

**ARA VENN LAUNCHES INAUGURAL GBP350M BOND ISSUANCE UNDER THE GBP3BN AFFORDABLE HOMES GUARANTEE SCHEME**

Loans funded by the bond will support the delivery of new affordable homes in England

United Kingdom, 23 November 2021 - ARA Venn, a leading investment manager of European private real estate debt, is pleased to announce the launch of the first bond issued by Saltire Finance plc, the funding vehicle for the Affordable Homes Guarantee Scheme (“AHGS”), which ARA Venn manages for the UK Government. Of the GBP350 million 30-year bonds issued, GBP265 million will be funded immediately at close and on-lent to three private registered providers (“PRPs”) – B3 Living, Vivid and Watford Community Housing - to support the development of new affordable homes. The balance of the bond issuance will be retained to fund other successful loan applications currently being processed.

The bond issuance is guaranteed by the UK Government, which enables it to be very competitively priced, issued at Gilts plus 38bps with a coupon of 1.527%. This attractive cost of borrowing is passed on directly to borrowers. Buyers of the bonds, which carry the UK Government’s credit rating, are institutional investors who are attracted to their long-term nature and the premium over Gilts.

Saltire Finance plc intends to become a regular issuer of bonds over time and has established its own European Medium-Term Notes (EMTN) programme for this purpose. AHGS targets to provide GBP3 billion of loans to PRPs, and the affordable housing sector has shown a strong interest in loans from the scheme. AHGS is open to new applications from now until April 2024 (but funding can occur after that date). Borrowers under AHGS must be PRPs, who under the terms of the scheme, must commit to develop new affordable homes for an amount equal to the quantum borrowed under the scheme (eligible tenures are Social Rent, Affordable Rent and Affordable Home Ownership). Construction must commence within 24 months of funding.

The Rt Hon Christopher Pincher, Minister of State at the Department for Levelling Up, Housing and Communities said: “The Government is increasing the supply of affordable homes to end the housing crisis, tackle homelessness and provide aspiring homeowners with a step onto the housing ladder. The £3 billion Affordable Homes Guarantee Scheme plays a vital role in this and the loans funded today will support the delivery of over 1,600 new affordable homes across England. Meanwhile, we have already allocated £8.6 billion from the Affordable Homes Programme which will deliver 119,000 affordable homes.”

Richard Green, Portfolio Manager for AHGS and Partner at ARA Venn, commented: “We were very pleased to be awarded the Affordable Homes Guarantee Scheme by the UK Government and are delighted to see such support from institutional investors for the inaugural Saltire Finance plc Government guaranteed bond. At Gilts plus 38bps, it provides the sector a new and very attractively-priced source of loans which should help to further support the supply of new affordable homes in England.”

Oriane Auzanneau, Deputy Portfolio Manager for AHGS and Director at ARA Venn, commented: “We are delighted to have had such a successful start to the scheme with these first three loans and are pleased to be able to support the first borrowers with their plans to increase the supply of much needed new affordable homes in the communities they serve. We have received strong interest from the sector with initial enquiries for over £2 billion of loans and look forward to engaging with all parties as we continue to deploy capital.”

Alex Shelock, Executive Director (Finance) at B3 Living, commented: “This is an excellent opportunity for us to grow our business in a responsible manner. We are closely connected to our community and know how urgently new homes are needed, but at the same time, we cannot ignore the importance of investing in our existing homes and improving services for our customers. Getting that balance is a challenge for all housing associations, but schemes like this which offer access to affordable debt make a significant difference.”

Duncan Brown, Chief Finance Officer at VIVID, commented: “Bond issues like this with multiple borrowers can be hard to coordinate so I think ARA Venn have done a great job here, especially with the extra processes involved with the government guarantee. At VIVID we’re very proud to have been involved from the outset in something that will provide an important boost to affordable housing for years to come.”

Paul Richmond, Deputy Chief Executive at Watford Community Housing, commented: “This new source of funding represents excellent value for Watford Community Housing and will help us deliver on our growth aspirations for affordable housing in South West Hertfordshire. As a community-based organisation, this will help us provide much-needed new homes and enhance our local community areas. We were delighted by the outcomes of this transaction and look forward to working with ARA Venn as an investment partner.”

Harry Swales, Chief Investment Officer at Homes England, commented: “We are delighted to see the latest AHGS launched successfully, and the first loans now being made to the sector, enabling thousands of new affordable homes to be built. Homes England is pleased to be playing our part in this GBP3bn scheme on behalf of government, bringing substantial new institutional capital to the sector alongside the GBP7.4bn we are committing to affordable housing through the Affordable Homes Programme.”

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About ARA Venn:

ARA Venn (the trading name of Venn Partners LLP) (“the firm”) is an investment manager in European private real estate debt. The firm specialises in creating investment products that provide investors with access to compelling risk-adjusted returns, whilst satisfying borrower demand for competitive, efficient and transparent loan product. ARA Venn serves the investment needs of a diverse range of government entities, leading global institutions and private investors.

Founded in 2009, the firm has AUM and active mandates totalling €11.3 billion. With offices in the UK, Spain and an affiliate office in the Netherlands, ARA 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.

ARA Venn is the credit subsidiary of ARA Asset Management Limited (“ARA”). ARA is the largest real assets manager in Asia Pacific with approximately US\$95 billion in gross assets under management by the Group and its associates. ARA Group operates a global platform with a focus on APAC, managing public and private investment funds that invest across traditional and New Economy real estate assets spanning office, logistics, retail, residential, hospitality, and data centres, as well as private real estate credit and infrastructure. ARA’s vertically integrated business includes development and value-add asset management capabilities, an in-house capital raising team, and property management expertise in local markets where ARA invests and manages assets. With a resolute focus on creating sustainable value, ARA manages funds on behalf of many of the world’s largest pension funds, sovereign wealth funds and financial institutions.