

UNIQUE 160 BEDROOM APARTHOTEL OPPORTUNITY

CLARENCE GALLERY

LINENHALL STREET • BELFAST
NORTHERN IRELAND

CBRE

CBRE NI

PART OF THE AFFILIATE NETWORK

The Opportunity

CBRE have been instructed to offer to the operator / occupier market an aparthotel opportunity in Belfast's historic Linen Quarter. The Linen Quarter is the area to the South of Belfast City Hall and would be regarded as Belfast's main Central Business District with numerous hotels, pubs and restaurants.

The scheme known as Clarence Gallery occupies a prime corner trading location at the intersection of Linenhall Street and Clarence Street which is within close proximity to Belfast City Hall at Donegall Square in the heart of Belfast City Centre. The nine-storey aparthotel will include 160 bedrooms with reception and food and beverage facilities at ground level.



LOCATION

Prominent location within Belfast CBD a short walk from Belfast City Hall, Belfast Grand Central Station and the prime retailing core.

GRAND CENTRAL STATION

The newly opened £340 million rail and bus transport hub is situated 0.5 miles from Clarence Gallery. The new station provides an hourly rail service to Dublin.



OPPORTUNITY

9 storey, 160 bedroom aparthotel proposed.



STRUCTURE

Seeking proposals from operators for a lease or forward purchase/commitment.



ECONOMIC

Strong demand parameters in Belfast Hotel market.

Location

Belfast as the capital of Northern Ireland is the 12th largest city in the United Kingdom and the 2nd largest on the island of Ireland.



The city is located approximately 165 km (103 miles) north of Dublin and 120 km (75 miles) south east of Derry-Londonderry. Belfast has an excellent communication network. The M2 motorway provides access to the north towards Antrim and Derry and the M1 motorway provides access to the south and west of the Province towards Lisburn and Dublin.

The city benefits from four railway stations, and the Belfast to Dublin train route has a journey time of approximately 2 hours 10 minutes. The City is served by two airports (Belfast City and Belfast International), with direct services to all major UK and a large number of European destinations.

The wider Belfast Metropolitan Area has a population extending to approx. 650,000. As the largest commercial

centre in Northern Ireland, Belfast has developed into one of Ireland's premier business cities and has the largest employed population in the region.

Over the past decade Belfast has been extremely successful in attracting Foreign Direct Investment driven primarily by a highly skilled and educated employment base, competitive operating costs and advanced telecoms infrastructure.

Visit Belfast in conjunction with Belfast City Council, Tourism NI, Tourism Ireland and 500 private sector businesses, is responsible for the delivery of integrated and effective city marketing, sales and visitor servicing activity aimed at maximising the city region's leisure and business tourism levels.



Situation

Clarence Gallery is strategically located just over 200 meters south of Belfast City Hall.

The property is in a prime city centre location, benefiting from being in close proximity to all of the city's major shopping and leisure attractions including Victoria Square Shopping Centre, the successful ICC conference Centre (Waterfront Hall), Grand Opera House and SSE Arena. The property is also within walking distance of numerous restaurants and a wide range of bars and cafes.



AIRPORT

Situated 3.4 miles from the George Best Belfast City Airport and 16 miles from Belfast International Airport.



PUBLIC TRANSPORT

Situated 0.5 miles from the newly opened Grand Central Station and the proposed new Weavers Cross development.



CITY CENTRE

Located in the heart of the City Centre in close proximity to the main retail core and central business district.



CAPITAL CITY

Belfast is the largest commercial centre in Northern Ireland, and has developed into one of Ireland's premier business cities.



ECONOMY

Northern Ireland's economy is expected to outperform the UK during 2024 with 1.4% forecast growth.



TECH

Belfast's tech sector is one of the fastest growing in the UK with tech jobs representing 23% of all available opportunities in the city.



TOURISM

Belfast has ranked among the best UK city breaks for 2022, according to the international travel magazine Condé Nast Traveler.



ICT

Northern Ireland is one of the best connected regions in Europe. It has the highest availability of fibre broadband in the UK at 95%.



Schedule of Accommodation

The nine-storey aparthotel will include 160 bedrooms with a flexible configuration on the ground floor for reception area, F&B provision and other ancillary uses.

