



Press Release – Version 2

15 February 2016

Telford Homes Plc
(‘Telford Homes’ or the ‘Group’)
Private Rented Sector sale for £66.75 million

Telford Homes Plc (AIM: TEF), the London focused residential property developer, is pleased to announce the sale of one of the Group’s key developments, The Pavilions, Caledonian Road N1, to a subsidiary of L&Q, one of the UK’s leading housing associations and one of London’s largest residential developers.

The transaction is for the sale of all 156 homes within The Pavilions development, 96 of which will form part of L&Q’s substantial and growing Private Rented Sector (‘PRS’) portfolio. Under the terms of the planning permission the remaining 60 homes have been sold to L&Q for affordable housing. The contracted price for the entire development is £66.75 million with regular payments to be made by L&Q throughout the construction period. As a result the development will not require any equity or debt to be invested by Telford Homes. Construction is already underway and is expected to be complete by the middle of 2018.

The contract with L&Q marks the Group’s first significant development sale in the PRS sector. There is increasing institutional demand for high quality, well located developments to be ‘built for rent’ and the Group has been very encouraged by the overall response to the marketing of the Pavilions. Telford Homes is already exploring a second development for sale in the sector and the Board expects that similar de-risked PRS sales to blue chip organisations will form an important part of the Group’s balanced sales mix going forward.

Jon Di-Stefano, Chief Executive of Telford Homes, commented: “We are delighted to have concluded our first PRS deal with a well-established PRS provider, who are already a valued partner to the Group. Telford Homes continues to benefit from an imbalance between demand and supply of homes in non-prime London. We believe that the strong level of interest shown in Pavilions by potential PRS investors marks the start of a new aspect to the Group’s sales mix achieving de-risked forward sales with exceptional capital returns.”

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