

# News

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## Muse helps Morgan Sindall Group's results

Urban regeneration and property development company Muse Developments, which has offices in London, Manchester, Glasgow and Leeds, has contributed to half year results released today (2 August 2016) by parent company Morgan Sindall Group plc, the construction and regeneration group.

The Group has delivered strong profit growth in the first half of this year with operating profit before amortisation and exceptional operating items up 17% to £18.2 million (HY 2015: £15.5 million) on revenue of £1,148 million (HY 2015: £1,152 million). The Group reports an order book of £3,148 million, an 11% increase from £2,826 million, supported by a £3.2 billion pipeline of regeneration schemes, up 1% on the previous year end position. Adjusted earnings per share saw a 22% rise for the period to 29.8p (HY 2015: 24.5p). The interim dividend has been increased by 8% to 13p per share (HY 2015: 12.0p) with the Group on track to deliver a full year result slightly above previous expectations.

"It's been a strong start to the year for Muse with £400 million of construction contracts currently on site and the forward development pipeline maintained at £2.4 billion," says Matt Crompton, joint managing director at Muse.

"We continue to see speculative office development in major city centres and housing remaining a national priority, with the private rental sector increasing in importance. There are still challenges within the retail and leisure sector, but with the food and beverage sector remaining buoyant.

"Progress continues on our major regeneration schemes across the UK in the commercial, residential, leisure and retail sectors. Particular achievements this year so far include major completions in Salford, Leeds, Brentford and Bristol; being appointed preferred developer on five new schemes, and planning consent secured on six projects."

### Key projects for Muse in 2016 included:

#### London

**Lewisham:** Construction progressed on the first phase of a four phase development at Lewisham Gateway, which is due for completion this year. The scheme will deliver 193 apartments in two buildings of 25 and 15 storeys with ground floor retail and leisure space. Work also started on two further 22- and 15-storey buildings in the second phase of the scheme which will provide 169 new homes with ground floor retail and restaurants. Muse is delivering the £230 million scheme in partnership with the Mayor of London, the London Borough of Lewisham, Transport for London Bus Services and the Homes and Communities Agency.

#### South East

**Reading:** A key project for Muse in Reading and the South East has been the £100 million Chatham Place regeneration project which was completed in April this year. The scheme has delivered 491 new private and affordable homes, a public car park, new public open spaces and retail and leisure facilities in Reading town centre. Letting and disposal of the remaining retail space is currently being progressed.

## **South West**

**Bristol:** Muse has completed the £42 million first phase of 194 apartments and 8,650 sq ft of retail and leisure space at Wapping Wharf with the majority of private dwellings now sold. Enabling works have started on a second phase of housing development which will create 248 homes with 113 for open market sale and 135 homes sold on to a private rented sector housing provider. 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 and City Docks Conservation Areas. It has been backed by the Homes and Communities Agency's Get Britain Building funding programme and will provide a mix of affordable, private rent and open market housing. In addition, conditional contracts have been exchanged for Phase 2 which will see a further 248 dwellings delivered, with anticipated main contract start in early 2017.

## **East Midlands**

**Hucknall:** Muse is currently developing the £250 million mixed-use Rolls-Royce Hucknall development which is being built on the former 150-acre Rolls-Royce airfield. Muse is Rolls-Royce plc's development partner for the scheme which will provide 900,000 sq ft of employment space and 900 new homes. Two parcels of land totalling 19 acres have been sold to Persimmon Homes and Harron Homes opening up the housing element of the scheme which is now underway. Muse, in partnership with Rolls-Royce, is also set to boost business and employment in the area with the launch of Harrier Park, a new 70-acre manufacturing and logistics park, adjacent to Rolls-Royce's Hucknall manufacturing plant, which will create around 2,000 new jobs. Muse and Nottinghamshire County Council are working together to deliver a new road that will provide a route directly into the business park from the Hucknall bypass.

## **North West**

**Warrington:** Work commenced on the £107 million Time Square development, previously known as Bridge Street Quarter, in Warrington town centre. Cineworld will be the principal tenant of the 300,000 sq ft retail and leisure-led development which will provide Warrington with a state-of-the-art, 13-screen, 2,500 seat, multiplex cinema. The project will also see the development of a 42,000 sq ft market hall, family friendly restaurants, new council office building, retail units and a new public square. Planning permission was also granted for a multi-storey car park which is under construction along with new highway works.

## **Yorkshire**

**Doncaster:** Muse will start construction on a second phase of 43 homes at The Gables, a development of one-, two- and three-bedroom homes in the town centre. All of the first phase of 54 new homes, which have been built by Morgan Sindall Group's specialist housing subsidiary Lovell, have been sold. 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. Muse exchanged contracts this year with Savoy Cinemas for the delivery of a six-screen cinema at the scheme. The cinema will complement the successful Cast theatre and help form a high-quality family leisure destination in the town centre.

## **North East**

**South Shields:** Construction is progressing well on the first phase of South Shields 365, Muse's

£100 million regeneration scheme in the town centre. A new library and digital media centre called The Word, is due for completion later this year. Work on a new transport interchange, which forms part of the next phase, will begin in 2018. The South Shields 365 plan proposes a radical town centre redevelopment with a new retail quarter in the Barrington St/King St area. The scheme will create 140,000 sq ft of retail and leisure facilities.

## **Scotland**

**Aberdeen:** Construction progressed on the £107 million Marischal Square, a major mixed-use scheme Muse is delivering which is set to transform Aberdeen's town centre. The development is being built by Morgan Sindall Construction & Infrastructure. This year, Muse agreed a deal with popular city bar and restaurant chain All Bar One, which will be taking 6,000 sq ft of prime space in Marischal Square. The development which is due to open in July 2017, will provide 175,000 sq ft of BREEAM excellent office space, seven bar and restaurant units and a 126-bed Residence Inn by Marriott hotel. Extensive new public realm will complement the listed Provost Skene's House and Marischal College, the largest granite building in Europe.