

News

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Muse contributes to Morgan Sindall's results

Urban regeneration and property development company, Muse Developments, has contributed to preliminary results for the year ended 31 December 2013, released today by parent company Morgan Sindall Group plc, the construction and regeneration group.

Against a backdrop of continued challenging trading conditions, Morgan Sindall Group delivered strong operating cash flow with year end net cash of £70 million (2012: £50 million). Operating profit before amortisation and exceptional operating items was £33.6 million (2012: £48.1 million) on revenues of £2,095 million (2012: £2,047 million). Adjusted earnings per share were 60.9p (2012: 92.0p). The dividend for the year is 27.0p per share (2012: 27.0p). The Group's committed order book stands at £2.4 billion (2012: £2.2 billion) and the regeneration & development pipeline grew to £3 billion (2012: £2.5 billion).

During 2013, the national developer - which has offices in London, Manchester, Glasgow and Leeds - continued to make progress on a number of major urban regeneration schemes across the UK. The company also maintained a healthy development pipeline, which now stands at £2 billion.

Key developments for Muse in 2013 include:

London and the South

Lewisham Gateway: Detailed plans were approved for Phase 1a of the Lewisham Gateway project in South London which will provide 193 new homes with ground-floor retail units, restaurants and a new park, Confluence Place. The first phase of the development is due for completion next year. Muse is delivering the scheme in partnership with the Mayor of London, the London Borough of Lewisham, Transport for London and London Bus Services.

Basingstoke: At Basing View, Muse signed development agreements with Basingstoke and Deane Borough Council for a 15-year, £200 million project which will deliver a 21st century regional business destination. When complete, Basing View will create around 650,000 sq ft of new commercial-led development over 15 acres, promoting and stimulating new investment in the area. It will include a mix of office space, a business class hotel and other supporting facilities. The project has the potential to double the number of jobs currently available at the business park to around 10,000. Muse is currently awaiting a planning decision early this year for the start of Phase One which will be a combined Waitrose and John Lewis at home store.

Bristol: Working in joint venture with development company Umberslade, Muse has begun construction of the £42 million first phase of the Wapping Wharf scheme in Bristol. This is a major waterfront regeneration scheme which is a key piece of Bristol centre's landscape and the last remaining large-scale redevelopment opportunity in the Harbourside Regeneration Area and City Docks Conservation Area. This first phase has been backed by the Homes and Communities Agency's Get Britain Building scheme and includes 194 new apartments, 55 of these have been sold to Sovereign Housing with a further 26 agreed for social housing. The remaining 113 homes will be available on the private market. The scheme also includes retail space, a new public square and new infrastructure. This first phase will be completed by March 2015.

North West

Blackpool: Construction is progressing well on the first phase of the £220 million Talbot Gateway regeneration scheme which Muse is delivering in partnership with Blackpool Council. Phase one

includes new council offices, a Sainsbury's store, two hotels and a public square. There is also a remodelled 1,000-space, multi-storey car park and a range of highway improvements. The car park opened in October last year with the Sainsbury's store and council offices due for completion this spring.

Salford: At Chapel Street, construction is under way at Vimto Gardens - a six-storey luxury residential building which will deliver 83 apartments and 14 town houses, an internal private courtyard and retail and commercial units on the ground floor. Work is also progressing on the first phase of development at New Bailey - a 143-bed Premier Inn - which is due for completion in September this year. The scheme was given a further boost last month with the £60 million investment by Legal & General to forward fund a 125,000 sq ft office building and 615-space multi-storey car park in the New Bailey area.

Yorkshire & North East

South Shields: The £100 million, mixed-use South Shields 365 town centre regeneration scheme, being undertaken by Muse in partnership with South Tyneside Council, will create a new retail quarter in the Fowler Street West area as well as a new cinema, library and 175,000 sq ft of retail and leisure facilities including a food store and hotel. The Council is also working with Nexus (the Tyne and Wear passenger transport executive) to bring improvements to the Metro system along with a new transport interchange.

Stockton-on-Tees: Muse is working alongside Morgan Sindall Group's housing specialist Lovell, to deliver Vivo - the residential phase of the £100 million Northshore mixed-use riverside regeneration scheme. The housing development, which is situated next to the iconic Infinity Bridge, is being delivered in partnership with The Homes and Communities Agency supported by Stockton Borough Council. The first 50 Vivo homes are completed and construction has now commenced on a second phase of 76 two-, three- and four-bedroom homes. The 23-hectare riverside development will ultimately deliver over 1.8 million sq ft of office space, leisure and retail accommodation and high quality homes. Construction of an innovation centre is also planned for the scheme.

Scotland

Aberdeen: Muse with joint venture partner, Aviva Investors, has been appointed Aberdeen City Council's development partner for the redevelopment of the St Nicholas House site in Broad Street. The Marischal Square project, which is fully funded by Aviva Investors, has an overall value in excess of £107 million. Muse proposes to develop a new mixed-use quarter for the city on a site which previously housed the Council's corporate headquarters. Muse expects to submit a planning application during the first quarter of this year. The proposed development will include a mix of offices, a four-star hotel, cafés, restaurants and retail space as well as public space, a small civic square and a 'pedestrianised' Broad Street.

"This year, we've seen a real increase in confidence," says Nigel Franklin, joint managing director at Muse Developments, "largely due to public sector funding initiatives and increased investment in the private rented sector which has stimulated the residential market. Growth is spreading from London and the South and we've already seen evidence of this across our residential schemes and regions.

"This year we have secured four new schemes - a fantastic achievement in a challenging market. We continue to work successfully with partners on our current portfolio and we are pursuing

exciting new opportunities across the country.”