

Thursday, 25 January 2024



CLARION
HOUSING GROUP

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Dear Lucy,

Re: Delivery of Merton Estates Regeneration Programme – London Borough of Merton (Eastfields No.1) Compulsory Purchase Order 2022, London Borough of Merton (High Path No.1) Compulsory Purchase Order 2022 and London Borough of Merton (Ravensbury No.1) Compulsory Purchase Order 2022

In advance of the public inquiry, due to start on 20 February 2024, to consider the abovementioned Compulsory Purchase Orders, I write to confirm that Clarion Housing Group continues to hold adequate resources to deliver the Merton Estates Regeneration Programme as whole.

Coupled with its strong balance sheet Clarion had a £809m liquidity position at the end of December 2023, made up of immediately available cash of £61m, and undrawn committed credit facilities of £748m. In addition, the Group has £2.8bn of charged unallocated assets that are readily available to provide security for any future debt raising requirements.

Clarion is a major developer of residential properties across England with a medium-term plan to develop over 3,000 homes a year, with 70% of this delivery being affordable homes. The Merton Estates Regeneration Project forms part of the development pipeline in our 30 year business plan (as submitted to the Regulator of Social Housing) and the project is therefore reviewed and monitored on a periodic basis by our senior management team. Furthermore, the earlier phases (High Path Phase 2 and 3, Eastfields Phase 1 and remainder of Ravensbury) are in our short-term development plan and the funding required for them has been allocated accordingly to deliver these phases.

Clarion can fund the project using retained earnings and the liquidity position it currently holds; it also has proven access to a range of debt capital markets and additional bank funding. There are no onerous conditions attached to our existing credit facilities and Clarion can draw funds from them as and when required, at short notice and without having to obtain any project-specific authorisation.

I can confirm that Clarion has adequate facilities to meet the funding requirements of the project within its existing funding arrangements. Please do not hesitate to contact me, should you have any further queries.

Yours sincerely,

Andrew Hill - Director of Treasury and Corporate Finance