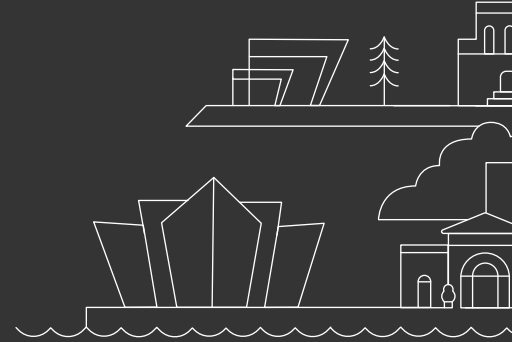


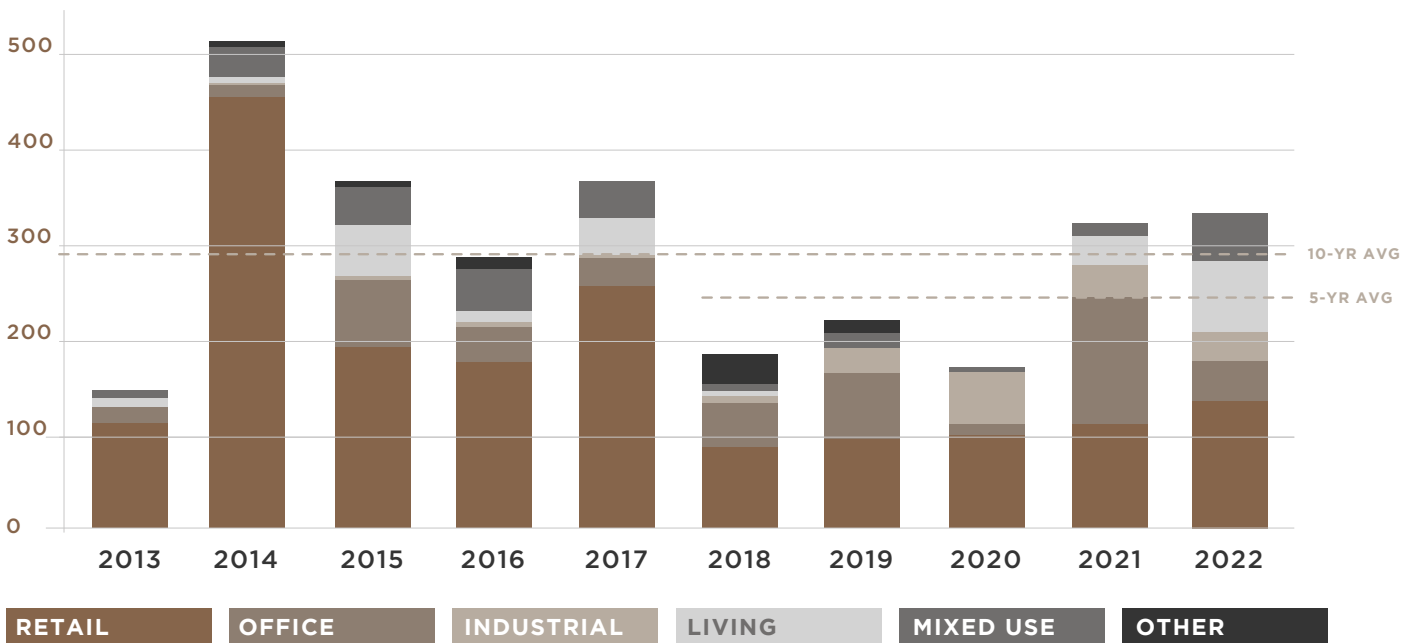
ACTIVITY

Investment in the Northern Irish commercial property market totalled **£329.25m** in 2022, 36% above the five-year annual average and the highest annual total since 2017 (£361.85m). The much-needed boost to supply in Q3 supported the strong finish to the year.

At **£156.48m**, volume in Q4 was the highest quarterly total since Q3 2017, standing 158% above the five-year quarterly average. The number of recorded deals in the final quarter was 70% above the five-year quarterly average and the highest total since Q4 2018.



ANNUAL INVESTMENT VOLUME BY SECTOR (£M)



SOURCE: INPRIO RESEARCH

SECTOR ANALYSIS

The retail sector regained its crown as the dominant asset class with volume of **£133.74m** in 2022, 29% above the five-year annual average. Retail transactions in the first quarter of the year underpinned retail performance, including the largest retail deal of the year, the sale of Boucher Shopping Park, Belfast to Frasers Group for an estimated **£40.00m**.

After a mid-year lull, Q4 retail volume returned to form with significant deals including Longwood Retail Park, Newtownabbey to a private investor and Ards Shopping Centre, Newtownards to an ROI propco, both for undisclosed prices.

