

Development to transform the East End



The St James Quarter at the east end of Princes Street is set to be transformed by a £850m commercial development, thanks to a funding agreement between the City of Edinburgh Council, Scottish Government and TIAA Henderson Real Estate (TH Real Estate) which is being hailed as 'innovative'.

The £61m required to improve local infrastructure and public space in the area for this major regeneration scheme will be facilitated by The City of Edinburgh Council through a new funding model, announced by the Council and The Scottish Government today.

Referred to as the 'Regeneration Accelerator Model' (RAM), the mechanism will enable a combination of public and private sector investment in local infrastructure and public space that can then be offset by business rates and overall gains to the economy.



The proposed public sector support will unlock the development, which has outline planning permission for high-quality retail space, grade A office space, a five-star hotel, a four-star hotel, an apart-hotel, a digital theatre, restaurants and residential units.

New retail, hospitality and construction skills academies will also help provide extra support for those seeking employment such as school leavers.

It is estimated that, between 2015 and 2040, the redevelopment

of the St James Quarter will also support 2,300 permanent jobs and add £25 million to the Scottish economy each year.

Deputy First Minister, Nicola Sturgeon said: “Today’s announcement will transform this area of the capital, creating thousands of jobs and boosting the Scottish economy.

“This has only been possible due to an innovative funding model, which will see the Scottish Government work in partnership with City of Edinburgh Council and private developers TIAA Henderson Real Estate.

“This government is determined to invest in Scotland’s infrastructure – both to stimulate growth in the short term and lay the foundations for long term success.

“Through schemes such as RAM we are increasing public investment in infrastructure across Scotland, which will create overall gains for the economy as a whole.”

The existing St James Centre will continue to trade until construction work begins. Following this, the regeneration of St James will create a development with world class architecture and of an internationally recognised quality. Construction work is expected to start in 2015.

The development has good transport links, as it lies adjacent to Edinburgh Waverley railway station, Edinburgh Bus Station and the St Andrew Square and York Place tram stops.



The City of Edinburgh Council says it has worked closely with TH Real Estate to develop a project that has sustainability at its core. The plans include a new combined cooling, heat and power centre, electric car charging points, extensive facilities for cyclists, photovoltaic panels, solar tubes and a city car club.

Council Leader, Cllr Andrew Burns, said: "The Council has played a crucial role in securing this major investment for Edinburgh, from early discussions at MIPIM back in 2009 to recent work with The Scottish Government to develop this innovative funding model.

"We are delighted that the new development will create over 2,300 new jobs for the Capital and that we are able to use this opportunity to train Edinburgh people with professional skills to develop long term employment prospects.

"The project will create significant overall growth to the economy, thousands of new jobs for Edinburgh and raise city competitiveness with other international capital cities."

Martin Perry, Director of Development, *TH Real Estate*, commented: "Our aspirations for the St James Quarter have been well known for some time now and to have secured this funding support is a key milestone for this exciting project, demonstrating confidence in Edinburgh as a leading European city.

"We have worked very closely with the City of Edinburgh Council and the Scottish Government to realise this vision and we appreciate their support and assistance. This scale of investment is unprecedented in central Edinburgh and will transform the city's retail offer, putting it on the international 'map' of major shopping destinations. We are now looking forward to delivering other key milestones in order for construction to start."