

Hearthstone Investments: Successful final close of Hearthstone Residential Fund 2 (“HRF2”) at £152 million

Hearthstone Investment Management has raised a total of £152 million for its Hearthstone Residential Fund 2 which has now closed.

HRF2 was launched in November 2020 and is the latest in the HRF series, following HRF1 which launched in 2017 and is now fully invested. HRF2 had a first close of £97 million in 2020. Further investments from Teesside Pension Fund and Cumbria LPGS were secured in 2021, bringing the capital raising period to a close.

The fund is a 10-year closed-ended fund and invests in UK suburban private rented housing. The investment strategy emphasises regional diversification with a strong focus on ESG. Hearthstone targets good quality homes in areas of strong rental demand, and which are affordable to families, young professionals and key workers, on average incomes.

Commenting on the close, Michael Dinsdale, Head of Investor Relations at Hearthstone, said “we were delighted to achieve a successful final close, particularly during the pandemic, and are already making significant progress in investing for the fund.”



Andrew Smith, CIO at Hearthstone added, “We invest in the suburban residential market where we see attractive opportunities, not only for returns, but also for meeting the need for good quality rental homes.”

Since the launch of its first fund focused on UK suburban private rented housing in 2012, Hearthstone has built a portfolio of over 1,400 homes across England, Wales and Scotland. Hearthstone is committed to working with housebuilders in the transition towards net zero.

Image: Recent acquisition for Hearthstone Residential Fund 2 in Derby

ENDS

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EDITOR'S NOTES:

- Hearthstone Investments are a pioneer in UK suburban private rented housing
- Since the launch of its first fund focused on UK suburban private rented housing in 2012, Hearthstone has built an income generating portfolio of over 1,400 homes across England, Wales and Scotland
- Hearthstone Investments manages capital on behalf of a range of UK Local Government Pension Schemes, as well as other institutional and private investors
- Hearthstone is committed to working with housebuilders in the transition towards net zero
- Residential homes managed by Hearthstone emit on average 1.3 tonnes of CO₂ pa, significantly below the national average of 6 tonnes pa.
- Homes managed by Hearthstone are rented by residents on average and below average salaries, many of whom are key workers

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