

News

22.02.18

Muse helps Morgan Sindall Group's results

Muse Developments has contributed to preliminary results for the year ended 31 December 2017 released today by Morgan Sindall Group plc, the construction and regeneration group.

The Group delivered a strong performance for the year with adjusted operating profit up 41 per cent to £68.6 million (FY 2016: £48.8 million) on revenues of £2,793 million, a 9 per cent rise on the previous year (FY 2016: £2,562 million). The reported operating profit was up 42 per cent for the year at £67.4 million (FY 2016: £47.4 million) with the Group ending 2017 with a net cash position of £193 million (FY 2016: £209 million). Adjusted earnings per share rose 43 per cent on last year at £121.1p (FY 2016: 84.7p). The dividend for the year is 45.0p, a 29 per cent increase from 2016's 35.0p per share. The Group's order book was also up 6 per cent to £3.8 billion.

During 2017, Muse moved forward on 18 projects with a total construction value of £400 million. The company which expects a further £420 million of contract awards over the next 12 months, also maintained a healthy order book and development pipeline, which now stands at £2.2 billion.

Matt Crompton, joint managing director of Muse Developments, said: "2017 was another strong year for Muse, working closely with our partners to deliver major regeneration schemes across the UK, creating vibrant and sustainable new places. Last year's achievements include 18 live construction projects, totalling £400 million, and planning consents secured on 10 schemes with a development value of £430 million.

"The future continues to look positive with a healthy forward development pipeline and last year Muse was selected as preferred developer on a new development in Dartford and shortlisted for a further three."

Key projects for Muse Developments in 2017 included:

London

- Construction progressed on two residential buildings which are nearing completion at the £375 million **Lewisham Gateway** regeneration project in South East London, providing 169 new homes with ground floor retail space and restaurants. A planning application has been submitted to make alterations to an existing permission for a second phase which will see the construction of over 500 new homes for rent as well as a new cinema, new co-living accommodation, and a new business hub with flexible work space. The development is a joint project between Muse, the London Borough of Lewisham, the Mayor of London and Transport for London, supported by Homes England.
- In Brentford construction continued on the second phase of canal-side new homes at **Brentford Lock West**. The first 42 homes were completed in 2017 with 115 more to complete later this year. It is a Waterside Places scheme, which is a partnership with the Canal & River Trust.
- Work continued on Brixton's £160 million **Your New Town Hall** regeneration project in partnership with the London Borough of Lambeth. Work recently completed on the refurbished Grade II-listed town hall, which is now reopened to the public, and a new 120,000 sq ft civic office and customer service centre is due to complete in spring this year. Construction also commenced on 120 new homes, 40% of these will be affordable, along with new restaurant and retail

accommodation.

- In Tottenham, enabling works are underway, with the construction of two residential buildings at **Hale Wharf** in Tottenham Hale due to commence later this year. The new accommodation is part of a wider 505-home scheme with modern business space and canal-side public realm. The development is a Waterside Places project, delivered in partnership with the Canal & River Trust.

South East

- Dartford Borough Council appointed Muse as its development partner to lead the £75 million regeneration of Dartford's **Westgate** area. This mixed-use development incorporates a six-screen cinema at the heart of a new social neighbourhood with 37,250 sq ft of restaurant and bar space. The scheme will see the creation of a new public square, 109-bed hotel, multi-storey car park and 140 new homes. A planning application is expected towards the end of this year.

South West

- Plymouth: Construction commenced on 137 houses and apartments at English Cities Fund's **Millbay** scheme in Plymouth, following on from the multi-award-winning Quadrant Quay development. The wider Millbay regeneration project is an exciting mix of residential, leisure, business and civic development, with high quality public spaces and direct access to the waterfront. Its lead developer, English Cities Fund, is a joint venture between Muse, Legal and General and Homes England.

- Bristol: Construction of a second phase of development at **Wapping Wharf** in the city's historic harbourside, is due to start imminently. This phase has two blocks totalling 248 new homes - 113 for private sale and 135 to be forward sold to a private rented sector operator.

East Midlands

- Hucknall: Work on the next phase of road infrastructure was completed at Rolls-Royce Hucknall, opening 67 acres of industrial space for development. **Harrier Park** could create up to 2,000 new jobs and bring a new generation of businesses to Hucknall. Residential development is also underway on the site by Persimmon Homes and Harron Homes.

North West

- Manchester: Market Operations completed their fit out of the historic Mackie Mayor building in the city's Northern Quarter which opened in October. Now operating as a hugely successful multi-tenanted food and beverage market, the building seats over 500 diners catering for 12,000 people each week. The Grade II-listed building is the only remaining fully intact building from the former Smithfield market and its restoration is the seventh and final phase of Muse's **Smithfield** regeneration scheme.

