

Obel Studios

OBEL BUILDING, BELFAST, BT1

Residential Investment.

26 Fully Let Studio Apartments In The Heart of Belfast

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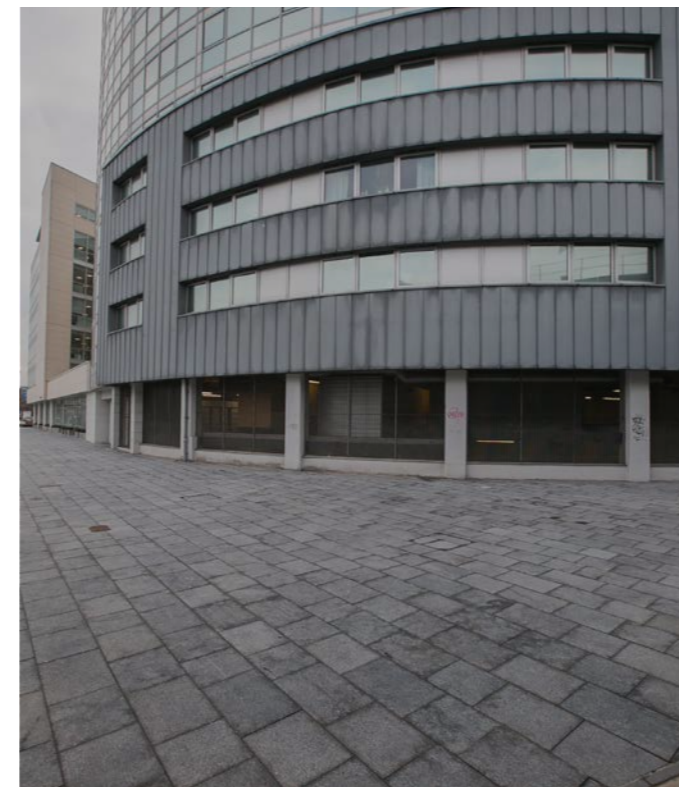
Prime Residential Investment Opportunity.

Opportunity to acquire 26 fully let studio apartments in Belfast City Centre

- Part of the landmark Obel Tower Development which comprises 233 luxury waterfront apartments in the tallest building in Ireland.
- Producing a gross income of £152,640 p.a and net £109,641 p.a after rates, service charge, ground rent and insurance costs.
- Opportunity to grow the gross income to £166,200 on achieving full rental value for all of the units.
- Strong capital and rental growth in the apartment sector offers significant asset management opportunities.
- Seeking offers in excess of £2m which reflects a gross yield of 7.2% and a net of 5.32% with reversionary potential of 5.98%.



Work.
Live.
Connect.



Location.

The property is situated on Donegall Quay within Belfast City Centre overlooking the river Lagan

The surrounding area comprises a mixture of residential apartments, offices and restaurants.

Obel Studios are well positioned within close proximity to international occupiers such as Baker McKenzie, Citi Bank and Allen & Overy. Excellent transport links are provided via rail and road while George Best airport is located within 2.5 miles.

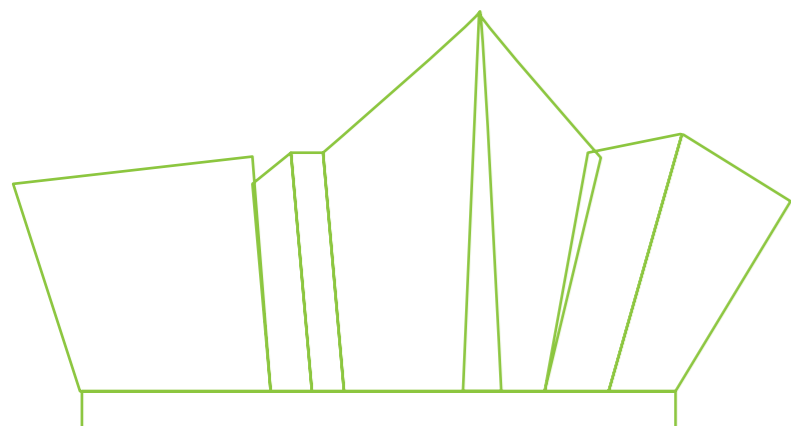
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| 1. VICTORIA SQUARE | 7. DONEGAL STREET TERMINUS |
| 2. BELFAST CITY HALL | 8. GREAT VICTORIA STREET STATION & EUROPA BUS CENTRE |
| 3. CENTRAL TRAIN STATION | 9. CASTLECOURT SHOPPING CENTRE |
| 4. WATERFRONT HALL & CONFERENCE CENTRE | 10. INVEST NI |
| 5. LAGANSIDE BUS CENTRE | 11. ODYSSEY ARENA |
| 6. ST GEORGE'S MARKET | |



