



# Belfast Report

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## Executive Summary

Belfast is a cosmopolitan capital city with a successful tourist industry and thriving business district that has seen worldwide attention. Recent feats that have garnered attention include the production of Game of Thrones and the Titanic Belfast. Due to the exposure, many businesses have invested in the city after realising the low cost of office space and opportunity's for innovation.

## Belfast Profile

Belfast is the capital of Northern Ireland and played a vital role in the early 19<sup>th</sup> century as a major port which then was joined by shipbuilding. As of 2017, Belfast had a city population of over 340k and a wider regional population of over 1m. The city has a young population, with 43% of the population under the age of 30. A city attracts a young population as a result of high quality, affordable housing, a good quality of life and availability of jobs. Belfast has all of these assets, and the significant investment in the city will ensure that the population and economy will grow. In 2018, there were 23 new company investments which created over 1k new jobs and 80% of new investors reinvested in the region.



## Economic Overview

Belfast is a key driver in Northern Ireland's economy and the second fastest knowledge economy region in the UK, demonstrating the city's importance as a business destination. There are over 10k registered businesses, providing over 224k jobs to the population of Belfast with 92% of those jobs being in the services sector.

Of these businesses, 900 are international companies which is a result of Belfast being a cost-effective global city for office space. Belfast has the third fastest growing office market in the world, with rent being a third of London prices, and operating costs are 12% lower than other UK regions. Additionally, companies greatly benefit from the two Universities, who in total have over 84k students, excellent research facilities and innovative campuses. Outside of the Universities, apprenticeship providers benefit from a talented pool of school leavers with 17 of Belfast's schools in the top 100 UK schools.

Companies that reside in Belfast include:

Caterpillar	IBM	Deloitte
BT	Fujitsu	Intel
JAM Media	Allen & Ovary	Mercer
Citi	Philips Healthcare	Dalata
Hilton		

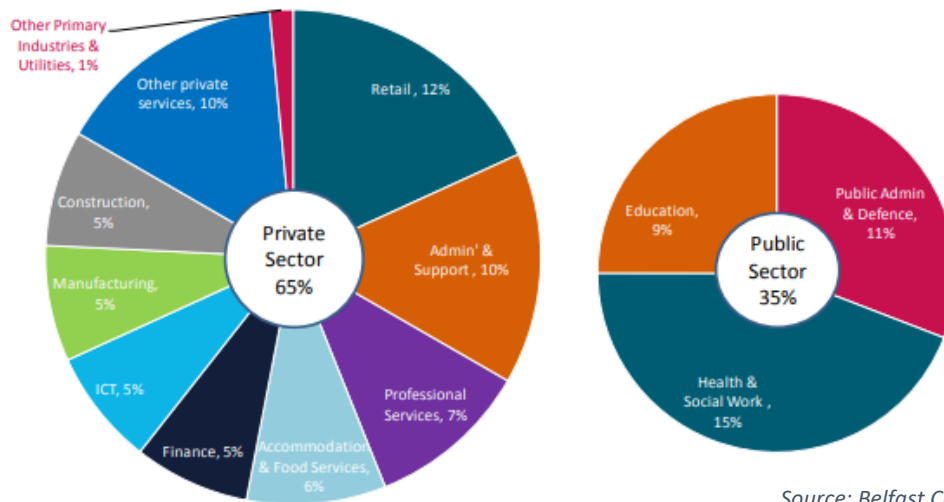
Belfast is a world leader in cybersecurity and fintech (financial technology) and is the number 1 US cyber tech investment region and employs over 1.2k people in this sector. As a result of the volume of investment, Belfast is set to be the leading cyber economy by 2026. Within the UK Belfast is the largest cyber research centre and consequently has become a destination for new software developments in Europe.

The advanced engineering industry is a crucial part of Belfast's economy and has been for over 70 years. Northern Ireland is Europe's 8<sup>th</sup> largest aerospace region and Bombardier Aerospace has worked in Belfast for over 70 years, Harland and Wolff has been in Belfast for over 150 years. Engineering and sciences are key focuses of Belfast's universities, so research facilities are world-class and are used freely by businesses in the city. This support and the advanced engineering sector have contributed over £1bn to Belfast's economy.

Belfast has a thriving financial and professional services sector with over 30k employees, becoming a global fintech investment destination. As a top financial centre in the UK, there are a range of businesses and specialities such as asset management and fund administration. Another fast-growing sector is within the creative and media industry, with over 1.6k companies and 20k employees. Belfast has a number of studios and stages specialising in gaming and animation, ensuring that the city is a location for producing exciting digital projects. Additionally, Belfast has a reputation as a film and television production hub, with shows such as Game of Thrones and The Fall filmed there and in the surrounding area.

