

VIVID secures £100m from NatWest as part of landmark £500m social loan fund

2 months ago



VIVID, one of the UK's leading housing associations, has announced it has secured £100 million in funding from NatWest as part of the bank's £500 million social loan fund, designed to accelerate the delivery of homes for social rent across the country. VIVID is the first to draw down funds from this.

This first-of-its-kind initiative by NatWest aims to tackle the UK's housing crisis by providing ringfenced lending exclusively for the construction of social rent homes. The facility offers discounted interest margins and no arrangement fees, enabling housing associations to save millions in finance costs and reinvest those savings into building and improving homes for those who need them most.

With over 1.3 million households currently on social housing waiting lists and living without the security of a stable home, this funding represents a significant step toward addressing the urgent need for affordable housing.

This funding will make a real difference – helping to ease the shortage of social homes, support vibrant local communities, and give VIVID the flexibility to keep building where it matters most. It will go towards building an additional 450 new social rent homes for more customers and comes with a 10-year loan term, providing stability for long-term investment.

Social rents are significantly lower than private rents, making them far more affordable for our customers. In our operating areas, they're typically 50–60% cheaper than an equivalent private rental. This means we can provide a secure home for around 970 people currently on Local Authority housing lists.

David Ball, Chief Financial Officer at VIVID, said: "NatWest's new social rent linked loan product gives housing associations the financial flexibility to build more homes at social rent levels. The overall rate

discount being offered is an innovative step change that shows NatWest's commitment to supporting the Government's Social Rent led agenda."

Paul Eyre, NatWest Group Head of Residential and Housing Finance, said: "This agreement has been made possible through NatWest's dedicated social loan fund which has been ringfenced entirely for the building of social rent housing across the UK. It's part of our ambition to lend £7.5 billion to the social housing sector before the end of 2026.

It's the latest loan agreement between NatWest and VIVID following a separate £125million investment earlier this year, and we're delighted to continue supporting them in their goals of addressing a housing shortage in the South of England by building almost 900 affordable and sustainable homes, making a big difference for the communities they serve."

Forhad Ahmed, Senior Associate, Real Estate Finance Security at Trowers & Hamlins LLP, said: "We are delighted to have advised VIVID on securing £100 million from NatWest as part of their landmark £500 million social loan facility. This first-of-its-kind initiative demonstrates innovative financing in the social housing sector and will enable VIVID to deliver much-needed affordable homes across the country."

Anna Clark, Legal Director for Bevan Brittan LLP, said: ""We are so pleased to have once again supported VIVID in completing another landmark loan facility to further assist with the delivery of much needed social housing. "

The £500 million fund forms part of NatWest's wider £7.5 billion lending ambition to the social housing sector by the end of 2026, reinforcing its commitment to supporting sustainable housing solutions.