

News

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Muse helps parent Group results

Urban regeneration and property development company Muse Developments has contributed to a solid set of half year results released today (8 August 2011) by its parent, construction and regeneration group Morgan Sindall Group plc.

Morgan Sindall Group, which operates through five divisions of construction and infrastructure, affordable housing, fit out, urban regeneration and investments, has today announced solid results in line with expectations for the six months to 30 June 2011. The Group's profit before tax, amortisation of intangible assets and non-recurring items was £19.5 million (2010: £23.1 million) on revenue of £1.09 billion (2010: £982 million). The Group also reports a strong order book of £3.5 billion supplemented by a £1.8 billion pipeline of regeneration schemes. A further £0.8 billion of these schemes are at preferred bidder stage. Adjusted earnings per share for the period were 35.1p (2010: 42.0p). The Board has declared a maintained interim dividend of 12.0p (2010: 12.0p).

The national developer with offices in London, Manchester, Leeds and Glasgow, continues to contribute significantly to the results, drawing upon its strong partnership track record, financial strength and desire for further growth. In addition to active schemes currently on site totalling £120 million, Muse has been successful in securing a number of new high profile schemes in the last six months adding to its already attractive portfolio across the UK highlighting its strong and active market position.

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

In Chester, Muse has just announced that it has been successful in acquiring a 3.5-acre development site in Chester city centre from Lloyds Banking Group. The site has been identified by Cheshire West and Chester Council as the location for the city's proposed new Central Business District (CBD). The first two phases will comprise of two BREEAM Excellent, six storey Grade A office buildings totalling 150,000 square feet. The development will be complemented by the provision of a new public realm providing direct links to Chester Station. A planning application is expected to be submitted in early 2012, with construction anticipated to start by 2013. When complete, the scheme will comprise over 500,000 square feet of Grade A office space and associated ground floor active uses.

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

On the banks of the River Tees, Muse is working alongside sister company Lovell to deliver the first phase of the £300 million Northshore regeneration scheme. The first phase of development will comprise a 50-unit residential scheme incorporating high-quality, two-, three- and four-bed terraced and semi-detached homes. Construction is now under way and the first homes are

expected to be ready by the end of the 2011.

Work has commenced on the £300 million transformation of Doncaster town centre. The first phase which includes: new civic offices; 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, is due to be completed by summer 2013.

Working as part of English Cities Fund (ECf), a joint venture partnership with Legal & General and the Homes and Communities Agency (HCA), Muse is carrying out a major residential and commercial development at Merchant Gate in Wakefield. Construction of the second phase, comprising 140,000 square feet of new civic offices for Wakefield Metropolitan District Council, is currently in progress and is due to complete in late 2011.

Also through ECf, Muse has recently completed the third and final phase at St Paul's Square in Liverpool. Number 4 St Paul's Square provides 109,000 square feet of BREEAM Excellent Grade A office space in the city's new Central Business District.

In Canning Town, in the London Borough of Newham, ECf has started work on the £180 million Rathbone Market scheme which will provide 651 private and affordable homes, 20,000 square feet of new retail and leisure amenities, and a revitalised local market. The first phase of the scheme features the construction of 271 residential units and is due to complete in late summer 2012. ECf is currently preparing a detailed planning application for the second phase of development which will include a further 150 new homes, a library and more retail space.

Also as part of 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 harbourside area into a vibrant new waterfront community. All of the award-winning apartments created as part of the first phase Cargo, have been sold, whilst the second phase - which will see the creation of 48 houses and apartments - has secured detailed planning permission and work is due to commence later on this year. ECf has also recently announced that terms have been agreed for Sutton Harbour Group to build and operate a new 190-berth marina at the heart of the scheme.

Muse has submitted an outline planning application for Union Square, a £300 million mixed-use development which will regenerate the heart of Swindon. The scheme is set to provide 1.6 million square feet of high-quality new 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 new hotel. Muse is seeking to commence work during 2012.

In Scotland, at the Eurocentral business park on the A8/M8 in Lanarkshire, Muse has successfully completed the £33 million sale of a 230,000 square foot industrial/distribution development which is currently under construction. In June, the company awarded Miller Construction a £7.3 million contract to deliver the next phase of development at the business park, which will see five new units built on two plots. Work on the new facilities has already started and is due to be completed in November.

At Bearsden in Glasgow, Muse has secured detailed planning approval from East Dunbartonshire Council for a £35 million scheme which will see the redevelopment of the former St Andrew's College campus. The disused buildings have been demolished to make way for the new 13-acre mixed-use development which will include 87 new homes and a 60-bed care facility.

"After a successful year in 2010, we've enjoyed a busy first half of 2011, making excellent progress

on existing projects, and securing a number of exciting new agreements,” says Nigel Franklin, joint managing director of Muse Developments. “Although the market remains challenging, we are in a prime position to capitalise on new opportunities and are in a truly unique position within the marketplace. Our appetite for further growth and our strong reputation continue to make us an attractive proposition for landowners seeking to partner with a dynamic regenerator. It also leaves us ideally poised to take advantage of any new development opportunities that arise this year and beyond.”

Ends.