Tourism is an important industry to Belfast's economy as a result of attractions such as the Titanic Quarter, the Giant's Causeway and Game of Thrones. As well, the city is a popular cruise ship port and in 2018 welcomed 118 cruise ships with over 130k onboard passengers. In 2018,

Lonely Planet voted it the world's number one destination and consequently the demand for hotel investment has soared.



Source: Belfast City Council



## Developments

Belfast has surpassed London Manchester and Cardiff in its investment returns, at 12.4% this shows that the city is an attractive investment location for commercial and residential projects.

City Quays is a £275m waterfront regeneration set across 20 acres in the heart of the former docklands on the edge of the city centre. So far two Grade A office developments have been completed and are occupied by ITV and NBC. A third office development is due to be completed. A new four-star Marriott hotel opened in the Spring last year, and a Michelin-starred Chef's restaurant opened earlier in 2019. The plan was submitted in 2017 and is due to be completed in 2021, providing more Grade A office space to meet the demand in Northern Ireland.



Source: Invest In Belfast

The Titanic Quarter is set to be the largest waterfront regeneration in the world, covering 185 acres, seeing a £425m investment and allowing for further investment opportunities. The development will deliver a mix of residential, commercial, tourism, education and retail projects centred around Titanic Belfast and Titanic Studios. There will be the development of a Media Campus and extending the Financial Services Centre, creating a new area for business in Belfast. 18k people live in the Titanic Quarter, and annually sees over 1m tourists visiting one of the world's best visitor attractions.



Source: Invest In Belfast

The Sixth is a mixed-use scheme including 30k sqm of commercial space including space for a café, restaurant, retail and workspace. Once completed the property will be worth £75m and sit adjacent to the new Ulster University campus in the heart of Belfast's creative district.

Tribeca Belfast is the largest regeneration project in Belfast and will establish a new urban hub that combines the city's history with a new modern design. Across 12 acres of the city centre, there will be 140k sqm of residential, office, retail, hospitality and cultural space. The end project will create 6k new jobs and will be worth £500m as a new urban hub in Belfast.



Source: Invest In Belfast

The Waterside is a 16-acre site that will provide a new place to live, play, work and stay in Belfast. There is no specific information on what will be developed there, however £450m will be invested to create this pivotal site and the end value will be £2.5bn. Another development

that has been announced is Giants Park. Giants Park is the largest development brought to the market at 341 acres which will feature a leisure based commercial opportunity, aside from this no further plans have been mentioned.

## Transport

Belfast benefits from an extensive road network including the M2 and M22 motorway routes. In a survey, it was found that 77% of people made all their journeys by car which emphasises the importance of a well-connected city such as Belfast. The M2 runs from Belfast to Antrim and to Ballymena, it is also the main route to Belfast International Airport. The M22 starts shortly after the M2 and is a link to Londonderry and Belfast International Airport.

Belfast has two airports, Belfast International Airport and the George Best Belfast City Airport which both offer domestic, European and seasonal international flights. Within a 30-minute drive of Belfast, passengers can travel to over 180 destinations in 40 countries. In 2018 the two airports welcomed 8.7m passengers, an increase on 2017. Belfast International Airport is Northern Ireland's busiest airport with the top 10 busiest routes being to the UK.

There are four rail stations in the centre of Belfast, the busiest being Great Victoria Street and Lanyon Place. Great Victoria Street is owned and operated by Northern Ireland Railways, and across its four platforms runs services to Bangor, Derry and further. Lanyon Place is also owned and operated by Northern Ireland Railways, and in 2017 2.6m people used the station. The rail station is the northern terminus for the Enterprise service, which is a cross-border route to Dublin. Belfast Suburban Rail is a commuter network that serves the Greater Belfast region and commuter towns, providing commuters with easier accessibility to the city.

Weavers Cross is a transport focused project that will create a new high capacity transport hub in Belfast, with a new rail and bus station due to open late 2023. It will provide direct rail and bus links to Dublin, catering for 14m passengers. For the railway station development there will be four new platforms added onto the new regenerated station, as for buses there will be 26 stands linking Belfast to main airports.



## Leisure Overview

Belfast is Northern Ireland's premier leisure and shopping destination, with many markets and shopping centres across the city. Victoria Square and CastleCourt are two of the largest shopping centres with over 220 stores featuring luxury and high street brands alongside restaurants and cinemas. Sawers is amongst many stores that have made their mark on Belfast, and this store is now an iconic part of the city. Sawers is Northern Ireland's oldest deli and stocked foods for the R.M.S. Titanic. St George's Market is another one of Belfast's historic attractions and is found in a charming Victorian building, selling fresh produce ranging from cakes to farm fresh vegetables. These older establishments are a draw for tourists who want to explore the heritage of Belfast.

