

# Residential Secure Income plc

Factsheet as at 31 December 2021



Residential Secure  
Income plc

## Overview

Residential Secure Income plc (LSE: RESI) (ReSI plc) is a real estate investment trust (REIT) which aims to deliver secure, inflation-linked returns and has a focus on two sub-sectors in UK residential - independent retirement rentals and shared ownership - underpinned by an ageing demographic and untapped, strong demand for affordable home ownership.

ReSI plc's purpose is to deliver affordable, high-quality, safe homes with great customer service and long-term stability of tenure for residents. ReSI plc achieves this through meeting demand from housing developers (housing associations, local authorities and private developers) for long term investment partners to accelerate the development of socially and economically beneficial affordable housing.

Targets secure, long-dated, inflation-linked dividend yield of 5.0% p.a. and a total return in excess of 8.0% p.a.<sup>1</sup>

## Why affordable and social housing?



**Stable, long term, inflation-linked rents**



**Supply/demand imbalance from historic undersupply**  
2 million shortfall in homes delivered\*



**Incredibly diversified income stream from thousands of homes and residents**



**Reducing development appetite from peers**  
94% of affordable housing delivered by not-for-profits\*\*



**Nationwide shortage of affordable home ownership and independent retirement housing**

## Why ReSI plc?



**>20-year track record in financing and advising social housing**



**Wholly owned Registered Provider of social housing, ReSI Housing Limited**



**Investment Partner of Homes England and Greater London Authority**



**Unique proprietary Customer and Environmental Charters designed to maximise social impact**



**30-strong Fund manager's in-house property management business**



**Long term investment grade equivalent debt**  
Average 22-year maturity with a unique £300m facility with 0.5% coupon\*\*\*

\*Ministry of Housing, Communities & Local Government - shortfall in homes delivered over last ten years vs. National Housing Federation target

\*\*Ministry of Housing, Communities & Local Government and English Housing Survey

\*\*\*Source: Gresham House

## Quarterly highlights to 31 December 2021

### Income/Dividends

- Dividend of 1.29p paid out in line with increased target<sup>1</sup> of 5.16p per share to be paid in FY22 and a second dividend of 1.29p declared on 27 January 2022
- Dividend 98% covered by recurring income during the quarter
  - In line with target<sup>1</sup> to be at least fully covered for the year (with majority of rental income increases typically in second half of ReSI's financial year)
  - Inflation linked rental income provides ongoing platform for dividend progression
- 99% rent collection maintained, in line with historic and pre-pandemic levels

### Resilient financial position

- EPRA Net Tangible Assets total return for the quarter of 1.7% (1.8 pence per share)
- Total property portfolio of 3,050 homes with a value of £351m<sup>2</sup> up 0.4% or £1.4m on a like-for-like fair value basis
  - The portfolio has an average EPRA Net Income Yield of 3.9% driven by increasing rent as shared ownership portfolio becomes fully occupied
  - Portfolio is focused on £216m of independent retirement living and £104m shared ownership homes
  - Valuation movement driven by like-for-like rental growth from ReSI plc's inflation-linked leases
- ReSI plc continues to maintain a robust balance sheet with a loan to value ratio of 47%. Total debt was £169m at 31 December 2021 with a long average 22-year maturity and low weighted average cost of 2.3%

### Further operational delivery

- Retirement voids continue to be maintained at pre-pandemic average of 7%
- 20 occupied shared ownership homes acquired (£1.9m), out of total 46 committed at year end
- Rent roll increased by 2.9% during the quarter, driven by
  - Completions on shared ownership homes
  - Like for like rental growth of 2.8% due to inflation linked rent reviews on 559 properties or (20% of rent roll)

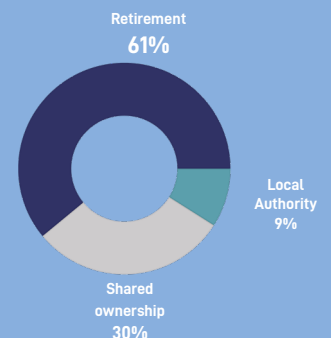
Past performance is not a reliable indicator of future performance. Capital at risk.

## Fund information

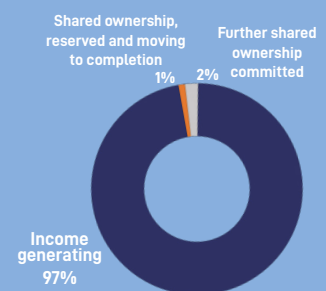
LEI	LAR763213800D24WA531
Ticker	RESI
ISIN	GB00BYSX1508

Launch date	12 July 2017
Homes owned <sup>4</sup>	3,050
EPRA NTA	£185.6m
EPRA NTA FY22 Total Return <sup>3</sup>	1.7%
EPRA NTA per share	108.4p
Share price	108.5p
Market capitalisation	£185.7m
IFRS NAV per share	106.6p
Premium above IFRS NAV <sup>5</sup>	1.8%
Ongoing charges	1.6%
Dividend declared FY22 <sup>3</sup>	1.29p
Dividend target FY22 <sup>1</sup>	5.16p
Div yield (prospective) <sup>5</sup>	4.8%
Target IRR (long-term) <sup>7</sup>	8.0%