Office transactions were a third below average in 2022 at **£40.94m**. The key 2022 deal was the off-market sale of Weavers Court Business Park in Belfast for an estimated **£20.00m** in June. It should, however, be noted that the mixed use sector volume was particularly

strong in Q4 and included properties with significant office space. Wirefox purchased the recently redeveloped 35DP, Donegall Place, Belfast for **£15.88m** and a local private investor purchased Longbridge House, Waring Street, Belfast for **£6.25m**.

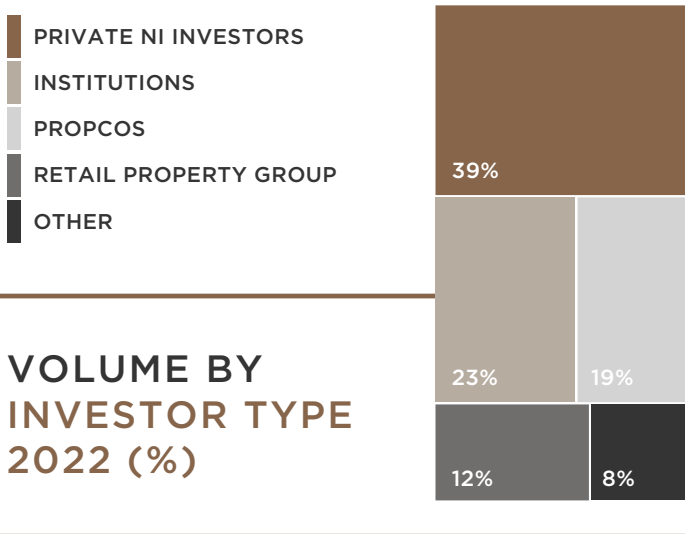
The industrial sector was steady in 2022 with volume of **£33.38m**, standing 3% above the five-year annual average. The key deal of the year was Randox's **£17.00m** purchase of Central Park, Mallusk from a local propco in November 2022.



PURCHASERS AND VENDORS

At **£129.62m**, local private investors accounted for 39% of 2022 volume, the highest annual total on record and 114% above the five-year annual average.

While typically more active in the smaller lots, there were four **£10m+** deals to local private investors in 2022 including Connswater Shopping Centre and Retail Park, Belfast and the Four Corners Hotel, Belfast. With volume approximately a third above trend, institutional investors and propcos were active in 2022 with annual volume of **£73.96m** and **£60.88m** respectively.



VOLUME BY INVESTOR TYPE 2022 (%)

At **£147.48m**, propcos were responsible for the largest volume of sales during 2022 accounting for almost half of volume. Notable sales included 35DP, Belfast and Montgomery House, Belfast. Local private investors accounted for a third of sales volume, but overall were net purchasers.

OUTLOOK

The rollover of agreed deals, and the resupply of assets in Q3, assisted the strong final quarter. Investor sentiment and confidence in the Northern Irish market has been buoyed by the resupply, despite the economic and political headwinds.

Looking into the start of 2023, the effects of the resupply will be more evident with almost **£100m** of deals already agreed and expected to complete in the first quarter. Notably, this includes the sale of Rushmere Shopping Centre, Craigavon which is expected to complete in Q1, enhancing the likelihood for a record breaking first quarter.

As the uncertainty continues into 2023, rising interest rates could

TOP OF THE CHARTS

MAR 22



RETAIL | £40.00M*

BOUCHER ROAD RETAIL PARK, BELFAST

PUR: Frasers Group | VEN: Corbo Properties

**Estimated sale price for undisclosed off-market deal*

JUN 22



OFFICE | £20.00M*

WEAVERS COURT BUSINESS PARK, BELFAST

PUR: Private Investor | VEN: Private Investor

**Estimated sale price for undisclosed off-market deal*

NOV 22



INDUSTRIAL | £17.00M | 8.05%

CENTRAL PARK, MALLUSK

PUR: Radox | VEN: Local Propco

FEB 22



RETAIL | £16.25M

CONNSWATER SC & RP, BELFAST

PUR: Private Investor | VEN: Killultagh

DEC 22



RETAIL | UNDISCLOSED

LONGWOOD RETAIL PARK, NEWTOWNABBEY

PUR: Private Investor | VEN: Scottish Widows Investment Partnership

diminish appetite for buyers seeking finance but could also present opportunities for the cash-rich investor. The record-breaking activity of local investors in 2022, many of whom do not require finance, suggests that this buyer type is not deterred by turbulent economic conditions. As 2022 has demonstrated, the key requirement for maintaining market activity in the year ahead will be a steady source of supply.

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