

£40 million secured for regeneration of north west Glasgow

Queens Cross Housing Association to build 600 new homes

London, 11 February 2019 - Queens Cross Housing Association has now secured £40 million funding from M&G Investments for ambitious plans to transform the Hamiltonhill area of Glasgow into a new urban 'suburb'.

Queens Cross is to build 300 affordable homes for rent on the site just north of the city centre. This will be complemented with a further 300 new build homes for sale. The association is currently in discussion with a range of developers to progress the project.

'This is just the latest piece of the jigsaw that will deliver a real transformational change to this part of the city,' said Queens Cross, chief executive, Shona Stephen.

As part of the development this investment will deliver new park and green space along with community and commercial developments that will transform long-term vacant and derelict land.

'Building a relationship with an asset management company for funding is a first for Queens Cross. This innovative approach to securing investment is a great demonstration of our commitment to explore all avenues to secure the funds we need to help improve the lives of our tenants, and to build Queens Cross as an area people can be proud to call home,' said Shona.

Mark Davie, Head of Social Housing at M&G Investments, says: "Queens Cross Housing Association is already providing much needed housing across Glasgow, supporting the local community. This is our third deal with a housing association in Scotland where good quality affordable homes continue to be in short supply.

"This transaction will deliver sustainable long-term returns to our pension fund clients, secured against residential property. M&G has now invested over £6 billion in UK social housing and we are always looking for more opportunities to invest, to help address the shortage of affordable homes across the country."

The money will also allow the association to restructure existing debt, freeing up more money to explore other development opportunities in the area.

NatWest Markets acted as private placement agent on the financing for Queens Cross. George Flynn, Vice President at NatWest Markets, said "We are delighted to have supported the Queens Cross Housing Association team with its debut Private Placement transaction, providing a long-term and cost-effective way to help fund development programme."

The Hamiltonhill development is on schedule to start on-site in the Spring with initial ground and drainage works.

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.

Glasgow City Council will also be a key partner and funder delivering the project as part of the Glasgow Canal Regeneration Partnership area.

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Notes to editors

Contact details

Queens Cross Housing Association
Craig Cowbrough
07887833099

M&G Investments
Magdalena Andrzejewska
Corporate Communications
02037902152

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