

Well Secured Office Investment For Sale



784 Upper Newtownards Road
Dundonald, Belfast, BT16 1UD

CBRE

INVESTMENT SUMMARY

- The property is situated in Greater Belfast on the A20 dual carriageway which connects Belfast City Centre (6.5 miles) and Newtownards (4 miles).
- Comprises a self-contained office building totaling c.13,454 sq ft with 29 car parking spaces.
- The lease is for a term of 25 years from 2nd April 2007 expiring 1st April 2032.
- Vodafone's commitment to the location is demonstrated by the removal of the 2022 break clause.
- The property is entirely let to Vodafone Ltd at a current rent of £199,397 per annum.
- Vodafone Ltd provides an Experian rating of 97/100 which reflects a 'very low risk'.
- The building is a strategic fixed line communications site to Vodafone who have invested heavily into telecommunications infrastructure and hardware on site.
- The property benefits from 5 yearly RPI indexed linked reviews with a collar at 0% and a cap at 6%. On the current RPI indices the rent in April 2022 has the potential to increase to c. £222,000 per annum, exclusive.
- The site extends to 0.65 acres (0.263 hectares).
- Held long leasehold with in excess of 963 years unexpired. A total ground rent of £124.50 per annum is payable.
- We are instructed to seek offers in excess of **£2,875,000** (Two Million Eight Hundred and Seventy-Five Thousand Pounds) for our client's long leasehold interest excluding VAT. A purchase at this level would reflect an attractive net initial yield of **6.50%** and a potential reversionary yield in April 2022 to 7.23%, assuming purchasers costs of 6.43%.



Boundary for indicative purposes only



PROPERTY LOCATION



Belfast is 15th
largest city in UK



Train to Dublin
1 hour 50min



Easy access to
Belfast airports

- Belfast is the capital of Northern Ireland and the second largest city on the island of Ireland.
- The city has a population of 739,000 within its primary catchment area.
- Belfast is approximately 103 miles north of Dublin and 75 miles south east of Derry/Londonderry.
- Belfast has excellent communication links with the rest of the province via the M1 & M2 motorways.

The city benefits from four railway stations and the Belfast to Dublin train route has a journey time of approximately 1 hour 50 minutes. The two airports, Belfast City and Belfast International, provide access to all major UK, and a large number of international destinations, including America and mainland Europe.

Over 60% of Belfast's total population is of working age. Belfast is a young city, with 18.6% of the population under 16 years old (2011 census).

The property is located in Dundonald a suburb of Greater Belfast. 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. 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.

- The property is situated on the Upper Newtownards Road dual carriageway in Dundonald which is 6 miles from Belfast City Centre and 4 miles from Newtownards.
- The building benefits from excellent access to the Greater Belfast area, North Down and the motorway network via the A20 dual carriageway, as well as the ports of Belfast and Larne and Belfast International and George Best Belfast City Airports.
- The immediate area is an established commercial and industrial location with the Dundonald Industrial Estate and Dundonald Enterprise Parks being situated on Carrowreagh Road to the rear of the property.

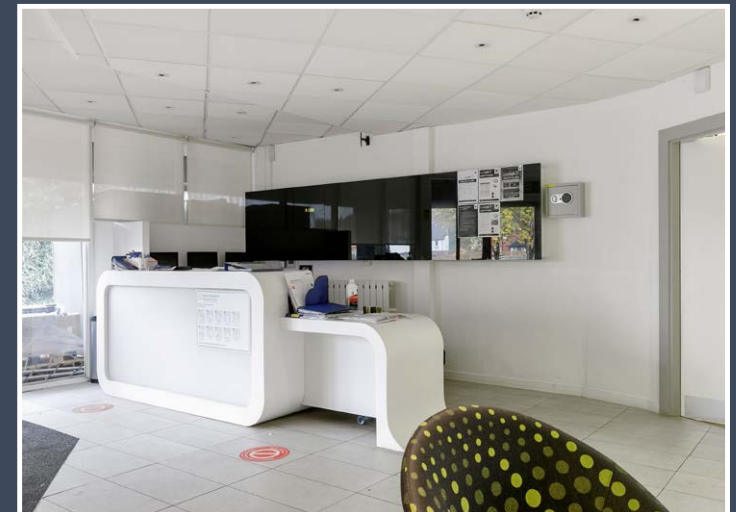
PROPERTY DESCRIPTION

The property comprises a detached two-storey office building set on a broadly rectangular site together with a generator building to the rear.

