

Schroders and Civitas complete £192m final close for UK social impact strategy

Real estate investor Schroders Capital and investment manager Civitas Investment Management (CIM) have announced the third and final closing of their Social Supported Housing Fund (SoHo) with aggregate equity commitments of £192 million.

The capital for this private UK closed-end limited partnership was raised from investors in the UK, US and Singapore, including public and private pension funds, insurance companies, charitable foundations and family offices, with several contributing from specific impact investment allocations.

The fund's social impact strategy means it will be used to forward-fund the development of new specialist supported housing units in the UK, purpose-built to provide safe, lifelong homes for adults with significant physical and mental health conditions, to enable residents to receive dedicated care in their communities and close to their families in safe accommodation specifically designed to meet their individual needs.

Robin Hubbard, head of real estate capital at Schroders, said: "We are delighted to have raised almost £200 million for Schroders' first social impact real estate development strategy. This follows on from the successful IPO of the Schroder BSC Social Impact Trust PLC in the public market at the end of last year. With leverage the fund will have over £30 million of capital to invest of which more than £150 million is already invested or committed to projects.

"This success highlights investors' interest in Schroders and Civitas's capabilities in this field and that impact has risen up investors' agendas over the last year, not just in the UK but globally, as fiduciaries as well as their underlying beneficiaries and policyholders seek social and environmental returns alongside financial targets.

"Prominent investors with an impact focused commitment include The Church Commissioners for England and Jonathan Rose, a highly respected developer of innovative housing communities in the US, through his Lostand foundation."

Andrew Dawber, group director at CIM, said: "This final closing is a major milestone for CIM's partnership with Schroders. SoHo's prime objective is creating new specialist property supply for some of the most vulnerable individuals in society and with 11 schemes already operational and another 50 in the pipeline, the fund looks set to generate genuine additionality, alongside an attractive risk-adjusted return.

"We are delighted to welcome new investors to the fund and believe that despite the challenges associated with investors undertaking on-site due diligence during the ongoing pandemic, the considerable demand reflects the attractiveness of this asset class and its positive social impact credentials to institutional investors. CIM and Schroders are firm believers in the power of private capital to influence and deliver positive changes to society."