

THE REGENERATION OF THE FORMER KELLOGG'S HQ IN MANCHESTER

A PUBLIC/PRIVATE INVESTMENT
PARTNERSHIP SUCCESS STORY





SITE

The redevelopment of the former Kellogg's HQ office site formed a key part of Trafford Council's plans to create new homes and new social infrastructure across a 20ha site close to Manchester United's Old Lancashire County Cricket Ground and Trafford Town Hall. The masterplan will see up to 4,000 new homes delivered across the new public realm as well as significant social infrastructure, green space and commercial space.



MASTERPLAN KEY MOVES

BACKGROUND



The Brownfield site was the former 12-acre Kellogg's HQ site (named Lumina Village). It was approved for a master plan in 2020 and was held in a joint venture by Trafford Council and Bruntwood. The master plans allowed for some 750 new homes (15% of which would be affordable), office space, a new primary school and a hotel. The wider site provides 15,800m² of public realm space. At the time it was anticipated that the development would create 2,261 jobs and benefit Trafford by an estimated £18m per year during construction phase. It was estimated further that residents of the new homes would spend around £11.2m per year in the local area with the commercial accommodation expected to provide a Gross Value Add of c.£5m.



UA92 - Neighbouring University Building



Lancashire Cricket Club

TIMELINE

SEP
2020

Master Plan approved in JV between Trafford Council and Bruntwood.

NOV
2022

Detailed Planning Application submitted.

DEC
2020

Moorfield and Glenbrook start discussions and assessment of the Build to Rent (BTR) opportunity.

JUN
2023

BTR scheme planning approved with amendment to accommodate further stair and lift cores to reflect forward looking regulatory change.

DEC
2021

Glenbrook formally appointed to deliver residential and public realm.

DEC
2023

Moorfield funds formally commit to fund the BTR element of the scheme, now named "Podium" (Gross Development Value (GDV) of £120m), alongside debt from Trafford Borough Council in an ESG-linked development agreement. A site wide Collaboration Agreement between all parties is agreed.

JUL
2022

Outline Planning Approval to Master Plan granted

AUG
2025

Clarion Housing Group funding 199 affordable homes with grant support from Homes England and Greater Manchester Combined Authority.

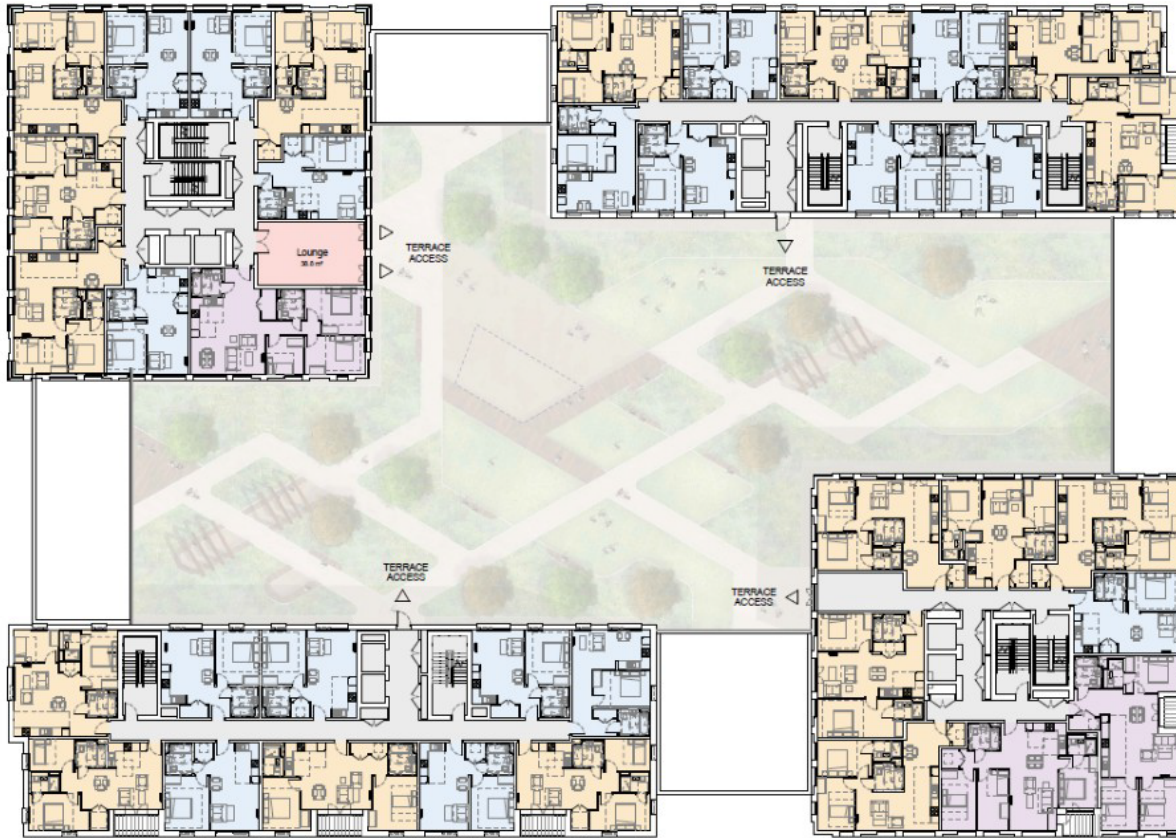
Greater Manchester Pension Fund (GMPF), advised by CBRE acquires a 50% stake in the Podium and commits to fund 50% of the ongoing development.

DELIVERING QUALITY HOUSING AND SOCIAL VALUE

Podium will provide 440 apartments and house up to 1,400 people. As well as providing a number of onsite employment opportunities it is being built with a focus on sustainability and waste avoidance. 98% of the apartments are expected to be an EPC of B or better.

