

# GATEWAY TO GROWTH

One of the largest development projects in the North is underway in County Durham, as Peter Jackson reports

Economic times may be tough but major capital investment continues apace in County Durham in the shape of the DURHAMGATE project.

The development, by the Carillion Arlington Real Estate, CARE, partnership, covers more than 50 acres on the A167, on the outskirts of Spennymoor, a regeneration of the former Black & Decker site.

The £200m scheme, which will take 10 years to complete, involves the construction of 440,000sq ft of offices, a hotel and family pub, 20,000sq ft of restaurant accommodation, 9,500sq ft of retail and 376 houses. The whole site has the potential to accommodate 2,000 jobs.

Development director for Carillion Development Neil McMillan said: "The key thing for us is to be making a start this year, which, given the current economic status of the UK at the moment, is a pretty bold start." The location of DURHAMGATE is of paramount importance with its central location within the county being as important as it was to Black & Decker.

"What attracted us to it as Carillion in the first place is that it sits bang between the conurbations of Tyneside and Teesside," says McMillan. "So from an employer's point of

view looking for new office space, those employers can attract employees from those conurbations and you have the benefit of County Durham's workforce, and that makes a big difference.

"It's location is one of its main strengths and it's no mystery why the likes of Black & Decker, Thorn and all these big employers over the past few decades have based themselves here."

While DURHAMGATE will be built on the site of Black & Decker's old factory, Carillion is keen to emphasise that it will be much more than an out-of-town business park.

McMillan says: "We are on the edge of a large town, it's a mixed use development, it has housing, it has retail and leisure within it. For any business locating onto this site,

their employees get those benefits within walking distance of the office. Employers these days are really interested in what their accommodation can offer for their employees."

He points to the employment opportunities the development will create in the county and CARE's commitment to work with organisations such as Business Action for the Homeless and Prince's Trust.

"It plainly makes sense for us to make use of local contractors and the local workforce and that's part of our ethos," says McMillan.

"It makes sense, this is something that is positively impacting on the community so why not take that one step further and, where we can, use local businesses and contractors and local people?"

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**Ground breaking:** Sedgefield Borough Homes (sbh) chief executive Colin Steel (left) with Neil McMillan, director of Carillion Developments

DURHAMGATE received planning permission last year and, since then, much of the preparatory work has been done on the site. A funding package of £8.5m has been agreed between CARE, One North East, Durham County Council and the Homes and Communities Agency for highways improvements.

These will see old buildings on the site demolished and a doubling of the size of the main roundabout on the A167, creating an additional spoke to serve as the main entrance to the site.

Site clearance has started within the old boundaries, demolition has begun, to be followed by construction of the first office building with the first phase of housing to begin early in the new year.

"People will start to see proper activity as we move towards the end of this year," says McMillan.

CARE will build bespoke buildings for tenants and will market the site to prospective occupiers and to housing developers.

"We have not yet done a proper marketing campaign and we are gearing up towards

doing that we get towards the end of this year as we want to link that in with the activity that is happening on site, but we have already had a real positive interest in the scheme and we are talking to potential office occupiers and have been for some time and have had expressions of interest on the retail side as well," says McMillan.

Carillion's experience so far with the DURHAMGATE project has given it an optimistic view of County Durham. "In the three and a half years we have been engaging with the local authorities here, first with Sedgefield Borough Council and then the new unitary authority, we have seen there is a real desire within the local authority to see projects like this happen and to assist in enabling them to happen," says McMillan.

"One of the reasons we invested in this site and we are looking at other opportunities within the county is that there is a real opportunity for economic regeneration activity over the coming few years and that's down to a council that has a sign on the door saying open for business." ■

## Welcome aboard



DURHAMGATE has signed its first key occupier, taking a significant step into the delivery stage of its

development programme.

sbh, is County Durham's largest registered provider of social housing and the area's leading social enterprise, managing and maintaining 8,500 local homes.

Construction will begin before the end of this year and sbh will move its 170 staff into the new purpose-built headquarters at DURHAMGATE by the end of 2011.

The move marks a major milestone in sbh's development, moving forward from the foundation-building period which followed the stock transfer of properties from Sedgefield Borough Council in 2009.

The business is already 18 months into a major capital investment programme worth many millions, to improve the availability of high quality affordable homes for rent in County Durham.

Its new headquarters will mark a significant capital investment by sbh and will be built to strict BREEAM environmental standards, offering significantly lower running costs than the current offices.

Colin Steel, chief executive of sbh said: "Our purpose built headquarters will be at the heart of the community we serve. Much time and effort is being spent ensuring it will be an accessible, efficient building which will suit the needs of our staff for many years to come.

"We are fully supportive of the ambitions of both the developers and Durham County Council to make DURHAMGATE the business gateway to Durham City, and are proud to be a part of this exciting venture."

Neil McMillan, director of Carillion Developments, said: "This will be the first of a number of high quality occupiers we intend to bring to DURHAMGATE."