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Funding
Affordable Homes



Funding Affordable Homes.

2025/26 Outcomes Update

October 2025

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This report

This report was commissioned by Funding Affordable Homes SICAV SIF S.A. ('Funding Affordable Homes' or 'FAH') and has been prepared by The Good Economy Partnership Limited ('The Good Economy' or 'TGE'), a leading independent impact advisory firm.

The findings and opinions conveyed in this report are based on information obtained from interviews with and portfolio data from FAH, data provided by scheme managers, and site visits to two schemes, including interviews with residents and staff. The information reviewed should not be considered as exhaustive and has been accepted in good faith as providing a faithful representation of the investment strategy and its underlying holdings. We have taken steps to ensure we do not intentionally or unintentionally inflate positive impact results or under-report negative impacts. However, we acknowledge there are limitations in the quantity and quality of data available. We have identified and explained the effect of these limitations on the presentation of impact performance to the best of our ability.

The Good Economy cannot and does not guarantee the authenticity or reliability of the information it has relied upon. The Good Economy reserves the right to alter the conclusions and recommendations presented in this report in light of further information that may become available.

The Good Economy accepts no duty of care, responsibility, or liability (whether in contract or tort including negligence or otherwise) to any person other than FAH for any loss, costs, claims or expenses howsoever arising from any use or reliance on this report.

Introduction.

About Funding Affordable Homes

Funding Affordable Homes (FAH or the Fund) is a social impact investment fund that invests in affordable general needs and specialist housing in the UK. Established in 2015, the Fund's mission is to help tackle the national shortage of affordable homes by providing long-term capital to the sector. This enables the development of new housing while generating sustainable financial returns for investors.

As of June 2025, FAH owns a portfolio with a Gross Development Value of approximately £152.2 million (excluding Government grant). The portfolio currently includes 10 schemes, comprising around 850 homes with capacity to accommodate c.1,600 people.

FAH is authorised and regulated by the Luxembourg regulator (Commission de Surveillance du Secteur Financier). The Fund has a subsidiary housing association – Funding Affordable Homes Housing Association (FAHHA) – which can obtain UK Government grants, deliver Section 106 planning obligations, and receive land at reduced or no cost from local authorities.

Since 2019, FAH has used Edmond de Rothschild Real Estate Investment Management (UK) Limited (EdR) as its property adviser. EdR provides full investment and real estate advisory services to the Fund.

HOW FAH IS FUNDED

- FAH is funded by a range of investors. This includes:
- > Private investors
 - > Institutional investors, including Local Government Pension Schemes
 - > Specialist social investors, including Better Society Capital and the Joseph Rowntree Foundation.



Better Society Capital is one of the leading social impact investment organisations in the UK. It exists to improve the lives of people in the UK through investment with a sustainable return.



JRF is an independent social change organisation working to solve UK poverty. Through research, policy, collaboration, and practical solutions, JRF aims to inspire action and change that will create a prosperous UK without poverty.

Portfolio Overview.



Birchett Road – Aldershot, Hampshire
 £9.1m Gross Dev Value (net of Grant)
 Social and Affordable rented and shared ownership homes¹
 58 x 1- to 4-bed apartments and maisonettes
 c.120 people housed



Island Point – Tower Hamlets, London
 £38.0m Gross Dev Value (net of Section 106 benefit)
 Social and Affordable rented and shared ownership homes
 172 x 1- to 5-bed apartments and houses²
 c.450 people housed



River Beal Court – Rochdale, Greater Manchester
 £5.5m Gross Dev Value (net of Grant)
 Supported living for individuals with a care need
 37 x 1-bed apartments
 c.55 people housed



Ashey Road – Ryde, Isle of Wight
 £12.0m Gross Dev Value (net of Grant)
 Extra care and shared ownership for over 55s, or over 45s with a support need
 27 x 2-bed bungalows, 75 x 1- & 2-bed apartments
 c.150 people housed



Midland House – Luton, Bedfordshire
 £9.6m Gross Dev Value
 Homelessness project
 78 x 1- & 2-bed apartments
 78 people housed



Rosebank Park – Harwich, Essex
 £14.4m Gross Dev Value (net of Grant)
 Extra care for over 55s
 70 x 1- & 2-bed apartments
 c.105 people housed



Colwell Road – Freshwater, Isle of Wight
 £10.3m Gross Dev Value (net of Grant)
 Extra care and shared ownership for over 55s, or over 45s with a support need
 75 x 1- & 2-bed apartments
 c.110 people housed



Sterling Gardens – Newbury, West Berkshire
 £23.0m Gross Dev Value (net of Grant)
 Social and Affordable rented and shared ownership homes
 119 x 1- to 3-bed apartments
 c.320 people housed



