

A London housing association has sold its build-to-rent (BTR) business to a real estate developer for £400m (AU\$700m)



Metropolitan Thames Valley Housing (MTVH) has sold its minority stake in Fizzy Living to Greystar Real Estate Partners. It said it wants to focus on “delivering sustainable and affordable housing, for which the proceeds of the sale will be used”.

Greystar will take over 1,000 homes as a result of the acquisition. A wholly owned subsidiary of the Abu Dhabi Investment Authority retains its stake in the company.

Thames Valley set up Fizzy Living, which was aimed at young professionals looking to rent, in 2012.

In 2018, after its merger with Metropolitan, the 57,000-home landlord indicated it was looking to fully exit Fizzy Living after it emerged that British Land was in discussions to buy MTVH's remaining stake.

However, British Land pulled out in 2019.

Geeta Nanda, chief executive of MTVH, said housing associations have "always been at the forefront of innovation".

She added: "We are extremely proud to have continued that tradition by pioneering a new approach towards the build-to-rent market with Fizzy Living.

"When we established Fizzy nearly a decade ago, it was the UK's first true build-to-rent brand, offering much-needed rental housing to the city's young professionals.

"Not only has it helped provide homes, Fizzy has also spurred institutional investment into the UK through launching and establishing BTR as an asset class.

"Now that the whole build-to-rent sector is firmly established in the UK, this is the right moment to relinquish our remaining stake.

"Metropolitan Thames Valley Housing has always had an exit strategy for our investment in Fizzy, and Greystar is the right exit partner and we look forward to seeing them take the Fizzy brand to the next level."

Ralph Watson, director of Savills Capital Advisors, which advised MTVH on the sale, said: "Fizzy Living is one of London's market-leading multi-family platforms, with an exceptional brand and an irreplaceable property portfolio. It was a pleasure to work with MTVH on this transaction."