



600 new homes for South Wales after £50 million of funding secured

- ***United Welsh in private placement deal with M&G Investments***

3 February 2015 - United Welsh, a housing association operating across South Wales, has borrowed £50 million from M&G Investments, a leading international investment manager, in a long-term financing deal.

The 33-year private placement enables United Welsh to build 600 properties over the next two years in order to meet the growing demand for affordable properties. Once completed, the developments will bring United Welsh's total housing stock to around 6,000 properties across South Wales.

This deal follows a £30 million loan United Welsh borrowed from M&G last year, through an initiative led by the Welsh Government, when M&G worked with 17 Welsh housing associations to provide £156 million in loans.

Anthony Whittaker, United Welsh Chief Executive, said: "We are delighted that we have been able to negotiate this excellent loan package, which will allow us to continue expanding our housing stock across South Wales.

"There is a real need for high quality affordable housing in South Wales and this funding package means we will be able to provide hundreds of new homes.

"United Welsh prides itself on providing sustainable, high quality homes as well as creating fantastic communities where people are proud to live. This funding will help us continue to make a real difference to people's lives."

Mark Davie, Head of Social Housing, M&G Investments, says: "We are pleased to further our relationship with United Welsh as they continue to play an integral role in the community by providing local people with much needed housing.

"M&G has now invested over £5bn in UK social housing through property transactions, public bonds and private placements and we're keen to do more. Our pension fund clients continue to seek cash flows over the long-term which are secured against residential property."

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 are providing an increasing amount of longer term finance as banks withdraw from this market.

Ends

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Notes to Editors

A private placement is bespoke, privately arranged, financing.

United Welsh is a not-for-profit organisation providing housing and related services to people in South Wales. United Welsh currently manages more than 5,000 properties across 11 local authorities. In the last five years, United Welsh has built 1,000 homes and intends to build 800 more in the next 5 years.

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 30 September 2014 the firm managed over £257 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

Headquartered in London, M&G employs over 1,500 people worldwide operating from offices across Europe and Asia.

M&G's history is a story of investment firsts, from the UK's first mutual fund in 1931 to the Inflation Linked Corporate Bond Fund in 2010. M&G is the investment arm of Prudential plc in the UK and Europe.

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