



REFUGEE HOMES FUNDED BY £1M ETHICAL INVESTMENT

Refugee homes funded by £1m ethical investment



Article by:
Matthew Rogers
Marketing & Communications Officer | ACH Bristol

Ashley Community Housing (ACH) is a thriving social enterprise which delivers the #rethinkingrefugee resettlement and integration programme throughout communities in the West of England and the West Midlands.

Since 2008 it has successfully resettled over 2000 individuals from refugee backgrounds – developing their independence, promoting their positive contribution to the community and easing their integration into UK life. Many of the ACH staff, including the CEO, have lived experience as former refugees, resulting in a tried and tested resettlement and integration service that is culturally responsive.

ACH differs from many Housing Associations in that it currently works on a leasehold model, leasing residential properties from private landlords and local Councils in order to be able to quickly react to need. To expand its portfolio, provide it with greater control and financial resilience, and to enable it to address housing waiting lists that outstrip supply, ACH is aiming to diversify its property portfolio into a freehold model.

A change of this scale requires significant funding, and social investment was seen as the solution, enabling ACH to establish a freehold model across their estate, and continue to deliver on their humanitarian promise to their tenants.

In 2016, ACH started working with social investment specialist Resonance, looking to create a model of social investment which would enable them to grow as a business, whilst reflecting the values of their staff and tenants.

For this they needed a financial model which wasn't dependent on interest. They wanted a social investment model which was fair, not charged on property, and based on their ability to generate a yield from their rental income.

A Shari'a compliant Yield Sharing investment product was developed, suitable for both ethical and faith-orientated social investors.

Richard Thickpenny, ACH's Business Development Manager, explained "we have transformed a faith based financial agreement into a 21st century FCA compliant ethical legal agreement suitable for social investors from all backgrounds".

Although social investments and Shari'a compliant investments already exist, this is believed to be the first Shari'a compliant social investment, and the first use of Shari'a compliant finance by a Housing Association.

Veale Wasbrough Vizard's social investment lawyer, Richard Hiscoke, who advised ACH on the investment documentation, said "we were delighted to support ACH with the development of offering an innovative investment offering in the social housing sector."

The product is now being piloted with investors who are looking to provide up to £1m of investment. Once negotiations are completed, this will allow ACH to purchase five freehold properties in Birmingham, housing 25 tenants and enabling the resettlement of 120 refugees over the next five years. Once the pilot is successfully completed ACH are aiming to secure a further £20m of investment through this model.