

UK AFFORDABLE HOUSING INVESTMENT CRITERIA

Investment in affordable housing supports residents and local communities in the UK, by increasing the number of affordable homes, whilst delivering positive social value and providing attractive, stable and progressive returns to investors.

AFFORDABLE HOUSING

Target Income / Return	4.0% distribution yield / 6-7% IRR (unlevered)
Lot Size	GBP 15-20 million+
Geography	UK (Nationwide)
Risk Profile	Core / Core+ (no planning risk)
Project Status	Forward Funding, Forward Commitment, Acquisition (inc. Sale and Leaseback)
Age of Building	Typically new build (additionality) but can consider refurbishments / repositioning
Tenant	Local Authorities or mid-tier Housing Associations with 5-25,000 units and RSH rating of V1/G1 (or one indicator at 2)
Lease	Typically 20-year – Management Lease or FRI Lease of Whole
Indexation	100% inflation-linked (CPI+1%, CPI or RPI+0.5% depending on tenure)
Target Tenures	Regulated Affordable: General Needs (Social Rent, Affordable Rent, Shared Ownership) or Specialist (Extra care, Homeless, Supported Living)
ESG / Sustainability	Minimum MEES Compliant (EPC ≥C) – strong preference for green energy technology and measures which minimise occupational costs for residents
Social Impact*	Externally assessed. Schemes must meet minimum internal assessment score.

The above criteria are guidelines. *Each project will be assessed individually with external advice regarding social impact provided by leading social impact adviser The Good Economy.

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Edmond de Rothschild REIM (EDR REIM) is a vertically integrated European real estate business, which provides in-house services covering portfolio management, financial management, asset management, property management and development management.

EDR REIM manages € 14.1 billion of commercial and residential real estate on behalf of institutional clients, private clients and property companies and is a pan-European platform with local presence and local knowledge.

EDR REIM is a conviction-driven investment house with a focus on sectorial and thematic convictions. Thereby ESG and sustainability is embedded within all our strategies.

KEY CONTACTS

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UK AFFORDABLE HOUSING REFERENCE ACQUISITIONS

Recent acquisitions in the affordable housing sector comprise 10 assets, offering 768 homes to c.1,300 residents, across the full range of Affordable Housing tenures including General Needs (social rent, affordable rent and shared ownership) and Specialist schemes (extra care, homeless, supported living). A selection of acquired assets are shown below.

EXTRA CARE



RYDE, ISLE OF WIGHT

- 2020 / GBP 11.0 million
- Forward-funding development
- 20-year Management Lease to Southern Housing
- Rent indexed annually to CPI+1%

Accommodation includes:

- Extra Care + General Needs (Affordable Rent + Shared Ownership)
- 102 homes (75 apartments, 27 bungalows)

GENERAL NEEDS



ISLAND POINT, LONDON

- 2020 / GBP 37.5 million
- Forward-funding development
- 20-year Management Lease to Poplar HARCA
- Rent indexed annually to CPI+1%

Accommodation includes:

- General Needs (Affordable Rent, Social Rent + Shared Ownership)
- 173 homes (163 apartments, 10 houses)

HOMELESSNESS



KING STREET, LUTON

- 2016 / GBP 10.0 million
- Redevelopment of existing property
- 30-year FRI lease to IMPAKT Housing & Support
- Rent indexed annually to CPI+1%

Accommodation includes:

- Homelessness Project (Specialist)
- 78 places (1-bed flats, 2-bed clusters)