Beaumont House – Walton-on-the-Naze, Essex
 £12.5m Gross Dev Value (net of Grant)
 Extra care for over 55s
 60 x 1- & 2-bed apartments
 c.90 people housed



Balmoral Place – Northampton, Northamptonshire
 £17.8m Gross Dev Value
 Extra care for over 55s
 80 x 1-bed apartments
 c.120 people housed

Gross Dev Value (net of Grant): £152.2m³
Total number of homes: 851
Potential number of residents: c.1,600

1 Social rent is typically 50% or less of market rent, comparable to council rent. Affordable rent is typically 60-80% of market rent. Shared Ownership is a part-buy, part-rent product with the option of purchasing additional shares up to 100% (called staircasing).
 2 One shared ownership flat at Island Point has been removed from the FAH portfolio because the resident now owns 100% of the property.
 3 Defined as current fair value (i.e. third-party values of Shareholders' interests) plus grant (from Homes England and Local Authorities). Total excludes £7.2m from the Fund's temporarily remaining shared ownership properties at Landmark Pinnacle, which are being held for sale.

Case Study – Newbury.


Sterling Gardens

Tenure type: General needs – social rent, Affordable rent, and shared ownership

Number of units: 119 apartments

Year built: 2024

Location: Newbury, West Berkshire



Sterling Gardens, Newbury



Scheme Overview

Sterling Gardens comprises 119 x 1- to 3-bed apartments, with the capacity to house up to 320 people. Across the scheme, 27 homes are social rent, 62 homes are Affordable rent, and 30 are shared ownership. Originally intended for the private market, the homes were brought into affordable use by FAHHA using grant subsidy from Homes England.

The scheme was acquired by FAH in March 2024, and became operational with the first residents moving in from May 2024. We visited the scheme in August 2025 and spoke to several residents as well as the scheme manager from Pinnacle⁴.

We heard that there has been strong demand for the social and Affordable rented homes, with the units generally at or around 100% occupancy since becoming fully operational. This stems from strong underlying demand from the local authority to house people who are on the social housing waiting list, combined with a keen willingness to move in from residents themselves due to the high-quality new-build nature of the scheme, which we heard compares favourably with other social housing in the area.

Demand for the shared ownership homes has been comparatively lower. We heard that this reflects a general market slowdown in the shared ownership sector. FAH has considered switching these units to other tenure types for which there is a higher level of demand (e.g. social or Affordable rent).

The scheme has significant resident engagement, higher than any other site outside of London managed by Pinnacle.

We heard from residents in the rented homes that moving into Sterling Gardens has particularly suited single parents, some of whom have experienced domestic abuse. Entry to the buildings has controlled access, allowing residents to feel safe and secure within their properties, as well as communal areas.

We heard feedback that the scheme had experienced some issues with antisocial behaviour (ASB) in its early months. Although these problems have not been eliminated entirely, a new scheme manager started mid-2025, and since then, several residents remarked that there has been a marked improvement in the management of the scheme. ASB reports have fallen month-on-month, from a high of 16 in May, to 5 in August.



Scheme manager at Sterling Gardens, Newbury

Resident Story – Heather⁵

Heather moved into an Affordable rent flat with her son in June 2024. They previously lived in older social housing, which was unsuitable for Heather who is blind and uses a wheelchair. The narrow corridors and stairs in her previous building meant that she couldn't leave her house without assistance, which led to her feeling isolated. Heather's new flat in Sterling Gardens has more space, and access to the flat is via wide corridors and one of two possible lifts. She commented that the additional space has allowed for more frequent

visitors to her flat and she is now spending more time with her family. In July 2025, the bathroom in Heather's flat was adapted to better suit her needs. Whilst Heather expressed some frustration at the delay in making the adaptations, she was ultimately very pleased with the work that had been done and reiterated how the adaptations had given her more independence and improved her wellbeing. Heather also touched on the quality of the building and was impressed by the maintenance. She said she loved her flat, and 'felt very lucky to live here'.

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Resident Story – Nicole

Nicole has lived in her Affordable rent flat with her 2-year-old son for around a year, having previously been living in her family home, which was overcrowded. She had been on the housing waiting list for around 18-months prior to being accepted into Sterling Gardens. Nicole commented that she feels that herself and her son are stable and settled in the flat, and she likes the location, being close to her family and local amenities. She enjoys the sense of community, and has made good friends with the other residents, especially the other mothers. Nicole said that she wouldn't make any significant changes to the flat and is pleased with the overall quality of it, and that she sees herself staying there in the long term. She particularly appreciates how safe she feels and values the independence the flat has given her.



"It's definitely changed my life...I absolutely love it here"

Case Study – Luton.

