

FOR SALE

TWO PRIME COMMERCIAL FREEHOLD GROUND LEASE INVESTMENTS



Balmoral Plaza Retail Park

Boucher Road

Belfast

BT12 6HR

hendersonherd
COMMERCIAL PROPERTY INVESTMENT



INVESTMENT SUMMARY

- **Asset:** Two adjoining ground lease investments
- **Aggregate rent:** £372,300 per annum, equating to approximately 20.7% of sublease income
- **Lease Expiry:** 31st July 2253 – over 230 years unexpired
- **Rent review:** 1st August 2023 and 5-yearly, upwards only
- **Rent review basis:** Market Value
- **Collateral:** Prime, modern retail warehouse park extending to 180,491 sq ft (16,767 sq m) and generating gross rental income in excess of £1.80m per annum
- **Aggregate Site Area:** 7.64 acres (3.09 ha)

PROPOSAL

We are instructed to seek **offers in excess of £8,200,000**, exclusive of VAT, for the benefit of our client's freehold interest. A purchase at this level would reflect a **net initial yield of 4.26%**, assuming purchaser's costs of 6.67%.



THE ASSET

Two prime, freehold ground lease investments with excellent collateral, secured against the investment value of Balmoral Plaza Retail Park.

Balmoral Plaza Retail Park is a modern retail park in south Belfast, developed in the early 2000's. It extends to approximately 180,491 sq ft (16,767 sq m) and comprises seven retail warehouse units, two fast-food outlets and extensive car parking.

Balmoral Plaza Retail Park is well let. Tenants are M&S Simply Food, Lakeland, Chain Reaction, Pets at Home, Home Bargains, Harvey Norman, Costa Coffee and Tim Horton's. Unit 7 is currently under offer to a major national retailer.