FLOOR	STANDARD 23-25 SQ M	SUPERIOR 26-41 SQM	ACCESSIBLE ROOM	NO OF BEDROOMS
Ground Floor	Reception & F&B opportunity			
First Floor	13	7	1	21
Second Floor	13	7	1	21
Third Floor	13	7	1	21
Fourth Floor	13	7	1	21
Fifth Floor	13	7	1	21
Sixth Floor	13	7	1	21
Seventh Floor	13	7	1	21
Eighth Floor	4	8	1	13
TOTAL	95	57	8	160

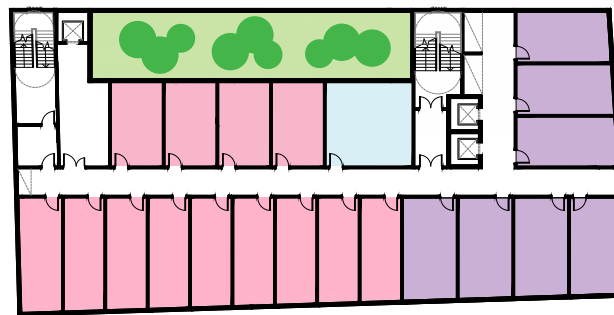
Access to the roof terrace is via the eighth floor. We anticipate that the internal layout of the aparthotel will be relatively flexible to allow for a specific brand standard or concept, although delivery will be subject to planning permission.



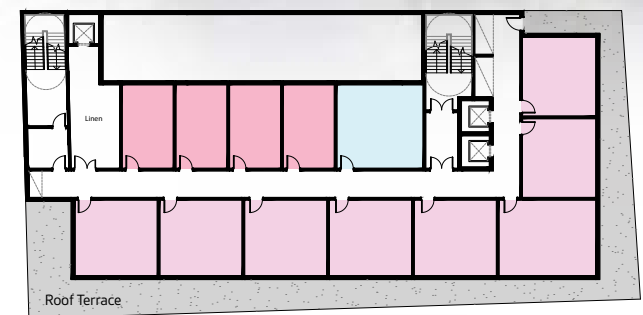
Ground Floor Plan



Levels 1-7 (21 rooms/floor)



Level 8 (13 rooms/floor)



Plans represent indicative internal layouts only. Developer shall be providing shell only pending bespoke layout and specification in line with chosen operator's brand standards.

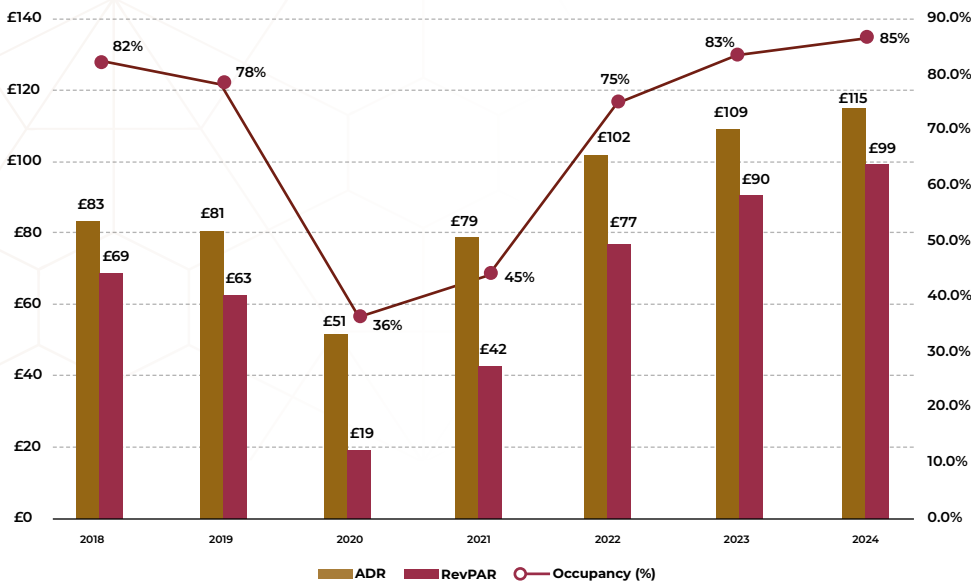
- Standard Rooms
- Superior Rooms
- Accessible Room
- Superior Penthouse Rooms

Competitive Set

Once developed, we believe the Clarence Gallery Aparthotel will compete mainly with upscale and upper-upscale hotels situated in Belfast City Centre. The schemes' strong location will greatly assist in its performance and rank against its competitive set which historically have all traded exceptionally well in the Belfast market.

In light of the strong historical performance of upscale and upper-upscale hotels in similar areas, a clear opportunity exists to introduce a new contemporary offering in this location and target both corporate and leisure business. Belfast has already experienced a strong market recovery as international and domestic visitors return.