Work.

Belfast is home to a number of large global employers, most of which are located within walking distance of Obel Studios.

With the tech and digital sectors continuing to gain momentum within the city, and the ongoing City Quays developmenet, occupiers are tapping into Belfast's ever increasing pool of talent.



Live.

In the heart of Belfast, the city caters to the lifestyles of a diverse population and offers something for everyone.

With the Waterfront Hall, Airtricity Arena and Titanic Belfast all within walking distance, a healthy work-life balance can we well accommodated.

Connect.

On the doorstep of the Cathedral Quarter, an abundance of trendy bars and restaurants awaits.

Offering the perfect setting to connect with friends new and old, this up and coming area appeals to those who want to engage with the city and make it their playground.

In the period 2013 - 2017 residential rents in Northern Ireland have grown by 12.5% with annual growth in 2016 - 2017 of 5.3%

Description.

The property comprises 26 fully let self-contained studio apartments arranged over three floors.

The studios are located on floors 1 to 3 of the Obel Tower and comprise all available studios in the building.

The common parts have been recently refurbished to a high standard to include improvements to the external landscaping, entrance lobby, passenger lifts and corridors.



Apartment values have risen by an average of 43% since the summer of 2013.

*According to NI House Price Index

Market Commentary.

Resale Market

The Northern Irish residential market has continued to strengthen over the past number of years with average house prices now sitting at just over £130,000.

According to the NI Statistics and Research Agency the Index has grown by over 30% in the last 5 years.

From a base in the summer of 2013 the market has seen average growth of 5.7% annually which represents strong yet sustainable growth, especially when you consider that average houses prices currently sit at 58% of their pre-recession peak.

Apartments as a sub sector have grown in average value by 43% since the summer of 2013 to £106,000 and still sit at only 59% of their pre-recession peak.

The apartment market has seen average annual growth in the same period of over 7% and strong liquidity with an annual average of almost 700 unit sales recorded over the last 5 years in the Belfast City Council area alone.

Rental Market

According to the Northern Ireland Private Rental Index, in the period 2013 – 2017 rents have grown by approximately 12.5% with annual growth in 2016-2017 of 5.3%.

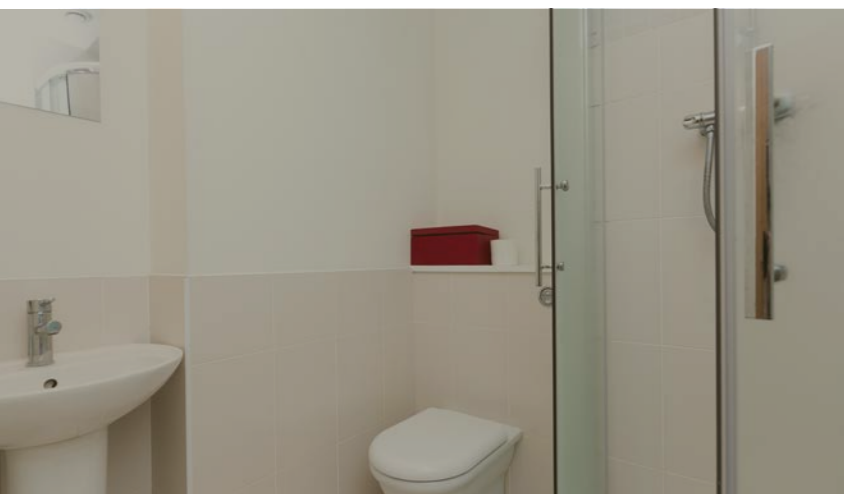
The index shows Belfast to be the main rental market in the province representing 40% of transactions according to most recent data, however transaction volumes have on average dropped over the past 5 years with H1 2017 showing a 28% decrease on the same period in 2013 evidencing the lack of supply in the market.

