



EMBARGOED until 2am Thursday 1st October 2020

BEGINS:

Generate makes a \$15 million impact investment into The Salvation Army Community Housing

The Generate KiwiSaver Scheme has become the cornerstone impact investor in The Salvation Army Community Bond. The transaction – facilitated by Community Finance – means they are the first KiwiSaver provider to invest into the creation of these 118 new, warm, dry and secure houses for families without homes.

The Community Bond is a fixed interest, 5-year impact investment yielding 2.30% per annum and delivers investors a sound investment return and social impact.

Impact investment refers to investments made into companies, organisations, assets and funds with the intention to generate a positive social or environmental impact alongside a financial return.

“We have decided to make this impact investment because it is the right thing to do for our KiwiSaver investors and for New Zealand in this time of great need”, said Sam Goldwater, Executive Director and Lead Portfolio Manager at Generate. “With this first impact investment, Generate is proving how large institutional investors can balance achieving competitive returns and enabling positive social outcomes. We hope others will follow our lead.”

The Salvation Army Community Bond is the first project by Community Finance, an impact investment platform established in 2019 to catalyse social and environmental change in New Zealand. The platform operates by matching investors with specific projects; in this case social and community housing, and making it easier for organisations to provide impact investments. Through Community Finance, \$34.4 million has now been advanced to The Salvation Army, making Community Finance the largest open impact investment platform in New Zealand.

Community Finance Chief Executive James Palmer said, “We are thrilled to partner with Generate as the leading investor in this Community Bond, which will enable more life-changing work to be done for families in need in Aotearoa, New Zealand. The need has never been greater for our country to get behind the community housing providers on the front line, tackling the growing public housing waiting list. Community Finance is proud to provide a bridge between responsible investors and projects like this, delivering lower cost finance and social impact.”

Generate joins a range of existing leading impact investors in this Community Bond, including \$5 million investments from both the Tindall Foundation and Lindsay Foundation, and \$2 million from both Foundation North and Matua Foundation.

This project represents a significant commitment from the Salvation Army to develop new housing on their land holdings in urban centres across the country. National Director of The Salvation Army Social Housing, Greg Foster, says the Army is very grateful for the investment. “The Army is delighted to be partnering with Generate KiwiSaver through The Salvation Army Community Bond. We have a large, new housing construction programme across the country and the only significant barrier is access to construction finance on terms that work. The investment is a winner for all parties, The Salvation Army will be able to use the investment to build more social housing, and Generate KiwiSaver will be receiving a competitive return for their investment, while knowing that the funds are being used to address urgent social and housing needs in the community. This set of arrangements means more and more families who are currently living in garages, or are bunking down with family members are going to get to live in their own warm, dry and safe home, within a thriving community setting. We are thrilled for these families, and it will be life changing for them.”

Barry Coates, Founder and CEO of Mindful Money, says: “Affordable housing was a major challenge before COVID, and now it is even more urgent. We congratulate Generate KiwiSaver for stepping up to help fund the Salvation Army’s programme. This is an example of investment for good – earning a sound return while making warm and healthy homes available to those who need them.”

Scott Figenshow, Chief Executive of Community Housing Aotearoa, is also celebrating this impact investment: “This cornerstone investment is exactly what is needed to grow a long-term, stable finance option to support affordable home supply through community housing providers. We need a different approach from investors who have a shared understanding of the value of safe, secure and affordable housing for NZs. Congratulations to Community Finance for leading this great initiative, to Salvation Army as a community housing provider committed to building many more affordable homes, and to Generate KiwiSaver for being the first to make such a significant investment.”

ABOUT GENERATE

Generate is one of the fastest growing KiwiSaver providers, with a focus on delivering strong performance and responsible investment. Generate strives every day to inform and empower Kiwis to make smart KiwiSaver decisions that can improve their futures. Generate has consistently achieved 1st, 2nd and 3rd performance rankings in industry league tables, while also supporting members’ communities and the environment that we live in.

ENDS

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Photos of Te Manaaki Tāngata, The Salvation Army's 22-home development at Westgate, Auckland. These are part of the 118 new social housing units financed by The Salvation Army Community Bond.