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HOUSING GROWTH PARTNERSHIP TO PROVIDE ADDITIONAL £300 MILLION TO UK HOUSEBUILDERS

- Housing Growth Partnership ('HGP') funded by Lloyds Banking Group and Homes England commits £300 million equity funding to SME and regional housebuilders
- New fund aims to support the development of 10,000 new homes by 2025
- Regional Growth Initiative will provide additional assistance to the most ambitious regional housebuilders in the UK

HOUSING GROWTH PARTNERSHIP II

The Housing Growth Partnership ('HGP') established by Lloyds Banking Group and Homes England has announced a new £300 million commitment to SME and regional housebuilders in the UK.

The partnership aims to bridge the homebuilder equity funding gap, allowing housebuilders to build more homes across the UK and grow their businesses.

The new fund will support a wider range of housing tenures to meet the UK's diverse and evolving housing needs. Building on the success of the first HGP fund announced in 2016, the new £300 million commitment will help Housing Growth Partnership achieve its target of supporting the development of 10,000 new homes by 2025.

The new fund will be broader in scope to enable investment into larger housebuilding projects with a development value of up to £75 million. It will offer support for the delivery of a wider range of housing projects including Build to Rent, Regeneration and Retirement Living. The partnership will also look to prioritise projects with a greater sustainability focus, as well as those using modern methods of construction and other evolutionary construction methods.

Since its launch, the Housing Growth Partnership has invested alongside 46 housebuilders to support the delivery of over 4,500 new homes, with nearly half now completed and sold to families across the UK.

Housing Minister RT Hon Christopher Pincher MP said:

"It is a top priority of this Government to increase housing supply so hard-working people can be helped into home ownership.

"A thriving SME sector is crucial to our house building targets and ambitions. This significant amount of funding will help smaller and regional housebuilders by providing them with the financial support necessary to deliver much needed new homes."

Vic Hepburn, CEO of Housing Growth Partnership, said: "We are pleased to be building on the success of the Housing Growth Partnership by extending the range of support we can provide to the UK

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housebuilding market. This includes our new multi-tenure approach which will provide more flexibility for housebuilders and more choice for homebuyers.

The introduction of the Regional Growth Initiative will also allow the Housing Growth Partnership to support the most ambitious housebuilders in a more substantial way with additional financial and strategic support.”

Harry Swales, Chief Investment Officer at Homes England, said: ‘The Housing Growth Partnership has already proved to be a huge public-private sector success and we’re now pleased to expand the fund to offer SMEs further support. By injecting this additional investment and harnessing Lloyds Banking Group’s commercial skills we’re able to diversify the market, support increasing numbers of builders and provide the homes the country needs.

REGIONAL GROWTH INITIATIVE

The HGP fund will also partner with the most ambitious SME housebuilders in the UK to support their growth and development through its new **Regional Growth Initiative**. This scheme will see HGP committing a higher level of dedicated equity support to these housebuilders over a defined period to allow them to invest in their businesses and target larger and more strategic sites.

The first five regional partnerships are already in place across four different regions of the UK with Genesis Homes, Durkan, Stonewood Partnerships, Briar Homes and Cruden Homes.

The Regional Growth Initiative is being rolled out UK wide with the aim of trying to support the next generation of large regional housebuilders.

SUPPORT FOR THE HOUSING MARKET

This announcement is part of Lloyds Banking Group’s commitment to helping Britain recover by working across the market to expand the availability of high quality and affordable homes. As well as being one of the biggest backers of housebuilders in the UK, the Group has also committed over £9 billion of funding to the social housing sector since 2018. The UK not only needs more homes, but also to make them greener, so Lloyds Banking Group is supporting the creation of national sustainability standards for house-building finance and has assessed the energy retrofit requirements of over 240,000 homes in the social housing sector.

The launch of Citra Living earlier this year marked the Group’s entry into the private rental market, building on its existing support for the buy to let sector. The Group remains committed to helping first time buyers realise the dream of homeownership, with £9 billion in lending already provided this year and a commitment to reach £10 billion by the end of the year.

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Notes to Editors

- The new equity will be provided via a split of £180m from Lloyds Banking Group and £120m from Homes England.
- Lloyds Banking Group is committed to helping Britain recover from the impacts of the coronavirus pandemic by expanding the availability of affordable and quality homes, both for customers wanting to own their own home and for customers wanting to rent a home.
- Housing Growth Partnership is a social impact investor backed by Lloyds Banking Group and Homes England to help address housing affordability by providing support to the regional residential development community to increase the number of new homes built in the UK.
- For more information visit: **Social Impact Investor in SME housebuilders | Housing Growth Partnership**
- Developers building between 5 and 500 units per year are eligible for support from the Housing Growth Partnership.
- Up to £10m per investment is available for individual housebuilders, for projects with a development value of up to £75m.
- The Housing Growth Partnership was formed in 2016, since then it has supported the completion and selling of over 2,200 homes in the UK.

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