

Home Group secures £125m funding linked to sustainability targets

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A Newcastle housing organisation has agreed a £125m funding package that will support its plans to build more than 1,000 new homes a year.

[Home Group](#) – which is currently building a prominent new headquarters near the city's St James' Park – has agreed the sustainability-linked loan with Lloyds Bank.

The revolving credit facility includes a range of environmental and social targets the association must meet to secure discounts on its funding. These include enhancing the energy efficiency of its housing stock, building more than 4,000 energy efficient homes in the next five years and offering at least 120 apprenticeships a year across its communities.

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The new funding package comes a week after Home Group's annual report revealed that it had missed a number of key targets during the pandemic as it moved to protect its financial position.

Steve Hallowell, director of treasury and investor relations at Home Group, said: “We have a clear, and wholly achievable plan to ensure our homes are future-proofed, sustainable and fit-for-purpose for our customers.

“Working alongside Lloyds Bank will enhance our ability to tackle the challenges that come with meeting our own ambitious targets while improving the communities in which we operate.

“This funding will be crucial as we continue to develop and invest in the best options for improving the energy efficiency of our current stock of properties, address the need for quality, affordable houses across the country and create jobs.”

Home Group has around 55,000 homes around the UK, including accommodation and support for around 15,000 people with mental and physical health challenges.

It recently set out a 30-year sustainability roadmap, with projects including a scheme in Gateshead to consider the most sustainable ways to build new housing developments. It is also a founding partner of the Greener Futures Partnership, a group of housing associations that want to lower emissions, reduce fuel poverty and improve living conditions for residents.

Lloyds Bank has pledged to deliver £1.5bn in funding to the social housing sector in 2021, with at least £500m dedicated to ESG (environment, social and governance) spending.

Melanie Russell, relationship director for housing at Lloyds Bank, said: “Three themes will run to the heart of the fightback from the pandemic – the ESG agenda, regional regeneration and meeting the need for affordable housing. Home Group is tackling all three head-on in a way that will have a positive impact in the communities it operates in for years to come.

“We’re proud to support the association as it works to meet

its ambitious targets and address the critical need to make our homes more energy efficient”

Pinsent Masons acted as bank solicitors and Devonshires as client solicitors on the deal.

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