Belfast has a varied restaurant scene from cultures across the world and nine Michelin rated eateries. The dining scene in Belfast has long been established as world class, with both high-end experiences and independent coffee shops amongst other offerings. Pubs are the most popular, with many found tucked down cobbled streets or in the historic Half Bap area of Belfast. Visit Belfast offers a Pub Trail map, promoting Irish breweries across the city.

The Odyssey Complex is a sports and entertainment complex in the Titanic Quarter and was renovated in 2015. The renovation included a multipurpose arena, science centre and shopping centre which includes a movie theatre, bowling alley and a selection of restaurants. The SSE Arena in the complex is the largest in Northern Ireland and hosts concerts and sporting events for a capacity of 10k.

The Grand Opera House and Ulster Hall are two theatres in the city centre that host concerts, drama, opera, sports and entertainment. As two of the most well-known auditoriums in Belfast, there have been many West End productions and notable performers grace the stage. The Belfast Waterfront is another theatre, in association with Ulster Hall and has the same programme.

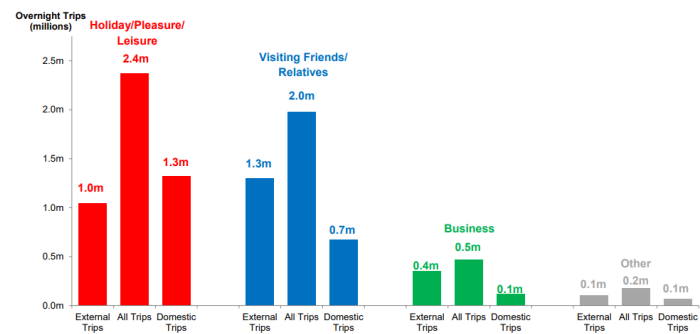
Belfast is home to many sports teams including the national football team whose home games play to a capacity of 18k people. The city is home to over 20 Gaelic football clubs, and the county team stadium has a capacity of over 32k.

## Tourism

Belfast is one of the most visited cities in the UK, and in 2018 was named the best place to visit by the Lonely Planet. In 2018, close to 5m visitors came to the region with 2.8m being external visitors reiterating that Belfast is a tourist destination. Tourism Northern Ireland found that tourism contributed £2.5m to the economy every day, a key driver to the economic growth of the region. External visitors made up £669m of the tourism economy, an 11% increase.

Accommodation is vital for visitors wanting to make the most of their time in Belfast. Hotel occupancy was 70% with a total of 2.2m nights sold. 44% of these overnight trips were made by local residents, with 0.8m being from outside the UK. Despite this small number, external visitors made up 2/3 of the total spending on overnight trips. Those staying in accommodation chose guest houses, hotels and B&Bs. Over 3k chose self-catering accommodation, showing that many people were staying for a longer period of time and preferred to cook for themselves, something serviced apartments provide.

