



DUMFRIES AND GALLOWAY HOUSING PARTNERSHIP STRIKES GROUND-BREAKING £114 MILLION FINANCING DEAL WITH M&G

London, 7 February 2020 – Dumfries and Galloway Housing Partnership (“DGHP”) has secured £114 million of financing with M&G Investments as it progresses plans to build a strong future as part of Wheatley Group (“Wheatley”). The flexible loan facility allows DGHP to refinance existing bank debt which posed some constraints on its development and investment plans.

DGHP is the second largest Registered Social Landlord (“RSL”) in Scotland, owning and managing over 10,300 homes in Dumfries and Galloway in South-West Scotland. It became part of Wheatley, Scotland’s largest housing, care and property-management group, in December 2019 after its tenants voted overwhelmingly in favour of the partnership. Together the partners in the Group now provide affordable homes to over 62,000 households in Scotland, representing circa 11% of the total social housing stock in Scotland. Wheatley also property manages over 32,000 homes through its subsidiary YourPlace.

DGHP, as part of Wheatley Group, has ambitions to develop up to 1000 homes over the next five years. Agreeing this financing arrangement – the biggest investment by M&G in the Scottish social housing sector – will bring the housing association a step closer to realising this ambition.

The long-term investment, a weighted average of 25-years, was agreed by both parties working flexibly to a tight timescale.

DGHP Board Chairman, Bill Robertson, says: “This affordable loan facility is great news for tenants and communities in Dumfries and Galloway. Working as a partner in Wheatley allows us to do much more than we could before and this deal with M&G is one of the first steps in realising our plans to bring hundreds of new affordable homes to the region.”

Wheatley Group Chairman Alastair MacNish says: “We have an unyielding commitment to increasing the number of affordable homes in our communities at a time when the availability and supply of housing remains an acute priority. We are delighted DGHP has secured this fantastic deal with M&G which will enable them to take forward their new-build plans for the region. It’s a huge vote of confidence in DGHP and the region, in Wheatley Group and the affordable housing sector in Scotland.”

Mark Davie, Head of Social Housing, M&G Investments, says: “We are pleased to be supporting DGHP and Wheatley in the next step on their journey. They have a clear vision and ambition to deliver affordable homes to those in the area they serve. Through its wider activities, Wheatley supports the social well-being of its communities in areas such as employment, tackling poverty, digital inclusion, education, sports and the arts. The deal demonstrates the important role institutional investors play in providing finance to

organisations that have a positive impact on the communities they operate in and our wider society.

“This is a new relationship for us, our third financing agreement with a registered social landlord in Scotland and will generate cashflows that are secured against residential property for our pension fund investors.”

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. M&G has around £6 billion invested in UK social housing through property transactions, public bonds and private placements.

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Notes to editors

About Wheatley Group

Wheatley is Scotland's leading housing, care and property-management group and the UK's biggest developer of social rented homes for the past three years (Inside Housing, July 2017, July 2018, July 2019)

The Wheatley family provides homes and services to over 250,000 people in 18 local authority areas across Scotland and comprises:

- **GHA** - Scotland's largest social landlord, with 40,000 affordable homes in Glasgow;
- **Dumfries and Galloway Housing Partnership** – which joined the Group in December 2019 and has 10,000 homes;
- **Dunedin Canmore** – owning and managing 5500 homes in Edinburgh, the Lothians and Fife;

- **Cube Housing Association** - with more than 3500 homes across the West of Scotland;
- **Loretto Housing** - with 1300 affordable homes in the central belt;
- **West Lothian Housing Partnership** - with over 400 affordable homes;
- **Barony Housing Association** - which has more than 360 social-rented homes and provides care and support to around 700 people in Central Scotland;
- **Loretto Care** - which provides care and support to around 3000 people every week across Scotland;
- **YourPlace Property Management** - Scotland's "Feel Good Factor", serving over 32,000 customers across the country;
- **Lowther Homes** - which owns and manages a growing portfolio of over 1600 mid and full-market apartments;
- **Wheatley Solutions** - where 500 staff provide support services to the Group subsidiaries;
- **Wheatley Foundation** - which invests over £5 million annually supporting disadvantaged and vulnerable people in Wheatley communities;
- and **City Building (Glasgow)** - jointly owned by Wheatley and Glasgow City Council, employing over 2000 employees and providing repairs and maintenance services to Wheatley homes in the west of Scotland.

About M&G Investments

M&G Investments is part of M&G Plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G Plc listed as an independent company on the London Stock Exchange in October 2019 and has £341 billion of assets under management (as at 30 June 2019). M&G Plc has over 5 million customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

For more information, please visit: <https://global.mandg.com/>

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