

First Priority Housing Association

RNS Number : 6414F
GCP Infrastructure Investments Ltd
22 February 2018

GCP Infrastructure Investments Limited
("GCP Infra" and/or the "Company")
LEI213800W64MNATSIV5Z47

First Priority Housing Association

The Board of GCP Infra, the only UK listed fund focused primarily on investments in UK infrastructure debt, notes the recent statement by the social housing regulator, Homes England, to the effect that First Priority Housing Association Limited ("FPHA") is "not compliant with the Governance and Financial Viability Standard" required by Homes England.

As at 29 December 2017, the Company was exposed to a portfolio of partially inflation protected investments comprising 43 loan assets with an unaudited valuation of £911.0 million, of which approximately 17% was exposed to social housing investments. At that date c.3.8% of the Company's portfolio (valued at c.£37.4 million) was comprised of a loan advanced to Supported Living Infrastructure Ltd ("SLIL") to finance supported living units for occupation by adults with learning or physical difficulties (the "Loan Note"). The Loan Note is secured on a senior basis against a portfolio of 24 underlying properties in England and Wales let to c.200 tenants. The properties are subject to fully repairing and insuring 35-year leases with FPHA.

Interest payments due to the Company in connection with the Loan Note are up to date and there are no outstanding payments due. The properties securing the Loan Note, over which the Company benefits from a first ranking charge, are understood to be fully occupied, and are subject to a service agreement with a major care provider which takes responsibility for any voids in the portfolio. Substantially all of the rents arising from these properties are underpinned by payments of housing benefit from local authorities. Moreover, the Company benefits from a first ranking charge over a number of further properties owned by SLIL which further secure the Loan Note. Accordingly, the Directors do not anticipate that the Company is likely to experience any impairment of value on the Loan Note.

The Company and its investment adviser, Gravis Capital Management Ltd ("Gravis"), will continue to monitor events in relation to FPHA. Homes England is working with FPHA and its various landlords to implement a satisfactory resolution in the immediate future.

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End of Announcement

Notes to the Editor
About GCP Infra

The Company is a closed-ended London Stock Exchange-listed investment company that seeks to generate returns from senior and subordinated infrastructure debt and related and/or similar assets. The Company is advised by Gravis.

This information is provided by RNS
The company news service from the London Stock Exchange

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