



EDMOND DE ROTHSCHILD REIM ACQUIRES 119-UNIT AFFORDABLE HOUSING SCHEME IN NEWBURY FOR £34 MILLION

Edmond de Rothschild Real Estate Investment Management (REIM) has acquired a 119-unit residential development in Newbury for £34 million from Nelson Group for its UK affordable housing fund, Funding Affordable Homes (FAH).

The recently completed development, which is the first phase of Sterling Gardens on Kings Road, Newbury, will provide 27 apartments for social rent, 62 for affordable rent and 30 for shared ownership in six blocks around a landscaped podium courtyard. The acquisition has fully deployed FAH's last round of capital raised from Local Government Pension Scheme clients.

The homes, which are a mix of, one, two and three-bed apartments, are within a 10-minute walk of the town centre and close to two train stations. The homes will be managed by Pinnacle, a nationwide housing services provider under a management agreement with Funding Affordable Homes Housing Association (FAHHA), the subsidiary housing association of FAH.

Adrian D'Enrico, fund manager of FAH, said: "Sterling Gardens provides 119 high-quality, attractively designed homes in an accessible, town centre location. The acquisition highlights the role that institutional impact capital can play in delivering new, additional affordable homes using grant subsidy to support viability".

FAH discloses under Article 9 of the EU SFDR classification with the objective of increasing the supply of affordable homes, delivering positive social impact and providing attractive, stable and progressive returns to its investors. The fund adopted an evergreen structure in November 2022 and secured a £30 million commitment from a major Scottish LGPS investor – the first investment of its new capital raising period, which is being used to fund the acquisition, along with grant subsidy from Homes England and the local authority, West Berkshire. FAH typically provides forward funding to enable new properties to be built and managed by established Registered Providers of housing, often it utilises its own subsidiary housing association, FAHHA.

Richard McCarthy, Chair-elect of FAH Housing Association, said: "We are delighted that our deeply experienced team has delivered these new homes into the affordable housing provision of Newbury, with the support of Homes England and West Berkshire grant subsidy. These new homes will help to alleviate local housing pressure, delivering positive social impact for the residents and the wider community".

With the addition of Newbury, FAH's portfolio now comprises almost 900 homes across 11 schemes, valued at c£160 million, offering affordable homes to up to 1,500 people. Its real estate and investment adviser, EdR REIM, intends to grow the portfolio to more than £500 million, delivering up to 3,000 affordable homes across the UK. EdR REIM benefits from an experienced, specialist residential team and its broader vertically integrated residential platform, which also includes private rental strategies across the UK.

ABOUT EDMOND DE ROTHSCHILD REAL ESTATE INVESTMENT MANAGEMENT

With more than CHF 13 billion in real estate assets, the Edmond de Rothschild real estate investment management platform operates through local operating entities in Switzerland, France, the UK, Benelux and Germany. Backed by strong convictions in responsible investment, active management and close proximity, a vast European network of 120 professionals in 9 offices develop and support real estate projects in the office, industrial, logistics and residential sectors on behalf of discretionary funds and third-party mandates.

ABOUT THE EDMOND DE ROTHSCHILD GROUP

As a conviction-driven investment house founded upon the belief that wealth should be used to build the world of tomorrow, Edmond de Rothschild specialises in Private Banking and Asset Management and serves an international clientele of families, entrepreneurs and institutional investors. The group is also active in Corporate Finance, Private Equity, Real Estate and Fund Services. With a resolutely family-run nature, Edmond de Rothschild has the independence necessary to propose bold strategies and long-term investments, rooted in the real economy. Founded in 1953, the Group had more than CHF 160 billion in assets under management as at 31 December 2022, 2,500 employees, and 29 locations worldwide.

ABOUT FUNDING AFFORDABLE HOMES

FAH specialises in the acquisition and development of affordable housing. Its goal is to facilitate the provision of new affordable housing throughout the UK, by funding development for Registered Providers, such as Housing Associations and Local Authorities. Led by a team of highly-experienced sector figures, finance professionals and board members, FAH believes that financial and social returns can and should be complementary in the provision of affordable housing. FAH takes a long-term approach combined with close partnerships with Registered Providers, who fully manage FAH portfolio homes alongside their own, while also working directly with house builders and property developers. Overall, FAH develops opportunities to both increase the affordable housing stock and enable investors to achieve their social impact objectives and fiduciary responsibilities by acquiring assets offering long-term, inflation-linked financial returns.

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