

UBI BANCA FINANCES THE CONSTRUCTION OF 400 SOCIAL HOUSING APARTMENTS

The 16 million euro disbursed to the “A.S.C.I. – Abitare Sostenibile Centro Italia” fund will be used for the construction of four housing developments including rent-controlled apartments. The A.S.C.I. fund is managed by Prelios SGR, and held 70% by the FIA-Fondo Investimenti per l’Abitare fund managed by CDP Investimenti (CDP group).

Milan, 15 June 2020 – **UBI Banca** is providing the “A.S.C.I. - Abitare Sostenibile Centro Italia” fund with financing of 16 million euro to support **four social housing projects** in the Italian region of **Umbria**. The loan to the social investment unit trust fund managed by **Prelios SGR** will respond to demand for housing by funding the construction of apartments that, for the most part, will be leased at rent-controlled rates rather than on the open market.

Currently the A.S.C.I. fund is held 70 per cent by the **Fondo Investimenti per l’Abitare (FIA)** fund managed by **CDP Investimenti SGR** (CDP group). The FIA fund will have access to financial resources amounting to over 2 billion euro, provided by CDP, the Italian Ministry for Infrastructure & Transport, banks, insurers and social welfare bodies; once fully operational, it plans to create **more than 20,000 social housing units and 8,500 places** in university halls and temporary residences. A.S.C.I.'s other main partners are local bank foundations, including the foundations of the Cassa di Risparmio of Perugia and Foligno, the Gepafin regional finance company, and a number of private real estate organizations and members of local cooperatives.

The financing will enable a total of **400 apartments** to be built, under **four Projects** in four locations:

1. **Le Corti Perugine, a former tobacco factory (Perugia)**: a project on a site of approximately 28,500 sq.m for the redevelopment of the former factory, to create a multifunctional mix consisting largely of residential units, with 211 apartments including 171 social housing units as well as 19 commercial and office properties.
2. **Insula Viva, Bastia Umbra (Perugia)**: a project on a site of approximately 27,000 sq.m for the creation of 123 property units (including 105 social housing units).
3. **Abitare Gentile, a former hospital (Foligno)**: a project on a site of approximately 7,000 sq.m for the redevelopment of the former “San Giovanni Battista” hospital, to create a functional mix of 60 social housing apartments as well as 5 commercial units;
4. **Gubbio**: a project on a site of 5,300 sq.m for the construction of 2 buildings providing a total of 52 subsidized housing units and 1 commercial unit (integrated services).

Thanks to the collaboration between the **Corporate & Investment Banking** and **UBI Comunità** divisions, **UBI Banca** has arranged a **Social Impact Financing** transaction with the A.S.C.I. fund that introduces a “Payment for Success” reward mechanism. On attainment of pre-specified targets, the

bank will make an annual donation over the full term of the loan to support a project of significant social value to be identified jointly once the residential projects have been completed.

In this connection, the A.S.C.I. fund will take part with its Perugia initiatives in the “**Intergenerational Housing Project**” for the elderly, for which the **Perugia Municipality**, in partnership with the **ABN consortium social cooperative manager**, the **Cassa di Risparmio di Perugia foundation** and the **Human Foundation**, has been awarded funding by the **Presidency of the Italian Council of Ministers** as part of the national call for tenders for **pay-by-result social innovation projects**.

Orsingher Ortu acted as legal advisor to Prelios SGR, while the **DLA Piper law firm** advised UBI Banca on the financing.

*“The transaction enables us to respond to specific needs in an area and a community where the bank has strong roots,” explained **Lorenzo Fidato, Co-head of Structured Finance at UBI Banca**. “This is an initiative with a strong social impact and is in line with our bank’s strategy, more and more focused on economic sustainability. This achievement is the result of the synergy between Corporate & Investment and UBI Comunità divisions.”*

*“This is a major development project at regional level, of great social importance,” said **Patrick Del Bigio, CEO of Prelios SGR**. “It is part of a wider program for the management of investment funds dedicated to social housing projects, which we are implementing with Cassa Depositi e Prestiti SGR in several Italian Regions. In the last few years we have started up 7 construction sites, in the main provinces of Umbria, for a total of more than 730 housing units intended largely for long-term lease on a rent-controlled basis and for subsidized sale, in order to meet families’ housing needs and promote urban and social redevelopment in local towns.”*

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For additional information:

Press Office Prelios Group
+39 02 6281.4176/4826 - pressoffice@prelios.com

Image Building
Tel. +39 02 89 011 300
prelios@imagebuilding.it

UBI Banca Media Relations
Tel +39 027781 4213 - 4139 - 4938 - 4936
media.relations@ubibanca.it