

# News

7.09.20

## **Pension Insurance Corporation plc named as New Victoria residential funder following £130m deal**

Pension Insurance Corporation plc (PIC) has been officially named as the forward funder of the first phase of development at Manchester's New Victoria scheme, following a £130m deal, with the scheme due to start on site imminently.

New Victoria - the £185m scheme in the heart of Manchester city centre is being delivered by national mixed-use urban regenerator, Muse Developments with support from Network Rail and Manchester City Council.

PIC - a specialist insurer of defined benefit pension funds - will forward fund the 450,000 sq ft residential phase for its first Build to Rent scheme, with International tier one contractor, VINCI Construction UK the scheme's main contractor, which will be completed safely and within current government guidelines over a three-year period.

The first phase of residential development will deliver some of the best amenity space in the region, including a state-of-the-art gym, communal lounges, cycle storage and a rooftop garden. The building fronting Corporation Street will feature retail space on the ground floor, car parking as well as public realm improvements.

Adjacent to Manchester Victoria train station, New Victoria will bring forward a total of 520 new homes over two, 20 and 25-storey buildings, including 178 one-bed, 286 two-bed and 56 three-bed apartments on the site, which is being purchased from Network Rail.

Muse - one of the UK's best in delivering repurposed and reimagined town and city-centre regeneration - announced in 2019 that Manchester City Council had received a Housing Infrastructure Fund grant from Homes England, the government's housing agency, to accelerate the delivery of the infrastructure needed to unlock the 2.5-acre site on Corporation Street.

David Burkinshaw, development director from our Salford office, said: "Reaching completion on the forward funding deal with PIC is a significant milestone for all partners, as we bring forward the first phase of this innovative gateway development. This deal highlights investor confidence in our long-term vision to transform and repurpose an underutilised site in Manchester city centre.

"At Muse, we're committed to bringing the best of the public and private sector together, to drive economic and social prosperity right into the heart of our towns and cities when it's needed most. Key ingredients to achieving this are to deliver high-quality designed schemes next to major transport infrastructure, but importantly with a core purpose to meet the diverse needs of our communities. We look forward to working closely with PIC and our contractor, VINCI, as we progress this first-class scheme."

Tracy Blackwell, CEO of Pension Insurance Corporation plc, said: "With a portfolio in excess of £40 billion backing the guaranteed pensions of our c.230,000 policyholders, PIC is a significant and purposeful investor in the UK's social infrastructure, including social housing and renewable energy. I am delighted that we have now secured our first Build to Rent project, which will provide long-term, secure cashflows to back our pension payments in the decades ahead.

"I want to thank our partners, Muse Developments and Vinci Construction UK, for their help so far

and I look forward to successful completion in 2024. We are actively engaged on a number of similar opportunities across the UK and have a strong pipeline going into 2021.”

Gary Bowker, regional director for the North West at VINCI Construction UK, said: “VINCI Construction UK are absolutely delighted to be delivering this landmark scheme with Muse and it’s been a great team effort throughout the preconstruction stage to finalise the design, agree the contract and secure the project start on site date. VINCI will utilise our key skills in civil engineering, railways interface and high-rise construction on this project as we further develop our position within the Manchester market.”

As part of the wider New Victoria scheme, Muse is also acquiring a second site from Network Rail, where proposals will be brought forward for a 150,000 sq ft Grade A eight-storey office building.

New Victoria benefits from being in an unparalleled location, close to the city’s premier retail and leisure amenities, adjacent to Manchester Victoria Station - the city’s second largest public transportation hub that has benefited from a major programme of regeneration in recent years.

It’s expected that the scheme will create 40 new jobs and employ 650 people during the construction phase, with completion due to finish in 2024.