

News

1.05.13

Bournemouth LABV enables the first £40 million regeneration schemes to go ahead

Morgan Sindall Investments Limited (MSIL), with its partner Bournemouth Borough Council is pleased to announce that contracts enabling £40m of regeneration activity have just been signed. These contracts represent the initial developments in the Bournemouth Local Asset Backed Vehicle (LABV).

The agreements mean The Bournemouth Development Company, a public-private partnership between Bournemouth Borough Council and MSIL, can begin redeveloping two council-owned surface car parks at Leyton Mount and Madeira Road.

Central government funding has been secured through a loan from the Homes and Community Agency towards the financing of a five-storey block of 64 apartments at Leyton Mount together with a 290 sq m (3,120 sq ft) commercial unit suitable for a café or restaurant.

Separately, the partnership has concluded a deal with a blue-chip pension fund which will meet the development costs of three blocks of student accommodation on part of the nearby Madeira Road car park. The blocks will house 378 students for the Arts University Bournemouth. Finally a new 382 space multi-storey public car park will also be provided at Madeira Road.

The projects were able to reach contract signature through the unique nature of the private sector partner of Bournemouth, Morgan Sindall Investments Limited. The structure of the deal that MSIL originally signed in February 2011 meant that they could bring the entire Morgan Sindall Group into the supply chain; this has meant that projects can be looked at in a holistic nature, rather than as standalone propositions. By using this method MSIL have managed to deliver three development opportunities in a difficult market.

Richard Dixon, director at MSIL said “We are delighted to announce that Bournemouth’s Local Asset Backed Vehicle is now on site, actively engaged in helping to deliver its part of Bournemouth Borough Council’s Town Centre Vision. That the LABV has achieved such a milestone, within a relatively short timescale and in the context of a challenging environment for developers, is testament to the strength of the LABV model and the commitment of its partners. It represents an exemplar for other local authorities and public sector bodies, who are considering ways of unlocking value in surplus assets in order to help drive regeneration and improve their estates.”

Duncan Johnston the Development Director of the Bournemouth Development Company said “This first wave of activity is great news for Bournemouth, and demonstrates our commitment to this innovative project allowing us to move forward with the shaping of the regeneration vision for the town. Work has started on site on all three projects and we will now press ahead with developing the pipeline of future activity.”