



HIGHTOWN HOUSING ASSOCIATION TO BUILD 1,200 AFFORDABLE HOMES FOLLOWING £45 MILION FINANCING DEAL WITH M&G INVESTMENTS

London, 25 May 2017 – Hightown Housing Association has agreed a deal to borrow £45 million from M&G Investments to support its housing development programme, providing affordable homes across Hertfordshire, Bedfordshire and Buckinghamshire.

Hemel Hempstead-based Hightown currently manages over 5,300 homes as well as providing housing and support to vulnerable people. The 13-year loan will enable the housing association to fulfil its development programme which will deliver around 1,200 homes in the next two years.

This is the first private placement finance deal Hightown has agreed. Two years ago it raised £27 million through a successful retail charity bond offer which closed early after strong demand from retail and institutional investors.

It is also the first deal it has agreed with M&G Investments, which is one of the UK's largest established investment houses, with more than 80 years' experience.

Hightown Chief Executive David Bogle, says: *“The funds will be used to support our programme of new affordable homes to help meet local housing needs and reduce homelessness. We’re delighted to be working with M&G and see this as a valuable long-term relationship.”*

Mark Davie, Head of Social Housing, M&G, says: *“Hightown continues to develop properties in order to reduce the significant shortage of homes in the South East, playing an essential role in supporting local communities.*

“This approach brings benefits to our pension fund clients, generating stable long term cashflows secured against residential property. M&G has now invested over £6 billion in UK social housing through property transactions, public bonds and private placements and we’re keen to do more.”

Until 2007, housing associations generally relied on banks and The Housing Finance Corporation to meet their external funding requirements. In recent years non-bank lenders such as M&G have been providing an increasing amount of longer term finance as banks withdraw from this market.

The deal was led by JCRA and Hightown legal documentation was provided by Winckworth Sherwood LLP.

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Notes to editor:

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About Hightown Housing Association

Hightown Housing Association Limited is a charitable housing association operating principally in Hertfordshire, Bedfordshire and Buckinghamshire providing a wide range of housing and support services for families and single people including people with special needs.

Hightown currently manages over 5,300 homes and employs over 800 staff. The housing association has an annual turnover of £70 million and a development programme that will deliver around 1,200 new affordable homes over the next two years.

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 31 March 2017 the firm manages over £275 billion of assets through a wide range of investment strategies across equities, fixed income, real estate and multi asset.

Headquartered in London, M&G employs over 2,000 people worldwide operating from offices across Europe and Asia. M&G is the investment arm of Prudential Plc in the UK and Europe.

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