



GREGORY GROUP OF COMPANIES

Issued: 9th September 2010

MAJOR BOOST FOR YORKSHIRE LEISURE MARKET

AFTER £35 MILLION FUNDING DEAL ANNOUNCED

One of the biggest property funding deals for Yorkshire since the start of the recession, announced this week, will also mean a major boost for the Yorkshire leisure market according to agents.

Work can now officially start on a new Vue multiplex cinema at Gregory Projects' Broad Street Plaza, Halifax after a £35 million funding deal was agreed with Santander Corporate Banking to fund the leisure and hotel phase of the scheme. The news follows Vue's announcement this week that it experienced its biggest week in its history during the summer thanks to hits such as Toy Story 3 in 3D.

The new Vue cinema will be one of only a handful of new multiplex cinemas being built in the UK this year, giving the local leisure market a major boost following a number of years of development stagnation, according to one of the joint agents for Broad Street Plaza, Nick Ferris, Partner at the Leeds office of King Sturge, who says:

"The start on site in Halifax has given the leisure sector, both regionally and nationally a major boost, and hopefully this will provide the platform for others to come forward as market activity continues to improve. On the basis of the pre-lets that we have secured so far, we are seeing healthy demand from occupiers in the remaining space."

Ian Hare of BNP Paribas adds: "This announcement goes against the theory that any major mixed use development cannot go forward in these economic times. To get the scheme to where we have is such good news not just for the town but for the property industry in general. We, along with joint agents, King Sturge, have worked hard to attract major national, branded occupiers such as Vue, Tenpin, APCOA and Whitbread and expect to be able

to announce further lettings to top quality leisure operators now that building works have started.”

The 277,000 sq ft scheme is already 70% pre-let and the agreement with Santander secures the future of the £50 million development, one of the largest regeneration schemes to start on site in Yorkshire this year.

Over 220 long term jobs will be created as a result of phase one, as well as almost 200 construction jobs for Elland-based Marshalls Construction after it was appointed main contractor for the scheme. It is hoped that the project will bring an additional £8m per year to Halifax’s economy.

Tim Richards, CEO of Vue Entertainment, comments: “The nation’s appetite for movie going is higher than ever thanks to hits such as Toy Story 3 in 3D, now the highest grossing animation film in history and other blockbusters including Twilight: Eclipse and Inception, to name but a few.

“Set against this great performance in cinema going and our continuing track record of being the UK’s leading developer of new state-of-the-art multiplexes in the UK, we are excited to see the starting of Vue Halifax after a long period in planning.

“The fabulous new development at Broad Street Plaza which will feature a great selection of shops, restaurants and other leisure facilities means that it will quickly become a major destination for the local communities in and around Halifax. Our new 9 screen cinema will certainly play a pivotal role in completing the offering and is due to open in July 2012. It will have over 1,450 ultra comfortable stadium seats, VIP seating, and is set to have the most state-of-the-art on-screen digital projection available, delivering both a fully immersive 3D experience and superior 2D quality, thanks to Sony’s unique 4K technology.”

The funding agreement with Santander, which will be managed by Santander’s regional corporate banking team in Leeds, follows a £3 million investment from Yorkshire Forward announced earlier this year, which enabled clearance works to start on site and created the confidence for private sector funding to follow.

David Brimblecombe, managing director of developer Gregory Projects, part of the Leeds-based Gregory Group, says: “To secure a funding deal of this size on a major mixed used scheme in the current climate is fantastic news and a very positive message for the region.

“The lack of development finance available has been well documented, however, we have been delighted by the high level of service we have received from Santander’s corporate banking team in Leeds.”