

Lisney

# FOR SALE (IN 1 OR 2 LOTS)

## OFFICE & WAREHOUSE PORTFOLIO, BELFAST



### OFFICE INVESTMENT

Metropolitan Building

29-31 Alfred Street, Belfast BT2 8ED

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Arthur J. Gallagher  
BUSINESS WITHOUT BARRIERS™



### WAREHOUSE INVESTMENT

Unit 15 Forty 8 North Business Park

48-50 Duncrue Street, Belfast BT3 9BJ

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SUMMARY

LOCATION

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TENANCY

RESEARCH

PROPOSAL & CONTACT



## EXECUTIVE SUMMARY

### Metropolitan Building, 29–31 Alfred Street, Belfast BT2 8ED

- Modern, self contained, office building with on site parking (4 vehicles)
- Situated in Belfast city centre
- Let to a strong covenant, on FRI terms with c 13 years unexpired to 31st March 2028
- Floor Area – 14,335 sq ft
- Let to a wholly owned subsidiary of Arthur J Gallagher, a NYSE listed company, 4th largest insurance broker in the world
- Currently, producing £187,500 pa, FRI, with rent reviews scheduled to occur 1 April 2018, 1 April 2023





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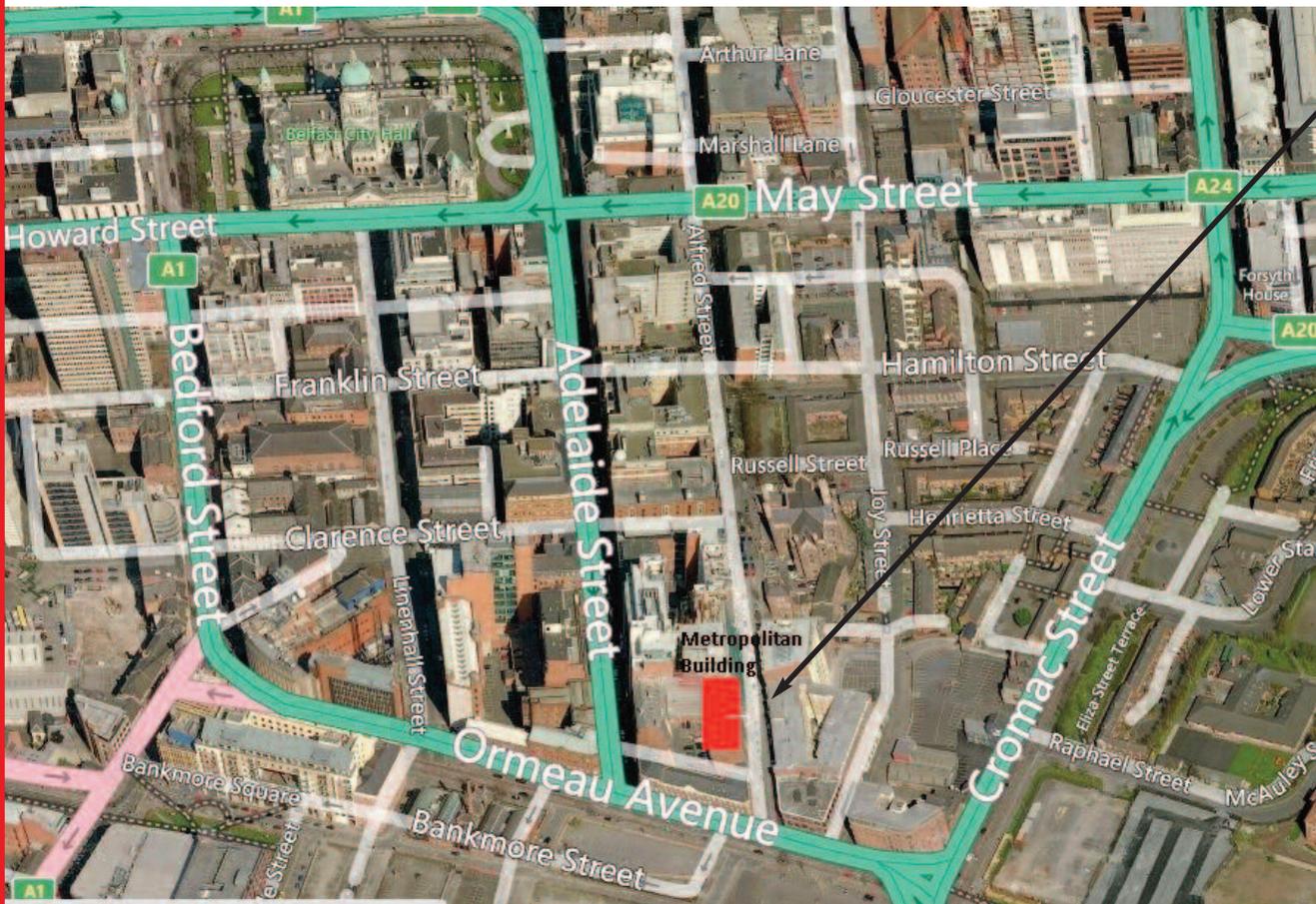
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## LOCATION