The building was originally constructed in the late 1980's with a concrete frame, block infill walls faced with brick with double glazed windows under a pitched tiled roof. The building has been refurbished internally to a high standard.

The majority of the ground floor has been fitted out at a significant cost for high tech use as accommodation for multiple servers and communication equipment. The first floor accommodation provides a mixture of open plan and cellular offices with canteen and break out areas.

The property benefits from 29 secure car parking spaces accessed via a barrier system located to the front and rear of the site. This provides an excellent car parking ratio of 1:464 sq ft.





ACCOMMODATION

Use	Sq F t	Sq M
Ground Floor	6,910	642
First Floor	6,544	608
Total	13,454	1,250

All areas being approximate.

LOCAL AUTHORITY PLANNING/RATING

The property was developed under planning consent Y/1980/037301 granted on the 23rd October 1981 for the erection of offices, stores and car park.

The 2020/2021 poundage rate for the Lisburn & Castlreagh District Council Area is £0.505611. The building has an NAV of £116,500 under LPS Property Reference 98651.

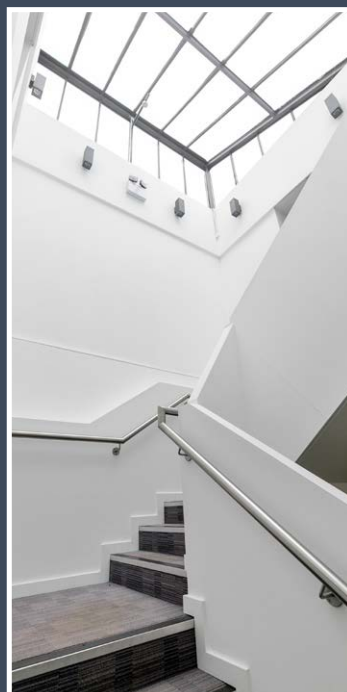
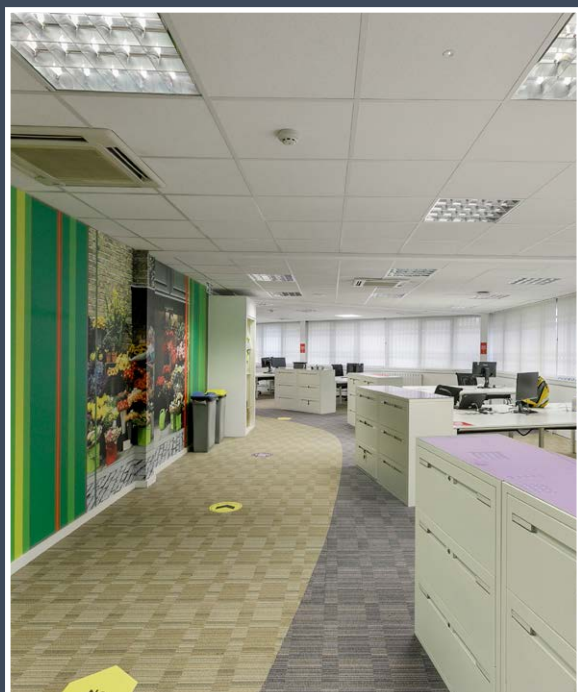
The Site

The site extends to 0.65 acres (0.263 hectares). The site is generally rectangular in shape and gently slopes from the north to the south.

Area: 0.65æ

NOT TO SCALE

This plan is published for convenience of identification only and although believed to be correct, its accuracy is not guaranteed and does not form any part of a contract.



