

29 March 2017

Telford Homes Plc
('Telford Homes' or the 'Group')

Fourth Build to Rent sale for £53.7 million

Telford Homes Plc (AIM: TEF), the residential property developer focused on non-prime London, is pleased to announce that its joint venture, Chobham Farm LLP, has exchanged contracts for the sale of the first phase of open market homes at New Garden Quarter, Chobham Farm, Stratford, E15 to Folio London Limited ("Folio London"). Folio London is a subsidiary of Notting Hill Housing Group, the Group's joint venture partner in Chobham Farm LLP.

The contract with Folio London represents the Group's fourth significant build to rent transaction to date and involves the sale of 112 of the 297 open market homes at New Garden Quarter for a net cash consideration of £53.7 million. The development is underway and completion of the build to rent homes is anticipated in 2018.

The remaining open market units, which form the second phase, are expected to complete in 2019 and will be launched at a later stage from the Group's Sales and Marketing Suite in Stratford.

The sale is on a forward funded basis and will comprise an initial upfront payment followed by regular payments throughout the remaining construction period. As a result of this transaction the joint venture will no longer require any external debt finance for the entire New Garden Quarter development which saves significant anticipated funding costs and reduces the Group's longer term gearing requirements.

Jon Di-Stefano, Chief Executive of Telford Homes, commented: "We are delighted to announce our fourth significant build to rent transaction which underlines our commitment to this emerging sector and in this case further strengthens our relationship with Notting Hill Housing Group. Telford Homes is now developing 483 build to rent homes across the four transactions that we have announced since February 2016 and we will continue to actively look for appropriate opportunities to increase this number in the future."

- Ends -

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Notes to editors:

Chobham Farm LLP, the 50:50 joint venture with Notting Hill Housing Group, was formed in November 2014 when contracts were exchanged with London and Continental Railways Limited to acquire the 5.5 acre development site at Chobham Farm, Stratford, E15 for £44 million. In November 2015, the joint venture secured a planning consent for 471 homes, consisting of 297 open market homes, 174 subsidised affordable homes and over 10,000 sq.ft. of commercial space. The transaction announced today results in 112 of the 297 open market homes being sold to Folio London for £53.7 million. The 174 subsidised affordable homes have already been sold to NHHG in a separate transaction for £37.4 million. The development is underway with completions anticipated to commence in 2018.

This information is provided by RNS
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