The below graph outlines trading performance for a sample of hotels with similar characteristics in terms of location, facilities, target market segments, quality, performance and style of operation to what is anticipated for the Clarence Gallery Aparthotel. Occupancy and ADR for the competitive set remain relatively stable over the years, demonstrating the strong fundamentals and hotel demand in the Belfast market.



Source: STR Global

Competitive Set Includes: Hilton (202 rooms), Holiday Inn (250 rooms), Europa Hotel (272 rooms), Leonardo Hotel (270 rooms) and the Clayton Hotel (170 rooms).

Clarence Gallery Projections

We set out below CBRE's five-year projections for the aparthotel once developed based on our extensive knowledge of the local market, the identified Comp Set and reflecting the expected quality of the subject aparthotel once finished. Inflation rate is assumed at 2% per annum and applied to reflect the future value of money.

CBRE PROJECTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Rooms	160	160	160	160	160
Occupancy	72.0%	80.0%	83.0%	83.0%	83.0%
ADR	105.00	112.20	119.65	122.04	124.48
RevPAR	75.60	89.76	99.31	101.29	103.32
OPERATING REVENUES					
Rooms	4,415	5,242	5,799	5,915	6,034
Food & Beverage	788	900	955	974	994
Other	53	62	68	70	71
TOTAL OPERATIONAL REVENUE	5,256	6,204	6,823	6,959	7,099
DEPARTMENTAL EXPENSES					
Rooms	1,325	1,520	1,609	1,642	1,674
Total F&B Expenses	591	675	716	731	745
Total Other Expenses	26	31	34	35	35
Total Departmental Expenses	1,942	2,226	2,360	2,407	2,455
TOTAL DEPARTMENTAL PROFIT	3,314	3,978	4,463	4,552	4,643
UNDISTRIBUTED OPERATING EXPENSES					
Administrative & General	400	434	468	478	487
Sales & Marketing	150	173	192	196	200
Property Operation & Maintenance	150	163	177	180	184
Utility Cost	225	245	260	265	271
Total Undistributed Expenses	925	1,015	1,098	1,120	1,142
GROSS OPERATING PROFIT	2,389	2,963	3,365	3,433	3,501
GOP %	45.5%	47.8%	49.3%	49.3%	49.3%
Property Taxes	100	102	104	106	108
Insurance	75	82	88	90	92
Total Non-Operating Expenses	175	184	192	196	200
NET OPERATING INCOME	2,214	2,779	3,173	3,236	3,301
NOI %	42.1%	44.8%	46.5%	46.5%	46.5%

Figures above expressed in '000 in Future Values

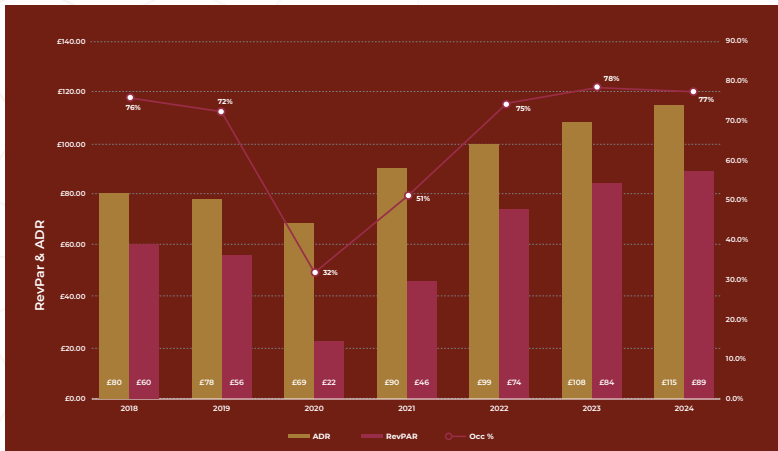
* The above predictions are prepared by CBRE and are for guidance purposes only.

Belfast Hotel Market

Belfast has a total of 51 hotels providing 5,237 bedrooms, which represents around half of the total bedroom stock in Northern Ireland.

The 4-star segment provides for approximately 47%, followed by the budget segment at 28%, 5 star at 10% and 3 star at 9%. The extended stay segment accounts for just 7%.

The Belfast hotel market has been extremely robust over the past 2.5 years, as illustrated in the graph below. For YE 2024, Revenue per Available Room is 5.4% higher than that achieved in 2023 supported by record high Average Daily Rates of £115.04 and occupancy of 77.4% (source: STR).

