

News

4.08.21

Muse Developments makes positive contribution to Morgan Sindall Group plc's half year results

Leading urban regenerator, Muse Developments, which has more than 35 major mixed-use, multi-phase regeneration schemes across the UK, has contributed positively to the half year results released today (Wednesday 4 August) to the London Stock Exchange, by parent company Morgan Sindall Group plc, the construction and regeneration group.

Morgan Sindall Group has delivered a record set of results for the first half of 2021, with trading substantially ahead of 'pre-pandemic' 2019 levels. Compared to 2019, revenue was up 10% to £1,559m (HY 2019: £1,421m) with adjusted operating profit of £54.8m (HY 2019: £37.5m), up 46%. The Group's balance sheet has also further strengthened, with net cash of £337m and average daily net cash for the half of £294m. With three profit upgrades in the first half of the year and a high quality order book with a secured workload of £8.3bn, level with year-end, the Group is well-positioned for continued future growth.

Throughout the first half of 2021, town centre repurposing experts, Muse, continued to deliver its unique brand of urban regeneration through collaborative partnerships, safely and in line with current government guidelines. The company hit key milestones on a number of schemes, with 11 projects currently on site (construction value of £514m) and a further 12 projects expected to start on site in the second half of the year.

Muse's order book and forward development pipeline now stands at £2.8bn. Following major forward funding deals secured during 2020, the company continued apace on a vibrant new neighbourhood at Lewisham Gateway and the first residential phase at Manchester's New Victoria.

A number of commercial schemes achieved major milestones, with HMRC's new 157,000 sq ft regional hub, Three New Bailey at Salford Central and Eli Lilly's new 45,000 sq ft headquarters at Basing View both completing. Construction also commenced on the architecturally-striking 175,000 sq ft, Four New Bailey, which is pre-let in its entirety to telecommunications-giant, BT.

Muse continued to deliver bespoke, place-changing, residential-led developments, with 249 waterside homes and a new bridge connecting local communities completing at Hale Wharf in Tottenham. The company also continued to develop and sell a range of new homes across a variety of tenures within its portfolio at Millbay in Plymouth, Salford Central, Bristol's Wapping Wharf, Slough, Bournemouth and Hucknall.

Hotel schemes also progressed, with construction commencing on a Holiday Inn at Talbot Gateway in Blackpool and a dual-brand, double decker Moxy Hotel and Residence Inn completing in Slough.

Activity in Muse's industrial and logistics portfolio remained strong, with construction commencing on two units totalling 104,000 sq ft at its flagship Logic Leeds scheme.

Matt Crompton, managing director at Muse, said: "Following the unprecedented challenges of 2020, our colleagues have continued to work diligently and flexibly to deliver place-changing developments, win new work and make positive progress, notwithstanding the pandemic's impact on the industry.

"We remain in a strong position, with an extremely healthy forward pipeline and expanding teams

across the UK. We continue to work collaboratively with our partners to repurpose under-utilised urban areas, breathing new life into them to drive economic growth, social prosperity and opportunities for local communities.

“We continue 2021 working closely with our partners to regenerate our towns and cities, leading the way on sustainable, innovative and purposeful developments that will improve places, lives and communities for the future.”

Some of Muse’s key achievements so far in 2021 include:

- Construction continues on the second and final phase at Lewisham Gateway, following a £252m forward funding deal from Get Living plc to deliver the phase in full. Once complete, the scheme will be operated by Get Living and will provide 649 homes for rent, c.25,000 sq ft of retail space, c.15,000 sq ft of food and beverage space, a gym, 10,000 sq ft of offices and Lewisham’s first major multiplex cinema which has been pre-let to Empire Cinemas on a 25-year lease.
- The first phase of residential development at the gateway New Victoria site in Manchester continues on site, following a £130m forward funding deal from insurance provider, Pension Insurance Corporation (PIC). The 450,000 sq ft first phase will bring forward 520 high-quality homes over two 20 and 25-storey buildings, with 7,000 sq ft of innovative amenity space, including a striking link bridge that will also serve as a communal roof garden for residents.
- Major progress continued at Salford Central, delivered by The English Cities Fund, Muse’s joint venture with Homes England and Legal and General. Construction continued on residential schemes Novella and Atelier, work commenced on the 175,000 sq ft, Four New Bailey pre-let to BT and construction completed on HMRC’s new 157,000 sq ft regional hub and 33 new homes at Valette Square
- Muse and its joint venture partnerships have secured planning consents on 9 projects with a development value of £540m including; Salford A3 (115,000 sq ft net zero in operation office); Stoke Wharf (312 new homes & public realm); Brentwood Maple Close & Seven Arches Road (20 new homes); Glassworks, South Shields (60,000 sq ft net zero in operation office); Birkenhead town centre, The Wirral (1.4m sq ft); Stroudley Walk (274 homes, 51% affordable); Montem Lane, Slough (212 homes); Wexham South, Slough (25 homes); Stockton Homezone phase 4 (75 homes).
- Muse was selected as preferred development partner for Horsham Enterprise Park by West Sussex County Council to deliver a sustainable and inclusive new neighbourhood for Horsham, which will provide commercial space for a range of employment uses, high-quality homes and extensive public realm.