



GROUPE SNI

## French middle class housing fund launches second fundraising

Paris, October 29, 2014

***After a first closing of €515m, which ranks the Intermediate Housing Fund (FLI) as the biggest French fund dedicated to residential housing, SNI (Société Nationale Immobilière), a subsidiary of Caisse des Dépôts, is now aiming to raise additional funds, with a funding target of at least €700m, giving it total investment firepower of €1.2bn.***

### Access to diversified portfolio of French residential housing

The Intermediate Housing Fund (the Fund) gives institutional investors access to a diversified portfolio of 7,000-plus homes in densely-populated middle class areas. SNI is launching a new fundraising round this month, with a funding target of €700m. Combined with leverage of 40%, this would give the Fund an investment capacity of about €1.2bn.

Following the first closing, the FLI ranks among the five largest unlisted residential funds in Europe (Source : INREV). *“The success of the first closing on July 24 at €515m<sup>1</sup>, demonstrates investors’ renewed interest in this asset class,”* said Vincent Mahe, General Counsel of the SNI Group and President of AMPERE Gestion, the management company for the Fund, which is registered by the AMF (Autorité des marchés financiers). *“Operating profits of middle class housing are very resilient. Also, urban areas in France offer the best demographic prospects throughout Europe, thereby increasing the value of our assets in the long-run”.*

Thanks to new regulatory framework and advantageous tax status (a VAT rate reduced from 20% to 10% and exemption from property ownership tax on developed property), the Fund offers attractive return potential, particularly given the current environment and the resilience of the sector. The negotiated acquisition prices allow for gross rental income of 4.8% (allowing to serve an inflation-indexed coupon of 3.5% from the first year) and an internal rate of return of 7% over 20 years.

### Deep expertise in housing development and management

SNI, France’s largest lessor, has deep expertise, evidenced by its existing ownership and management of 87,000 intermediate housing units. It has already received proposals from developers for 13,600 housing units. Of these, 1,200 have been approved by the Fund and a further 2,500 are due to be agreed by the end of 2014. These agreements represent more than a third of the investment capacity of the Fund, meaning its operational and financial objectives are well advanced in terms of investment flows, gross operating profit and cost price of acquisition. Furthermore, the financing of the Fund’s investment activities has been secured by appropriate bank agreements.

<sup>1</sup> Investors in the first fundraising round are: SNI (CDC), CNP Assurances, Aviva, BNP Paribas Cardif, Malakoff Mederic, ERAFP, EDF, SMABTP.



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SNI will also participate in the French government's programme to create 25,000 intermediate housing units. The Fund benefits from priority access to any project developed by SNI or its affiliates.

#### **About SNI Group**

SNI is a subsidiary of Caisse des Dépôts, which has total assets of €287bn and 138,000 employees<sup>2</sup>. SNI is France's largest landlord and works with public organisations to put into action social housing policies. The company provides innovative and long-lasting solutions, designed to promote diversity and social cohesion. It has the two-fold objective to promote social and middle-class housing in high-density areas, and enhance social mobility. SNI operates as 19 entities across the metropolitan landscape: its five institutions, Sainte-Barbe and 13 "Entreprises Sociales pour l'Habitat".

For more information see: [www.groupesni.fr](http://www.groupesni.fr)

#### **Media contacts:**

##### **Agence FARGO**

Helen Fowler  
+44 7581 045 768  
[hfowler@agencefargo.com](mailto:hfowler@agencefargo.com)

Wyame Fassi Fihri  
+33 1 44 82 95 51  
[wfassifihri@agencefargo.com](mailto:wfassifihri@agencefargo.com)

Vicktrin Gerald  
+33 1 44 82 66 91  
[vgerald@agencefargo.com](mailto:vgerald@agencefargo.com)

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<sup>2</sup> At end-2012. Source: Caisse des Dépôts et Consignations