

News

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USS and Morgan Sindall Investments launch new supported living fund



SUPPORTED HOUSING INVESTMENT PARTNERSHIP

Universities Superannuation Scheme Ltd (USS) and Morgan Sindall Investments Limited (MSIL) have launched a new joint venture (JV) – the ‘Supported Housing Investment Limited Partnership’ (SHIP).

The landmark transaction brings together USS, one of the largest pension schemes and real estate investors in the UK, with MSIL’s market-leading expertise in social infrastructure development and investment.

At launch, the partners will commit £100m to SHIP, with USS providing 95% of the capital and MSIL retaining a 5% stake – and acting as asset, property and portfolio manager.

As the asset class matures, and provided that the market continues to offer suitable opportunities, the JV partners intend to increase the SHIP portfolio value to £200m.

Initially, SHIP will deliver over 500 new purpose-built supported independent living apartments across the UK. The housing will cater for vulnerable people with physical and learning disabilities, enabling them to live as independently as possible.

Lisa Scenna, Managing Director of MSIL commented:

“With the formation of the SHIP joint venture with USS we are building further on MSIL’s strong track record and expertise in social infrastructure investment, development and asset management. USS is a highly respected blue chip real estate investor. This investment makes the clear statement that specialist supported housing is here for the long term as an established asset class within the UK’s social infrastructure investment arena. Critically, SHIP will help to positively transform outcomes for hundreds of people with care needs and also the many family members that help to support them”.

Graham Burnett, Head of Property at USS Investment Management said:

“We are delighted to be partnering with MSIL to launch SHIP, which continues our strategy to grow a significant portfolio of properties producing long term, stable returns for our participating employers and members. With supported living an emerging asset class, we fully expect our investment to grow given the strong fundamentals and significant lack of supply within the sector.”

In 2013, MSIL took a 50% stake in HB Villages Limited (HB Villages) – the UK’s leading specialist developer of purpose built supported independent living apartments. Since then, HB Villages has delivered apartments in 30 towns across England, valued at circa £70m. It has a £100m live pipeline of apartments in planning or construction – with a significant proportion being built by MSIL’s sister companies, Lovell Partnerships Limited and Morgan Sindall Construction & Infrastructure Limited.

HB Villages is a strategic national response to the widely acknowledged under supply of ‘fit-for-purpose’ housing for vulnerable people, enabling them to lead better and more independent lives.

The model is funded by the private sector, with the HB Villages team working in partnership with Registered Social Landlords, Care Providers and care commissioners to ensure that the right type of housing and care is delivered for local communities.

The bespoke designs and technology within the apartments empower and encourage their occupiers to live more independently, while facilitating the care and support they need.

USS was advised by Gowling WLG and JLL.

MSIL was advised by PwC Corporate Finance and Berwin Leighton Paisner.