

Project Experience

Martineau Galleries, Birmingham



Outline

Parm was instructed by Birmingham City Council to negotiate the re-gearing of its interest in the Priory Square shopping centre to enable the Birmingham Alliance (Land Securities, Hammerson and Henderson Global Investors) to redevelop the centre and other buildings within the 13.5 acre site for a new 2.9 million sqft mixed-use development (of which 915,000 sqft will be for new retail accommodation) linking the 1.2 million sqft fashion-led Bull Ring shopping centre to the Eastside Regeneration Zone.

The Council exchanged a Development Agreement with the Birmingham Alliance for the £750 million Martineau Galleries scheme in 2008.

Parm advised on scheme evolution, financial viability issues, negotiation of the financial proposal and its subsequent documentation.

A key element of the advice included undertaking a detailed analysis of the developer's appraisal to test various financial scenarios/proposals. A financial model replicating the developer's appraisal was created to enable the Council to undertake this testing and fully understand the financial implications.

The scheme is currently being reworked by the developers to reflect changes in the property market,

Services Provided

Parm Dosanjh was responsible for:

- Detailed analysis of developer's financial proposal and supporting appraisal;
- Advice on scheme design, content and layout;
- Advice on tenant mix strategy;
- Advising on the vacant possession strategy ;
- Negotiating Heads of Terms, Development Agreement and new Head Lease;
- Advice on value of Council's existing property interests in the revised scheme;
- Preparing Best Consideration report;
- Reporting to Council Members.