

# Schroders and Civitas raise £192m for supported housing fund

24 Aug 2021 | by [Guy Montague-Jones](#)

**Vehicle will forward fund the development of new supported housing**



New development for the fund in Bournemouth

- **What** Schroders and Civitas complete £192m final close for Social Supported Housing Fund

- **Why** Investors include Church Commissioners for England and US developer Jonathan Rose

- **What next** Around half the capital is still to be committed

Schroders Capital and Civitas Investment Management have reached a final closing for their [Social Supported Housing Fund](#) having raised £192m, *React News* can reveal.

The capital was raised from a mix of investors located in the UK, US and Singapore, including several contributing from specific impact investment allocations. They include the Church Commissioners for England and

Jonathan Rose, a well-known developer of affordable housing in the US, through his Lostand foundation.

With leverage, the fund will have more than £300m to invest, of which it has already invested or committed £150m.

The fundraise took place against the backdrop of the pandemic, which has made it harder to raise capital.

Robin Hubbard, head of real estate capital at Schroders, told *React News*: “The level of interest built up over the [fundraising] period because impact investment has become more important to investors, particularly since the beginning of this year. Suddenly a lightbulb went off in the investment community.

“But it has been hard because it’s a debut strategy and people want to be able to see what they are investing in. That was a challenge particularly for overseas investors who couldn’t travel.”

## **Different strategy to REIT**

Unlike the Civitas Social Housing REIT, which is focused mainly on built stock, the new vehicle will forward fund the development of supported housing for people with physical and mental health conditions. Some 11 schemes are already operational and there are another 50 in the pipeline.

The properties, which are spread across the UK, are prelet on a long-term basis to housing associations.

Andrew Dawber, group director at Civitas Investment Management, said “one of the key strengths of the strategy” was the aggregation of a portfolio of newly built properties, which he said hadn’t been done before and would be attractive to institutional investors.

The fund is targeting a net return to investors of 10%.

Dawber added that the strategy relied on strong relationships with local developers, who would benefit from being able to do pursue more projects.

“One of the challenges that local developers face is that there is far more demand for their services than they can finance themselves. We’ve shown the developers that they can do more projects with us than they would be able to do otherwise – the trade off is they will make a little less profit per project because we require an open book.”