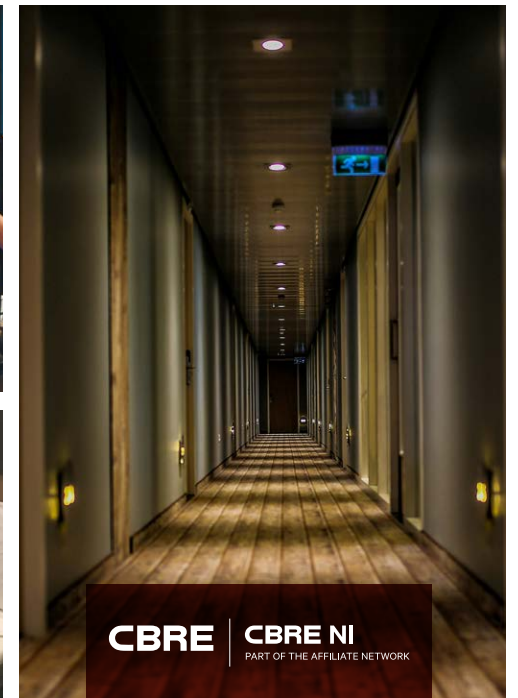
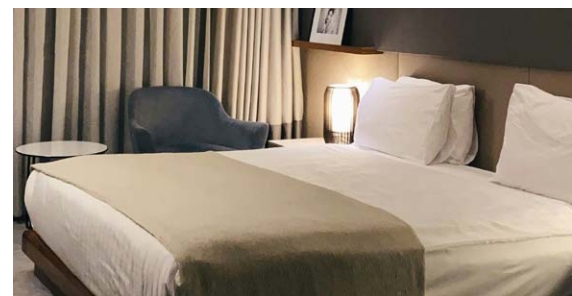


Destination Belfast

From Titanic heritage to Games of Thrones territory, music festivals through to wall art, there's plenty going on for such a compact city.

A colourful and dynamic port city with a troubled past, Belfast is a vibrant cultural hub packed with lively pubs, an eclectic food scene, iconic buildings, boutique shopping and a myriad of immersive experiences. Belfast has also been officially named the world's best conference destination for a third year at the 2023 Conference & Incentive Travel (CGIT) awards in London, securing a record-breaking position that underlines the city's strengths as a major international draw for business delegates and event organisers. According to Visit Belfast in 2022 it was estimated that c. 30,000 delegates attended conferences in Belfast.

ICC Belfast, Northern Ireland's only purpose-built international convention centre, was also a winner in the 'Best Venue – UK' category, the shortlist which featured London's ExCel and ICC Birmingham. A joint study by Ulster University and Dublin City University revealed that more than 1.3m cross-border visits were made to Northern Ireland in 2023, compared with almost 400,000 in 2013, a significant increase of 225%.



Belfast Market

POPULATION OF

345,000

PEOPLE IN THE CITY

30 MINUTE DRIVE CATCHMENT
OF 950,000 PEOPLE



CAPITAL
and **LARGEST CITY**
in Northern Ireland



**Second
largest**

city on the
island of Ireland



City Airport

15 minutes' Drive

International Airport

30 minutes' Drive



5.4 MILLION

OVERSEAS AND DOMESTIC
VISITORS IN 2023



Train or bus from

**Belfast to
Dublin**

in 2 hours
10 minutes



70 minutes direct
flights from

**Belfast
to London**



Hub for
Shipping,
Business, Law
and Financial
Services



Approximately

**50,000
STUDENTS**

in Belfast's
four Universities

Proposal

Proposals are invited as follows;

- To operate the aparthotel under an occupational lease with an identified operator or concept.
- A purchase of the Freehold interest of the aparthotel, with an identified operator or concept on a forward purchase/commit basis.

Process

- Inspections and meetings will be arranged upon request. Call for Proposals will be announced to interested parties in due course.

Viewing

- Site visits strictly by appointment with sole agents.

Tenure

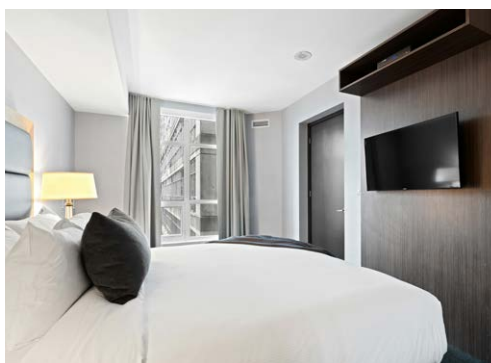
- We are advised the property is held Freehold.

AML

- We are required to obtain evidence of the identity and proof of address of potential purchasers/tenants as part of mandatory anti-money laundering checks.

Planning

- The development of an aparthotel is subject to planning approval.



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