According to the Northern Ireland Housing Executive, in the summer of 2017 the average rent in the Belfast City council area is £662 pcm which represents a 8.9% annual increase. Average apartment rents sit at £655 pcm, a 7.6% annual increase. Of that sector one bed rents in the city centre (BT1,2&3) are at £664 pcm.

The Studios.

Each studio in the portfolio offers a secure, multi-functional living space that provides the perfect hub for experiencing city life and all that Belfast has to offer.

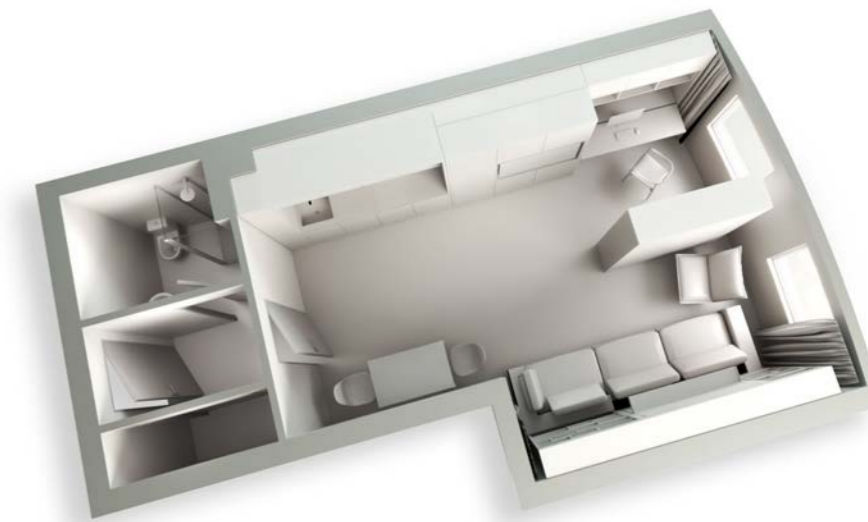
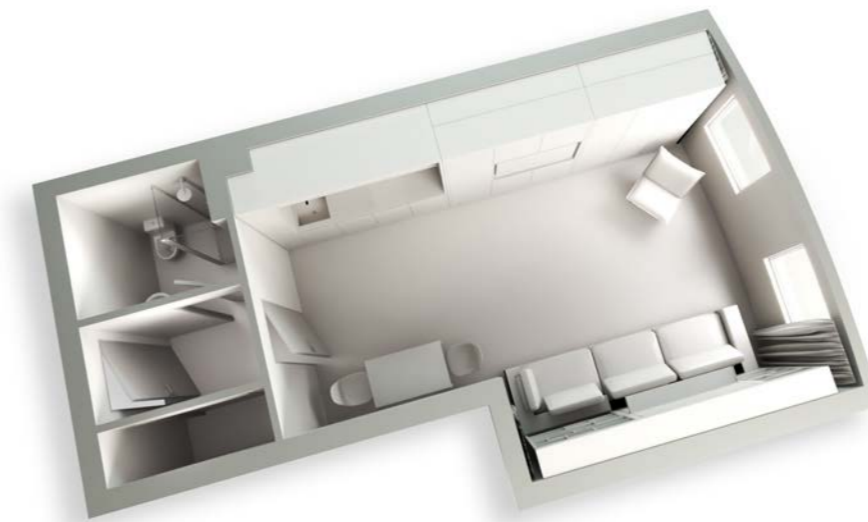
A studio apartment is a large multi-functional room that features a kitchen, living area and bedroom with a separate bathroom and storage accessed off the entrance hall.



Adding Value.

We have worked with a team of international design consultants to provide a vision of the opportunities available to maximise the space at Obel Studios.