The property is located in Belfast city centre, south of the City Hall, where many office buildings are occupied by well known companies.

Fronting Alfred Street, the building is 50 m approx from the junction with Ormeau Avenue close to the Premier Inn and Holiday Inn Hotels, BBC headquarters, Pure Gym, a range of restaurants, apartment blocks, on street and 'contract' parking areas.

Major public transport links, the rail hubs at Belfast Central Station & Great Victoria Street and the motorway network are all in close proximity. The 2 Belfast airports are within easy reach.



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## DESCRIPTION

Central Park is a modern, mixed use, office and residential scheme comprising two blocks fronting onto Adelaide Street and Alfred Street with secure parking for 44 vehicles to the rear accessed off an adjacent laneway.

The subject property known as Metropolitan Building, forms part of the scheme fronting Alfred Street and comprises a modern, self contained, office investment arranged on ground, first and second floors with reserved parking for 4 vehicles. On the 4 floors above there are apartments which are accessed separately.

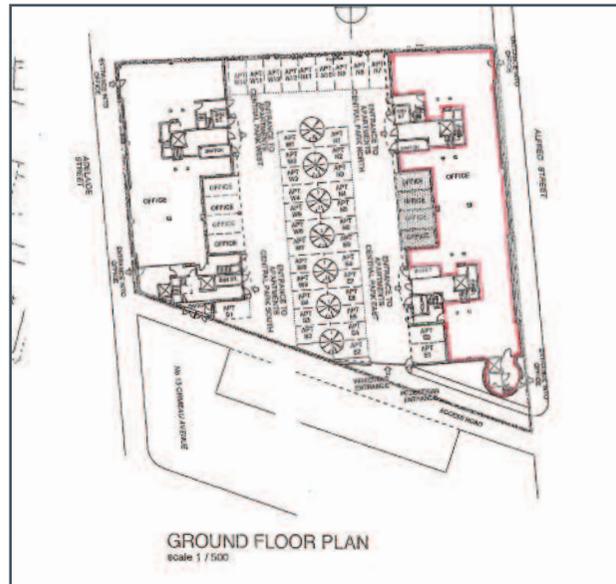
Each office floor is served by an 8 person 'Otis' lift and stairs from a ground floor entrance foyer accessed off Alfred Street. The suites are fitted to a modern 'Grade A' standard with raised access flooring, carpets, wall finishes, suspended ceilings, recessed lighting and is fully air conditioned throughout via a gas fired system. The Tenants fit out provides largely open plan space with private offices, meeting rooms, kitchen /staff area, tea points and WCs.

The property in its entirety is let to a single tenant.

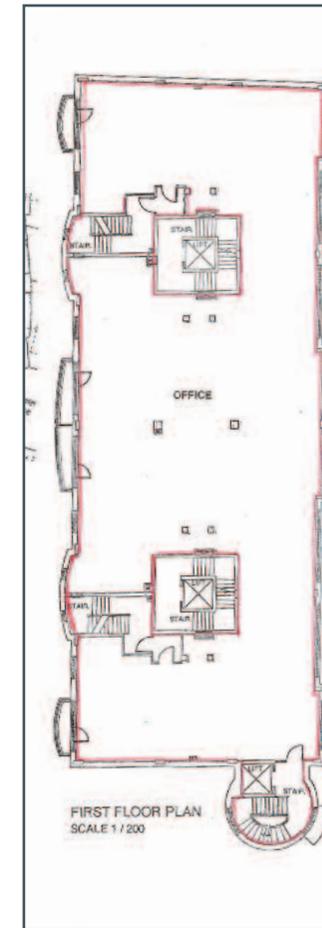
## ACCOMMODATION

The property provides the following Net Internal Areas.

