



March 24th 2024

New €500 Million Development Fund to Drive Apartment Construction in Ireland

AIB and Activate Capital join forces to launch a new Irish Apartment Development Fund

AIB Group (“AIB”) and Activate Capital Limited (“Activate”) today (March 24th) launch a new €500 million strategic lending partnership, to drive the increased production of much needed apartment and student accommodation in Ireland.

Irish Apartment Delivery Funding DAC (trading as “Irish Apartment Development Fund” or “IADF”) has been launched by AIB and Activate to provide debt capital for the construction of new developments in Dublin, Cork, Galway, and Limerick. IADF’s objectives align closely with *Housing for All*, the Government’s housing plan to 2030, in expanding private sector capital availability for the delivery of higher-density accommodation in key urban locations.

IADF, which will be managed by Activate, will promote mixed-tenure development, including for owner-occupiers, private sector rental, cost rental and social housing. All developments will have an “A” Energy Rating. As these are all new homes they will add to existing stock.

Several new development projects are already under active consideration for this fund.

Cathy Bryce, CEO of AIB Capital Markets said:

“The Irish Apartment Development Fund is an important addition to our significant existing commitment to housing delivery. As our population grows, apartment and student accommodation will become a more material part of the built environment. It is very positive that this venture enables us to leverage international institutional capital to accelerate housing delivery. AIB is the largest lender to Ireland’s homebuilders and this partnership further demonstrates AIB’s commitment to supporting the home-building sector through innovative funding solutions. These sustainable homes will enable us to deliver on our strategic ambition to further green our loan book”.

Robert Gallagher, CEO of Activate Capital said:

“We are delighted to form this strategic partnership with AIB to facilitate much needed apartment and student accommodation. The Irish Apartment Development Fund brings together domestic bank and international institutional capital to enable developers deliver new residential accommodation at scale.

“Our shareholder, the global asset manager KKR, is committing incremental capital to Ireland through this dedicated Fund. KKR has a longstanding active partnership with The Ireland Strategic Investment Fund (ISIF) that continues to deliver large numbers of new homes across the country since the inception of the Activate Capital in 2015. The teams at AIB and Activate have worked closely over recent months to leverage the development finance capabilities in both organisations to establish this new Fund. We now look forward to deploying the capital at pace in 2024.”

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