

# News

4.08.15

## Muse Developments assists Morgan Sindall Group's results



Urban regeneration and property development company, Muse Developments, has contributed to half year results released today for the six months to 30 June 2015 by parent company Morgan Sindall Group plc, the construction and regeneration group.

Against a continued backdrop of challenging market conditions, operating profit before amortisation and exceptional operating items was £15.5 million (2014: £15.2 million) on revenue of £1,152 million, a 15% increase over the same period last year (2014: £998 million). The Group reports an order book of £2.6 billion, down slightly (3%) on the previous year (2014: £2.7 billion), supported by a £3.2 billion pipeline of regeneration schemes (2014: £3.2 billion). Adjusted earnings per share for the period was 24.5p (2014: 28.6p). The interim dividend has been maintained at 12p per share (2014: 12.0p).

This year, the national developer and regeneration specialist - which has offices in London, Manchester, Glasgow and Leeds - made good progress on a number of major urban regeneration schemes across the UK. Work progressed on 23 projects with a total construction value of £385 million and a further £220 million expected over the next 12 months. The company also maintained a healthy order book and development pipeline, which now stands at £2.2 billion.

Key development activities for Muse for the first six months of this year include:

### LONDON

Lewisham: Construction work continued on the first phase of development at Lewisham Gateway which will deliver 193 apartments, in two buildings of 25 and 15 storeys, with ground floor retail and leisure space. Planning permission has been secured for the second phase which will provide a further 169 new homes. Muse is delivering the scheme in partnership with the Mayor of London, the London Borough of Lewisham, Transport for London and London Bus Services.

Canning Town: The first two phases of English Cities Fund's Rathbone Market scheme in Canning Town have been completed and construction of the final phase, which will create an additional 216 new homes, has now commenced. English Cities Fund is a joint venture between Muse, Legal & General and the Homes and Communities Agency.

Brentford: Construction of the first phase of apartments at Brentford Lock West is well advanced and planning permission has been secured for the second phase which will deliver a further 157 homes. The development is being delivered by a partnership between Muse and the Canal & River Trust. The new waterside neighbourhood will create up to 520 townhouses and apartments and 75,000 sq ft of commercial space.

Brixton: Working in partnership with Lambeth Council, Muse submitted a planning application for the Your New Town Hall project which will deliver a new 125,000 sq ft civic office building, a refurbished Grade II-listed town hall, new public realm and around 195 new homes in Brixton town centre. The project will rationalise the council's estate and make substantial annual operational cost savings.

#### SOUTH EAST

Basingstoke: Construction of a 110,000 sq ft combined Waitrose and John Lewis at Home store is progressing at Basing View, forming the first phase of a new commercially-led scheme which will ultimately deliver 650,000 sq ft of new development. The £200 million Basing View scheme is being delivered with Basingstoke and Deane Borough Council.

Reading: Construction of the £35 million second and final phase of the highly successful Chatham Place development is nearing completion. The scheme will provide a further 184 apartments in two buildings of nine and 19 storeys with ground floor retail space.

#### SOUTH WEST

Plymouth: At the £160 million Plymouth Millbay regeneration project, Muse secured a revised outline planning permission for the balance of English Cities Fund's masterplan, featuring a mix of residential, leisure, business and retail development with high quality public spaces. Over three-quarters of the homes at the third residential phase - the 102-home Quadrant Quay development - have now been sold. When complete, Millbay will transform a 15-acre harbourside area into a vibrant new waterfront community focused around Plymouth's historic docks.

Bristol: Construction of the £42 million first phase of 194 apartments at Wapping Wharf in Bristol is nearing completion. The development includes 8,650 sq ft of retail and leisure space and a new pedestrian pathway linking south Bristol and the city's harbourside. Muse is working in a joint venture with landowner Umberslade on this major waterfront regeneration which is a key piece of Bristol centre's landscape and the last remaining large-scale redevelopment opportunity in the Harbourside Regeneration & City Docks Conservation Areas. It has been backed by the Homes and Communities Agency's Get Britain Building scheme and will provide a mix of social and open market housing.

#### EAST MIDLANDS

Hucknall: Construction of the site infrastructure has started for the £250 million Rolls-Royce Hucknall development in Watnall Road which is being built on the former 150-acre Rolls-Royce site in Nottinghamshire. Muse is Rolls-Royce plc's development partner for this major mixed-use scheme which will provide 900,000 sq ft of employment space and 900 new homes.