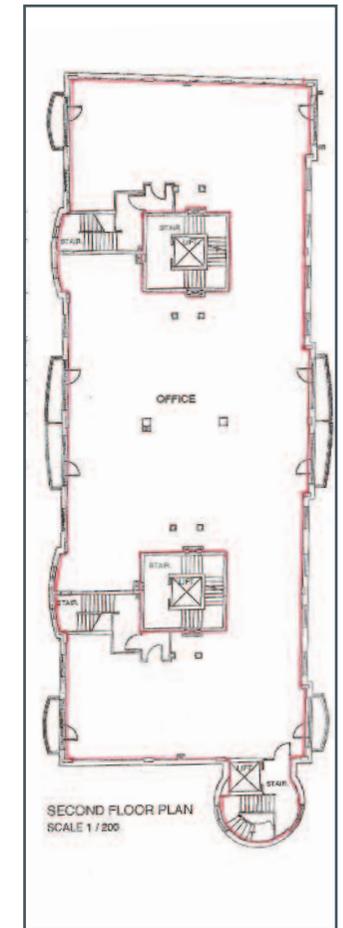
Floor	Floor Area (sq.ft.)	Floor Area (sq.m.)
Ground	3,983	370
First	5,176	480
Second	5,176	480
<b>Total</b>	<b>14,335</b>	<b>1330</b>
Parking (4 spaces)		



Site Map



Typical Floor Plan





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**TITLE**

Held for a term of 999 years from 31 October 2001 at a yearly rent of £300. There is also an obligation to pay a contribution towards the service charge for the complex.

**LEASE**

Tenant	Rent Passing pa	Estimated Rental value pa	Lease start	Lease Expiry	Rent Reviews	Service Charge £ pa	NAV	Comments
Arthur J Gallagher	£187,500 (£12.87 psf) includes £2,900 pa parking @£750 pa per space	£233,360 (£16 psf plus £4000 for parking)	1 April 2008	31 March 2028	1 April 2018 1 April 2023	c £12,600	£144,500 Draft NAV - £139,000	FRI, subject to condition Report. Grade A specification

The property is let in it's entirety on the following terms :-

There are 2 informal sub leases to B&J Financial Services on a rolling 6 month basis and Dallas on a rolling 3 month basis.

**THE TENANT**

Established in Chicago in 1927 Arthur J Gallagher (AJG) is one of the world's largest risk management and insurance broking firms with 13,000 employees operating in 17 countries. The firm has total assets in excess of \$3.5bn.

Until April 2014 the property was occupied by Oval Group which was acquired by Arthur J Gallagher in a deal worth £210m. This acquisition gave AJG instant access to a network of 24 offices in the UK and 1200 employees.

**EPC**

The property has an EPC rating of E 110

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## THE OFFICE OCCUPIER MARKET

Belfast is currently experiencing a shortage of new Grade A stock with only c 60,000 sq ft of previously unoccupied space available. There is limited prospect of any improvement in stock levels in the near future as there is no speculative construction scheduled for 2015. This, balanced against take up of 350,000 sq ft last year, an improving economy and a growing list of job creation announcements will create upward pressure on rental levels in the short to medium term. It is predicted that rents will break through £16 psf in 2015. Furthermore the anticipated delivery of reduced Corporation Tax rates, closer to our neighbours in the Republic of Ireland, has the potential to drive letting activity as internal job creation gathers pace and with the arrival of new FDI companies.

Historically rents have remained at £12.50/£13 psf but there is evidence that a new growth pattern is underway as evidenced by the lettings summarized below. The rent passing in the subject property analyses to £12.87 psf after allowing £750 pa per parking space.

