

theWeek

NEWS

BARCAP RAISES DEBT AND EQUITY FOR UK REGENERATION BID TO BUILD 20,000 HOMES

Shapps backs £3bn rental fund

NICK WHITTEN

Fledgling regeneration body UK Regeneration has teamed up with Barclays Capital to launch a £3bn private rented residential vehicle.

The fund aims to build 20,000 new homes across the UK by 2020.

BarCap is now in the market seeking equity and debt for the project, which UKR hopes to formally launch in the autumn.

The fund will seek to buy local authority land under the government's new "build now, pay later" programme and is already in discussions for its first three schemes.

It will target town centre and

inner city sites of around five acres.

The first three sites – one in the North East and two in the South East – will provide more than 500 new homes and are expected to have a development value of more than £150m. They will be designed in a campus style, with 70% of the space developed as private residential around a core of shops and restaurants.

The scheme has already secured the support of the government's housing minister, Grant Shapps (pictured).

He said: "Demand is there for good quality, affordable accommodation in the private sector and I look forward to



seeing these plans taking shape, and how they will offer a shot in the arm to those local areas."

UKR chief executive Jackie Sadek (pictured) said the fund would unlock local investment, improve economies and kick-start regeneration.

"The regeneration business has changed," said Sadek.

"Government has challenged us to move from a dependency on public funding to growth based on private investment. This is our response."

Brendan Jarvis, head of EMEA property at BarCap, added: "We have much still to do, but we are very excited by the potential that this new model offers to open up new markets and to help unlock value for all stakeholders."

Jones Lang LaSalle, Work-space, contractor Willmott Dixon, law firm Eversheds and Red Box Design Group have agreed to work on the first three projects. UKR said new partners could be selected for further schemes.