



FOR SALE

Forsyth House, Belfast, BT2 8LA

City Centre Multi-Let Investment with Long Income



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Executive Summary

City Centre Multi-Let Investment with Long Income

- Forsyth House is in the heart of Belfast City Centre, close to the law courts and Donegall Square
- 46,457 sq ft of fully let offices and ground floor retail
- Newly constructed in 2005, with an EPC B
- 9.31 years WAULB (Weighted Average Unexpired Lease Term to Break)
- Gross income of £832,758 per annum
- Low average office rent of £18.74 per sq ft
- **£11,150,000** reflecting a Net Initial Yield of **7%** (after purchaser's costs) and a **£240 per sq ft** capital value

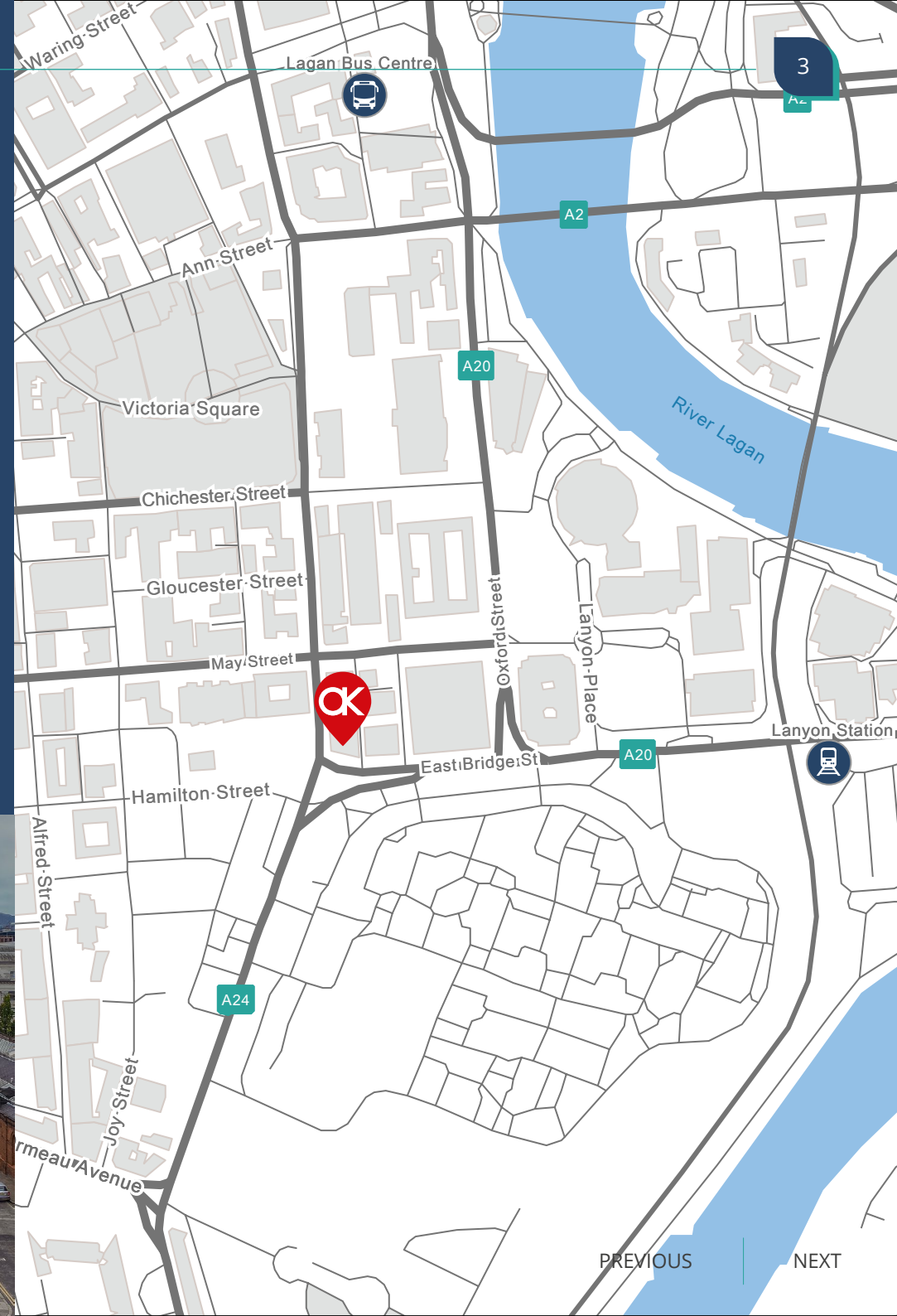


Situation

The subject property occupies a highly prominent location at the junction of East Bridge Street and Cromac Street, adjacent to St George's Market in one of Belfasts' most popular office areas.