This can provide urban dwellers with the unique ability to tailor the space to their needs and cater for their on-the-go lifestyles.



Live.

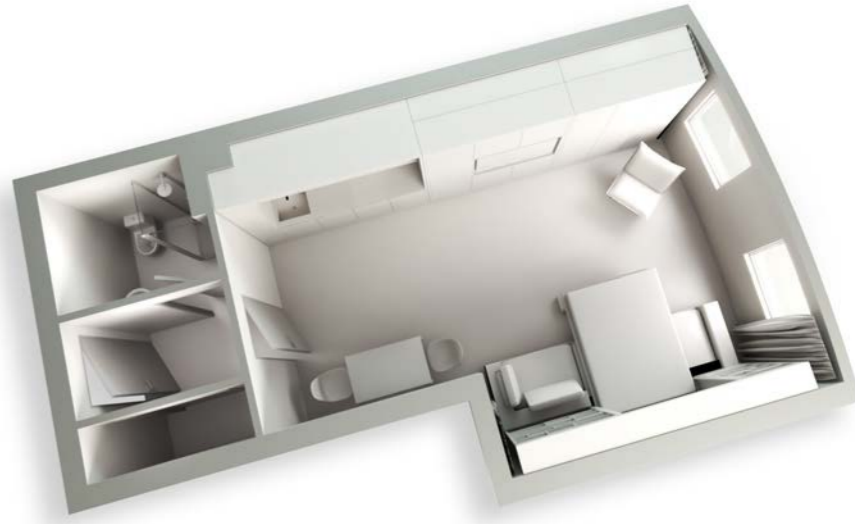
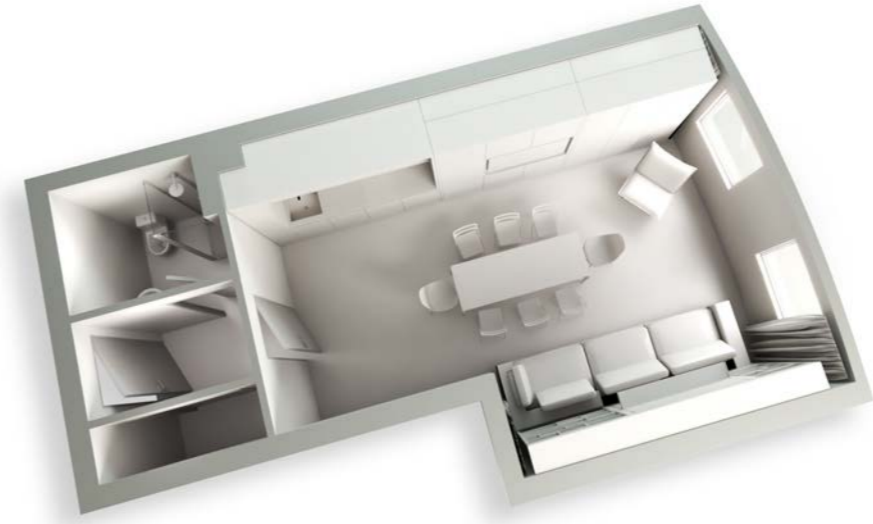
Functional living area which offers space, style and comfort.

Work.

Concealed study which can be unveiled and utilised in seconds. Ideal for today's remote working.

Adding Value.

The concept provides a space that evolves with the use of ergonomic, space-saving furniture based around a flexible living ethos.



Entertain.

Host up to 6 guests in a light, bright dining area.

Sleep.