Building	Tenant	Floor Area	Rent
Gateway, Titanic Quarter	Citi	C 15,000 sq ft	£15.50 psf
City Quays 1, Clarendon Dock	Baker McKenzie	C 28,000 sq ft	Believed to be £15.00 psf

## INVESTMENT SALES

The investment market has been particularly active in the last 12 months with a significant number of investment transactions occurring totalling £500m. In the office market notable deals include

Property	Price	Date	NIY
Victoria House (Multi let, short leases)	£8.7m	July 2014	8%
Cylinder Building, Gas works (Multi let, geared ground rent)	£3.3m	September 2014	9.74%
Killeaton House (Single Let)	£2.35m	September 2013	7.6%





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## PROPOSAL

We are instructed to seek offers over £2.5m for our clients interest in the property and subject to the prevailing Lease. A purchase at this level reflects a NIY of 7.09 %, assuming acquisition costs of 5.8%. At the next review assuming growth to £16 psf (£233,360 pa) this would reflect a yield of 8.82 % after costs.

## VAT

NB - Please note the sale of the property will not be subject to Vat.



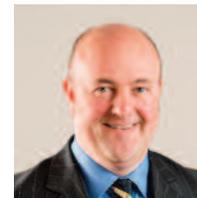
1st Floor, Montgomery House, 29-33 Montgomery Street, Belfast BT1 4NX.

T: +44 2890 501 501

E: [property@lisney-belfast.com](mailto:property@lisney-belfast.com)

W: [www.lisney.com](http://www.lisney.com)

The Directors of Lisney for themselves and for the vendors or lessors of this property whose agents they are give notice that (i) the particulars are set out as a general outline only for the guidance of intended purchasers or lessees, and do not constitute part of, an offer or contract; (ii) all descriptions, reference to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of the Directors of Lisney has any authority to make or give any representation or warranty whatever in relation to the property. This IM should not be construed as an offer or acceptance and no contract will exist or be deemed to exist until executed and exchanged between the relevant parties.



## CONTACT

**David McNellis**

T: 07887 911077

E: [dmcnellis@lisney-belfast.com](mailto:dmcnellis@lisney-belfast.com)

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## EXECUTIVE SUMMARY

**Unit 15 Forty 8 North Business Park,  
 48-50 Duncrue Street, Belfast BT3 9BJ**

- Modern Warehouse unit situated on a light industrial park of similar units
- Located in the recognised business district of Duncrue within easy reach of the motorway network and Belfast city centre
- Let to a strong covenant, on FRI terms with c 13 years unexpired to 31st March 2028.
- Floor area: Ground Floor area 1,335 sq ft plus 100% mezzanine cover - Total Area 2,600 sq ft
- Let to a wholly owned subsidiary of Arthur J Gallagher, a NYSE listed company, 4 th largest insurance broker in the world
- Currently producing £16,020 (£6.16 per sq ft) pa, with rent reviews scheduled to occur 1 April 2018, 1 April 2023

## LOCATION

Duncrue is an established business location to the north of Belfast city centre convenient to the M1/M2 motorway network, Belfast's 2 airports and the ports at Belfast and Larne. Forty 8 North Business Park fronts onto Duncrue Street a main arterial route.



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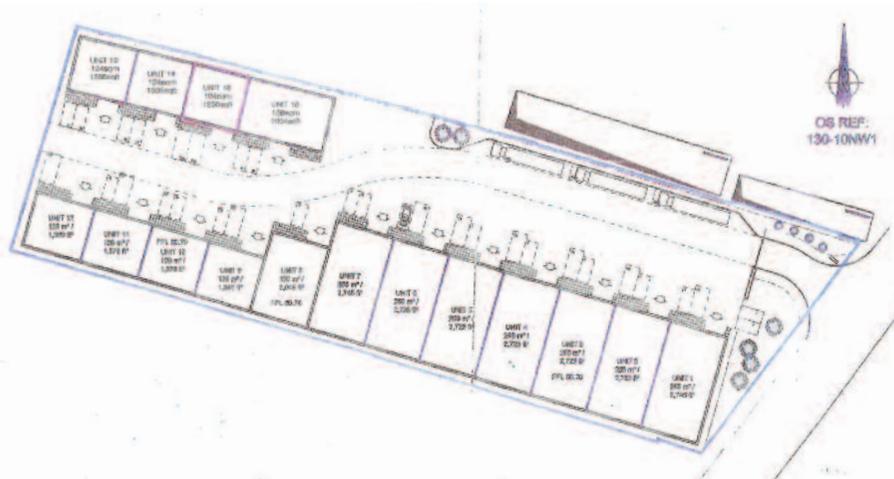
Forty 8 North is a modern light industrial park of 16 units.

