

**NEW GBP100 MILLION LOAN FUNDED UNDER THE
AFFORDABLE HOMES GUARANTEE SCHEME**

A new loan to Moat Homes Limited will support the development of new affordable homes and delivery of improvement works to existing homes

United Kingdom, 8th October 2024 – Venn, part of ESR Group and a leading investment manager with a strong focus on European residential real estate, is pleased to announce the funding of a new GBP100 million loan to Moat Homes Limited (“Moat”) under the Affordable Homes Guarantee Scheme (“AHGS”, “the Scheme”), which Venn manages on behalf of the UK Government. This new loan will support the development of around 300 new homes for social rent, affordable rent and shared ownership in the South-East of England, as well as significant investment into Moat’s existing homes.

The loan was funded from the issuance of GBP100 million of further bonds under the Scheme’s existing December 2033 bond. The sale of the bonds, which are guaranteed by the UK Government, achieved an attractive pricing of G+50 bps and all-in rate of 4.383%.

The GBP100 million loan to Moat is allocated 50/50 between investment in new affordable homes and in existing homes, to support the development of around 300 new affordable homes in Moat’s local communities and facilitate the delivery of GBP50 million of works to improve existing homes.

This is the first loan under AHGS’s expanded scope announced in February 2024, when the Scheme was increased in size from GBP3 billion to GBP6 billion and flexibility was introduced to enable borrowers to allocate up to 50% of the loan amount to support investment in their existing homes, with the balance allocated towards the development of new affordable homes. Under the expanded Scheme, borrowers can allocate funds towards a wide range of measures where they are investing in existing homes. These include both capital and revenue expenditure on decarbonisation, fire safety and measures to meet or exceed the Decent Homes Standard. Borrowers may also benefit from flexibility on the amount of collateral to provide as the minimum collateral requirement applies to the portion of the loan allocated to new development only, which helps offer a collateral efficient source of funding for investment into existing homes.

Loans under the Scheme are funded by a bond issuance programme which is backed by a guarantee from the UK Government, presenting a cost-effective source of mid to long-term borrowing for the Social Housing sector as the lower pricing is passed on to borrowers.

For further information on the Scheme and how to apply, borrowers should contact AHGS@Venn-Partners.com

Oriane Auzanneau, Deputy Portfolio Manager for AHGS and Managing Director at Venn, commented: “We are delighted to have worked with the Moat team on this transaction and completed the first loan under the Scheme’s expanded scope. This new loan is expected to facilitate the development of over 300 new affordable homes, the majority of which for social rent, across the South-East and enable Moat to continue to invest in their communities and existing homes, helping improve several thousands of homes. The successful bond issuance underscores the continued investor appetite and demand for issuance under the Scheme, with the attractive pricing of G+50 passed on to Moat and supporting their business plan’s aspirations.

“The sector has had a tough time over the last few years and faces multiple challenges with regard to both development and investment in existing homes, so this cost-effective financing for the development of new homes, and crucially a wide variety of investment in existing ones, makes the Scheme a very attractive proposition for the sector, and we are seeing strong borrower interest through our pipeline.”

Gloria Yang, Executive Director of Finance at Moat, commented: “We are very pleased to be the first borrower under the expanded scheme. The flexibility of investments in existing and new homes, securitisation options and the pricing of the scheme are of fundamental support for us to build sustainable communities and deliver much needed new homes. It has been great working with Venn team and advisors for the well-run and diligent process.”

Housing Minister, Matthew Pennycook MP said: “Delivering the biggest increase in social and affordable housing in a generation requires innovation in how homes are financed and built. This includes using government-backed loans and guarantees to help affordable providers make a greater contribution to supply.

“Alongside traditional grant funding and measures to strengthen the developer contributions system, this investment is one of a range of interventions the government are making to build more affordable homes and fund improvements in existing stock.”

Further information:

- [Affordable Homes Guarantee Scheme 2020 - GOV.UK \(www.gov.uk\)](#) – Scheme FAQs
- [£3 billion affordable housing boost to deliver 20,000 new homes - GOV.UK \(www.gov.uk\)](#) – MHCLG Press Release

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About Venn:

Venn (the trading name of Venn Partners LLP) (“the firm”) is an investment manager in European private real estate debt. Founded in 2009, the firm has assets under management and active mandates totalling over GBP12 billion. With offices in the UK, Spain and an affiliate office in the Netherlands, Venn comprises a team of experienced professionals that pull together credit origination, underwriting, liability structuring and risk management skills with a deep understanding of investor and borrower requirements.

Venn is part of the ESR Group, Asia-Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers globally. Its fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR Group provides investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Its focus on New Economy real assets offers customers modern solutions for logistics, data centres, and infrastructure and renewables. The ESR Group’s purpose, Space and Investment Solutions for a Sustainable Future, drives it to manage sustainably and impactfully for the communities in which it operates, and the spaces it develops to thrive for generations to come. ESR Group is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK).

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