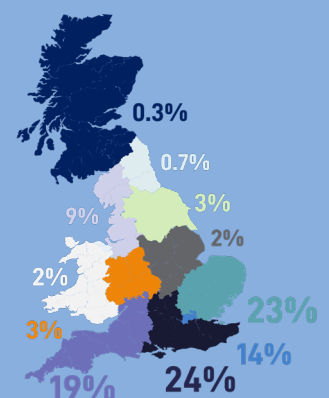
## Asset type



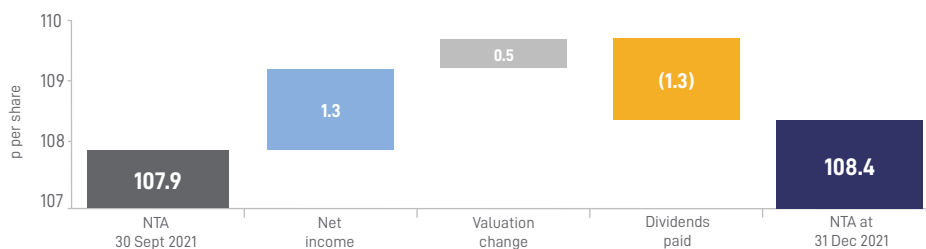
## Deployment status



## Portfolio by location



## EPRA NTA (pence per share)



- 1.8p total return
- 1.3p recurring net income, with 99% rent collection
- 0.5p valuation gain (0.4% like-for-like) driven by rent growth from ReSI's inflation linked leases

Past performance is not a reliable indicator of future performance. Capital at risk. Performance is net of fees and costs.

## ReSI plc's portfolio focus

Aims to deliver diversified secure inflation-linked income from residential sub-sectors with strong fundamentals and supply-demand imbalances.

	Independent retirement living housing (£216m GAV   2,218 homes   61% of portfolio)	Shared ownership housing (£104m GAV*   543 homes   30% of portfolio)
<b>Driver</b>	<ul style="list-style-type: none"> <li>▪ Booming and increasingly lonely older population</li> </ul>	<ul style="list-style-type: none"> <li>▪ Huge untapped demand for affordable home ownership</li> </ul>
<b>Summary</b>	<ul style="list-style-type: none"> <li>▪ Let to elderly residents with affordable rents and lifetime tenancies</li> <li>▪ Provides fit-for-purpose homes for retired people, allowing them to maintain their independence without care provision</li> </ul>	<ul style="list-style-type: none"> <li>▪ Homebuyers acquire a share in a residential property and rent the remainder from ReSI plc</li> <li>▪ Helps homebuyers acquire a home they would otherwise be unable to buy/afford</li> <li>▪ £10m of capital grant funding from government allows rent to be c.30% below market levels</li> </ul>
<b>Rent inflation</b>	<ul style="list-style-type: none"> <li>▪ Increase with Retail Price Index (RPI) each year</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase contractually by RPI+ 0.5% each year</li> </ul>
<b>Secure income</b>	<ul style="list-style-type: none"> <li>▪ Rent paid from pensions and welfare</li> </ul>	<ul style="list-style-type: none"> <li>▪ ReSI plc's investment is underpinned by homebuyer equity stake in their home</li> <li>▪ Subsidised rents c.30% below market</li> </ul>
<b>ReSI plc origination advantages</b>	<ul style="list-style-type: none"> <li>▪ Scale - UK's largest private independent retirement rentals business<sup>8</sup></li> <li>▪ Specialist in-house 30-person team with &gt;20 years' track record</li> </ul>	<ul style="list-style-type: none"> <li>▪ ReSI Housing Limited - Registered Provider of Social Housing</li> <li>▪ Unique 45-year Universities Superannuation Scheme (USS) debt facility providing 300bps yield pick-up</li> </ul>

### Notes

1. These are targets only and not profit forecasts. There can be no assurance that the targets can or will be met and they should not be taken as an indication of the ReSI plc's expected or actual future results. Accordingly, potential investors should not place any reliance on the targets in deciding whether or not to invest in the ReSI plc or assume that the ReSI plc will make any distributions at all and should decide for themselves whether or not the target dividend yields are reasonable or achievable

2. Excluding the finance lease gross up and including £7m of committed acquisitions

3. FY to date (1 October 2021 to 31 December 2021), Gresham House plc

4. Including committed acquisitions

5. Based on the IFRS NAV per Share of 106.6p and Share Price of 108.5p as at 31 December 2021 (as above)

6. Based on the target dividend per share (2021-2022) and the share price as at 31 December 2021

7. As set out at IPO

8. Gresham House Housing team

Performance is net of fees and costs.

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## Contact details - Gresham House / ReSI Capital Management

### Fund management

**Ben Fry**  
Fund Manager, Head of Housing Investment

**Alex Pilato**  
Managing Director, Housing & Capital Markets

### Board

**Rob Whiteman** Chairman  
**Robert Gray** Senior Independent Director & Audit Committee Chairman

**John Carleton** Director  
**Elaine Bailey** Director

### Key dates

Financial Year End: 30 September  
Interim: 31 March

### Dividends payment dates

June 2021	1.25p
August 2021	1.25p
January 2022	1.29p
March 2022 (declared)	1.29p

### Service providers

**Fund manager:** ReSI Capital Management, part of Gresham House  
**Administrator:** MGR Weston Kay  
**Registrar:** Computershare  
**Auditor:** BDO LLP  
**Company secretary:** Computershare  
**Corporate broker:** Jefferies  
**Depository:** Thompson Taraz  
**Legal adviser:** Cadwalader, Wickersham & Taft LLP  
**Tax adviser:** Smith & Williamson  
**PR:** KL Communications  
**Valuers:** Savills

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