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heylo Housing responds to Regulator of Social Housing's first assessment of a for-profit RP

In a judgment published today, for-profit RP heylo Housing Registered Provider Ltd (heylo RP) has been assessed by the Regulator of Social Housing (RoSH) as G3 for governance and V3 for financial viability. heylo RP is the first for-profit RP to go through the IDA process. heylo will continue to work collaboratively with the Regulator in order to ensure its governance and financial viability requirements are met.

In this judgment, the Regulator has not taken into consideration the over £1billion of assets held by the wider heylo Housing Group because heylo RP does not have any direct control over the Investment Partners (sometimes referred to as Investment Pods) even though heylo RP and other heylo Housing Group companies are 100pc commonly controlled and share directors.

heylo believes had the Regulator been able to consider the wider Group a compliant result for viability would have been the outcome.

Specifically, the Regulator's judgment only relates to heylo RP. The Regulator has not reviewed, and is not making any statements on, other parts of the heylo Group which own, finance, and manage the shared ownership properties and are Homes England Investment Partners. heylo RP has long leasehold interests in the properties; it does not borrow any debt or carry risk in respect of the funding of the properties. The structure helps ensure we provide a high quality and robust offer to our tenants and operate to the highest customer standards as required by the Regulator.

In heylo's assessment of the regulatory judgement, the Regulator's bias is towards a structure where the Registered Provider is the grant recipient, controls and owns the social housing assets directly or has direct control over the Investment Partners (Investment Pods).

heylo Housing Group has a robust structure based on a long term and resilient, low risk investment model.

Andrew Geczy, CEO, heylo Housing, said:

"We are disappointed with this judgment given the considerable work we have undertaken with the Regulator to explain heylo's robust structure. We expect to make the successful case for governance and financial viability following further constructive collaboration with the Regulator.

"Throughout the many months of the IDA process, it became clear the way that the heylo RP fits within the unique heylo structure was an unfamiliar one to the Regulator. As part of that process, the business has already undertaken several steps to address the issues raised by the Regulator during the IDA process prior to receiving the Gradings Under Review. We recognize the ongoing discussion with regards to our corporate structure and would also note that the governance issues have all been addressed since.



“In their assessment of viability in this judgement, the Regulator’s scope was limited to heylo RP; the Regulator did not review or consider the viability of the Investment Partners or the heylo Group as a whole.

“heylo RP was founded following the acquisition of a Registered Provider in 2017, and therefore the group structure was not reviewed by the Regulator as part of that process. However, heylo and its group of institutional investors are confident that it has been and remains a sound, well run business, with a strong financial standing over that time. Our homes are safe and well maintained, and we are proud of our high customer satisfaction levels. Our strong business model has been evidenced by our ability to attract significant capital investment to the sector with minimal risk, and more importantly, to allow thousands of families to buy an affordable home. We currently have £400m of capital to deploy to help more families own their own homes. We are also proud of our strong partnerships with Homes England and housebuilders across the country.

“Since 2014, heylo has grown into the UK’s largest private investor in shared ownership housing, helping more than 7,000 households get onto the housing ladder, creating tremendous social value. We are committed to continue to deliver many more much needed affordable homes over the coming years.”

About heylo Housing

Established in 2014, heylo has grown to become one of the UK’s leading Shared Ownership providers.

heylo works in partnership with national, regional and local housebuilders, as well as local authorities, estate agents and wider stakeholders to deliver affordable homes.

heylo’s part buy – part rent solutions bring owning a home within reach for millions of previously excluded potential buyers.

heylo and its group subsidiaries received both Registered Provider status with the Regulator, and Investment Partner status with Homes England in 2017.