



Corporation Street/ Tomb Street

Queen's Road, Belfast

Quick Facts

Project Promoter:
McAleen & Rushe

Scale:
£92 million with a floor
area of c. 37,000 sq m

Sector:
Hotel/Offices/
Residential

Location:
Belfast city centre

Investment Type:
Equity investor/funder

Programme:
Construction to
commence in 2019

Planning Status:
Full planning permission has been
granted for Phase 1 which is a 250
bed hotel for part of the site.

Website:
www.mcaleen-rushe.co.uk

Overview

This is a substantial mixed-use scheme which caters for several sectors of the market on a phased basis.

The tourism sector in Northern Ireland has significant potential with the region welcoming 4.5 million visitors annually, a figure which is growing due to its 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.

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 in Belfast.

Through its Regeneration and Investment Strategy, Belfast City Council encourages inclusion of residential elements within developments; increasing the population of the city centre is a key policy of the Council. This location would therefore also be suitable for the private rented sector.

Opportunity

This site is located in an already rejuvenated area north of Belfast city centre in the Cathedral Quarter. It comprises an approximately one-acre plot with planning permission already secured for Phase 1, which is a 250 bed hotel. Phase 2 is being master planned for a c. 17,000 sq m office building and a 92-unit residential block. The scheme can be easily phased to mitigate risk and aid cash flow.

The opportunity comprises:

- Grade A office space of c. 17,000 sq m
- Hotel accommodation of c. 11,300 sq m
- 92 apartment homes
- Basement parking of c. 2,800 sq m

McAleen & Rushe is an established construction, development and investment Group with 50 years' experience covering the UK and Irish markets. 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.