

MEDIA RELEASE - 31/01/10 - Macdonald Estates Launches New Company and Opens in London

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Debt free property developer Macdonald Estates will launch a new UK subsidiary company tomorrow in an initiative to double its property work in progress to £300m in the UK. Macdonald Estates Property Partnerships (MEPP) launches tomorrow (Monday) to source, acquire and develop property for new commercial and residential projects. The company will work with land and property holders in the financial sector (as well as property companies and the public sector) to structure partnerships and joint ventures that will stimulate development and determine planning solutions to release early realisation of value. Alan Meikle, a corporate financier and former banker, is to head the MEPP venture which will employ two senior people and who will look for opportunities in retail, commercial and residential development. Dan Macdonald, chief executive of Macdonald Estates commented; "The banks and financial institutions are now major property owners in this country with assets that can provide immediate development turnover. Experienced property developers are required to help find the best solutions to realising development value within these portfolios. Through MEPP initiative we want to increase our understanding of the emerging thinking in the financial sector with whom we can structure new partnerships." In addition, Macdonald Estates will also open an office in London for the first time in its ten year history. Rick Mai, formerly of Thornfield Properties, will lead the growth of the London business where he will secure new projects, partnerships and joint ventures. "The senior appointment of Alan and Rick is hugely significant for Macdonald Estates. Alan's background and his understanding of property are crucial to our success in finding development solutions for land and property. Our strategic aim in MEPP is to secure deals that will offer partnership opportunities with the financial sector. "Opening in London is essential now. The reality of the changes of the financial sector in Scotland means that decision making has to an extent moved to London. Additionally the potential of the Scottish property market has contracted and we need to expand." Investing in the opening of an office in London is a major decision for a company of our size at this time, but we have decided that the City presence is essential to ensure that we can react fast to opportunity, be decisive on project selection and competitive where it counts." Macdonald Estates finds itself in a unique and fortunate position at the start of 2010, with no debt, no problem development projects and sufficient work in progress to sustain profitability over the next 2 years. Macdonald is philosophical about the company's new approach, he continued, "Our challenge today is to reinvent the business of property development and re-build momentum and profit growth. This in itself will see us having to invent and adopt new development and funding structures, new style partnerships and above all a culture of trust and transparency hitherto, not prevalent in our industry. "It is a change that recognises the adoption of a new culture and management style which is exhaustively more intense and detailed." In line with this changing nature of the property industry, Macdonald Estates has acted swiftly to reorganise its core business and management staff. Directors Stewart McPhail and Joe Noble will lead a programme of planning applications for new projects in Scotland, concentrating on the absolute requirement for pre-engagement with communities, Councillors, Council officials and other affected parties well in advance of applications. This will work towards partnership approaches that will nurture common objectivity between parties that traditionally have often found difficulty in coming together. The promotion of Alastair Ness will see him lead a staff of three assistants to head new business in the retail sector in a major move to consolidate and grow our core business particularly in Scotland. Alastair and his team will identify and secure development projects for new investment, with an estimated ten new planning applications expected in the first six months of this year. Macdonald continued: "Our focus is not to rescue troubled sites. We will seek and expose good opportunities where, by taking a different approach to commercial and residential use, mix, masterplanning, planning and density capacity, we can create a new formula to provide the best solutions. "I am convinced beyond doubt that we can create the occasion and the cause for a new-style development era. By re-evaluating what previously created our successes and re-working more intensively and creatively, we will produce profitable partnerships." Kevin Robertson, managing director, Macdonald Estates, commented "It's the right time to launch MEPP. It is clear from various conversations that we have had with the main financial players that they are now looking to get to work on the significant property portfolios that they hold directly. "Given our proven track record, and the dramatic change in the competitive landscape over the last year, we consider that Macdonald Estates is exceptionally well placed to assist the banks and others in working assets. Our approach is one that is founded on a genuine partnership philosophy. We believe that this, allied to the quality and diversity of the skill base and culture within Macdonald Estates, will prove invaluable to our selected partners going forward, particularly in relation to more challenging and complex real estate projects."