Figure 7: Reason for Overnight Trip, 2018

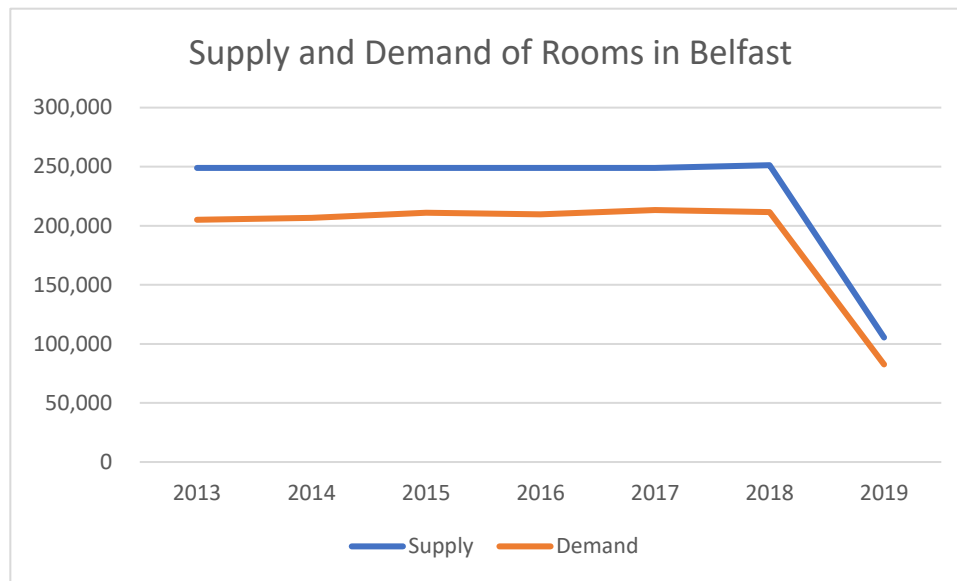


Source: Northern Ireland Statistics and Research Agency

Belfast and the surrounding region feature some fantastic tourist attractions such as the Titanic Belfast and Giant's Causeway. The top three attractions were the Giant's Causeway, Titanic Belfast and the Ulster Museum. The Giant's Causeway is a natural formation less than a 90min drive from Belfast and is a World Heritage site. Titanic Belfast is Northern Ireland's most popular tourist attraction and in 2017/18 attracted over 840k visitors. The Ulster Museum contains a wide collections of exhibitions ranging from Irish history, to Egyptian mummies to album covers. In a recent survey it was found that 40% of visits to main attractions in Northern Ireland were made by external visitors.

Belfast is also a business conference destination and in 2018 over 60 conferences were held there. Over 30k delegates attended and this in turn contributed £45m to the local economy.

## Supply of Rooms



Source: STR. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

The graph above shows the trend in supply and demand of rooms in Belfast between 2013 to 2019. The sudden decrease in 2019 is due to the fact that its year to date.

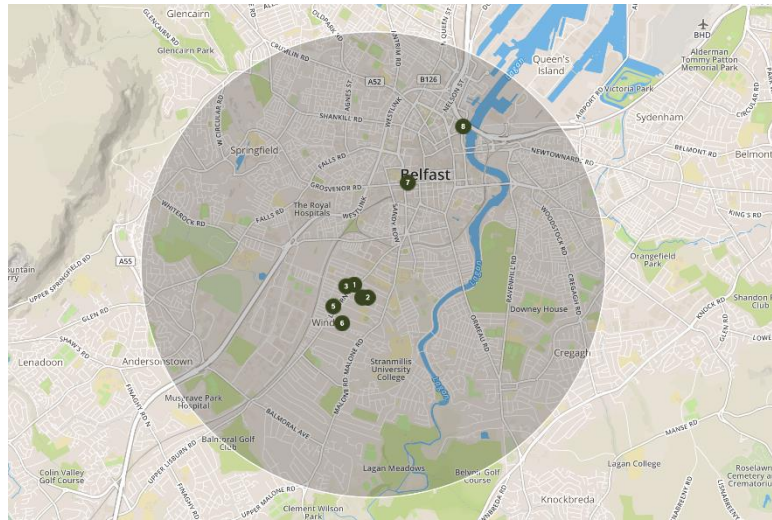
## Annual Occupancy, ADR and Room Yield Figures

Year	Average Occupancy (%)	Average ADR (£)	RevPAR (£)
2019(Up to August)	72.8	78.78	57.33
<b>Average</b>	<b>72.8</b>	<b>78.78</b>	<b>57.33</b>

Source: STR. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

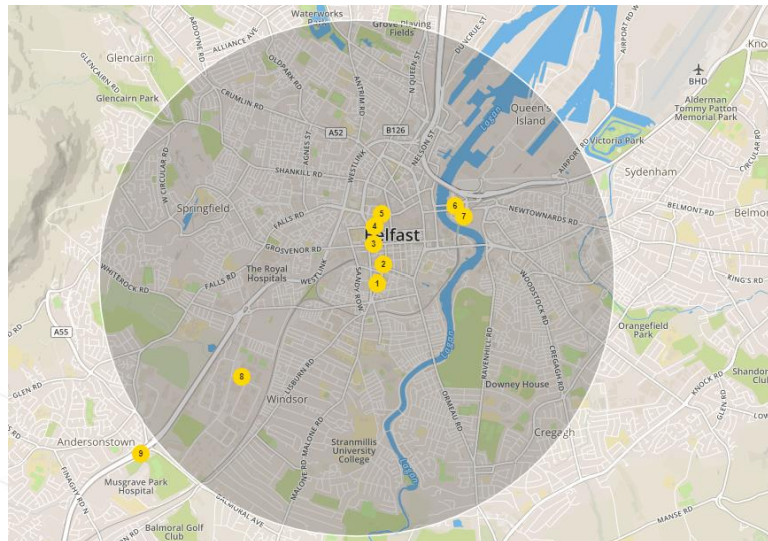
## Current Local Hospitality Market

Within two miles of the Belfast city centre there are eight serviced apartment developments, with 170 rooms.



Source: STR. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.

Within a two-mile radius of the city centre there are nine pipeline aparthotel developments, with a proposed 813 rooms.



Source: STR. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.

## The Team

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