

Newcastle city centre developments to provide 18,500 new jobs

International investors being wooed to key developments in the North East have been told that Newcastle's biggest city centre regeneration scheme in a generation is set to create more than 18,500 North East jobs.

The East Pilgrim Street scheme marks one of the largest schemes the Invest Newcastle team has unveiled on the world stage at the four-day Mipim property conference, the biggest property conference of its kind taking place in Cannes, South of France.

Property consultancy Avison Young, which is driving forward the far-reaching scheme on behalf of billionaire real estate entrepreneurs Reuben Brothers, forms part of the delegation of public and private organisations flying the flag for the North East in the France. Its principal and regional MD Gordon Hewling has outlined how progress on three blocks of the scheme, which will gradually alter the face of the city centre over the next decade, is taking shape.

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The overall scheme – which will also include Newcastle's first five star hotel within the former fire station – is set to cost more than half a billion pounds, while also creating more than 500 construction jobs. It will also tot up yearly business rates in excess of £5m, while resulting in 15,000 direct jobs and 3,500 indirect jobs in the wider North East.

Key to the overall scheme is the new HMRC head office, which is set to be completed in 2024, delivering direct business rates into the city of circa £4.64m each year, equating to

£116m over the life of the lease.

The HMRC head office marks the largest single office development ever to have been started in the north of England. It's hoped that it will also act as a catalyst for regeneration across the wider Pilgrim Street Masterplan area, and promote regeneration across other city centre sites.

Avison Young has been working with a raft of companies for a number of years on the project, including Ryder Architecture, Newcastle engineering company Cundall, main contractor Bowmer & Kirkland, and agents Cushman & Wakefield.

Pilgrim's Quarter represents a key phase of the scheme, which will eventually include new hotel and leisure schemes as well as further office development at Pilgrim Place alongside Bank House which is now well advanced on site.

Mr Hewling has explained to the Mipim delegates how the project will bring back economic activity to an important city centre regeneration site, while also delivering sustainable office.

He said that it is estimated that, through supply chain expenditure and employee spend on goods and services, that the development could support 3,560 gross direct and induced jobs across the wider sub-regional economy.

Images produced by Ryder Architecture were shown at Avison Young's Mipim event, showing how the project also involves the transformation of Worswick Chambers into a new drinking and dining destination, over almost 50,000sqft of space in the Grade II listed building, and the creation of a new hotel within the old fire station.

Mr Hewling said: "Avison Young are delighted to once again support Invest Newcastle at Mipim 2022. This provided us with the opportunity to present the various phases of the Pilgrim Street regeneration project on a world stage on behalf of our

client Reuben Brothers (Newcastle) Ltd and Newcastle City Council.

“We were able to demonstrate real development momentum on all three blocks within the scheme. The letting of 463,000sq ft to HMRC at Pilgrim’s Quarter with the prospect of bringing 9,000 jobs represents the largest office letting ever within the city centre.



How the Pilgrim’s Quarter building will look
(Image: Ryder Architecture)

“This was the culmination of over 18 months of hard work by Avison Young in respect of Pilgrim’s Quarter itself, and over two decades of involvement in the wider Pilgrim Street development. This is exactly the type of project which demonstrates the strength of the Avison Young regional network of offices, with commercial advice provided by the whole team in respect of the deal structure, agency, planning, property management and project management advice.

“Within Avison Young nationally the Pilgrim Street project is

used as a 'best in house' example of delivering a top quality regeneration project in partnership with the public sector.

"Avison Young also hosted an investor dinner which was a great opportunity to highlight development and investment opportunities within the city."

A series of events were held by the North East delegation at Mipim to showcase the region's expertise in areas including life sciences, data, placemaking, ageing, wellbeing and sustainability.

As well as highlighting opportunities in the Pilgrim Street development, there were also spotlights on the Sage conference centre being built at Gateshead and the £500m campus for ageing and vitality being planned for the former Newcastle General Hospital site.

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