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Audley Group and BlackRock Real Assets create new half a billion-pound joint venture

The deal will fund a multi-site joint venture with total Gross Development Value of £500m

Today's partnership marks BlackRock Real Assets' first investment into the UK retirement living sector

London, 24 May 2021 - [Audley Group](#), the UK's leading provider of retirement villages, and BlackRock Real Assets have formed a joint venture (JV) in a landmark deal that marks the investment group's entry into the retirement living sector in the UK. The joint venture will fund the development of retirement communities including at least three mid-market villages within the Audley Group's Mayfield portfolio. Rothschild and Co advised Audley, and JLL advised BlackRock Real Assets on the transaction.

The first village in the JV, Audley Group's Mayfield site at Watford, will create 255 mid-market retirement living properties with extensive health, wellbeing, care and leisure facilities. The project is well-advanced with strong pre-sales and will be ready for occupation in the summer of 2022.

With its significant sector experience, scale and heritage Audley will manage the development and the operational running of the village, including the sales and marketing of all the properties.

Investment into the retirement living sector has accelerated in recent years and BlackRock Real Assets' entry points to the growth and potential within this nascent sector. The potential for secure long-term revenue streams as well as a positive social impact are factors that are attracting the attention of institutional investors.

Recent reports point to the attractiveness of new retirement living options for an increasingly affluent and active older generation who are seeking alternatives that give them more control over their lives and an opportunity to live better, for longer. The global pandemic has accelerated this desire as the consequent isolation and fear of residential care has created significant demand.

Demographic changes are fuelling development activity in the retirement living sector. Across the UK's ageing population, there are a reported 160,000 households of over 65s added each year with only 7,000 specialist retirement units being built¹. Action is needed to address the lack of supply.

Nick Sanderson CEO Audley Group commented: *"Today's announcement truly is a landmark event, not just for Audley Group but for the whole retirement living sector in the UK. Partnering with a leading global investment team is a major endorsement of our model and the potential for value creation in social and financial terms that exists within the sector. An ageing population coupled with a pandemic has made people question their living choices and means they are rightly demanding access to active communities, greater security and a place where they can thrive in rude health within their own homes for as long as possible. And as this demand continues, we look forward to continuing in partnership with BlackRock Real Assets to fund*

¹ Source: [Cass Business School](#), the [Association of Retirement Community Operators](#) and the [Centre for the Study of Financial Innovation](#)

appropriate retirement living accommodation solutions for the UK market. Our shared focus on the long-term health of our customers, social impact and sustainability, will be central to our ongoing activity. “

Thomas Mueller, BlackRock Portfolio Manager added: *“This joint venture with Audley Group is another milestone for the BlackRock Real Assets platform. Retirement living is a sector that we had identified early on as offering strong long-term fundamentals in which attractive risk-adjusted returns are achievable. We believe Audley Group has the management experience and scale to deliver. The team lead by James Halstead and Tom Fleming have done an outstanding job in securing a long-term partnership with the market leader in the retirement village space and positioning BlackRock for success². We believe this is an important strategy that provides retirement housing in a structurally undersupplied market. Our goal is to enable the senior population to retire in dignity by transitioning to more comfortable and innovative living, whilst also freeing housing to new occupants, such as families. We are excited to embark on this journey with Audley.”*

Audley and Mayfield villages enable owners to live an independent and healthy lifestyle in their own homes with flexible care, wellbeing services and support when needed. These services are accessible to property owners as well as neighbouring communities. Facilities at the villages include a swimming pool, health and wellbeing studio, restaurant, bars and bistro as well as care services. Care is provided by Audley Group’s CQC registered provider.

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Audley Group

Audley Group is a specialist retirement housing provider which acquires sites, develops and then operates retirement villages. The Group has two brands: Audley Villages, founded in 1991 and aimed at the luxury end of the market, and Mayfield Villages, a proposition with broader appeal. Audley Group now owns a portfolio of 21 villages across the country.

² Source: Rothschild, May 2021

Owners predominantly buy their own house or apartment on a 250-year lease with access to facilities and flexible care if needed, enabling them to live an independent and healthy life. Audley Group is an accredited care provider and a founder member of The Associated Retirement Community Operators, ARCO.

Audley Group is owned by the Moorfield Audley Real Estate Fund (MAREF), which acquired Audley Court Limited and subsidiaries in 2015. MAREF has attracted institutional investors from the US and continental Europe who were drawn to Audley's vision of creating a best-in-class product, differentiated from its competitors in many ways and not least by its innovative business model, with Audley both developing and operating the villages.

<https://www.audleygroup.com/>

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About BlackRock Real Assets

In today's dynamic and complex global investing market, BlackRock Real Assets seeks to help clients access real assets that could help meet their investment goals by providing a distinct range of well defined, outcome orientated strategies, along the investment risk-return spectrum.

BlackRock Real Assets' dedicated teams of industry and sector specialists deliver global reach, with deep local expertise. They have decades of relevant experience, are deeply embedded in their operating industries by sector and geography and have developed strong partnership networks over time. BlackRock's culture of risk management, knowledge sharing and investment discipline sets BlackRock Real Assets apart and underpins all that they do. With over 390 professionals in 30 offices managing over US\$60 billion in client commitments as of December 31, 2020, BlackRock Real Assets partners with clients to provide solutions tailored to individual portfolio needs such as income, growth, liquid or balanced real assets outcomes.

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