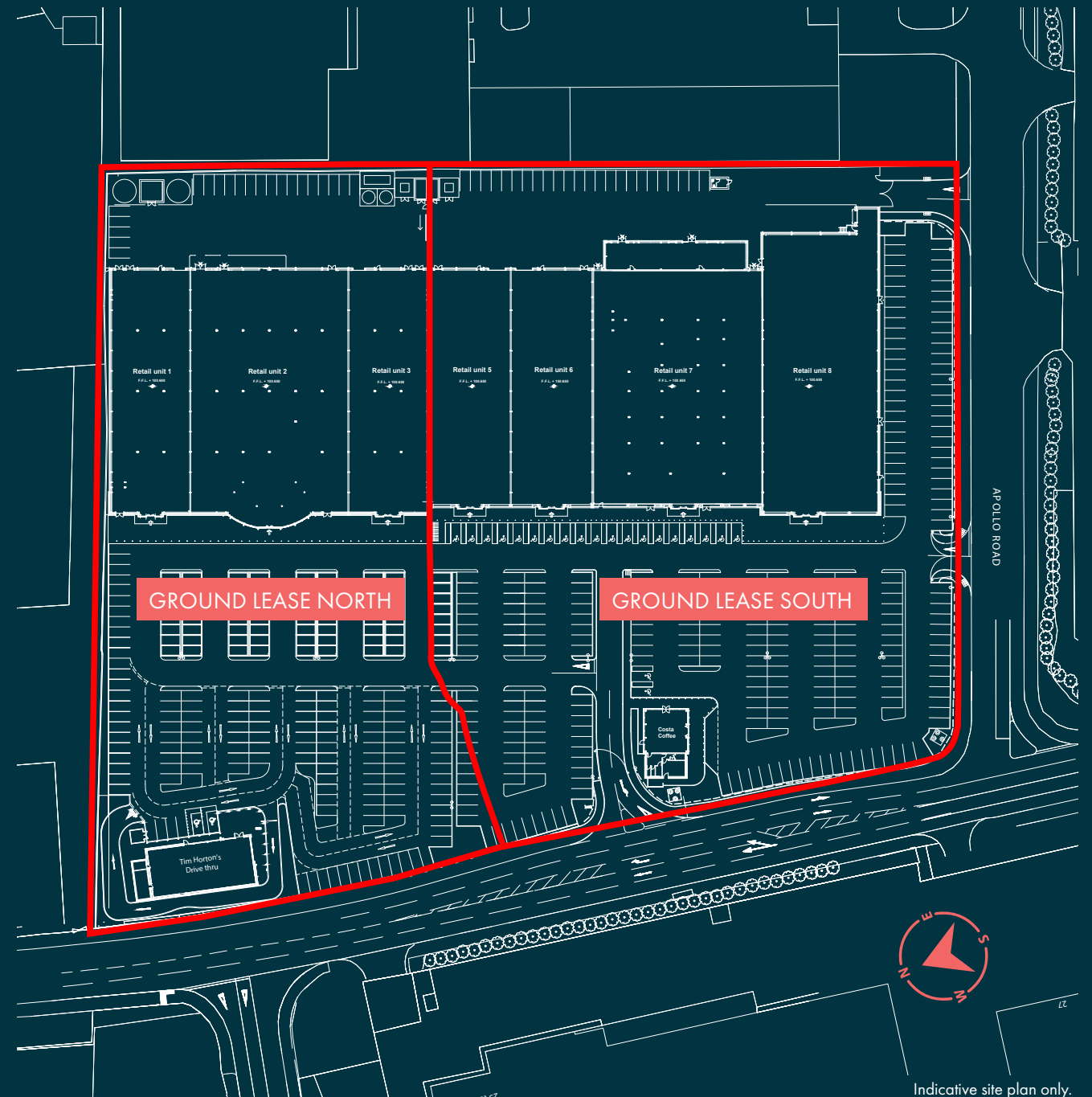
GROUND LEASES

The interests to be sold are two adjoining freehold titles which together comprise Balmoral Plaza Retail Park.

Each title is subject to a ground lease expiring on 31st July 2253, without break. The individual ground leases are summarised as follows:

DESCRIPTION	GROUND LEASE NORTH	GROUND LEASE SOUTH
	(Units 1-4 and Tim Horton)	(Units 5-8 and Costa Coffee)
Folio	AN105255L	AN186429L
Lease Start	1st August 2003	1st February 2005
Tenant	Corbo Limited	Corbo Limited
Term	250 years	248 years, 5 months, 30 days
Lease Expiry	31st July 2253	31st July 2253
Unexpired Term	230 years	230 years
Area	3.39 acres (1.37 ha)	4.25 acres (1.72 ha)
Rent passing	£153,000 pa	£219,300 pa
Rent Analysis	£45,130 per acre	£51,600 per acre
Rent Review	1st August 2023	1st August 2023

Note: The rent reviews as at 1st August 2018 remain outstanding.



Indicative site plan only.

COLLATERAL

The value of the ground leases is secured against the value of Balmoral Plaza Retail Park, which was developed by Corbo Limited, the long leaseholder.

Balmoral Plaza Retail Park currently extends to approximately 180,491 sq ft (16,767.5 sq m), as follows:

GROUND LEASE NORTH					
Unit	Occupier	Description	Area sq ft	Area sq m	Rateable Value
Unit 1	Chain Reaction	Ground	10,388	965.1	£135,000
Units 2/3	Harvey Norman	Ground	22,605	2,100.0	
		First	43,423	4,034.0	
		Second	958	89.0	
		Total	66,986	6,223.0	£444,500
Unit 4	Lakeland	Ground	10,623	986.9	£138,000
Unit 10	Tim Horton's	Ground	2,800	260.0	(Note 1)
Total			90,797	8,435.0	£717,500
Ground Rent pa					£153,000
Ground Rent pa: Rateable Value pa					21.3%
Ground Rent pa per sq ft (GIA)					£1.69
GROUND LEASE SOUTH					
Unit	Occupier	Description	Area sq ft	Area sq m	Rateable Value
Unit 5	Pets at Home Ltd	Ground	10,896	1,012.3	£141,500
Unit 6	Home Bargains	Ground	10,977	1,019.8	
		First	439	40.8	
		Total	11,416	1,060.6	£144,000
Unit 7	Under Offer (Note 2)	Ground	24,971	2,319.8	
		First	22,481	2,088.5	
		Total	47,452	4,408.3	£440,000
Unit 8	M&S Simply Food	Ground	18,353	1,705.0	£238,500
Unit 9	Costa	Ground	1,577	146.5	£29,200
Total			89,694	8,332.6	£993,200
Ground Rent pa					£219,300
Ground Rent pa: Rateable Value pa					22.1%
Ground Rent pa per sq ft (GIA)					£2.44
COMBINED					
Summary			Area sq ft	Area sq m	Rateable Value
TOTAL			180,491	16,767.5	£1,710,700
Ground Rent pa					£372,300
Ground Rent pa: Rateable Value pa					21.8%
Ground Rent pa per sq ft (GIA)					£2.06

