

BLME provides £20 million for Cale Cross House conversion

Date: February 23rd 2023

Bank of London and The Middle East (BLME) has provided a £20 million development facility to finance a Beech Holding residential project. The facility is provided to assist with the conversion of a former office block, Cale Cross House in central Newcastle, into 241 residential apartments under the developer's exclusive in-house co-living brand, 'City Co-Living'.

The scheme will comprise a mix of studios and one bedroom units, suitable for graduates and young professionals, as well as a wealth of amenity space – including a state-of-the art commercial sized gym, private dining rooms, co-work space, cinema rooms and gaming rooms.

Office to residential conversion has become increasingly popular in recent years, with changes to permitted development rights (PDR) regulation in 2020 making it a much more viable option. The deal marks BLME's fourth transaction with Beech, following the successful completion of three projects in Manchester.

Anna Barratt, Director, Real Estate Finance at BLME said:

"The conversion of office blocks into residential accommodation is something we expect to see more of, as changes to working habits prompt organisations to re-evaluate their office requirement. It's great to see so many of these previously redundant buildings being repurposed.

"We also anticipate growing interest in regional assets in 2023, and this development is a perfect example of the types of opportunities available to investors willing to look beyond London. Cale Cross House is in a prime location, just next to the iconic Tyne Bridge and within walking distance of Newcastle's vibrant Quayside area. It will provide residents with exceptional views across the city."

Ashraf Al Sawafiry, Head of Wealth Management GCC at BLME said:

"We have noticed that Gulf-based high-net-worth families have been increasingly looking for opportunities in the UK property market in recent months. It remains a key aspect of their investment portfolios.

"Cale Cross is a unique residential property in Newcastle, with great amenities, and will be very attractive for graduates and young professionals."

Stephen Beech, CEO at Beech Holdings added:

"As a developer committed to 'levelling up' the regions, especially those across the North, we are incredibly excited to be realising the potential of the former Cale Cross House building, and injecting some much needed, high-quality properties into Newcastle's property market under our exclusive co-living brand 'City Co-Living'. Already a landmark in the vibrant Quayside neighbourhood, our aim is to transform it into a modern icon at the heart of a city benefiting from significant investment –

and we welcome the opportunity to work with BLME, a bank which clearly recognises the huge potential in the UK's regional property market.”

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About BLME

BLME is a Sharia'a compliant bank based in London. Led by a management team that brings together a combination of experienced international bankers and leading experts in Islamic finance, BLME has three key business areas: Wealth Management solutions, Commercial Real Estate Finance, and savings products.

BLME is authorised by the PRA and regulated by the FCA and PRA. For more information, please visit our website www.blme.com.

About Beech Holdings

- Beech Holdings is a leading regional developer, head quartered in Manchester. Beech Holdings was founded 20 years ago and has delivered multiple PRS schemes across the region and other UK cities.
- Portfolio value: £400+ million (GDV)
- Employees: 120+
- Group businesses include: Beech Holdings; residential lettings and property management company, Manchester Apartments; and, design, construction, project management and interiors firm, Beech Design and Build.