

WATFORD COMMUNITY HOUSING TO BUILD 675 HOMES FOLLOWING £65 MILLION FINANCING DEAL WITH M&G INVESTMENTS

London, 05 February 2018 – Watford Community Housing has secured £65 million of financing with M&G, enabling the continued construction of 675 homes over the next three years across South West Hertfordshire.

The 32-year financing secured by Watford Community Housing will facilitate its ambition of building 1,000 affordable homes by 2020, of which over 100 have been already completed.

Paul Richmond, Group Director of Finance and Resources, Watford Community Housing, says: “This new source of funding will help us deliver on our growth aspirations and our ambition to provide affordable housing in South West Hertfordshire. We are committed to delivering much-needed new homes and enhancing our local community areas. We were delighted by the level of interest generated by this placement and look forward to working with M&G as an investment partner.”

Mark Davie, Head of Social Housing, M&G, says: “Watford Community Housing has a clear vision and ambition to deliver affordable homes to those in the area it serves. This deal brings benefits to our pension fund clients by generating long term cashflows that are secured against residential property. It also 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.”

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. M&G has now invested over £6.5 billion in UK social housing through property transactions, public bonds and private placements.

The financing was arranged by Barclays who acted as Sole Placement Agent on the deal.

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Notes to Editors

About M&G Investments

M&G is a leading international asset manager with a long-term, active approach to investing. The firm has been helping people to prosper by putting their money to work for more than 85 years. M&G's customers include private investors, members of pension schemes and life insurance policyholders. Responding to the ever changing financial landscape, the firm has developed a wide range of investment solutions, across equities, fixed income, real estate, multi asset and infrastructure. At 30 June 2017 M&G manages over £281 billion in assets for its customers.

Headquartered in London, M&G employs over 2,000 people worldwide in 16 countries, managing assets in Europe, Asia and the US. M&G is the asset management arm of Prudential Plc in the UK and Europe.

As a steward of clients' assets M&G recognises the importance of responsible investing with the analysis of environmental, social and governance (ESG) factors core to the business. M&G is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Program, which is dedicated to achieving the long-term goal of building climate resilient economies. M&G's £27 billion real estate business arm has a sector leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of its funds.

About Watford Community Housing

Watford Community Housing is a not-for-profit housing association which delivers homes and communities across south-west Hertfordshire. It owns over 5,000 homes and provides high-quality services by working closely with residents and the local area. As a Community Gateway organisation, tenants and community empowerment are placed at the heart of everything. Tenants and leaseholders can become members, enabling them to get involved in decision-making and vote on important issues.

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