

Cheyne Capital and Mulbury join forces for £32m Manchester keyworker apartments

18 January 2021: Impact real estate investor Cheyne Capital and North West housing developer Mulbury have today announced a £32m forward funding deal to build 144 apartments in Manchester's New Cross neighbourhood.

The investment comes from Cheyne's second Impact Real Estate Fund and includes a social covenant to ensure that more than a third (35%) of the homes will be allocated to local keyworkers, such as nurses, teachers and emergency services workers, at discounted rents.

The 12-storey development, to be built on Oldham Road, will include one, two and three bedroom apartments and will also comprise work, entertainment and relaxation spaces, ground floor retail facilities, and a 3,000 sq ft roof terrace providing outside space for residents.

Stuart Fiertz, Cheyne Capital's Co-Founder and Head of Responsible Investment, said: "As cities expand, it is too often the case that keyworkers get priced out of the central housing market and forced to either downsize or move to less accessible areas. We are therefore committed to delivering high quality homes in desirable locations – and to ensuring that they remain affordable now and into the future.

"Mulbury has an excellent track record of delivering high-quality housing in Manchester and we look forward to working together to help address the UK's severe shortage of inclusive, affordable housing."

Martin Bury, Co-Founder and Director at Mulbury, added: "Cheyne's social impact values are aligned with our own vision for providing choice and affordability in the Manchester housing market.

"We're delighted to have secured the forward funding to make this development a reality. The standard of the design and the quality of the accommodation on offer will provide an iconic new building and support the ongoing renewal of residential accommodation within New Cross."

The 0.13-hectare development site sits within the New Cross Neighbourhood Development Framework, a key gateway into Manchester City Centre from the north. It is bounded by Oldham Road, Addington Street, Marshall Street and Chadderton Street, and is currently occupied by outdated industrial buildings and a small surface level car park.

Mulbury hopes to start demolition and remediation work on the site in February 2021. It is expected that the building will be completed by summer 2023. Mulbury has also gained planning consent for two further residential-led developments in New Cross – one in Goulden Street and the other in Bendix Street.

The Oldham Road development marks the latest investment from Cheyne's second impact fund. The previous investment was in housing for adults with a learning disability. Diversification by tenant type, counterparty and location is a key element of Cheyne's strategy. Investments in the first impact fund were a mix of acquired and developed assets for use as affordable, keyworker and temporary housing and accommodation for social care by local authorities, housing associations and charities.

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About Mulbury:

Mulbury is an award-winning residential property developer with specialist divisions in affordable homes, care, city, residential and strategic land procurement. Mulbury works closely with registered housing providers, landowners, investors, and other property professionals. It has offices in Lymm and Manchester. It was founded in 2010 by Greg Mulligan and Martin Bury.

About Cheyne Impact Real Estate

Alternative investment manager Cheyne Capital launched its first Social Property Impact Fund in November 2014 and second Impact Real Estate Trust in April 2020 in order to help tackle the chronic shortage of affordable housing solutions in the UK. The Funds are socially responsible landlords which deliver property for use as affordable / keyworker housing, supported living and social care facilities to high quality counterparties such as local councils, housing associations and charities. The Funds form part of Cheyne Capital Real Estate which has provided financing solutions since 2009 and which now manages approximately £3 billion of assets across social impact equity, direct real estate lending, securitised European real estate debt and selective special situations.

About Cheyne Capital

Founded in 2000, Cheyne Capital is a London-based alternative investment fund manager. Cheyne is known for its innovative approach and specialises in identifying and capturing compelling long-term investment opportunities presented by market dislocations and inefficiencies. With an investment philosophy grounded in rigorous fundamental analysis, the firm's areas of expertise are Real Estate



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