

# Real Estate Review 2013





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# Welcome

We are delighted to report that we have seen improved levels of activity and confidence amongst our clients. During the past year we have worked on major projects such as UK Land's purchase of the HCA's interest in NEPP and on Silverlink's redevelopment of the Stephenson Quarter.

The house builder and affordable provider sector remain very active and we have gained significant market share.

As we enter 2014, we can see a clear pipeline of activity of development projects and investment activity.

Levels of corporate activity in the region are certainly on the increase and that confidence will undoubtedly help the real estate sector. With the move towards a combined authority, the new Chief Executive of Newcastle City Council (who has a real estate background) in post and the North East LEP now fully operational, the private sector hopes that the public sector will now drive forward its agenda for growth for the region.

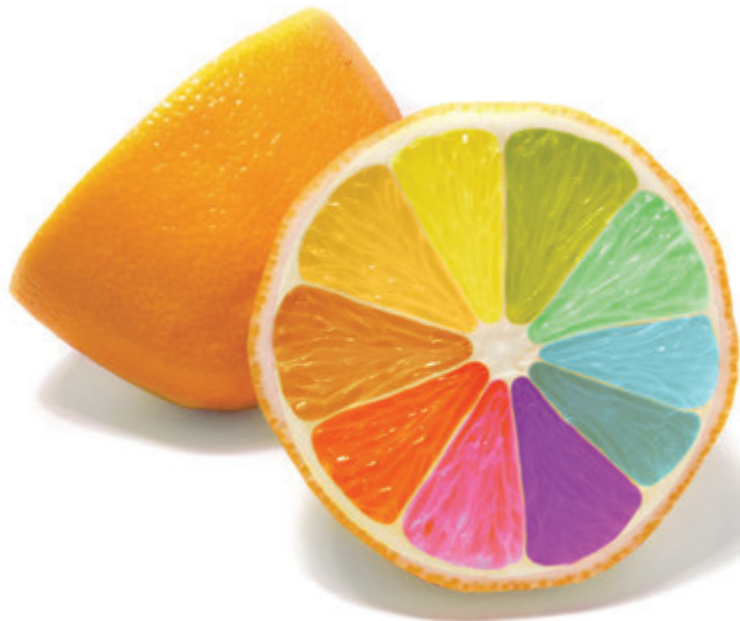
“ Levels of corporate activity in the region have increased and that confidence will undoubtedly help the real estate sector.”

# Food for thought

We continue to feel that it is important for us to contribute to the key issues facing our sector in this region and wider afield. Examples of how we have been contributing to this discussion include:

“It is important for us to contribute to the key issues facing our sector.”

- being members of Developing Consensus and contributing fully to its initiatives;
- hosting a Thought Leadership dinner with the Tees Valley LEP and representatives from major businesses on Teesside where we were able to discuss such successes as the Hitachi project;
- hosting a dinner with the senior policy adviser on regeneration and housing for the CBI with housing sector representatives; and
- hosting Thought Leadership dinners with the new Chief Executive of Newcastle City Council, Pat Ritchie and her team (in particular Newcastle Science Central and the planning team), again giving an opportunity for both the housing sector and commercial sector to engage with the public sector.



# Thank you for your support

We would like to thank every one of our clients for their support during 2013. Our Real Estate Group has had a great 12 months but we are very conscious that our success is entirely dependent upon the loyalty of our clients and

the support that we receive from the broader business community. Both are very much appreciated. Here are just a few of the clients who we have been helping during 2013:







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# Accounting on a sustainable future



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We advised PwC on their Newcastle office relocation to Central Square South, adjacent to Stephenson Quarter. This provides 24,000 square feet of office space which allows PwC to continue recruiting, whilst providing them with first class accommodation.

The Central Square South offices have high sustainable environmental standards that will enable PwC to align itself with their other offices in the UK that operate thorough environmental processes.

“Adrian Hill at Muckle demonstrated a highly professional approach in delivering comprehensive advice and exemplary quality of service.

Their pragmatism to a complex transaction demonstrated a highly commercial understanding that exceeded expectations.”

**Chris Richmond,**  
Head of Real Estate at PwC



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# An everyday regeneration

**We are helping Muse Developments Limited to deliver South Tyneside Council's ambitious South Shields 365 master plan. The £100million scheme aims to make South Shields an exciting destination every day of the year.**

**The town's three distinct areas – the seafront, town centre and Riverside – will be brought together to make it one place of year-round cultural, leisure and retail activity.**

Muse Developments has an exceptional track record of delivering town centre regeneration and we are delighted to work with them on the scheme to realise South Tyneside Council's plans over the next five to ten years. The proposals will include a library and community hub on the site of Wouldhave House,

retail and leisure facilities at Barrington Street and Fowler Street West, and a new transport interchange at Keppel Street. The scheme will also improve the market place and St. Hilda's area, as well as bringing a new cinema, shops, restaurants and car parking.



Negotiations in a competitive dialogue need a fine balance between the optimum preferred position and what is needed to be successful in the bid and have a commercially deliverable proposal. Adrian Hill was an important member of our team in helping us achieve a successful outcome on South Shields.”

