



**1<sup>st</sup> February 2018**

### **AIB Announces €100m Social Housing Development Fund**

Bernard Byrne, AIB Chief Executive Officer has announced a substantial commitment to the social housing sector by putting in place a new Social Housing Development fund. This fund will assist experienced developers deliver newly built stock to the larger Approved Housing Bodies (AHBs) in the State, which is a key element of the Government's Rebuilding Ireland plans.

The fund is set at an initial level of €100m, with a commitment from AIB to review this amount pending demand.

Bernard Byrne commented "As one of the leading suppliers of credit in the housing sector, AIB is delighted to provide this fund. We are an important stakeholder in the property industry, and with this new fund we are providing more attractive terms to developers to help accelerate the provision of much needed Social Housing and a sustainable property sector."

Donall O'Shea, Head of Real Estate Finance at AIB, explained "This fund represents an opportunity for developers to raise an increased level of debt on more flexible terms than available for private schemes. The reduced equity required from developers will cut their cost of capital and is achieved where the AHB has contracted to purchase the completed units."

In this instance, AIB is able to discount the value of the sale, providing 70% of its value as distinct from the more usual 60%-65% of costs available for private schemes. This lessens the developer equity required.

This initiative is being led by Derek O'Shea and Paul Kelly of AIB's Real Estate Finance group. Derek O'Shea stated that significant developer interest is expected and they look forward to working with developers to support them in delivering increased social housing units.

AIB's commitment to the social housing sector has also been evidenced through the funding of Tuath, one of the country's largest AHBs, by the Corporate Banking team. A €15m facility was provided, enabling Tuath to purchase 190 completed housing units throughout the country, and AIB remains committed to providing long term funding to AHBs.

AIB's Real Estate Finance team is already funding the development of 3,500 housing units in the private sector and is also supporting an innovative affordable housing scheme in Ballymun, in Dublin.

These Social Housing Development funding initiatives are the latest actions from AIB in the housing area. AIB also published a [Housing Supply paper](#) earlier this month, which provided a holistic review of what the bank believes can help boost housing supply in Ireland.

**ENDS**

**Further information:** Paddy McDonnell, AIB Press Office 01 641 2869 / 087 739 0743,  
[paddy.x.mcdonnell@aib.ie](mailto:paddy.x.mcdonnell@aib.ie)