

Norwich Union House

Fountain Street, Belfast

Quick Facts

Project Promoter:

McAleer & Rushe

Scale:

£54 million with a floor area of c.17,900 sq m

Sector:

Grade A offices/
Hotel/Retail

Location:

Belfast city centre

Investment Type:

Equity investor/funder

Programme:

Expected to commence 2019

Planning Status:

Planning permission for a 122 bed hotel and ground floor retail is granted. A further c. 12,000 sq m of space for Grade A offices is to be applied for.

Website:

www.mcaleer-rushe.co.uk

Overview

This is a mixed-use scheme comprising Grade A offices, a hotel and an element of ground-floor retail.

Belfast has a deficit of Grade A office space due to a lack of new development. This sector of the Northern Ireland market therefore offers great potential, especially with the proposed reduction in the region's rate of Corporation Tax to 12.5 per cent.

Growth in the sector is already apparent, with an increase in uptake from previous years and a now established confidence in both rental and capital growth prospects. Office activity for 2017 is on course to exceed the average take-up level over the last 10 years, with Grade A space dominating demand. This demand has been partly driven by job announcements for Belfast.

The sector's growth can be seen in office rentals, with top-end office lettings in Belfast increasing by 40 per cent during 2016. The latest end-of-year figures show some 40,400 sq m of office space rented during the course of 2016 - up 36 per cent (based on a five-year average). A further 53,280 sq m of new

office space will be completed by 2018, with planning approved for a total of 181,200 sq m.

Likewise, the tourism sector has significant potential, with Northern Ireland welcoming 4.5 million visitors annually, a figure which is growing due to the region's world-class attractions. Northern Ireland's ambition and policy are that this sector will continue to grow and will double in size by 2020, creating opportunities and demand within the hotel sector.

Opportunity

This site is in the heart of Belfast city centre and located right beside its main retail pitch, Donegall Square, in a vibrant and bustling area.

There is already planning permission for part of the site for a new build 122 bed hotel plus an element of ground floor retail. Potential exists to evolve this to suit hotel operator requirements. In addition to this hotel element, the site has extra capacity to yield a further c.12,050 sq m of Grade A office space configured in 1,858 sq m floor plates. The opportunity comprises:

- Grade A office space of c. 12,050 sq m
- Hotel accommodation of c. 5,300 sq m
- Retail accommodation of c. 575 sq m

McAleer & Rushe is an established construction, development and investment Group covering the UK and Irish markets with 50 years' experience. The Group currently has 22 live projects and a multi-professional in-house team, which delivers projects on time, on budget to a high standard from inception to completion. Group turnover will be approximately £350 million in 2017/2018.

The company has a strong presence in Northern Ireland, having delivered many large scale commercial projects over the last 20 years. It has plans to deliver a number of other city centre schemes, which will provide an opportunity for strategic partnering. Together these projects represent a collective Gross Development Value of £175 million.