

News

21.02.12

Muse Developments assists parent group Morgan Sindall's results

Urban regeneration and property development company Muse Developments has contributed to a resilient set of preliminary results for the year ended 31 December 2011, released today (21 February 2012) by parent regeneration and construction company Morgan Sindall Group plc.

Against a backdrop of challenging trading conditions Morgan Sindall Group delivered a resilient performance in 2011. Profit before tax, amortisation and non-recurring items was £45.3 million (2010: £51.3 million) with revenue up six per cent at £2,227 million (2010: £2,102 million). Adjusted earnings per share were 82.5p (2010: 92.9p), with no change to the total dividend which remains at 42.0p (2010: 42.0p). The Group's forward order book currently stands at £3.4 billion (2010: £3.6 billion) with a growing regeneration pipeline of £1.8 billion (2010: £1.4 billion), and a further £0.6 billion of regeneration schemes at preferred developer stage.

During 2011 the national developer, which has offices in Glasgow, Manchester, Leeds and London, benefited from its strong track record, sector spread and a healthy development pipeline which now stands at £1.6 billion, with a further £0.6 billion of schemes at preferred bidder stage. Muse also added to its attractive long-term UK portfolio with a number of new high profile schemes across the UK.

Key projects included:

London and the South East

In Canning Town, London, English Cities Fund (ECf), a joint venture partnership between Muse, Legal & General Property and the Homes & Communities Agency (HCA), continues to work apace on the £180 million Rathbone Market scheme which will provide 651 private and affordable homes, new retail and leisure amenities, and a revitalised local market. The first phase will deliver 20,000 sq ft of retail space as well as 271 residential units and is due to complete this summer.

Muse was recently named as Basingstoke and Deane Borough Council's regeneration partner for a £200 million regeneration project in the town's Basing View area. The company will work with the council to develop in excess of 700,000 sq ft on various council-owned land parcels within Basing View amounting to over 15 acres. The scheme will include a mix of new office space, a business class hotel and other supporting facilities.

South West

In Swindon, Muse has secured outline planning consent for a £350 million mixed-use scheme in the town centre, providing 1.6 million sq ft of high quality office space, new homes and a modern bus station. It will also help to regenerate the town's leisure facilities, creating new shops, restaurants, cafés and a hotel. The first phase, comprising of a multi-storey car park and assisted living residential units is due to start in late spring following the approval of plans to progress the scheme last month (January).

Through ECf, Muse is carrying out the £160 million Plymouth Millbay regeneration in conjunction with the HCA and Plymouth City Council to transform a 15-acre harbour-side area into a vibrant new waterfront community. All of the award-winning apartments created as part of the first phase,

Cargo, have been sold, while the second phase - which will see the creation of 14 houses and 34 apartments - has secured detailed planning permission and work is due to commence later on this year. Terms have been agreed for Sutton Harbour Group to build and operate a new 190-berth marina at the heart of the scheme.

North West

Muse has been selected by Warrington Borough Council as development partner for the £130 million Bridge Street Quarter regeneration scheme in Warrington town centre. One of the largest projects of its kind in the region, it will provide new shops, restaurants, a gym, cinema, indoor market, cultural centre, hotel and council offices. Construction is expected to begin in 2013.

Muse is working in partnership with Blackpool Council to deliver the £220 million Talbot Gateway scheme which will create new retail, commercial, community and residential space in addition to town centre parking and transport facilities. The scheme will also include a new public square, council offices, a new supermarket which has been pre-sold to Sainsbury's, two hotels and a multi-screen cinema. Planning consent has been granted and a pre-sale agreement signed with the council for the office and multi-storey parking facilities.

In Liverpool, again through English Cities Fund, Muse completed the third and final phase of a mixed-use development at St Paul's Square in Liverpool. The £32 million Number 4 St Paul's Square provides 109,000 sq ft of BREEAM 'Excellent' Grade A office space in Liverpool's new Central Business District.

Yorkshire & North East

In Wakefield city centre, through ECf, three office occupiers totalling 30,000 sq ft were secured for the first phase of the multi-million pound residential and commercial development at Merchant Gate. The second phase, comprising 150,000 sq ft of new civic offices for Wakefield Metropolitan District Council, was also completed in December 2011.

On the banks of the River Tees, Muse is working alongside sister company Lovell to deliver 50 residential units in the first phase of the £300 million Northshore mixed-use regeneration scheme. The riverside housing development will see its first completions next month (March).

At the 100-acre Logic Leeds strategic employment site in the Aire Valley, Enterprise Zone status has been secured for a £110 million, 1.4 million sq ft distribution site adjacent to the new East Leeds Link Road and close to Junction 45 of the M1. The site is planned for B2 and B8 uses with primary infrastructure work expected to start early this year.

Muse is working on the £300 million transformation of Doncaster town centre. Development is under way on the first phase which includes a 188,000 sq ft council office building, a state-of-the-art performance venue, new public square and additional public realm, town centre homes and a refurbished 850-space multi-storey car park. Work is expected to be completed by early 2013.

Scotland

Planning consent was secured for the redevelopment of the former St Andrew's College campus in Bearsden, Glasgow. In partnership with Miller Homes, Muse will deliver a £30 million scheme comprising 63 family homes, 12 apartments for private sale and 32 affordable apartments. Muse sold a section of the site to Bupa where a new 64-bed specialist care home is now under construction. The overall scheme has been carefully masterplanned to sit alongside the new,

Morgan Sindall-built, Bearsden Academy.

In Lanarkshire, Muse completed and pre-sold its most recent phase of development with the delivery of five new distribution units at the 650-acre Eurocentral business park. The investment of £33 million in these latest units brings the company's total investment at Eurocentral since 1995 to £146.9 million. In what is understood to be the first major industrial property deal north of the Scottish border for six months, the Stobart Group, parent company of Eddie Stobart Ltd, this month agreed a deal to take occupation of Eurocentral's 67,689 sq ft 'Pinnacle' building.

"While conditions in the property market remain challenging we are delighted with the progress we have made this year," says Nigel Franklin, joint managing director of Muse Developments. "We are actively building new offices, homes and retail and leisure facilities across the UK. This is an endorsement of our business model which provides both geographic and sector spread through a focus on truly mixed-use development. Muse has also been successful in securing a number of major new projects which will provide the foundation for continued growth of the business moving forward."

Ends