

Press release: Construction of thousands of new homes to be accelerated following Homes England loan to St. Modwen

The loan, which is part of the Government's Home Building Fund, will support St. Modwen to speed up the installation of vital infrastructure, such as roads and schools, on a number of sites.

The new infrastructure will enable the company to deliver homes through its housebuilding business, St. Modwen Homes, as well as sell other plots to third party housebuilders – helping to fulfil Homes England's goals of diversifying the market, promoting better design and creating higher quality homes.

Chief Executive of Homes England, Nick Walkley, said:

This type of investment is a key example of how Homes England is stepping in to disrupt the housing market and provide homes for those wanting to get a foot on the housing ladder.

By equipping medium sized homebuilders like St. Modwen Homes with the resources to speed up construction, we are not just handing them the powers to make homes happen, but also to drive up the quality of new homes.

Rob Hudson, Chief Financial Officer, St. Modwen, said:

Our partnership with Homes England will enable us to bring forward our housing developments more quickly, providing much-needed housing across the country.

This investment from Homes England will enable St. Modwen Homes to more than double its housebuilding output by 2022.

One site set to benefit from new infrastructure funding from Homes England includes St. Modwen's largest residential scheme, Kingsgrove, a new settlement which will total 1,500 homes, sports pitches, open green space and community allotments, located in the Oxfordshire town of Wantage. St. Modwen recently announced the sale of a 9.65-acre plot to CALA Homes which will deliver 174 homes for the scheme, with St. Modwen Homes currently delivering 70 new homes on site.

Ends

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Notes to editors

1. Homes England is the new housing delivery organisation that has been created to adopt a more commercial approach to respond to the long term housing challenges facing this country. The new, expanded agency will play a far bigger role in investing in supply and intervening in the market to help deliver 300,000 homes a year by the middle of the next decade. Homes England will act differently from its predecessor, bringing together money, land, expertise and planning and compulsory purchase powers to accelerate the supply of new homes and address affordability issues in areas of highest demand.
2. St. Modwen is a different kind of property partner, taking a different view. Thirty years' experience as an expert developer and regeneration specialist, dealing with complex and challenging sites, has taught us to look at things differently, challenge the norm and create new and sustainable solutions to benefit all those involved. Today, we continue to unlock value and deliver quality outcomes across a wide range of activities, from regeneration to the long-term planning and development of commercial and residential assets, as well as active asset management.
3. In the 2017 Budget the Chancellor set out his plan to increase funding available through the Home Building Fund from £3 billion to £4.5 billion to support more new homes to be built in England. The revitalised fund will continue to support key marginal sectors like the Small and Medium-sized Enterprise (SME) developer market and will continue to be available nationally, although there will be an increased focus on investment in areas with the highest affordability pressures.
4. The loan – which comes from the Long-Term Home Building Fund – has an initial maturity of seven years which can be extended to a maximum of ten years, subject to Homes England's consent.