

Downing LLP and Pollen Street Capital unveil real estate funding partnership

Investment manager Downing LLP and institutional asset manager Pollen Street Capital are pleased to announce a new partnership to improve access to finance for SME developers, and encourage greater innovation and competition in the housing market.

Downing LLP provides funding for small to medium-sized enterprises (SMEs) and currently has £470m of AUM in property backed deals, in addition to having committed facilities of over £150m to residential developers through its experienced Property Finance division, which focuses on supporting high-quality residential SME developers. Pollen Street Capital, a private equity and credit focused manager, has invested over £1.1 billion in senior real estate debt during the past 3 years through its partnership model with property lenders.

By combining their existing real estate lending expertise, Downing and Pollen Street Capital aim to continue to improve housing supply and competition in housebuilding. These two issues were highlighted in a recent report by the Academy of Urbanism, which argued that a greater number and breadth of housing providers are needed in order to stimulate innovation and tackle the housing crisis. This is in the context where the government estimates that 300,000 new homes need to be built in the UK each year to keep up with rising demand.

As part of this new partnership, Pollen Street Capital has acquired approx. £30 million of Downing's existing loan book and is providing an additional funding line to co-fund or fully fund future residential development finance and bridging deals for SME developers.

Parik Chandra, Partner and Head of Property Finance at Downing LLP, commented: *"Our partnership with Pollen Street Capital gives us the ability to provide a broader offering and develop a stronger presence in the property finance market."*

"This deal will also allow us to realise our bold plans for supporting SME developers and the great work they do in tackling the UK's housing shortage in 2021 and beyond. As in so many sectors, 2020 has been challenging for the property development market but this new relationship with Pollen Street Capital, a prominent institutional asset manager, and a significant contributor to this specialist real estate sector, provides a huge vote of confidence in our approach. We look forward to working with the Pollen Street Capital team as we continue to back experienced developers with debt requirements of £1- £20m."

Howard Garland, Partner, Pollen Street Capital, commented: *"We are delighted to announce this new funding partnership with Downing, which we expect will become one of our key real estate partners going forward. The high-quality focus and market expertise of the Downing Property Finance team fits well with our real estate strategy where we look to form funding partnerships with experienced lenders in the sector. We also see a number of broader synergies between our businesses and look forward to working with them."*

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About Downing

Downing LLP is an investment manager with over 30 years of experience, more than £1 billion assets under management and 25,000 investors. The business has made a firm-wide commitment to the principles of responsible investment by assessing opportunities for both their profitability and their environment and social impact. Downing believes this approach can make investments more rewarding: rewarding by being profitable for its investors, rewarding by being supportive to the businesses it funds and, through their success, ultimately rewarding for society.

Downing LLP is authorised and regulated by the Financial Conduct Authority (FRN: 545025). Registered in England and Wales (No. OC341575). Registered Office: 6th Floor, St Magnus House, 3 Lower Thames Street, London EC3R 6HD.

About Pollen Street Capital

Pollen Street Capital is an independent alternative investment management company with significant experience in specialty finance and focus on accelerating the progress of the financial and business services sectors, including property finance. It was established in 2013 and operates across private equity and credit strategies on behalf of investors including leading pension funds, asset managers, banks and family offices from around the world. Pollen Street Capital has a team of over 70 professionals with offices in London and New York City.

The Real Estate credit team at Pollen Street focuses on attractive LTV bridging and development lending to SMEs, which has generally been underserved by banks and institutional lenders. The team generally accesses this market sector through selective lending partnerships with non-bank real estate lending platforms.

Pollen Street Capital Limited and PSC Credit Holdings LLP are authorised and regulated by the Financial Conduct Authority ("FCA") and entered on the Financial Services Register (Registered Numbers 611337 and 650207).