

PRESS RELEASE

LUTON BOROUGH COUNCIL AND CHEYNE CAPITAL ANNOUNCE 80 NEW AFFORDABLE HOMES IN LUTON

London, 20th May 2015 – Luton Borough Council and asset manager Cheyne Capital announce the successful start on site of a project to develop 80 affordable housing units in Luton.

Luton Borough Council is working with Cheyne Capital, Lindum Group and QSH to develop a site on the Old Bedford Road, in one of the first instances of private capital replacing the funding for social housing previously provided by government grants. The site is located in High Town, a regeneration area and was formerly the site of a disused Drill Hall, which was demolished in 2013. The area should continue to attract both public and private investment in the near term.

Cheyne Capital's Social Property Impact Fund ("the Fund") purchased the brownfield site from the local council after securing planning permission for 32 one-bedroom and 48 two-bedroom flats. The new homes are contracted for completion by September 2016.

Luton Borough Council will have full nomination rights over the units and will manage and maintain the properties on an ongoing basis. The accommodation will be offered at below market rents and the site is zoned as affordable housing in perpetuity, thereby safeguarding its purpose in providing housing solutions in the community to some of those most in need. The development was first proposed by QSH, the specialist sourcer of funding solutions for social and affordable housing, in 2014 after an initial feasibility was commissioned from architects Halliday and Clark.

With over 6,600 households on the Borough Council's housing list, and the number continuing to rise, this development will be a meaningful contribution to address the chronic shortage of good quality, affordable rented housing stock in Luton.

Cllr Tom Shaw, Portfolio Holder for housing at Luton Borough Council, said: "It's no secret that Luton has a severe shortage of affordable housing so this is wonderful news for the whole town, particularly the families who so desperately need them.

"This site has been unused since it closed as a recreation centre so I would like to thank both Cheyne Capital and Lindum Group for not only helping us to increase our housing supply, but also for regenerating an area which was becoming a decaying eyesore on a key route into the town centre."

Shamez Alibhai, Manager of the Cheyne Social Property Impact Fund commented:

“This development represents a significant milestone in the delivery of affordable housing without the use of government grants or subsidies. We are very pleased to have been chosen to work with Luton Borough Council on this development, which demonstrates how private capital providers can partner with social sector organisations to help provide long-term solutions that address the continuing crisis in the UK social property market.”

Simon Gregory, Managing Director of Lindum Construction, added:

“Playing a major role in creating quality new housing provision for communities in need is very satisfying for us. Using our extensive experience of building affordable housing, we have been able to contribute our construction knowledge and expertise to the partnership responsible for making this project happen and are proud of the contribution we have made in providing much needed good quality homes for the Luton community.

Paul Hardisty, QSH CEO said: “The success of this model shows how additional finance can be levered in to make Local Authority finances go much further in meeting the huge need for new social and affordable housing”.

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Notes to editors

About Luton Borough Council

Luton Borough Council is the local authority of Luton in Bedfordshire. Luton is a bustling and lively place with a strong cosmopolitan feel. Home to over 200,000 residents who speak more than 100 different languages, Luton boasts its own international airport and great road and rail links to the rest of the UK.

About the Cheyne Social Property Impact Fund

The Cheyne Social Property Impact Fund was launched in November 2014 in order to help tackle the chronic shortage of housing solutions for disadvantaged groups in the UK. Cheyne works with high impact, social sector organisations that are delivering services in the UK including social housing, elderly extra care, housing for the homeless, adult social care and supported living for people with physical and / or learning disabilities. Cheyne’s Social Property Impact team will acquire or build properties and lease these properties to social service providers at affordable rates. The Fund launched with support from a range of investors

including Big Society Capital, who worked closely with Cheyne Capital to anchor the fund with a seeding commitment.

About Lindum Group

Lindum has been in the construction business for 59 years and is a leading member of the Employee Ownership Association, with the majority of the employees being shareholders, thus ensuring a high level of commitment and service. Directly employing over 550 skilled craft and professional people, Lindum remains the top construction company listed in The Sunday Times 'Top 100 Companies in the UK to Work For' and was ranked 18th overall in 2015. More information about Lindum can be found at www.lindumgroup.com

About QSH

QSH is an investment agency specialising in connecting UK-based investors with housing providers in order to deliver affordable homes with little or no government subsidy.

The Birmingham-based organisation offers a unique and flexible proposition to local authorities, housing associations and investors, enabling the delivery of private investment into the affordable housing sector.

With backing from a major high street bank, investment companies and options for institutional and/or pension fund investment, it is targeting up to around £250 million of funds to deliver more than 2,000 homes in the next three to five years.

The number of households on social housing waiting lists has hit 1.9 million, while government subsidy for affordable housing has been cut right back, and there are ongoing restrictions on long term bank debt, making it extremely difficult to deliver much needed homes.

Kirklees Council has completed two projects with QSH and schemes are also in progress at Bradford and Luton. For more information visit www.qsh.uk.com.