Note 1: New unit – rating assessment yet to be published. **Note 2:** Under offer to a national retailer. Previously occupied by Health and Fitness operator. **Note 3:** Floor areas are listed as per the Rating Assessments and are provided for guidance only. **Note 4:** The Rateable Value was assessed as at 1st April 2018. **Note 5:** The Rateable Values are provided as a guide to the Rental Value. Rents payable under the occupational sub-tenancies total approximately £1.80m pa. A tenancy schedule can be provided to interested parties upon signature of a Non-Disclosure Agreement.

DISCLOSURE

The ground leases permit disclosure of the occupational subleases by the long leaseholder. New occupational subleases are subject to the freeholder's consent. Gross rents payable under the occupational subleases currently total approximately £1.80m per annum with a weighted average unexpired lease term of approximately 6 ½ years.

The current aggregate ground rents of £372,300 per annum represents 20.6% of current sublease income.

RENT REVIEW

Both ground leases are subject to rent review on a five yearly, upwards only basis. Rent reviews are calculated on the basis of Open Market Value, namely:

"the yearly rent for which the Site might reasonably expect to be let...on the open market and with vacant possession."

In practice, much of the surrounding area is held in a long leasehold basis from freeholds owned by the local authority, Belfast City Council. Rental evidence is drawn from the tone of these transactions.

The next review is due on 1st August 2023.

FORFEITURE

The ultimate security to a ground lease investment is the ability of the freeholder to take possession of the long leasehold interest. Such rights are reserved to the freeholder under both leases, including a provision for re-entry for the non-payment of rent, if:

"any rent reserved remaining unpaid for 21 days after becoming due and payable and in the case of the rent first reserved this means whether formally demanded or not".

COVENANT

Corbo Limited (NI029922) is a property development and investment company based in Antrim, Northern Ireland (www.corboproperties.com). The company was established in 1995 and has an extensive track record of property development and investment within Northern Ireland and the UK.

Corbo Limited is a wholly owned subsidiary of Corbo Holdings Limited (NI681866) which was incorporated in 2021 and is 100% owned by Samuel Morrison.

Creditsafe assess the covenant of Corbo Limited as Low Risk.



LOCATION

Balmoral Plaza is located in Belfast which is the capital city, administrative, retail and cultural centre of Northern Ireland. Belfast dominates the Northern Irish Economy: the city has a population of approximately 400,000 with a catchment of approximately 800,000.

