

News

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Muse helps Morgan Sindall Group's results



Muse, which has offices in London, Manchester, Glasgow and Leeds, has contributed to half year results released today (8 August 2017), 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 up 37% to £24.9m (HY 2016: £18.2m) on revenue of £1,307m (HY 2016: £1,148m), a 14% increase on the previous half year. The Group reports an order book of £3,801m, a 5% rise from £3,637m. Adjusted earnings per share were up 46% for the period to 43.6p (HY 2016: 29.8p). The interim dividend has been increased by 23% to 16.0p per share (HY 2016: 13.0p) with the Group confident of another strong performance in the second half of the year.

During the first six months of this year, Muse moved forward on 23 projects with a total construction value of £385 million. The company which expects a further £227 million of contract awards over the next 12 months, also maintained a healthy order book and development pipeline, which now stands at £2.4 billion.

Nigel Franklin, joint managing director of Muse Developments, said: "It's been a strong start to the year for Muse, with performance in line with expectations for the first six months and on target for year end."

“23 projects totalling a construction value of £385 million are currently on site across the country, with work progressing well at regeneration schemes in Salford, Colwyn Bay, Stockton-on-Tees, Doncaster, Lewisham, Brentford, Lambeth and Aberdeen. A further £227 million of construction contracts are anticipated to be awarded over the next 12 months.

“The future is positive, with our order book and forward development pipeline maintained at £2.4 billion, preferred developer status on five new projects and shortlisted on a further three.”

Key projects for Muse in 2017 include:

London

Lewisham: Following completion last year of the first two residential buildings and major infrastructure improvements at **Lewisham Gateway**, construction is underway 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 space and restaurants. Muse is delivering the £375 million Lewisham Gateway scheme in partnership with the Mayor of London, the London Borough of Lewisham, Transport for London and the Homes and Communities Agency.

Brentford: Construction is underway on a second phase of development at **Brentford Lock West** where sales of 157 new homes were launched earlier this year. This is a Waterside Places scheme in partnership with the Canal & River Trust.

Brixton: Works are progressing well in Brixton town centre on the first phase of the £160 million **Your New Town Hall** regeneration project, which will create a new 120,000 sq ft civic office and customer service centre, and a refurbished Grade II-listed town hall. Part of Phase 1 is being built by Morgan Sindall Construction & Infrastructure. Muse is working in partnership with Lambeth Council to deliver the scheme where construction has also started on a mix of 120 new homes, 40% of these will be affordable, and a new restaurant with retail accommodation facilities. The Council’s new accommodation is due for completion in spring 2018 and is part of a drive to transform civic facilities and buildings in Brixton and reduce Lambeth’s core office buildings from 14 to two, saving significant annual operational costs.

Tottenham Hale: A planning application for 505 new homes in a series of buildings with modern business space and canal-side public realm at **Hale Wharf** at Tottenham Hale, has been approved and work enabling works have started on site. The development is a partnership with the Canal & River Trust.

South West

Swindon: In Swindon town centre, Muse completed the new £10 million, 27,000 sq ft Swindon Health Centre in Fleming Way, which has been pre-let to the NHS, at the **Kimmerfields** development. The health centre which opened in June provides a high-quality environment for a wide range of care services and sits alongside a previously completed 850-space multi-storey car park and an assisted living accommodation scheme. Kimmerfields is a mixed-use scheme Muse is delivering in partnership with Swindon Borough Council and the Homes and Communities Agency.

Bristol: At **Wapping Wharf**, the new community-focused neighbourhood on the city’s historic harbourside, Muse has started enabling works 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 city 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 Home Builders Fund funding programme and will provide a mix of affordable, private rent and open market housing.

East Midlands

Hucknall: Muse is currently delivering a £250 million mixed-use development for Rolls-Royce on the global engine manufacturer's former 150-acre airfield. When completed, Rolls-Royce Hucknall, will provide 900,000 sq ft of employment space and 900 new homes. Work has completed on the next phase of road infrastructure which will provide a route directly into the business park from the Hucknall bypass and open 67 acres of industrial space for development. Muse, in partnership with Rolls-Royce, is also developing **Harrier Park**, a new 70-acre manufacturing and logistics park, adjacent to Rolls-Royce's Hucknall manufacturing plant, which is expected to create around 2,000 new local jobs and bring a new generation of businesses to the town. The housing element of the scheme, which is being built by Persimmon Homes and Harron Homes, is also well under way.