Midland House

Tenure type: Temporary homelessness accommodation

Number of units: 78 rooms

Year opened: 2016

Location: Luton, Bedfordshire



Scheme Overview

Midland House is a 78-bed homelessness project in central Luton for people experiencing, or at risk of, homelessness. It is managed by charitable organisation IMPAKT Housing & Support and during various visits to the scheme over recent years, we have consistently heard extremely positive feedback regarding the quality of the management provided.

Within the scheme, there are 36 shared cluster units, where two residents have their own bedroom and share a kitchen and bathroom, as well as six self-contained flats which are typically occupied by those almost ready to move into more permanent accommodation. Residents are typically permitted to reside at Midland House for up to two years. During that time, they have the option to attend various workshops, including advice on how to manage their finances and support in applying for long-term housing after they leave Midland House.

Midland House, Luton



Luton has one of the highest rates of homelessness in the UK, with 3,840 people, or one in 57 people, being homeless or living in temporary accommodation in 2024⁶. This is an increase from one in 63 people in 2016⁷, and highlights the critical need for temporary accommodation solutions in Luton.

Midland House had over 1,100 referrals into its service during the year to June 2025. With the capacity to place just 5% of these referrals, this demonstrates the substantial level of underlying demand that exists for these places. Demand has risen sharply in recent years, increasing by 232% since June 2022. In the last year, Midland House operated at a 99.7% occupancy rate.

Figure 1: Midland House referrals over time

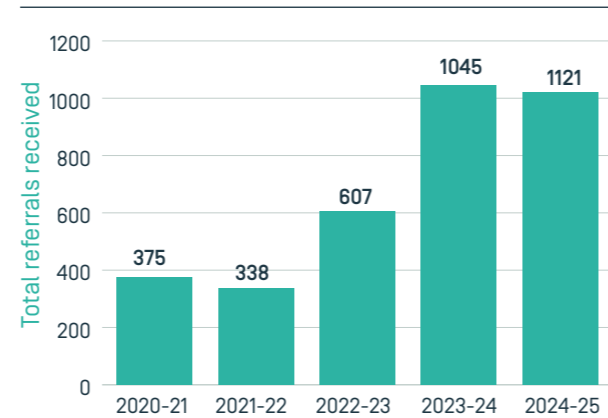


Figure 2: Midland House Key Performance Indicators (June 2024 – June 2025)



Resident Story – Nicole

Helen moved into Midland House in April 2024, after a Section 21 notice at her previous property forced her into living in a hotel which cost up to £800 a week. Since moving into Midland House, Helen has felt more stable and settled and as a result her mental health has significantly improved. She has developed a positive relationship with the staff who she described as “extremely helpful”, and when she has time outside of work, she enjoys attending the art classes that are organised. Helen is on the social housing waiting list and hopes to move into somewhere more permanent in the near future.

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Resident Story – George

George has lived in Midland House for four and a half months after struggling with alcohol misuse and getting into financial difficulty. Since moving in he has remained sober and has been able to reconnect with friends and family. George says he feels safe and secure in Midland House and attends as many of the workshops as possible. He also enjoys the sense of community and regularly uses the gym in the building with his fellow residents. In the future, George hopes to return to work and move into long-term accommodation. He credits Midland House with “completely changing his life” and “wish[es] there were more places like it.”

He credits Midland House with “completely changing his life”

Resident Story – Simon

Before arriving at Midland House two months ago, Simon had been sofa surfing with friends and family while struggling with drug and alcohol problems. He describes Midland House as a “vertical village” where he feels a genuine sense of community and mutual respect between residents and staff. For Simon, the stability of Midland House has helped him gain a renewed sense of independence and confidence. He views it as a stepping stone towards securing private accommodation.



Resident Story – Keith

Keith has lived at Midland House for 14 months, following a long period of homelessness during which he spent time both on the streets and in hotels. Since moving in, he has taken part in many of the workshops on offer and praises the staff for their ongoing support and encouragement. Keith has found that his physical health has improved significantly, and he is now in the process of moving into social housing.

Resident Story – Toni-Ann

Toni-Ann moved into Midland House one year ago, having previously lived in a homeless hostel in Luton, where she was placed in a seven-bedroom flat with all men. She felt unsafe, and the experience had a significantly negative impact on her mental health. Since moving into Midland House, Toni-Ann has felt secure, supported, and settled, and her wellbeing has greatly improved. She has gained a greater sense of independence and enjoys attending the cooking classes organised by the team which are helping her prepare to move into permanent housing at some point in the future.



About Us

The Good Economy is a leading, independent impact advisory firm. Grounded in theoretical rigour and with a broad range of expertise within our industry-leading team, our services are designed to help clients meet the growing demand for greater confidence and credibility in strategies that create positive impact or pursue sustainability outcomes.

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