- The construction is targeting a 95% recycling or diverted from landfill target
- Onsite PV panels with a capacity of 230 kWp
- Build to Home Quality Mark Level 3.5 expected
- Approx £25k spend with voluntary, charity and social enterprise organisations
- Contractor (Domis) is a Living Wage Employer
- Six planned apprenticeships offered during construction
- Approx 100 - 150 hours of volunteering associated with site prior to Practical Completion
- 10,000 m² of greenspace in the development plans
- 20 days of work experience offered
- 20 Electric Vehicle charging points on site
- Up to 220 cycle spaces
- Estimated to have created 1,248 new direct and indirect jobs through development phase. 231 operatives that have worked on site to date live within a 15 mile radius. Estimated total of 600-700 operatives total over full build period

PODIUM



REDESIGN

The scheme was redesigned to provide for dual stair cores in each building to ensure the development exceeded the most recent fire regulation standards and remained institutional in its appeal to investors.

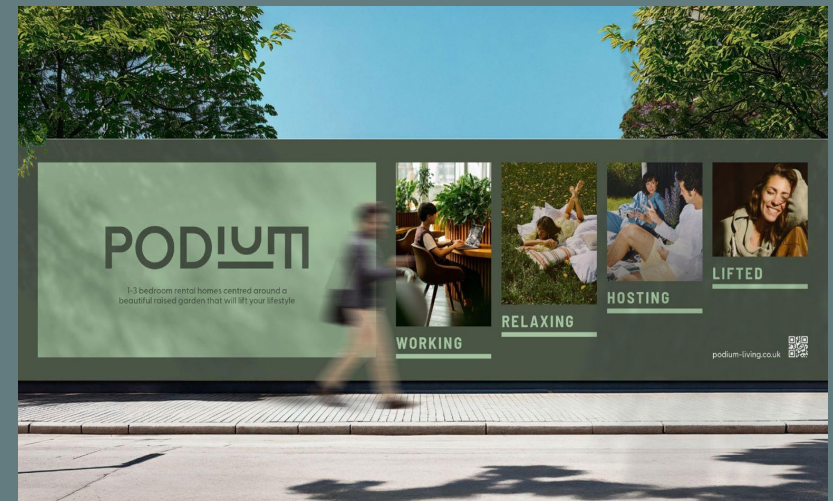
CHALLENGES & SOLUTIONS

- The scheme was challenging as construction costs presented viability challenges due to a wider environment of construction cost inflation. Moorfield and Glenbrook worked together to design a scheme that maximised income by creating the right product and mix of apartment sizes, as well as value engineering costs down. Moorfield and Glenbrook were able to draw on their extensive joint experience, having previously developed three Build to Rent schemes together, two of which were located in Manchester.
- The site-wide planning consent required a Collaboration Agreement between all parties to ensure that issues were resolved together in collaboration.
- Moorfield and Glenbrook worked together to revise the design and apply for planning permission for a scheme with two stair cores rather than one across all blocks, instead of just those over 18m in height. Whilst this was not strictly required by planning legislation, both Moorfield and Glenbrook agreed that the scheme should be re-planned to comply with this aspect to ensure the safety of all residents and to create an asset that would continue to appeal to institutional investors going forward which was essential for financial viability.
- Whilst Glenbrook was securing the construction contract, a large UK contractor collapsed (Henry's) causing the performance bond market to react. The combined development team and advisers managed to secure two bond sureties jointly to overcome this obstacle.
- The persistent high interest rate environment meant that development debt was also proving expensive which was a challenge to the commercial viability of the scheme. Trafford Borough Council stepped in and were able to support the development to provide debt on terms that made the scheme workable.

CHALLENGES & SOLUTIONS CONT.

- Moorfield is an investor rather than a developer and structures its investment in developments so as to de-risk development cost and timing-overrun exposure. Moorfield uses a structure that blends elements of a forward funding, preferred equity investment and a joint venture (combined with a fixed price build contract). This enables Moorfield's investors to reduce their exposure to cost and delivery overruns but at the same time achieve greater alignment with the developer and ensure an active involvement in the project.
- This structuring is also designed to provide solutions for developers and ensures Glenbrook are fully aligned to both the successful delivery of the scheme on time and on budget and also the ultimate exit when the asset is sold.
- The partnership with Trafford Borough Council and GMPF has helped deliver much needed housing, important positive social impact for the local community and those employed on the development, and should also deliver attractive returns for the public bodies and their members.
- The changing regulatory environment combined with challenges in the construction industry presented a number of obstacles which all parties were aligned in trying to overcome. Without the focus on cooperation and endeavour the scheme would not have been possible.

Moorfield and Glenbrook have worked together for five years alongside Trafford Council to work around each obstacle as it arose, resulting in a scheme which will transform the local area. The Scheme is now ahead of schedule and is expected to be ready for occupation in April 2026.



CONCLUSION

This case study shows the benefits of LGPS working together with local/mayoral authorities to identify and deliver local investment opportunities. It further exemplifies the value of public/private partnerships and how they can:

- Unlock complex brownfield sites, enabling the delivery of hundreds of much-needed new homes
- Position local authorities as an alternative and credible source of lending in a high interest rate environment
- Achieve strong public/private alignment around the triple bottom line, delivering environmental, social and financial returns
- De-risk institutional capital through close collaboration and a clear alignment of interests
- Deliver flagship schemes that generate meaningful and lasting benefits for the wider local community, beyond the housing development itself
- Act as a critical delivery mechanism for the emerging residential-for-rent sector, offering investors access to long-term, inflation-linked income within a structurally supported market with a strong growth outlook

PODIUM



PODIUM



PODIUM