The building is situated adjacent to Laganside which has been responsible for generating in excess of £800 million of investment since its inception. Forsyth House is within a short walk of Lanyon Station, the Waterfront Hall & Conference Centre, Victoria Square Shopping Centre and a few minutes walk from Belfast City Hall.

Forsyth House benefits from excellent proximity to a number of large car parks and is ideally located for easy access to the arterial road network, George Best Belfast City Airport and the M1/M2 motorways. The success of the area is evidenced by the number of major occupiers located nearby which include BT, Microfocus, Pinsent Masons, Shoosmiths and KPMG.



Location

Belfast is the capital of Northern Ireland with a population extending to approximately 650,000, the 12th largest city in the United Kingdom and second largest on the Island of Ireland, approx. 100 miles North of Dublin.

Belfast enjoys excellent transport infrastructure and is well connected to the rest of Ireland and to mainland UK. George Best Belfast City Airport is located approximately 4 miles (6 Km) from the city centre with Belfast International Airport approximately 23 miles (37 Km) north-west.

In addition, Belfast has a large commercial port that is also used for passenger ferry services with regular sailings to Scotland, England and Wales. Belfast has good road communications being positioned within close proximity to the M2 linking the North and West of the Province and the M1 which links with Dublin in the South. The two principal railway services in the city centre include Great Victoria Street and Lanyon Station, the latter of which provides a direct link with Dublin.

Belfast is a compact, energetic city surpassing the expectations of a traditional regional capital. It has emerged as one of the best cities to live and work in. It is home to a growing population of students, entrepreneurs, and two leading universities: Queen's University Belfast and Ulster University.



George Best
Belfast City - 6 km
Belfast International - 37 km



Derry/
Londonderry - 113 km
Dublin - 171 km



Larne - 36 km
Belfast - 4 km



Dublin
Under 2 hrs



Description

The building enjoys a dedicated ground floor reception with lift access to the upper floors which enjoy impressive panoramic views across the city centre. The building has been finished to an excellent high standard throughout.

The property was constructed in 2005. The replacement of the communal AHU and the installation of a new Air Source Heat Pump will be completed in 2023:

- EPC B
- Brand new Air Handling Plant and Air Source Heat Pump
- New system designed in compliance with BCO 2023 guidance.
- M&E now capable of supporting an occupational density of 1:8
- Feature reception
- 2.8 m floor to ceiling height
- Raised access floors and suspended ceiling
- Fully air conditioned
- Secure basement car parking with 18 spaces, cycling parking and shower block.



Northern Ireland Investment Rationale



LOCATION

- Northern Ireland is an integral part of the United Kingdom, benefiting from three major international airports with regular direct flights to the UK and Europe.
- It is under 2 hours by road or rail from Belfast to Dublin, the capital of the Republic of Ireland.
- Modern road and rail network.
- 100 gigabyte per second telecoms link between Northern Ireland, Europe and North America.

EDUCATION

- Northern Ireland has the best performing education system for primary maths in Europe, and the seventh best in the world.
- Northern Ireland is home to two world-class universities.
- Students consistently outperform other UK regions at GCSE and A-Level.
- The region has a strong international focus and attracts large numbers of overseas students to study at its universities, boarding schools, vocational colleges and English language schools.

COST COMPETITIVE

- Fiscal Environment: 19% Corporation tax; 2nd lowest in Western Europe.
- Operating costs are up to 30% lower than other locations in the UK and Europe.
- According to an international survey, Belfast has been identified as one of the most cost effective cities in Western Europe for expats to live.
- Northern Ireland has some of the lowest prime office rental costs in Europe.
- Major consultancy houses EY, PwC, Deloitte and KPMG have all announced expansions in Northern Ireland.

Northern Ireland Investment Rationale

TECHNOLOGY

- Northern Ireland has become a global cyber security hub with companies including Rapid7, Microsoft, Anomali and Proofpoint.
- Belfast is Europe's leading FDI destination for new software development. Investors include Allstate, CyberSource and Fujitsu.
- Northern Ireland supplies sophisticated software for the world's major financial institutions.
- Our cluster includes multi-nationals such as Citi, Vela and CME Group as well as local companies such as FinTrU and FD Technologies.

