

PRIME MULTI LET, FREEHOLD, WELL SECURED, RETAIL INVESTMENT OPPORTUNITY

1-7

NORTH ROAD
DURHAM DH1 4SH



Investment Summary

- › An **affluent, historic Cathedral City** and **popular retail and tourist centre** with a particularly high proportion of young adults aged 15-24.
- › A **well secured, multi let parade** located in a prominent position within Durham's retailing core and opposite the newly refurbished Riverwalk Shopping Centre.
- › A substantial holding of **23,053 sq ft (2,141.67 sq m)**.
- › **80%** of the total income secured to **Low Risk** tenants.
- › Total income of **£311,333 pax**.
- › **WAULT of 5.96 years to expiry**
- › **Freehold**.
- › Potential to convert the upper parts for alternative use, subject to vacant possession and planning permission.

We are seeking offers in excess of **£3,440,000** (Subject to Contract and Exclusive of VAT) reflecting a **net initial yield of 8.5%**, allowing for graduated purchaser's costs.



Connectivity

The historic city of Durham is a cathedral city in the North East of England and the county town of County Durham. The city lies on the River Weir, 30 miles (48 km) south west of Sunderland, 18 miles (28 km) south of Newcastle and 22 miles (35 km) north of Darlington.



Durham benefits from excellent road communications being located in close proximity to the A690 and the A1M, connecting the city to the national motorway network and providing easy access to Newcastle in the north and London to the south.



Durham train station is on the main East Coast rail line from London to Edinburgh which can be reached in 2.5 and 2 hours respectively. On an average weekday there are over 100 trains travelling from Durham to Newcastle with a journey time of 22 minutes.



Durham is located 30 minutes' drive from Newcastle International Airport and about 40 minutes' drive from Teesside International Airport. Both airports provide a range of international and domestic flights.




Demographics & Retailing in Durham

Durham has a catchment population of approximately 111,000 and comprises a particularly high proportion of young adults aged 15-24. The Durham area contains a significantly above average proportion of adults within the most affluent AB social group.

Durham has one of the most recognised university's in the world ranking 86th in 2021. In the UK Durham University is ranked 4th by the Guardian University Guide 2021 and 7th in the Complete University Guide 2021. The University employs over 4,300 members, has a total student population of 18,707 (2018/2019) and is third oldest in the UK behind Oxford and Cambridge.


Durham castle and cathedral are designated by UNESCO as a World Heritage Site which assist in attracting tourists to Durham every year. 4.37 million people visited Durham City in 2019 generating £237.93 million in visitor expenditure. The number of people employed as a direct result of tourism is 2,861 people.

The central shopping area is compact and development is constrained by the historic nature of the city and the River Wear. This constraint on supply provides a strong foundation for rental growth. Retail floor space provision is estimated at 530,000 sq ft and is focussed on Riverwalk Shopping Centre, Land of Prince Bishops Shopping Centre, Silver Street and North Road.




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RANKING 86TH IN 2021

TOTAL STUDENT POPULATION OF 18,707



4.37 MILLION
PEOPLE VISITED
DURHAM CITY IN 2019

IN THE UK DURHAM UNIVERSITY IS
RANKED 4TH
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DURHAM CITY IN 2019 GENERATED **£237.93 MILLION**
IN VISITOR EXPENDITURE



Description

The subject property is located in a strong retailing pitch opposite Riverwalk Shopping Centre and within close proximity to Framwelgate Bridge. A substantial, prominent parade, the investment comprises one convenience foodstore, five retail units and a kiosk. All the units front onto North Road.

The property is not listed.

Property Management & Service Charge

The subject property is currently managed by Workman by way of a formal service charge. The total budget for the service charge period 01/01/2022 to 31/12/2022 is £51,001.