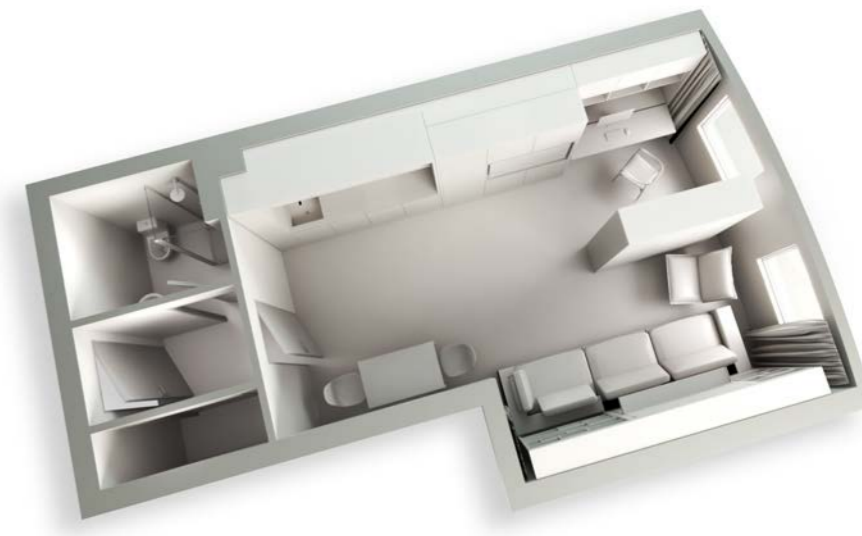
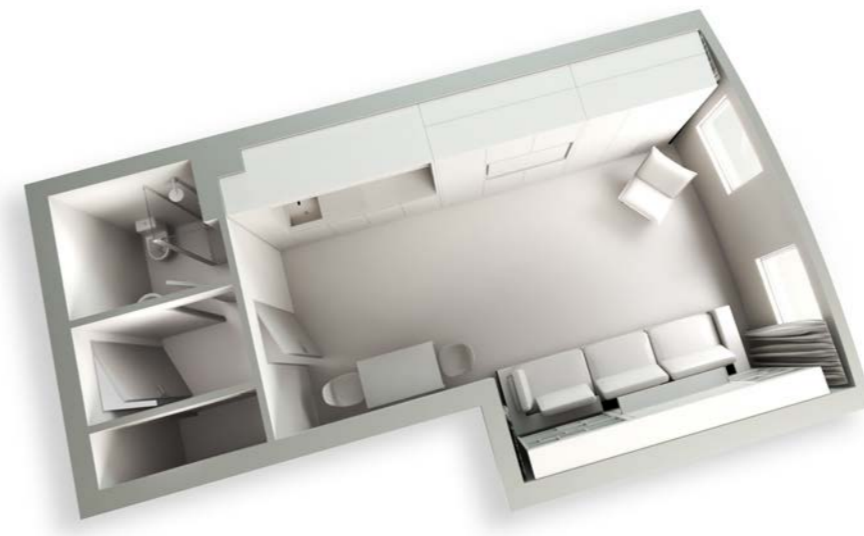
Rest and relax in a transforming, space-saving double bed which can be revealed or concealed in seconds.



Live.
CGI image showing an indicative potential layout for a studio unit designed by PLY Design Consultants.

Adding Value.

Every inch of space in the studios can be maximised to provide uses beyond living, working, entertaining and sleeping.



Store.

Make use of the abundant innovative storage space and maintain a clean minimalist feel.

Host.

Host friends or family with transforming hidden bunk beds.

Host.

CGI image showing an indicative potential layout for a studio unit designed by PLY Design Consultants.

Tenancy Information.

The units range in size from 335 sq.ft. to 478 sq.ft.

All are let on standard residential tenancies of no more than 12 months with a passing rent between £425 pcm and £550 pcm.

The total passing rent is £152,640 p.a. which is considered reversionary to £166,200 p.a.

Cost Summary.

A summary of the total annual costs are as follows;

Service Charge	£18,137
Rates	£16,080
Insurance	£3,582
Ground Rent	£5,200



Proposal.

We are instructed to seek offers in excess of £2,000,000 (Two Million Pounds), subject to contract and exclusive of VAT.

A purchase at this level reflects a gross initial yield of 7.2% netting back to 5.32% after costs.

The opportunity also offers potential reversionary growth to 5.98% after operating costs.

N.B. In accordance with the head lease the vendor will not consider offers from short term letting operators.

Title.

The studios are held long leasehold of 990 years from 23rd June 2010.

Further details provided on request.

EPC.

Full reports are available on request.

Contact.

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