



## PIC INCREASES INVESTMENT IN MHS HOMES TAKING TOTAL TO £130 MILLION AS PART OF LONG-TERM PARTNERSHIP TO ADDRESS HOUSING CRISIS

London, 26 October 2022 – Pension Insurance Corporation (‘PIC’), a specialist insurer of defined benefit pension funds, has made a fourth investment, of £40 million, in secured debt issued by mhs homes, a social housing provider based in Kent, building on a long-term relationship. This investment will fund the development of over 600 new properties.

PIC’s first debt investment in mhs homes was a £40 million transaction to provide over 400 new properties, signed in 2016, with a further two transactions totalling £50 million in 2017 and 2021.

The transaction was done on a bilateral basis, with Centrus Financial acting as arranger, as well as advisor to mhs homes. Addleshaw Goddard provided legal advice to PIC while Trowers & Hamblins provided legal advice to mhs.

mhs homes group is a charitable housing association formed in 1990 as a stock transfer from Medway Council, in Kent. It is unique in being the largest social landlord not registered with the social housing regulator, a position it has maintained for the last 30 years. mhs provides and manages over 9,500 homes in the Thames Estuary with the majority being general needs, and houses over 25,000 tenants.

Key aspects of the transaction:

- £40 million private placement for imminent drawdown
- Funding to help investment in new homes and to improve existing homes over the next five years, helping improve energy efficiency and reduce fuel poverty for tenants
- Long dated maturity, to match PIC’s liabilities
- Secured on social housing properties.

Bruce Shelmerdine, Group Finance Director, at mhs homes, said: “We are delighted to have completed this fourth transaction with PIC. This funding will help provide over 600 new properties in Medway and surrounding areas. The flexible arrangements agreed with PIC

meet the requirements of our business plan and provides the long-term funding to match our aspirations. Our ultimate ambition is to help end the housing crisis in North Kent by providing safe and sustainable homes.”

Eugenia Korobova, Senior Debt Origination Manager at PIC, said: “PIC continues to be an active lender to housing associations such as mhs homes and we expect to see more such deals as the sector responds to the requirement to be Net Zero housing providers by 2050. Investing in projects which generate social value, such as social housing, also helps protect PIC’s policyholder payments over the long term, allowing us to fulfil our purpose, and benefits many of the thousands of people who will live in the homes built as result of our long-term partnership with mhs homes.”

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### **Notes to Editors:**

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### **About PIC**

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At 30 June 2022, PIC had insured 293,400 pension scheme members and had £44.1 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. To date, PIC has made total pension payments of almost £9 billion to its policyholders. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit [www.pensioncorporation.com](http://www.pensioncorporation.com)