PROPERTY TENANCY

The property is let in its entirety to Vodafone Ltd for a term of 25 years commencing 2nd April 2007 and expiring 1st April 2032 at a passing rent of £199,397 pa reflecting £14.82 per sq ft overall.

The lease provides 11.53 years to expiry.

The property benefits from 5 yearly RPI indexed reviews (collar at 0% and cap at 6%) with the next review being in April 2022. On the current RPI indices (September 2020) the review in 2022 has the potential to increase to c. £222,000 per annum exclusive.

The lease is subject to a schedule of condition which can be made available upon request.

COVENANT STRENGTH

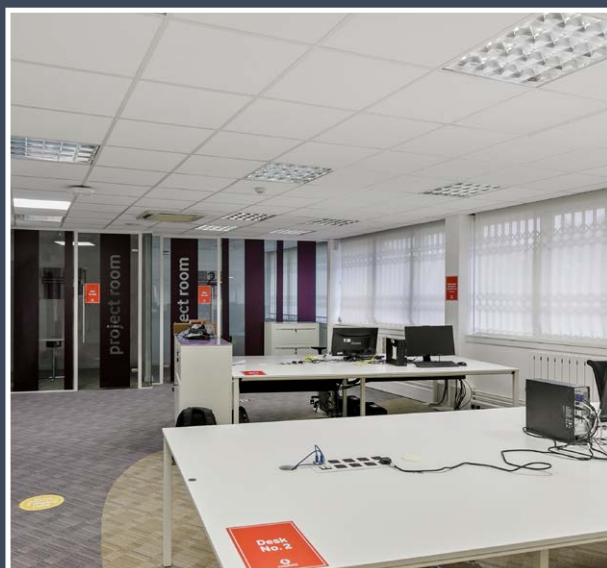
Vodafone Group plc as a mobile operator globally is ranked fifth by revenue and second in the number of connections. Vodafone owns and operates networks in 26 countries and has partner networks in over 50 additional countries. Vodafone had a market capitalisation of approximately 29.84 billion as of October 2020.

Vodafone Ltd has an Experian Credit Rating of 97/100 representing a 'Very Low Risk.' Their accounts over the last three years may be summarised as follows:

Vodafone Limited (No. 01471587)	Year Ending 31.03.2019	Year Ending 31.03.2018	Year Ending 31.03.2017
Net Worth	£3,054,300,000	£3,401,600,000	£3,128,100,000
Turnover	£5,512,900,000	£6,253,600,000	£5,843,900,000
Pre-tax Profit	(£679,500,000)	(£339,900,000)	(£668,500,000)
Shareholder's Funds	£5,848,400,000	£6,246,000,000	£6,357,500,000

Source: Experian

The ultimate parent company is Vodafone Group PLC. For the year ending 2020 the Group's revenue grew by 3.0% to €45.0 billion, adjusted EBITDA grew by 2.6% to €14.9 billion.



FURTHER INFORMATION

TITLE

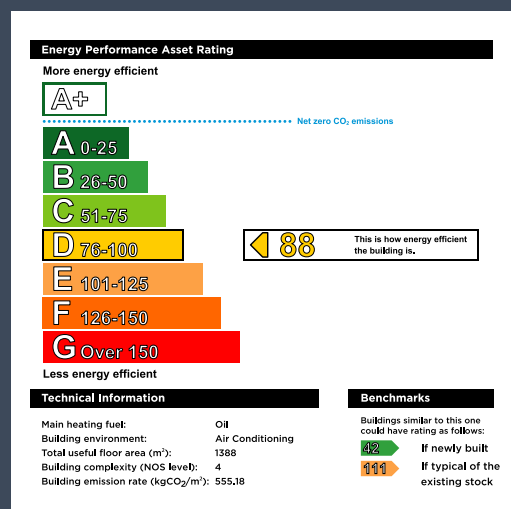
The property is held long leasehold with in excess of 963 years unexpired. A total ground rent of £124.50 per annum is payable. Further details are available on request.

VAT

The property has been elected for VAT. It is envisaged the transaction will be treated as a TOGC.

EPC

The building has been rated D88 under EPC regulations.



PROPOSAL

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