**David Wells, Development Director at Muse Developments Limited**





# Home from home



**We advised Metnor Group Plc on developing the £multi-million Turner Court halls of residence at Portland Green in the Shieldfield area of Newcastle, which completed in August, ready for students returning for the new academic year.**

The development is the first phase of the Portland Green student village and involved our Real Estate, Construction and Banking Teams. This was an interesting development from the perspective that it was done speculatively by Metnor who showed great confidence in the potential of this project.

The project funding was particularly challenging as the site was developed without the benefit of a nomination agreement and the only pre-let on the building was for a Tesco Metro on the ground floor. We managed to structure a deal around this and the result is that the accommodation is now full of students studying in Newcastle.

“Will McKay and the team at Muckle LLP provided us with an outstanding service, delivering on every aspect of this project under what were particularly complex circumstances. As a result of their knowledge, skill and expertise we have delivered another successful property on time.”

**Keith Atkinson, Managing Director at Metnor Group Plc**

# Property Partnership purchased

**We worked closely with UK Land Estates and its joint venture partner, Highcross, on the buyout of the Homes and Communities Agency's (HCA) interest in their joint venture, North East Property Partnership (NEPP).**

NEPP was established in 2004 when the Regional Development Agency sought a private sector partner to manage and operate its commercial property interests in the North East for a ten year period. These interests extend across the whole of the region and include many of its key industrial and commercial centres e.g. Team Valley Trading Estate in Gateshead, South Nelson Industrial Estate in Cramlington, Pallion and Pennywell Industrial Estates in Sunderland and Teesside Industrial Estate on the outskirts of Middlesbrough.

The deal enables UK Land Estates to invest in these sites whilst the HCA focuses on investing in housing and economic development. UK Land Estates' plans to develop and improve the estates was one of the main attractions of the deal for the HCA. The purchase ensures that the operation and ownership of these key North East assets remains firmly located in the region.



The Real Estate Team lead by Adrian Hill delivered our transaction within a very tight timeframe. They needed to understand our priorities, be commercial in their implementation and to work to a very challenging timetable. We like them as people and rate them as professionals. We consider them to be an integral part of our business.”

**Michael Spriggs, Managing Director at UK Land Estates (Partnership) Limited**





# Signature signs Catwick



**We advised Canadian based Sandman Hotel Group on its latest UK acquisition to help Sandman acquire the Ramada Plaza Gatwick hotel and to upgrade and refurbish it to become a Sandman Signature Hotel.**

This will become the second Sandman Signature Hotel in the UK, after the Newcastle hotel was opened two years ago in the old Newcastle Brewery building close to St. James' Park.

We advised Sandman on the Newcastle hotel development so were approached again for this project. This transaction involved acquiring the property assets as well as the business operations.

“The advice Will McKay and the team at Muckle LLP provided was outstanding. The level of service they gave was exceptional and they were an integral part of our team to ensure the success of the acquisition. They worked tirelessly for us, regardless of the time difference between us in Vancouver. I wouldn't hesitate to recommend them.”

**Taj Kassam, President and Chief Operating Officer at Sandman Hotel Group**

# Fantastic autistic facilities

**We have been working with the North East Autism Society on a project to create a new £9million training centre for autistic children and their families. We acted to acquire and build on the former Aycliffe Young People's Centre in County Durham.**

The timescales involved meant that the Society started the construction phase of this project under license before the land itself was acquired. The first part of the centre to be completed was a purpose-built school with sports hall and swimming pool. The centre's educational services will include those for children from entry level to post 16, including secondary level education and vocational courses.

Other services will include intensive support for families in crisis, as well as after school clubs, holiday schemes, and leisure and activity clubs. Short breaks will also be available there, as well as residential accommodation, extending the scope for family support and outreach services.



Adrian Hicks and the team at Muckle LLP understood our objectives and made sure the acquisition went through as efficiently as possible. I'd certainly recommend the team at Muckle. They cared about what we wanted to achieve and worked hard to accomplish that. They kept us informed at each stage of the project and their standard of service was excellent."

**John Phillipson, Chief Executive Officer of the North East Autism Society**





# Silver lining for Stephenson Quarter



We are advising Silverlink on the redevelopment of the Stephenson Quarter in the heart of Newcastle city centre, one of the most significant regeneration schemes in the North East's history. The scheme represents investment in the region of £200million, and phase one is now well underway.

The construction of this phase involves a 251-bed, four-star Crown Plaza Hotel on the site next to Central Station. Phase one of the ten-acre redevelopment also includes a 357-space multi-storey car park with 35,000 sq ft of offices above which has been forward funded by AVIVA. Completion of the hotel and the construction work is anticipated for July 2015. Newcastle City Council has taken a non-occupational lease of the offices and car park.

The transaction and the issues involved were highly complex and a multitude of parties were, and continue to be, involved with phase one. All of the parties involved had a common goal which was to achieve the successful regeneration of the site, but they also had their own particular interests to protect. We were able to draw upon expertise from across the firm to achieve the objectives set by Silverlink whilst balancing the needs of the various funders and other stakeholders in ensuring that the transaction completed in a difficult funding market.



