

PRESS RELEASE

Landmark moment for The Mill as £15.4 million is unlocked through first phase refinancing deal with M&G Investments

Cardiff, 3rd July 2020 – A major £100 million residential led urban regeneration project in Cardiff, The Mill, continues to welcome new residents as the first phase of 102 rental homes completed last Summer has been refinanced with M&G Investments.

The Mill, will bring much needed affordable homes to West Cardiff on a former derelict site which lay dormant for 20 years, is being delivered through a collaboration between Tirion Homes (Tirion), Principality Building Society (PBS), Welsh Government (WG) and M&G Investments. Lovell Partnerships Ltd and Cadwyn Housing Association are key partners in the construction and management of the scheme.

Of the 800 homes that will be developed, 394 have been completed on site, offering a mix of homes for purchasing and rent. Once the project is complete, half of all the homes will be for affordable rent, owned by Tirion and managed by Cadwyn Housing Association.

The long-term vision of creating an affordable, high quality neighbourhood is now a reality for the new residents. Community facilities, riverside park and small businesses are being developed as part of the scheme. A new rail halt is also planned as part of the South Wales Metro project which will further add to the sustainability of the location.

Families choosing to rent have been living in their new homes since September 2018. Mum-of-one Vanessa Oldham and her partner were one of the first families to move into the rented properties at The Mill.

She said: “We are thrilled with our new house at The Mill, it’s a great size, light, airy and already feels like home. It was great to move into our new home at the same time as our neighbours, it makes getting to know everyone so much easier and builds a lovely community feel.

“One of the things that attracted us to The Mill was the security renting from Tirion Homes and Cadwyn gives us, which is so important when you have a young family.”

The Mill is being delivered by Tirion, a “not-for-profit” housing company that is seeking to provide more affordable choices to working people in Wales through the delivery of high-quality residential neighbourhoods in our towns and cities.

David Ward, CEO at Tirion, said: “We are thrilled to have completed this initial refinancing with M&G who have worked closely with us over several years. It has been a long and sometimes challenging road to get to this point and we are grateful for the commitment shown, not just by M&G ,but also by our other partners; Principality Building Society; Welsh Government; Cadwyn; and Lovell. It is a testament to this commitment that we have completed the transaction in these extremely challenging times with all parties working towards a common goal. Providing high quality affordable homes through residential led regeneration of major sites will play a critical part in the post covid-19

economic recovery and the M&G investment provides a huge vote of confidence in the affordable housing sector in Wales.

The investment by M&G is a milestone for Tirion providing confidence and momentum for the delivery of the rest of The Mill and future projects in Wales. It also demonstrates that efficient long dated private investment can and will play a critical role in delivering large residential regeneration projects with a focus on quality, sustainability and affordability.

“We are very grateful for the support of Welsh Government who had the foresight in establishing this ground-breaking initiative back in 2012 which is now bringing significant housing and economic benefits to the local economy and has the potential to be rolled out across Wales supported by the innovative M&G investment structure where viable.”

“Special credit goes to our contractor Lovell who have ensured a continuity of business through the current crisis by establishing world class safe working practices at The Mill that places the project on a firm footing for the delivery of the remaining phases.”

“ I would also like to thank our financial advisors, Centrus; our design team Powell Dobson Architects, Arup and Cambria; our project managers Blake Morgan and Aecom; our legal advisors Trowers & Hamblins, Hugh James and Geldards; and our property advisors Savills; all of whom have played an important role in getting us to this point.”

Mark Davie, Head of Social Housing at M&G Investments, says: “Tirion has displayed ambition with this development project and this financing will help move it onto its next phase. The deal demonstrates the important role institutional investors play in providing finance to organisations that have a positive impact in the communities they operate in and our wider society. In this case, Tirion is regenerating an area that was left derelict for two decades and is creating homes and a community for thousands of residents.”

John Shinton Director of Centrus says “I have been pleased to be involved since the inception of this project to assist in structuring its innovative financing approach. This maximises the level of external investment in a prudent manner to achieve a primary objective of maximising the number of good quality affordable homes that could be provided on the site.”

Principality Building Society’s commercial lending division has provided construction finance for the first 102 rented homes at The Mill, as well as infrastructure finance for the site as a whole.

Peter Hughes – Managing Director of the Commercial Division at Principality said: “This was always an extremely ambitious scheme, but when we step back and consider the achievements they are quite formidable and we are now so much closer to delivering against the original script. Considering the challenges along the way, this represents a real triumph in terms of patience, tenacity but most of all partnership working. As a founder member of the group – and where the creation of new homes and investment within our core communities are so embedded within the Society’s roots – we are so pleased to have played a full part in this collaboration.”

Welsh Government has been a key partner in helping the ambitious project at the old paper mill site next to the Ely River come to life. Not only has the project rejuvenated the area, it also created an estimated 1,000 jobs locally.

Ken Skates, Minister for Economy, Transport and North Wales, said “The investment by M&G today demonstrates the confidence in the future of our construction sector and wider economy in Wales. The construction sector has a significant impact on the performance of our economy - it is estimated that that this project alone will create 1200 construction jobs during the development and will support a further 600 in the supply chain. This project shows that the utilisation of public sector funds as an enabler to leverage private sector investment, facilitates the growth which will be key for our recovery going forward.”

Minister for Housing and Regeneration, Julie James said:

“Ensuring everyone can have a good quality, affordable home is my number one priority as Wales’ Housing Minister. So, I am pleased we have been able to provide funding for The Mill development in Cardiff, which will provide much needed high quality, affordable housing.

This development is a fantastic example of how collaborative working can have a positive impact on their communities. We are committed to delivering 20,000 affordable homes by 2021 and this development will help us to achieve this target. I am pleased to see this development delivering for the people in Cardiff and creating a community where people aspire to live.”

Kath Palmer, CEO of Cadwyn housing association said:

“We are delighted to be part of the provision of much needed, good quality, affordable family accommodation in Cardiff. Cadwyn has been a key partner throughout the development of this innovative housing project and are proud to be managing the rented properties which provides affordable homes as part of the Welsh Governments target of 20,000 homes”.

Ends

Notes to editors

About The Mill

The Mill is a £100m residential led urban regeneration project in Cardiff. It is being delivered through a collaboration between Tirion Homes (Tirion), Principality Building Society (PBS), Welsh Government (WG) and M&G Investments. Lovell Partnerships Ltd and Cadwyn Housing Association are key partners in the construction and management of the scheme. The initiative will bring much needed affordable homes to West Cardiff on a former derelict site, which lay dormant for over 20 years.

About Tirion Homes

Tirion Homes Ltd is a subsidiary of the Tirion Group. Tirion is a charitable not-for-profit organisation established following an initial alliance between Welsh Government and Principality Building Society. Tirion’s unique financial model allows them to channel all profits through to delivering high-quality affordable housing in Wales. Its mission is to create and supply high quality desirable homes that are within the financial reach of young families and lower-income households. Tirion currently has three developments underway; The Mill in Cardiff, Parc Eirin in Tonyrefail and Whiteheads in Newport.

About M&G Investments

M&G Investments is part of M&G Plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G Plc listed as an independent company on the London Stock Exchange in October 2019 and has £323 billion of assets under management (as at 31 March 2020). M&G Plc has over 5 million customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

For more information, please visit: <https://global.mandg.com/>

For the footnote on Cadwyn:

Cadwyn is a community housing association rooted in Cardiff and manages over 2,000 affordable homes as well as continuing a successful build programme for the future.

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