Property comprises a mid-terrace business unit of steel portal frame construction with blockwork/clad walls, double skin insulated roof and sealed concrete floor. Access is via roller shutter and glazed pedestrian door.

The unit has an eaves height of c 6 metres.

Parking is available to the front of the unit for 2 vehicles.

The unit is currently used for file storage and a mezzanine floor has been installed by the landlord.



## FLOOR AREA

We measure the unit to have the following approximate areas

Ground Floor	1,335 sq ft
Mezzanine Floor	1,265 sq ft
<b>Total Area</b>	<b>2,600 sq ft</b>

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### TITLE

We are advised that the property is held on a long leasehold title subject to a service charge contribution.

### LEASE

The property is let in it's entirety on the following terms :-

Tenant	Rent Passing pa	Lease start	Lease Expiry	Rent Reviews	Service Charge £ pa	NAV	Comments
Arthur J Gallagher	£16,020 (£6.16 per sq ft)	1 April 2008	31 March 2028	1 April 2018 1 April 2023	£1,019	£5,700 Draft NAV - £4,800	FRI, subject to condition Report.

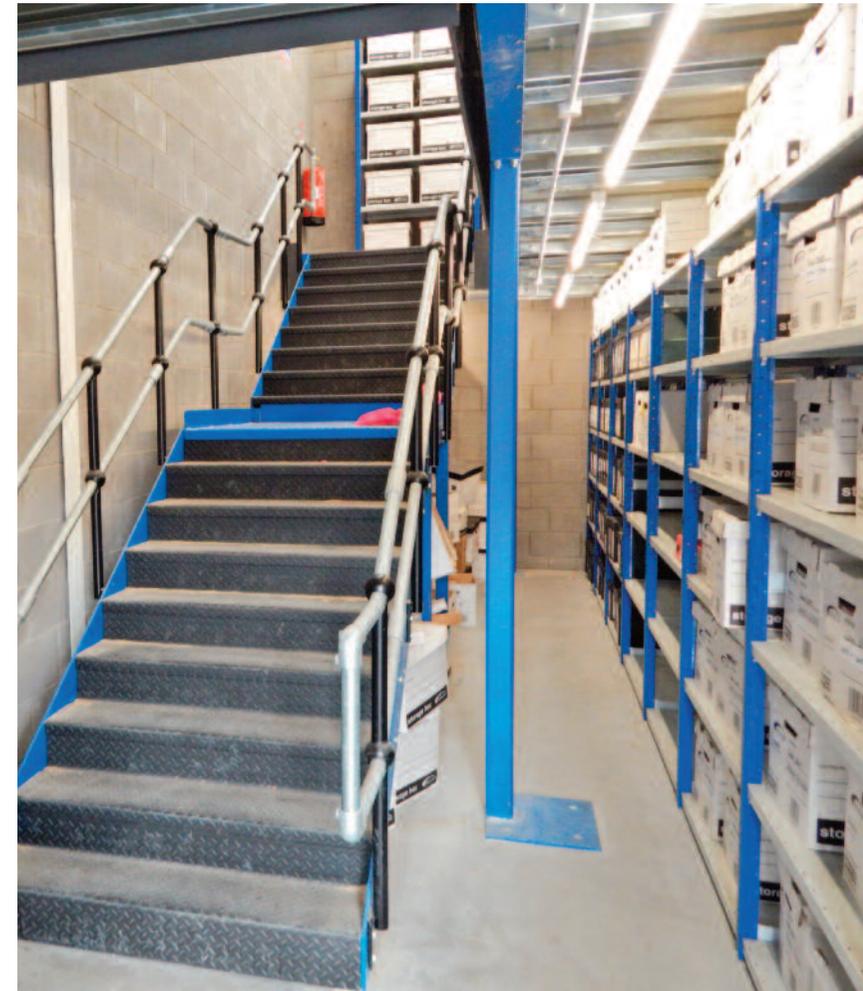
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## VAT

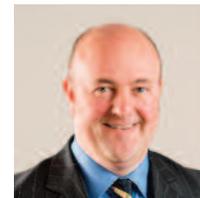
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