

Staffordshire Housing Association in £22m funding deal with M&G Investments

6 July 2015 – Staffordshire Housing Association (“Staffordshire Housing”), a significant provider of social housing in Staffordshire and support services in Staffordshire and Cheshire, has borrowed £22 million in a long term financing deal from M&G Investments (“M&G”), a leading international investment manager.

The 35-year private placement provides Staffordshire Housing with enough flexibility to fulfill its development ambitions over the next three years and refinance existing debt.

Treasury support was provided throughout the process by David Tolson Partnership.

Rob Morton, Commercial Finance Director, Staffordshire Housing Group, says: “Refinancing has increased the long term certainty of financing cost in our business plan. This stability gives Staffordshire Housing a solid foundation for making new development decisions in the future. The team at M&G impressed me with their supportive approach throughout the deal process and we look forward to our future partnership with them”

Mark Davie, Head of Social Housing, M&G Investments, says: “Staffordshire Housing plays an integral role in the community it serves. Financing of this type for housing associations enables them to contribute towards meeting the growing demand for affordable housing in their local communities.

“Our pension fund clients continue to seek cash flows over the long-term which are secured against residential property. M&G has now invested over £6bn 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.

There is a deferral until December on £6.8 million of the financing in order to match business plan funding requirements.

Ends

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Notes to Editors

A private placement is bespoke, privately arranged, financing.

About Staffordshire Housing Association

Staffordshire Housing is a registered provider of affordable housing with around 3,000 homes under management, operating in Staffordshire. Since 1984 Staffordshire Housing has been building, refurbishing, maintaining, renting and selling accommodation. The portfolio ranges from traditional terraced houses, to purpose-built older people's villages, to contemporary eco-friendly houses and apartments.

Staffordshire Housing supports residents with a range of services, including money advice, energy advice, vocational and leisure training courses, and tenancy/estate management. Staffordshire Housing supports communities, working with local residents to make sustainable transformations to their neighbourhoods. It is part of The Staffordshire Housing Group.

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 2015 the firm managed over £269 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

Headquartered in London, M&G employs over 1,800 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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