## NORTH WEST

Salford: English Cities Fund – a joint venture between Muse, Legal & General and the Homes and Communities Agency - secured funding for a £16 million Private Rented Sector scheme at New Bailey, a mixed-use development in Salford. The new scheme which will deliver 90 new riverside homes, is part of Salford Central, a 44-acre, £650 million regeneration of Salford's civic and historic centre. Construction is also progressing on One New Bailey, a 125,000 sq ft office development which will complete in May 2016. All 97 homes have been completed and sold at the Vimto Gardens scheme in Salford's Chapel Street and planning permission has been secured for a second phase of 36 new town houses.

Manchester: Muse has started restoration of the Grade II-listed landmark 'Mackie Mayor' building on Swan Street, which has been derelict since the early 1990s. This is the seventh and final phase of Muse's Smithfield scheme in Manchester's Northern Quarter, and the building is expected to be of interest to a range of potential occupiers for leisure, retail or commercial use. Over the past 13 years, Muse's Smithfield regeneration has created more than 350 apartments, two hotels and over 30,000 sq ft of ground floor space.

Warrington: Construction work also began on the first phase of the £80 million Bridge Street Quarter mixed-use development which Muse is delivering in partnership with Warrington Borough Council. The scheme will create retail and leisure space including a cinema and restaurants, an indoor market hall, a council office building, a multi-storey car park and a new public square.

Crewe: A planning application was submitted in March for a mixed-use development, incorporating both residential and commercial development, on a 70 acre site at Basford East in Crewe.

Blackpool: The first phase office building, One Bickerstaffe Square, at Muse's Talbot Gateway scheme in Blackpool was voted the North's Best Corporate Workplace by the British Council for Offices.

## YORKSHIRE

Leeds: Construction of the first speculative 80,000 sq ft industrial 'shed' continues at Logic Leeds, a 110-acre manufacturing and distribution development. Muse's 60,000 sq ft office development No.1 Sovereign Square was voted Best Commercial Development at the Yorkshire Property Awards. The building is helping to turn Leeds' Sovereign Street area into a vibrant and attractive new commercial quarter.

Doncaster: Construction progressed on the first phase of residential development at The Gables - a £4.6 million development of 54-energy-efficient one-, two- and three-bedroom homes in the town centre. The new homes are being built by Morgan Sindall Group's specialist housing provider Lovell. The Gables is part of the £300 million regeneration of Doncaster Civic and Cultural Quarter which Muse is delivering as Doncaster Metropolitan Borough Council's development partner. Construction is also progressing well on Muse's new Residence Lakeside housing scheme, a £5.6 million development of 51 two-, three- and four-bedroom houses which sister company Lovell is building.

## NORTH EAST

South Shields: Muse has also started construction on the first phase of South Shields 365, a £100 million regeneration scheme in South Shields town centre. This first phase will include a new cultural venue called The Word, a 40-space car park, much-needed improvements to the adjoining Market Place as well as a new central library and digital media centre. The South Shields 365 plan proposes a radical town centre redevelopment with a new retail quarter in the Fowler Street West

area. The scheme will create a new cinema, library and 175,000 sq ft of retail and leisure facilities including a food store and a hotel.

Stockton-on-Tees: Construction of a 43,000 sq ft head office building for the housing specialists, Thirteen Group, was completed at Northshore, a 56-acre £300 million mixed-use development which Muse is delivering with Stockton Borough Council in the town centre. Construction is also nearing completion of the new 36,000 sq ft Innovation Centre, which will provide flexible working spaces for around 60 businesses. Work also continues on the second phase of 'Vivo', a residential development of 76 two-, three- and four-bedroom family homes which Muse is delivering in partnership with Morgan Sindall Group's affordable housing specialist Lovell.

#### SCOTLAND

Aberdeen: At the new £107 million Marischal Square development, work is under way on this high profile project where Muse is creating a new mixed-use quarter in the heart of Aberdeen which will comprise a new 126-bedroom Residence Inn by Marriott and 175,000 sq ft of Grade A BREEAM Excellent office space along with 35,000 sq ft of retail/ leisure space which has attracted significant interest from bar and restaurant operators. Extensive new public realm will complement the listed Provost Skenes House and Marischal College, the largest granite building in Europe. The scheme is due for completion in July 2017.

Larkhall: Muse's sister company Lovell has started construction of the first phase of 48 two-, three-, four- and five-bedroom homes at Cherryhill in Larkhall, South Lanarkshire.

Matt Crompton, joint managing director at Muse Developments comments: "It's been a positive start to the year for Muse. We're seeing speculative office development occurring in major city centres, regional markets strengthening and new housing remaining a national priority. Muse is well-placed to benefit from these conditions with a secured land bank, a healthy forward development pipeline including 5,000 new homes and more than 20 projects currently on site across the UK.

"2015 has already seen some notable achievements, including build completions in Salford and Canning Town, major planning consents secured and more than 200 residential units completed. We'll continue to work closely with our partners to improve places for people by boosting local economies, building new homes and creating jobs."

Ends