LIFE & HEALTH SCIENCES

- Northern Ireland is a hub for cutting-edge research and innovation in the field of life and health sciences.
- There is expertise in precision medicine, MedTech and clinical trials. Key companies include the Almac Group, Randox, Norbrook, Teva, Terumo BCT and Bemis.
- With the creation of the Precision Medicine Centre of Excellence, this £10 million initiative from Invest Northern Ireland and Queen's University Belfast has created an internationally accredited laboratory.

Tenancy Schedule

SUITE	TENANT	TYPE	AREA	LEASE START	LEASE END	RENT REVIEW	BREAK	RENT PSF	ANNUAL RENT	COMMENTS
Fifth	IQEQ	Office	5,788	20 Sep 17	24 Mar 29	25 Mar 24	-	£17.28	£100,000	Guarantee from IQEQ Parent
Fourth	IQEQ	Office	7,340	25 Mar 13	24 Mar 29	25 Mar 24	-	£20.79	£152,607	Guarantee from IQEQ Parent
Third, Second & First Floor	Belfast Cromac Centre Limited (Regus)	Office	26,123	22 Jun 10	21 Jun 35	22 Jun 25	-	£18.50	£502,750	£251,376 Bank Guarantee, reducing to £125,688 from July 2027
Unit 1 & 2	HenchGyms Limited	Retail	4,177	10 Dec 21	09 Dec 31	10 Dec 26	08 Dec 27	£9.10	£38,000	-
Unit 3	HenchGyms Limited	Retail	2,301	09 Dec 22	08 Dec 32	09 Dec 27	08 Dec 27	£10.86	£25,000	-
Unit 4	Re:lettings Limited	Retail	728	01 Sep 23	31 Aug 29	01 Sep 26	-	£12.36	£9,000	-
2 Spaces	IQEQ	CPS	-	20 Sep 17	24 Mar 29	19 Sep 22	-	-	£3,000	-
2 Spaces	Shoosmiths NI LLP	CPS	-	01 Apr 19	31 Mar 29	-	31 Mar 24	-	£2,400	-
13 Spaces	Belfast Cromac Centre Limited (Regus)	CPS	-	22 Jun 10	21 Jun 35	22 Jun 25	-	-	-	Rent for car parking included in lease above
TOTALS			46,457	-	-	-	-		£832,758	

Regus

Regus was created over 30 years ago and provides workplace solutions across the globe.

They have over 3,300 locations and operate in over 120 countries.

IQEQ

IQEQ is a leading investor services group providing compliance, administration and asset advisory services.

They operate in 23 locations worldwide employing over 3,500 people.

HENCH

Hench was founded in 2012 and is one of Northern Ireland's leading strength and well-being gyms.

They recently invested in a world-class strength and training facility in Forsyth House.

