

## **Ethical landlord EHC raises a further £7.5m to address growing housing crisis on Teesside**

*REDCAR, 30th NOVEMBER 2020*

The Ethical Housing Company (“EHC”) is scaling up its efforts to provide decent and affordable homes to rent in Teesside, after securing £7.5m of additional funding.

EHC’s new investment comes from the Teesside Pension Fund, which has committed £5 million, and social investor Big Society Capital, which has committed £2.5m as part of a national effort to combat homelessness in the wake of the Covid-19 pandemic.

EHC was launched in 2018 with an initial £5 million of funding from Bridges Evergreen Holdings, a specialist long-term investment partner for mission-driven organisations. To date, EHC has acquired a portfolio of over 60 properties, with a further 20 completing soon. It offers well-maintained, decent and affordable homes to let to households in need, in partnership with The Ethical Lettings Agency CIC (“TELA”) which supports tenants to sustain their tenancies for the long-term.

EHC’s new funding will be used solely to purchase properties to let to people in housing need. The company has a growth plan to acquire in the region of 100 properties per year for the next decade.

**Councillor David Coupe, Chair of the Teesside Pension Fund Committee, says:**

“We are very pleased to have made this investment into The Ethical Housing Company. This is one of the first local investments that the Fund has made; we believe it will not only deliver a sustainable financial return but also deliver real social impact across Teesside, by helping people who need decent and affordable homes to rent.”

**Freddie Waite, Investment Director at Big Society Capital, says:**

“We have been working with Bridges and The Ethical Housing Company since the first Covid lockdown to understand what was happening on the ground and help to develop solutions to tackling homelessness post-Covid. As such, we are delighted to have been able to invest £2.5 million so that EHC can further scale its ethical landlord approach within the private rented sector and purchase properties to help prevent and alleviate homelessness on Teesside.”

EHC is operating within an ever-worsening socioeconomic context on Teesside. Pre-Covid, Teesside already had c.60% of tenants in the private rent sector in receipt of benefits, double the national rate, and the local unemployment rate was also twice as high as the country as a whole. By August 2020, 22% of *all* households on Teesside were in receipt of Universal Credit, a 97% rise since August 2019, and unemployment is set to rise significantly when the furlough scheme ends.

This is likely to result in a growing number of people facing housing need or homelessness. For many, the private rented sector will be the only option – but at the lower-cost end of this sector, there are too many slum landlords offering substandard properties with zero support for tenants. These properties are a blight on the lives of tenants and local communities.

EHC offers a positive alternative for Teesside. About two-thirds of the households supported by TELA are in receipt of housing benefit, and last year, 38% of its new lettings were to people who were facing homelessness, which has increased to 50% since the first Covid lockdown. 93% of tenants rated its service as good or excellent.

With this additional investment, EHC can expand its portfolio so it can help many more people find a decent and affordable home to live in, while also working with local stakeholders on longer-term strategic solutions to homelessness and housing need on Teesside.

**Carla Keegans, Founding Director of EHC says:**

“We are excited to be working with the Teesside Pension Fund and Big Society Capital, and thank them for their trust in us. Their investment will be used directly to help house people in need across Teesside. Covid is hitting all communities, but here on Teesside it unfortunately comes on the back of many years of socio-economic deprivation. Homelessness was already rising, and Covid will only exacerbate this. We are proud to step up and help in this crisis.”

**Scott Greenhalgh, Chair of Bridges Evergreen Holdings, says:**

“The Ethical Housing Company offers a compelling solution to the growing challenge of housing need on Teesside, in line with our focus on building stronger communities and a more inclusive economy. The results so far speak for themselves, and we’re delighted that this proof of concept has now catalysed further investment to support Carla and her brilliant team. The local insights and connections of the Teesside Pension Fund, coupled with the specialist property and social investment expertise of Big Society Capital, will be hugely helpful in taking this concept to scale.”

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**Notes to editors**

*About The Ethical Housing Company ([ethicalhousing.co.uk](http://ethicalhousing.co.uk))*

The Ethical Housing Company exists to purchase and own decent affordable rented accommodation in the Teesside area, to meet local housing need. By taking a long-term approach, rents can be kept at affordable levels, thus providing a stable option for those in housing need. Working in partnership with TELA, the decent maintenance of properties and good tenancy management helps to keep value in vulnerable housing markets and hence support local communities.

*About The Ethical Lettings Agency ([ethicallettingsagency.co.uk](http://ethicallettingsagency.co.uk))*

The Ethical Lettings Agency (TELA) is a Community Interest Company that lets and manages residential properties in the Redcar, Cleveland and wider Teesside area on behalf of private landlords and The Ethical Housing Company. It provides a range of expert services based on professional housing practice with a policy of simple and transparent fees. TELA strives to raise standards in the lettings industry to reflect the changing needs of customers and communities.

*About Bridges Evergreen Holdings ([bridgesfundmanagement.com/long-term-capital](http://bridgesfundmanagement.com/long-term-capital))*

Bridges Evergreen Holdings is a flexible long-term investment partner for mission-driven businesses and social sector organisations looking to scale over time. In addition to financial capital, it also offers strategic, operational and impact management support to help these organisations grow faster and deliver more impact. Evergreen is managed by Bridges Fund Management, a specialist fund manager focused exclusively on sustainable and impact investment.

*About Big Society Capital ([bigsocietycapital.com](http://bigsocietycapital.com))*

Big Society Capital exists to improve the lives of people in the UK through investment with a sustainable return. It is the leading social impact-led investor. Working with expert partners, it seeks to understand people’s needs first. Then, using its knowledge and capital, it collaborates and invests with fund managers who also want to create a better, sustainable future. They, and the social enterprises and charities they invest in, create the impact. BSC’s role is to bring the most relevant experts to the table, generating ideas and connecting capital to where it’s most needed.

*About the Teesside Pension Fund ([teespen.org.uk](http://teespen.org.uk))*

The Teesside Pension Fund is the Local Government Pension Scheme (LGPS) for local authority employees (or employees working for a body that is eligible to participate) in the Teesside region.

The Fund is a funded, defined benefit occupational pension scheme which provides for the payment of benefits to employees and former employees of the Teesside local authorities and of those bodies admitted to the Fund, and in some circumstances payment of benefits to those individual's dependants; collectively referred to as members. The benefits paid to members include retirement pensions, widow's pensions, death grants and lump sums.

The Fund is financed by contributions from members, employers and the income from the Fund's investment portfolio of around £4 billion. This money is invested across a range of assets with a goal of ensuring that the assets held by the scheme are adequate to meet the future liabilities (members' pensions and lump sums) of the Fund allowing for future changes to pensions and pay.