

30th November 2021

## AEW UK Real Return Fund invests £16.7m in five new supported living schemes

AEW UK Real Return Fund (AEW) has completed the acquisition of a portfolio of five supported living schemes for a combined total of £16.7 million, reflecting its strategy of increasing its weighting towards less cyclical assets that meet demographic and social need. The investments comprise either the acquisition of newly completed facilities, or the forward funding of pre-let developments, all of which provide bespoke living accommodation designed to meet the needs of individuals with mental or physical disabilities. All sites are leased to Inclusion Housing, a leading health and social care landlord for vulnerable adults, and local care providers will provide direct care and support in partnership with each Local Authority's social care teams. Together they provide a total of 88 beds for vulnerable adults and a blended yield of 6% for the Fund's investors with income linked to annual CPI and a WAULT of 20 years.

The properties acquired are a new-build supported living setting close to the City centre in Liverpool, with 13 one-bed self-contained apartments and communal space arranged across three floors and a scheme in Dover, recently extended and converted into supported living, comprising 7 two-bed and 1 one-bed self-contained apartments.

AEW has also agreed to fund a pipeline of schemes being developed by HBV Group, which specialises in new-build supported living schemes in the UK. These properties comprise 22 self-contained units in Ipswich, 20 units in Ilkeston and a further 18 in Swadlincote.

The acquisitions increase AEW's portfolio weighting of assets in the supported living, care, education and NHS key workers to 51.3%, underpinning the fund's strategy of targeting less cyclical areas of the economy and in sectors focused on meeting demographic and social need.

**Ian Mason, Portfolio Manager of AEW UK Real Return Fund, commented:** *"This is a sector that we have been tracking for some time. There is a chronic shortage of Specialist Supported Housing for young adults, which is only forecast to increase over time and now that the operators are being better regulated we felt the timing was right to increase our exposure to this market with brand new future-proofed schemes which deliver attractive, defensive returns at this stage of the cycle, as well as having the social impact of providing much needed modern accommodation."*

George Turnbull from Altitude Investments acted for AEW.

-ENDS-

Notes to editors

AEW

AEW is one of the world's largest real estate asset managers, with €77.4bn of assets under management as at 30 September 2021. AEW has over 780 employees, with its main offices located in Boston, London, Paris and Hong Kong and offers a wide range of real estate investment products including comingled funds, separate accounts and securities mandates across the full spectrum of investment strategies. AEW represents the real estate asset management platform of Natixis Investment Managers, one of the largest asset managers in the world.

As at 30 September 2021, AEW managed €36.8bn of real estate assets in Europe on behalf of a number of funds and separate accounts. AEW has over 440 employees based in 9 offices across Europe and has a long track record of successfully implementing Core, Value-Add and Opportunistic investment strategies on behalf of its clients. In the last five years, AEW has invested and divested a total volume of €21.7bn of real estate across European markets.

[www.aew.com](http://www.aew.com)

### **AEW UK Investment Management LLP**

AEW UK Investment Management LLP employs a well-resourced team comprising 29 individuals covering investment, asset management, operations and strategy. It is part of AEW Group, one of the world's largest real estate managers, with €77.4bn of assets under management as at 30 September 2021. AEW Group comprises AEW SA and AEW Capital Management L.P., a U.S. registered investment manager and their respective subsidiaries. In Europe, as at 30 September 2021, AEW Group managed €36.8bn of real estate assets on behalf of a number of funds and separate accounts with over 440 staff located in 9 offices. In May 2019, AEW UK Investment Management LLP was awarded Property Manager of the Year at the Pensions and Investment Provider Awards.

[www.aewuk.co.uk](http://www.aewuk.co.uk)

### **AEW UK Real Return Fund**

AEW UK Real Return Fund (RRF) is a secure income strategy which seeks to provide contract backed cashflow, inflation protection and capital preservation. The strategy targets a 4% p.a. total real return (net), a 5% p.a. gross portfolio yield and inflation-linked income growth, together with capital preservation, in real terms, by building a portfolio based on the strong property fundamentals of this real asset class. As at 30 September 2021, the RRF has an annualised distribution yield of 5.1%, with 86% of income linked to inflation or fixed increases and a WAULT of 18 years to expiry and with over 51% of the portfolio invested in social sectors and a net asset value of £183.7m.

[www.aewuk.co.uk](http://www.aewuk.co.uk)

### **HBV Group**

Established in 2010 the developer, HBV is renowned as one of, if not the leading developer of bespoke new build specialist supported housing in the UK. HBV was one of the first developers to set up in the sector on a national basis to meet the growing need for bespoke accommodation and support of the country's vulnerable disabled adults.

To date, HBV has completed over 55 schemes within 40 local authority areas across England and Scotland and based on its track record of continually delivering best in class sustainable building enjoys substantial Local Authority and political support, many of the schemes having already been acquired by Local Authority pension schemes.

### **Disclaimer**

This communication cannot be relied upon as the basis on which to make a decision to invest in the Company. This communication does not constitute an invitation or inducement to subscribe to any particular investment.

**AEW Media Enquiries:**

**AEW UK**

Nicki Gladstone

[nicki.gladstone-ext@eu.aew.com](mailto:nicki.gladstone-ext@eu.aew.com)

+44 (0)7711 401 021

**TB Cardew (Financial PR advisor)**

Tania Wild

Lucas Bramwell

[aew@tbcardew.com](mailto:aew@tbcardew.com)

+44 (0)7425 536 903

+44 (0)7939 694 437