Tenancies

Unit Name	Tenant Name	Start Date	Expiry Date	Break Date	Next Rent Review	Passing Rent	Service Charge (01/01/2022 - 31/12/2022)	Comments
Unit 1	Bank of Scotland Plc	25/03/2022	24/03/2025			£75,700	£17,368	Tenant has signed a new 3 year lease renewal and has been in occupation since 1998.
Unit 2	Specsavers Optical Superstores Ltd	25/02/2020	24/02/2030	28/09/2024	28/02/2025	£47,000	£6,202.14	
Unit 3	Greggs Plc	16/08/2017	15/08/2027		16/08/2022	£33,250	£4,7671.69	Service charge cap. 2021 tenant break option removed.
Unit 4	Wardley & Darbo Investments Ltd	22/07/2021	21/07/2031	22/07/2026	22/07/2026	£27,500	£4,023.98	The tenant has a stepped rent; Year 1 £18,000 pax; Year 2 £23,000 pax; Year 3 & 4 £25,000 pax; Year 5 £27,500 pax. The vendor will top up the stepped rent. The lease is subject to a schedule of condition.
Unit 5	Hays Travel Ltd	18/01/2017	17/01/2027		18/01/2022	£31,300	£3,323.56	January 2022 tenant break option not exercised.
Unit 6	Huo Guo Ltd	05/01/2021	04/01/2031	04/01/2023	04/01/2026	£25,000	£2,317.14	The tenant received 15 months rent free in the order of 30 months half rent. This will be topped up by the vendor. The tenant has a 2nd break date on 04/01/2026. The landlord holds a rent deposit of £15,000 including VAT then reduced by 50% after 04/01/2026.
Unit 7	Sainsbury's Supermarkets Ltd	13/06/2014	12/06/2029	13/06/2024	13/06/2024	£61,583	£12,875.19	RPI linked rent review with collar and cap of 1% - 3.5%.
Unit 8 (Kiosk)	Mr Rob Morris	15/03/2021	14/03/2026	15/03/2024		£10,000	£219.30	The tenant break option is personal to the tenant.
Total Gross Income						£311,333	£51,001	
WAULT to expiry						5.96		
WAULT to break						4.53		

Tenure

Freehold.

Accommodation

An assignable measured survey has been carried out by Lane & Frankhalm. The total area of the subject property is **23,053 sq ft (2,141.67 sq m)**.

Current Income PAX

Total net income rent of **£311,333 pax**.

Area Schedule

Unit Name	Tenant Name	Floor	Area Sq ft	Area Sq m
Unit 1	Bank of Scotland	GF	2,770	257.34
		GF ITZA	1,184	-
		FF	2,217	205.96
		SF	3,749	348.29
		Total	8,646	803.23
Unit 2	Specsavers Optical Superstores Ltd	GF	1,395	129.60
		GF ITZA	659	-
		FF	2,082	193.42
		Total	3,477	323.02
Unit 3	Greggs Plc	GF	923	85.75
		GF ITZA	593	-
		Total	923	85.75
Unit 4	Wardley & Darbo Investment Ltd	GF	855	79.43
		GF ITZA	609	-
		FF	831	77.20
		Total	1,686	156.63
Unit 5	Hays Travel Ltd	GF	794	73.76
		GF ITZA	585	-
		FF	626	58.16
		Total	1,420	131.92
Unit 6	Hou Guo Ltd	GF	713	66.24
		GF ITZA	390	-
		Total	1,103	102.47
Unit 7	Sainsburys Supermarkets Ltd	GF	2,237	207.82
		GF ITZA	1,306	-
		FF	2,434	226.12
		SF	441	40.97
		TF	568	52.77
		Total	5,680	527.68
Unit 8	Mr Rob Morris	GF	118	10.96
		Total	118	10.96



Covenant Information

80% of the total income is secured to Very Low Risk or Low Risk companies.

	Lloyds Banking Group Plc	Specsavers Optical Superstores Ltd	Greggs Plc	Wardley & Darbo Investments Ltd	Hays Travel Limited	Huo Guo Limited	Sainsbury's Supermarkets Ltd
Financial Year End	31/12/2020	29/02/2020	02/01/2021	31/03/2020	31/10/2019	31/03/2020	07/03/2020
Turnover	£0	£696,410,000	£811,300,000	£0	£240,603,000	£0	£0
Pre-Tax Profit	£1,226,000,000	£20,929,000	-£13,700,000	£0	£3,369,000	£0	£0
Total Assets	£871,269,000,000	£203,578,000	£729,700,000	£261,619	£196,522,000	£28,521	£18,822,000,000
Working Capital	-£666,854,000,000	£62,351,000	-£45,400,000	-£55,682	£26,736,000	£21,052	-£1,650,000,000
Delphi Score	88	100	100	49	91	15	78
Delphi Band	Low Risk	Very Low Risk	Very Low Risk	Above Average Risk	Very Low Risk	Maximum Risk	Below Average Risk



VAT

The property has been elected for VAT.

EPC

EPC's are available upon request.

Anti Money Laundering

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

Proposal

We are seeking offers in excess of **£3,440,000 (Three Million Four Hundred and Forty Thousand Pounds)**, subject to contract and exclusive of VAT, reflecting a **net initial yield of 8.5%**, allowing for graduated purchaser's costs.

Further Details

For further information or to arrange inspection please contact:

Patrick Over

07799 350236

patrick.over@greenpartners.co.uk

Ed Smith

07817 771005

ed.smith@greenpartners.co.uk

David Freeman

07785 253054

david.freeman@greenpartners.co.uk

green&partners



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