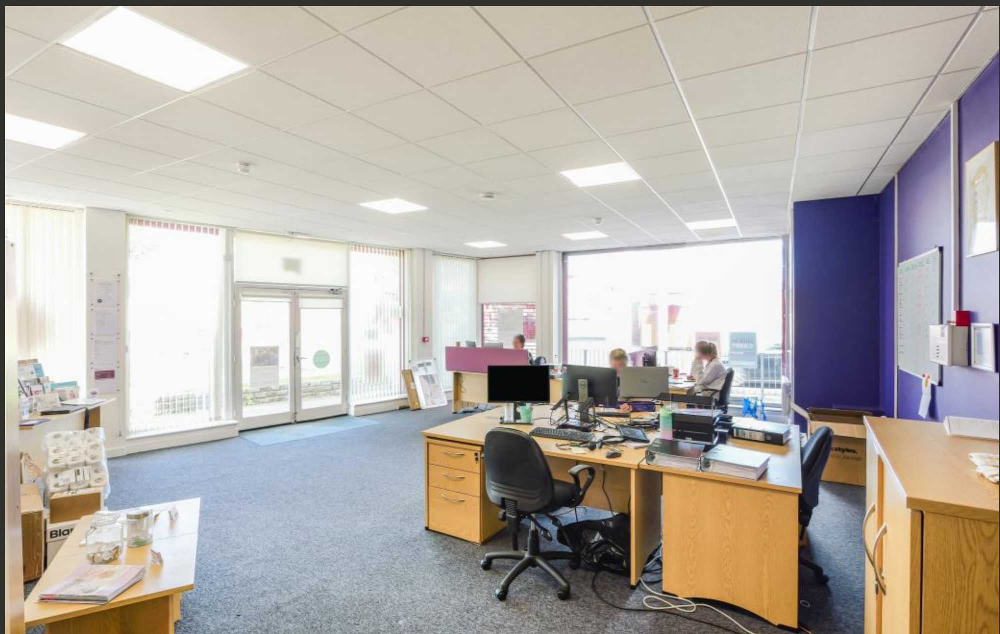
Anti-Money Laundering

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

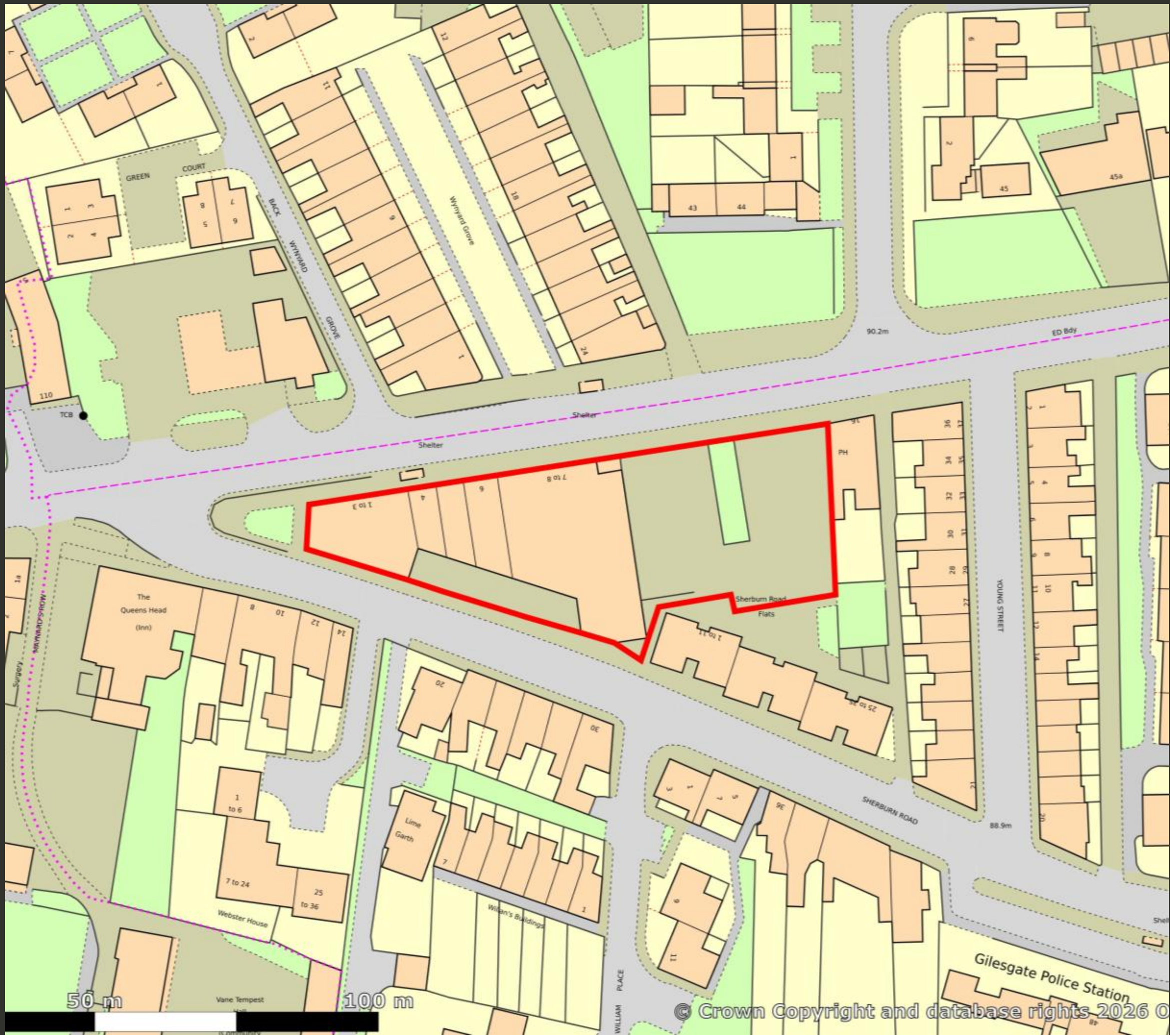
Proposal

Seeking offers over £1,545,000 (One million five hundred and forty-five thousand pounds). This shows a net initial yield of 7.52% after standard purchaser's costs.


STUDIO
Helping Hands Care & Nursing at Home
J. Troughear Suit Hire




Sainsbury's Local
BUS STOP



For further information please contact:

Chris Donabie
T: 07702 528 879
E: chrisdonabie@naylors.co.uk

Jake Smith
T: 07544 655 220
E: jakesmith@naylors.co.uk

naylors
Real Estate. Real Value.

Naylors
Second Floor
One Strawberry Lane
Newcastle upon Tyne NE1 4BX

T: +44 (0)191 232 7030
naylors.co.uk

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Date: June 2026