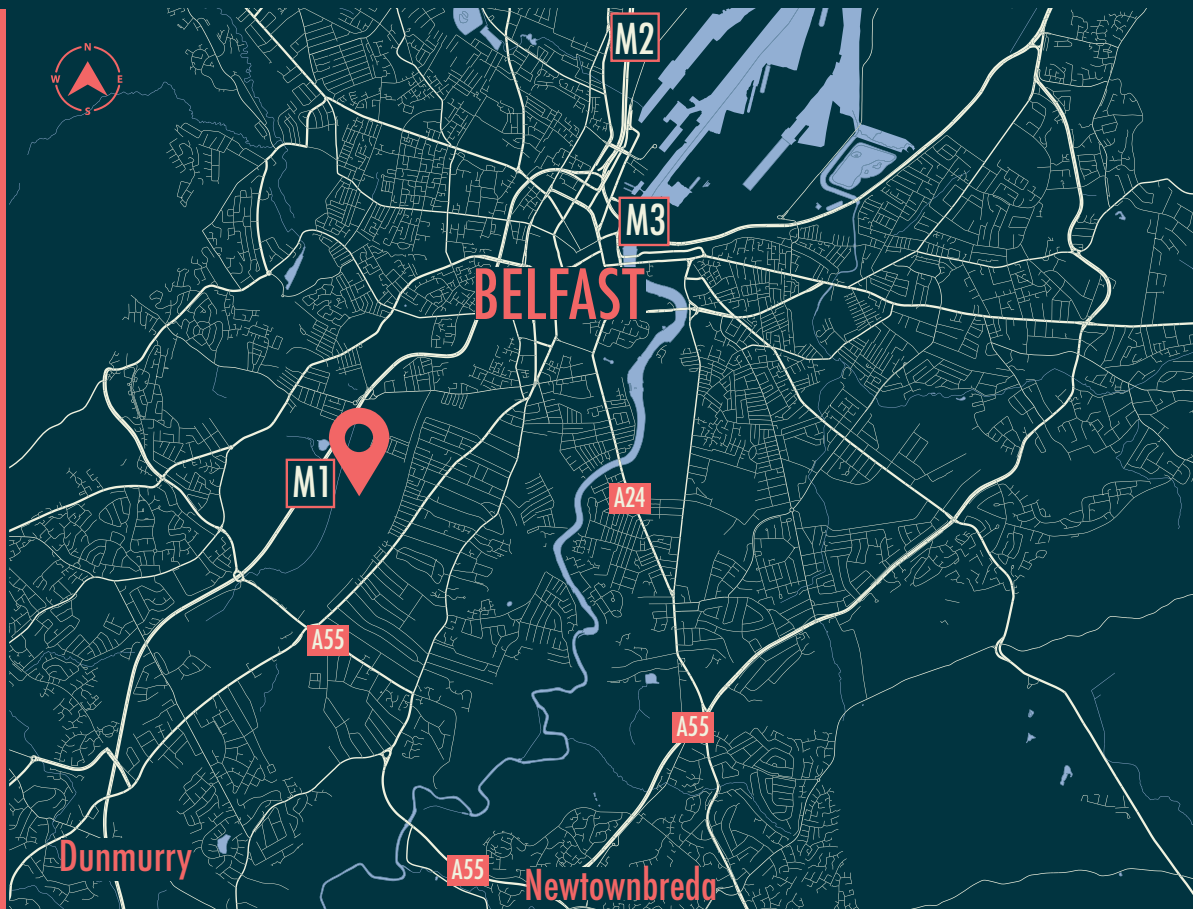
Boucher Road is the dominant out of town retail and commercial location in South Belfast. It is situated approximately one mile south-west of Belfast City Centre, immediately south of the M1 motorway. The prime suburban districts centred along Lisburn Road and Malone Road are situated approximately one mile to the east.

The Boucher area is home to a number of significant retail warehouse schemes, including

Balmoral Plaza 180,491 sq ft (16,767 sq m), Shane Retail Park (170,000 sq ft) and Boucher Crescent Retail Park (172,000 sq ft). In addition, there are a number of smaller retail developments and fast-food outlets, together with Belfast's largest concentration of motor dealerships. Other commercial occupiers include a broad range of trade counter, home furnishing, distribution and manufacturing businesses.

Balmoral Plaza is a modern retail park located on the east side of Boucher Road, approximately one mile south-west of Belfast City Centre. It is situated adjacent to the recently redeveloped Olympia Leisure Centre and National Football Stadium at Windsor Park.

As part of this redevelopment, Lidl have acquired a site adjacent to Balmoral Plaza and have submitted a planning application for a new foodstore and fast-food outlet.



THE PROPERTY

Balmoral Plaza is a modern retail park, comprising a single terrace of seven retail units together with two fast food units and extensive surface car parking.

The development is successful and is well let. It has enjoyed high levels of occupancy since its development in 2005/6.

Current occupiers are M&S Simply Food, Costa, Lakeland, Pets at Home, Harvey Norman, Home Bargains and Chain Reaction. A new fast-food outlet was developed for occupation by Tim Horton's in 2020/21. Unit 7 is currently under offer to a major national retailer.

Balmoral Plaza extends to a total floor area of approximately 180,491 sq ft (16,767 sq m), including ground floor retail, mezzanine and other areas.

VAT

The property has been elected for VAT and it is anticipated that the sale will be treated as a Transfer of a Going Concern.

TITLE

The site extends to a total of 7.64 acres (3.09 ha). The title is recorded under four separate folios:

- AN898675
- AN175733
- AN117597
- AN202696

ANTI-MONEY LAUNDERING REGULATIONS

Under both HMRC and RICS Guidance, as property agents we are obliged to undertake AML diligence for both the purchasers and vendors (our client) involved in a transaction. As such, personal and or detailed financial and corporate information might be required before any terms are agreed or any transaction can conclude.

CONTACT

Further information can be obtained from the sole selling agents:

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COMMERCIAL PROPERTY INVESTMENT

The agents for themselves and for the vendors of this property whose agents they are give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchasers or tenants should not rely on them as statements or representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of agents has any authority to make or give any representation or warranty whatever in relation to this property. **November 2022.** Produced by Designworks.

