

# News

5.08.20

## **Muse Developments contributes to Morgan Sindall Group plc's half year results**

Urban regenerator and property development company, Muse Developments, which has offices in London, Manchester and Leeds, has contributed to half year results released today (Wednesday 5 August 2020), by parent company Morgan Sindall Group plc, the construction and regeneration group.

Morgan Sindall Group plc delivered results for the half year to 30 June 2020 which were unsurprisingly impacted by the COVID-19 pandemic, with adjusted profit before tax down 57% to £15.7m and revenue down 4% to £1,363m. Importantly, however, the Group's balance sheet remains strong, with average daily net cash in the period increasing to £153m and period end net cash of £146m. With its secured workload up 5% to £8.0bn, the Group is confident of future success and growth.

Muse, the UK's leading light in mixed-use development and urban regeneration, continued to deliver innovative new places through collaborative partnerships during the first half of the year safely and in line with current government guidelines. The company currently has 17 projects on site, with a gross development value of £392 million, and is expecting to begin construction on a further 11 projects in the second half of 2020. Planning consent was achieved on four projects with a total development value of £70m.

The company's order book and forward development pipeline now stands at £2.3 billion. In addition, preferred developer status was secured on three major new projects in Bradford, St Helens and Salford. The latter two projects are through its joint venture with Legal & General and Homes England - The English Cities Fund.

Activity in Muse's logistics portfolio remains strong, with construction of a 195,000 sq ft unit continuing at Harrier Park Hucknall for leading educational resource provider, RM Resources, as well as the completion of 361,000 sq ft distribution hub for Amazon and further plots underway at its flagship Logic Leeds scheme.

Muse's commercial and leisure schemes continue apace, with a number at various stages of construction in Salford, Cheadle, Stockport, Blackpool and Basingstoke, as well as a number of deals completed, including 31,000 sq ft former market building at Time Square, Warrington let to Gravity Active Entertainment for its 13th site. Muse also continues to create a range of new homes within its portfolio, across a variety of tenures including private sale, build to rent and affordable in Bristol, Salford, Plymouth, Hucknall, Stockton-on-Tees and Tottenham Hale.

Matt Crompton, managing director at Muse, said: "Our teams across the business have showed real stoicism and tenacity, working remotely and diligently to minimise the impact of Covid-19, as we progress many of our key regeneration schemes across the UK safely and in line with government guidelines.

"While the half year results have been impacted by the effects of Coronavirus, we remain in a strong position as we continue to collaborate with our partners to create inspiring new places and spaces; bringing together the best of the public and private sector to drive economic and social prosperity at a time when it's needed most.

“One of our key focus areas going forward is using our experience of creating vibrant new places to work closely with local authorities to help them repurpose their towns and cities by looking at adaptable, complementary and sustainable places that also maximise social value for local communities.

“In addition to some important new business wins, some of the year’s highlights include, significant occupier deals at Time Square, Warrington, Logic Leeds, Hucknall and Basing View, plus residential sales in Stockton-on-Tees, Tottenham Hale, Salford, Plymouth and Bristol.

Some of Muse’s key achievements in the first half of 2020 include:

- The first phase of development at the innovative Tottenham’s Hale Wharf, being delivered by Muse’s JV with the Canal & River Trust – Waterside Places – in partnership with the Mayor of London and Haringey Council, reached its highest point in the first half of 2020. When complete, the first phase, being delivered by McLaren Construction, will bring forward 249 homes – 108 for rent through Grainger plc and the remainder for sale - along with extensive canal-side public realm and a bridge across the River Lea Navigation to connect the scheme to the area’s central hub. The wider scheme is one of the Mayor of London’s Housing Zones, and with 505 homes being delivered, Hale Wharf will make an important contribution to the mayor and the Greater London Authority’s aspiration for 2,000 new homes in the borough.
- Multiple phases of development at Salford Central are currently on site, including Two New Bailey Square (188,500 sq ft office), Three New Bailey (157,000 sq ft office building for HMRC), along with a range of residential schemes, including the third phase of the highly successful Build to Rent scheme, The Slate Yard (199 one, two and three-bedroom apartments), Atelier (178 apartments and townhouses), Valette Square (33 two, three and four-bedroom townhouses) and plot C1 (211 apartments).
- Multiple phases of development are currently on site at Harrier Park, Hucknall, long-term partnership with Rolls-Royce that will bring nearly one million sq ft of employment space, alongside hundreds of new homes and community facilities built on surplus land alongside the Rolls-Royce Aerospace supply chain plant off Watnall Road. Major developments on site currently include 195,850 sq ft of prime employment space that will become home to leading educational resources provider, RM Resources, along with a number of mixed residential plots.
- In the first half of 2020, Muse and its joint venture partnerships have secured planning consents on four projects with a development value of £70m. Five projects have reached practical completion at Logic Leeds (361,000 sq ft for Amazon, forward funded by Aberdeen Standard Investments); South Shields Interchange; 2 Stockport Exchange (61,500 Grade A office space); the third phase of homes at Northshore, Stockton-on-Tees, along with the new council offices and market hall at Time Square, Warrington. Construction began on four projects across the UK in Blackpool, Hucknall and Salford.