North West

Blackpool: A planning application for a 142-room, full service hotel with conferencing and leisure facilities has been approved. The scheme is the second phase of Muse's **Talbot Gateway** development which is being delivered in partnership with Blackpool Council. Together with the proposed new tram terminal, this next phase of the scheme is set to transform the arrival experience from Blackpool North railway station into the town.

Salford Chapel Street: A new Georgian-style development of 36 two-, three- and four-bedroom townhouses at **Timekeepers Square**, behind Chapel Street, was completed earlier this year with all homes now occupied. Timekeepers Square is the second of ECf's residential developments in the Chapel Street area, following Vimto Gardens. The scheme was developed by English Cities Fund (ECf), a joint venture between Muse Developments, Legal & General and the Homes & Communities Agency, in conjunction with Salford City Council, as part of the wider Salford Central regeneration scheme. Construction on the third development, **Carpino Place**, a 22-townhouse scheme is also now underway.

At **Salford's New Bailey**, ECf has agreed a further letting at its **One New Bailey** office development next to Spinningfields in Salford city centre, to wealth management consultancy WH Ireland. The company is taking 6,610 sq ft at the riverside development on a 10-year lease. ECf's first private rented sector (PRS) scheme of 90 apartments is now completed at **The Slate Yard**, with construction progressing on a neighbouring second residential building of 135 apartments. A planning application has also been approved for a 21-storey building of 199 apartments at New Bailey, which will start on site later this year.

Warrington: Construction continues on a 1,100-space multi-storey car park and temporary market hall at the £107 million **Time Square** development in Warrington town centre. The next phase, comprising a Cineworld 13-screen, 2,500-seat multiplex cinema, a 42,000 sq ft market hall, family friendly restaurants, new council offices, retail units and a new public square, will start on site later this year.

Stockport: The second phase of Stockport town centre's £145 million new gateway development, **Stockport Exchange**, which was completed by Muse last year, is now fully let. Next to Stockport Train Station, the scheme includes a 115-bed Holiday Inn Express and a 50,000 sq ft, five-storey office development with a Sainsbury's Local on the ground floor, and a new public area and road improvements. Stockport Exchange is a flagship office development for the town that will see a new commercial district and commuter hub created in the heart of the Stockport.

Yorkshire & North East

Leeds: Muse has agreed a deal to sell three industrial units totalling 100,000 sq ft at its 110-acre, flagship industrial and distribution development **Logic Leeds**, to Leeds City Council.

South Shields: Construction of a new transport interchange, which forms part of the next phase, of **South Shields 365**, a £100 million regeneration scheme in the town centre is due to start early next year. The first phase was completed last year with the delivery of the multi-award-winning new library and digital media centre The Word and improvement works to the adjacent Market Place. 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 which Muse is delivering in partnership with South Tyneside Council, will create 140,000 sq ft of retail and leisure facilities.

Stockton-on-Tees: Construction started on 82 new two-, three- and four-bedroom homes marking the third phase of the 'Vivo' residential development in **Northshore**. Stockton Borough Council also approved a planning application for a new 125-bed hotel for Hampton by Hilton at the development. On the banks of the River Tees, Northshore is a 56-acre, £300 million mixed-use development which is transforming Stockton's riverside. The scheme is being delivered by Muse in partnership with the Homes and Communities Agency, working closely with Stockton Borough Council.

Scotland

Construction is progressing well on the £107 million **Marischal Square** development in **Aberdeen** which is due for completion at the end of this summer. Morgan Sindall Construction & Infrastructure are building the scheme which includes 14,500 sq ft of civic space in front of 16th century Provost Skene's House, two office buildings providing 175,000 sq ft of BREEAM excellent Grade A office space with secure parking, seven restaurants and café bars occupying the ground floor space, and a 126-bed Residence Inn by Marriott. All Bar One, Mackie's and Prezzo are among the new tenants who have signed-up for premises in the development.