Following planning approval last year, Muse is progressing detailed design of the **New Victoria** development next to Victoria Station in the city centre. The masterplan includes a 150,000 sq ft office, with car parking beneath, and up to 520 apartments in two residential buildings.

Construction started on the Waterside Places' **Islington Wharf** residential scheme which will create 101 apartments and townhouses next to the Ashton Canal in East Manchester, with the first homes due for completion in summer 2019. Waterside Places is a joint venture between Muse and the Canal & River Trust.

- Salford: At **New Bailey**, Two New Bailey will start on site later this year and is expected to be completed in 2020. Construction continues on a second private rented sector development of 135 homes, with completion expected this spring. At **Chapel Street**, Timekeepers Square, a unique development of 36 new townhouses and surrounding landscaping of the historic streetscape, was awarded 'Small Housing Development of the Year' at the Insider North West Residential Property Awards 2018. Work on the nearby 22-townhouse scheme, Carpino Place, continues with all properties now sold.
- Stockport: Following the success of the second phase of development at major regeneration scheme **Stockport Exchange**, a planning application for phase three, a 60,000 sq ft office building, has been approved. Phase two, which is now fully let, comprises a 50,000 sq ft office building with a Sainsbury's Local and coffee shop at ground floor and 115-bed Holiday Inn Express, along with public realm and highways improvements outside Stockport train station.
- Warrington: Construction was completed 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 multiplex cinema, a 42,000 sq ft market hall, family-friendly restaurants, new council offices, retail units and a new public square, is now on site.
- Chester: One City Place, a new 70,000 sq ft office at the **City Place** scheme in Chester, is now fully let and has been sold to Hermes Property Unit Trust. The Grade A office building is the first in the wider £120 million City Place development, forming part of Chester's new Central Business Quarter, which is being brought forward by Muse in partnership with Cheshire West and Chester Council.
- Blackpool: Planning consent was granted for a new 142-room, four-star hotel with conferencing and leisure facilities in the seaside resort which will form part of the second phase of Muse's **Talbot Gateway** scheme, which is being delivered in partnership with Blackpool Council. Together with the proposed new tram terminal, it will transform visitors' arrival experience from Blackpool North railway station into the town.

Yorkshire & North East

- Doncaster: Construction has started on the second phase of 43 new homes at **The Gables** in Doncaster town centre, with sales launched last year and which are selling well.
- Leeds: Construction is underway to build three high-quality industrial units, totalling 100,000 sq ft, at Muse's flagship **Logic Leeds** manufacturing and distribution development. This follows the forward sale of the units by Muse to Leeds City Council last year. The two 33,000 sq ft and one 37,000 sq ft units are scheduled to be completed and ready for occupation later this year. Work has also now commenced on a new 360,000 sq ft facility for Premier Farnell.
- Wakefield: A deal agreed between English Cities Fund (ECf) and LocatED will see a new Performing Arts College developed on the last remaining plot at Wakefield's **Merchant Gate** scheme. ECf - a joint venture between Muse, Legal & General and Homes England - is working in partnership with Wakefield Metropolitan District Council, Network Rail and the East Coast Mainline to deliver the Merchant Gate regeneration scheme.
- South Shields: Demolitions are underway to make way for the second phase of the £100 million **South Shields 365** town centre regeneration project - a major new transport interchange which Muse is delivering with South Tyneside Council and Nexus. The scheme follows the hugely

successful and multi-award-winning first phase, new library and digital media centre, The Word, and improvement works to the adjacent Market Place. South Shields 365 will create 140,000 sq ft of retail and leisure facilities in the Barrington and King Street area.

- Stockton-on-Tees: Construction is underway on a third phase of 82 new two-, three- and four-bedroom homes at the 'Vivo' residential scheme in **Northshore**. Construction also began on a 125-bed Hampton by Hilton hotel at the development, which is being delivered by Muse on Stockton Borough Council's behalf who will fund and take ownership of the hotel. Northshore is a 56-acre, £300 million mixed-use development which is transforming Stockton's riverside.

Scotland

- Aberdeen: Construction was completed on the £107 million **Marischal Square** development in the city centre which was built by Muse's sister company Morgan Sindall Construction & Infrastructure. The scheme, developed with partners Aberdeen City Council and fully funded by Aviva Investors, was built in a single phase and comprises a 126-bed Residence Inn by Marriott, two city centre office buildings and seven restaurant and café bars at ground level. The project already has Aberdeen Journals, Tony Macaroni, All Bar One, Mackie's, Costa and Prezzo on its occupier list and boasts a major public artwork by renowned sculptor Andy Scott, in the shape of an enormous steel leopard.

Wales

- Colwyn Bay: Construction continued on a new four-storey, BREEAM Excellent, circa 100,000 sq ft office building in the town for Conwy County Borough Council. The scheme will accommodate around 750 Council staff and replace up to 13 existing offices. It is due for completion later this year.