Belfast Office Letting Summary

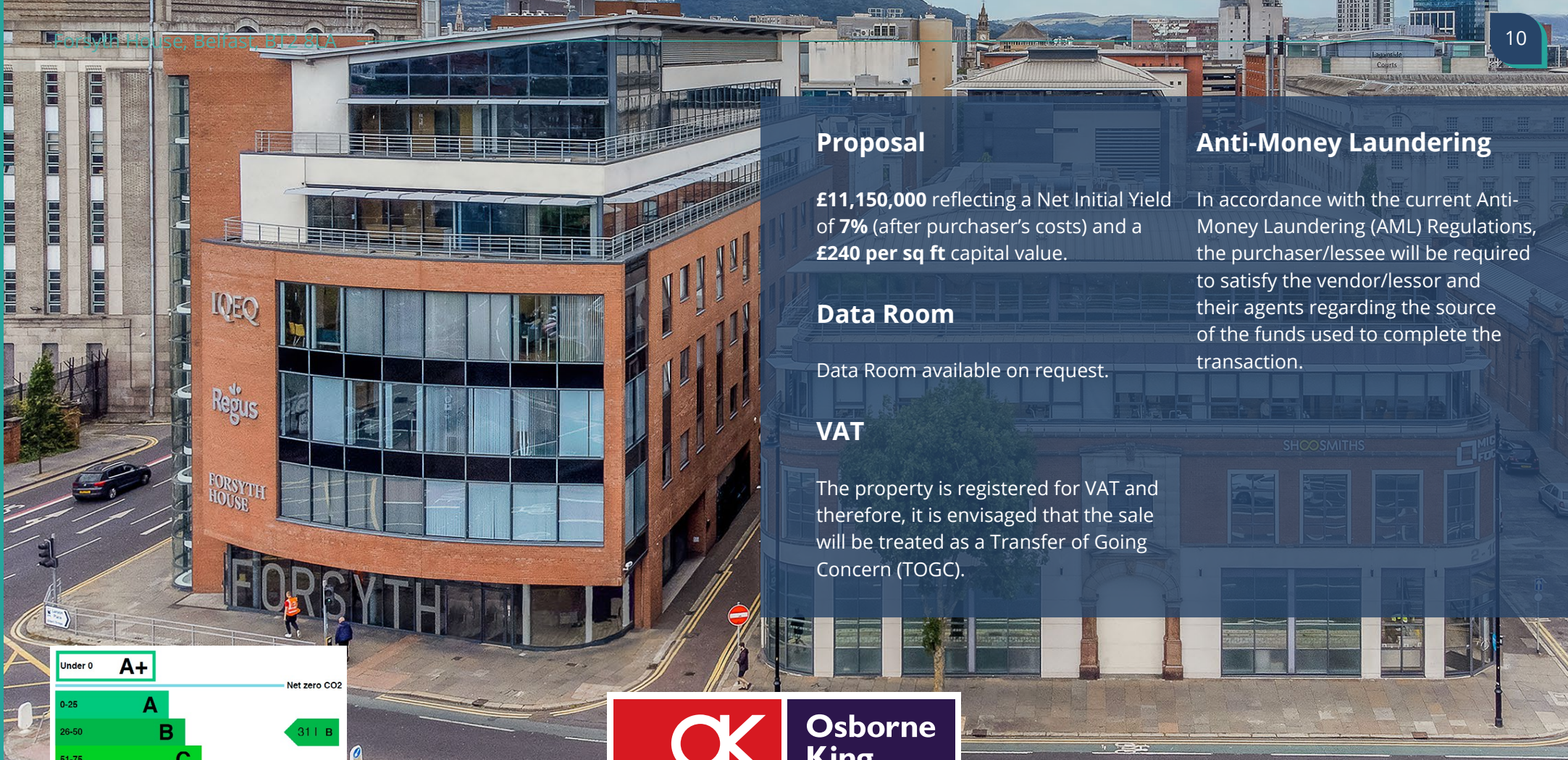
Office activity in Belfast continued to improve throughout 2022 with a total take up of 315,000 sq ft. That trend has continued into 2023 with a significant number of completed lettings and live requirements.

The speed of decision making by occupiers has increased steadily in recent months and new requirements have emerged from both existing occupiers and companies entering the NI market for the first time. With schemes such as The Vantage, The Ewart and City Quays 3 now complete and actively letting space, we expect prime rents will continue to rise.



Recent Occupational Transactions

DATE	PROPERTY	SIZE (SQ FT)	OCCUPIER	RENT (PSF)
Q2 2023	The Soloist	6,851	WSP	£28.50
Q4 2022	City Quays 3	20,000	Aflac	£24.00
Q4 2022	The Ewart	11,500	MCS	£24.00
Q4 2022	The Ewart	23,000	Tughans	£24.00
Q3 2022	The Vantage	6,142	Eirevo	£24.00
Q3 2022	The Soloist	6,681	Bank of London	£28.50
Q1 2022	The Ewart	7,400	Tilney Smith & Williamson	£24.00
Q1 2022	The Ewart	11,250	AXA	£24.00



Proposal

£11,150,000 reflecting a Net Initial Yield of **7%** (after purchaser's costs) and a **£240 per sq ft** capital value.

Anti-Money Laundering

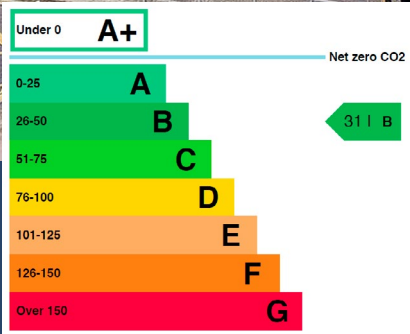
In accordance with the current Anti-Money Laundering (AML) Regulations, the purchaser/lessee will be required to satisfy the vendor/lessor and their agents regarding the source of the funds used to complete the transaction.

Data Room

Data Room available on request.

VAT

The property is registered for VAT and therefore, it is envisaged that the sale will be treated as a Transfer of Going Concern (TOGC).



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