Delivering this scheme will bring back to life an under-used part of the city centre, generating jobs and further development. We're very grateful to Jonathan Combe and the team at Muckle LLP for their skills and expertise. As a result they were able to represent our interests, whilst working with the other parties involved to ensure the work could get underway. We look forward to working with them on the future phases."

**Alan Schofield, Finance Director of Silverlink Property Development plc**

# Healthy independence

We advised Keiro Limited on a land acquisition and development project worth £8.5million for 'The Gateway' in Middlesbrough which will become the first neurological rehabilitation facility of its kind.

The new building will enable individuals with long term neurological conditions to regain and retain their independence. The development includes a state of the art rehabilitation centre, a community well-being hub with an integrated health club as well as a range of transitional housing from partner Erimus Housing, with access to long-term housing in the wider area.

We acquired the land from Middlesbrough Council and the Homes and Communities Agency and then led on what was a very complex transaction, which included the onward transfer of part of the site to Erimus. We also negotiated and prepared the construction documentation for Keiro for the main rehabilitation scheme and worked alongside Erimus' legal team to ensure the entire development went to plan.



Adrian Hicks and the team at Muckle LLP provided timely advice, which was vital in enabling us to get this project up and running. They worked very well with us and the other partners involved in the project, to ensure everything went through as quickly as possible.”

**Boda Gallon, Chief Executive from Keiro Limited**



# Driving growth nationwide



**We have been working with Northgate Vehicle Hire to help deliver on its expansion in the South East and M25 area into London. Northgate plc is headquartered in Darlington and currently has over 60 sites in the UK and over 20 in Spain. They have launched ambitious plans to open another 20 sites in England with an initial focus on the South East and London.**

We have worked closely with the team at Northgate on acquiring new sites in Brent Cross, North London, Basildon, Essex and Charlton, South East London to ensure that the vehicle hire company meets the local demand for a national commercial fleet provider. Working in the real estate sector in

London and the South East has presented its own unique challenges; challenges which our team is becoming more regularly accustomed to due to the increased activity from national corporate occupier clients.



As our expansion in London grows and the pressure mounts for us to deliver the new sites, Martin Wilson's advice and tenacity has been invaluable. His commercial approach to the transactions is refreshing and I know for certain that I couldn't do my job if he wasn't there to support me every step of the way."

**Joanne Riddell, Head of UK Property at Northgate plc**

# House building extension

An area of work that Muckle has become increasingly involved with over the past few years is the acquisition of land for regional and national house building companies. The team that deals with this work is headed by Jonathan Combe and comprises fellow Partner, Will McKay, two highly experienced Associate Solicitors, Adrian Hicks and James Armstrong (with over twenty years' experience between them) and Solicitor, Louise Oliver. They routinely deal with complex development transactions involving such matters as overage, planning conditionality, ground conditions, social housing and securities for deferred payments. Their depth of experience enables them to advise on a wide range of ancillary matters involving, amongst other things, town and country planning, highways and village greens.

The key to our success in this area is founded on the team's experience, on the detail of advice given and by providing a prompt and proactive service at competitive rates.

Key clients include Persimmon Homes, Charles Church Developments, Home Group, Yuill Group, Barratt Homes, Four Housing Group, Gentoo Group, Keepmoat Homes and the Mandale Group.

Three years ago, the majority of sites that we were instructed to deal with were located in Tyne and Wear and Northumberland. However, the firm is now being instructed for sites across Yorkshire, in the North West, across Teesside and as far away as Bristol and the Home Counties.



We have recently switched a lot of work to Muckle and have nothing but good things to say.”

**Simon Usher, Director in Charge at Persimmon Homes**



Keepmoat Homes are a rapidly expanding business and when we agree terms for a site purchase, we want the formalities completed as soon as possible. We recently commissioned Muckle for the first time to see how they could perform. Muckle provided a faultless, professional service to a very tight timetable.”

**Ian Prescott, Regional Land Manager at Keepmoat Homes Limited**



# Awards



## Heart of the Community Award

### North East Business Awards 2013 winner – for the second year in a row

We won the “Heart of The Community” award for the Tyneside and Northumberland regions of the North East Business Awards. This was awarded in recognition of the care that all of our people have shown in helping the communities where we live and work. It is an award that is aligned closely to our belief in the importance of being a responsible business and it reflects what has been done by a huge number of people across the firm.

We won the overall “Heart of the Community” award in 2012 for all regions across the North East.

We were also short-listed in the “CSR and Environmental” category for the Northumberland and Tyneside region in the North East Business Awards 2013.



**INVESTORS  
IN PEOPLE** | Gold

**In October 2013, we became one of only a handful of UK companies to achieve the Investors in People Gold accreditation. There are even fewer law firms who have been able to gain this exclusive accreditation.**

The Investors in People Gold award represents achievements of world class best practice. We are proud to be the only law firm with a North East head office to achieve this. It reflects the support, encouragement and recognition that we give to all our people and is part of our

continued commitment to providing an excellent service to all our clients.

26% of the UK workforce is employed by organisations that have an Investors in People award but only 3.6% have achieved the gold accreditation.









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