

Date: 12 August 2021

Client: Patron Capital

Source: CoStar

Patron Capital Ups Target for WISH Fund to £200 Million

Social Impact Fund Targeting Safe Housing for UK's Vulnerable and Homeless Women Doubles Target in Wake of COVID-19



By Sharon Smyth

CoStar News

August 12, 2021 | 2:10 P.M.



With the Royal Ascent of the domestic abuse bill earlier this year, and the COVID-19 pandemic highlighting the true extent of intimate partner abuse across the UK, Costar News talks to Keith Breslauer, founder of Patron Capital on why he's upping the target for investment, and why he put a million pounds of his own money down.

The Women in Safe Houses, or WISH fund, believed to be the world's first gender-lens property fund established to address to the lack of affordable, safe and secure homes for women who are experiencing homelessness, are ex-offenders, survivors of domestic abuse, was set up in December 2020, how has it evolved since then?

"We have £24 million of capital today, investors include the MacArthur Foundation, Guys and St Thomas Hospital, The Clothworkers' Foundation, Comic Relief and the City Bridge Trust. We have a bunch of investors interested, mostly UK groups, some US, but mostly the UK and few Dutch and German groups as well."

"In terms of the fund itself, we have around 30 properties that have been approved by the investment committee, or that are in due diligence. All properties are existing semi-detached houses spread across the UK. We have five charity partners with which we have agreements and are now signing leases, including Refuge, Safer Places and Nacro, an ex-offenders association."

The original target size of the fund was £100 million and that's now been doubled to £200 million, how long will it take to raise and how many properties will it target?

"In terms of the size of the fund, we have been asked to increase it to £200 million in size and we have given ourselves about 12 months to raise the money. I like the minimum of £100 million but £200 million is a good target."

"The math is simple - if you take £200 million and the average house price is £200,000. If you have £100 million you will get 500 properties, if you raise £200 million you get 1000."

Where will the assets be located?

"650 units sounds like a nice middle ground. The assets are spread across the UK focusing on where there are pockets of domestic abuse, and where there are partners who are looking to fix this issue."

"We can work with local partners. For example, there are lots of cases of domestic abuse in London but it's harder to get assets at a reasonable value."

A lot has happened in the past two years to bring the topic of domestic abuse more into the public eye, has that increased interest from investors?

"Domestic abuse has gone up during the pandemic, bringing it more into the public eye due to the domestic abuse bill being approved, and getting the Royal Ascent. Does this mean we're getting more investors? No. Does it mean more people are understanding that this is legitimate and we're doing a great job for a great cause? Yes. There is an unfortunate dynamic of two or three types of investors out there, those that say I want ESG investors who want to make a reasonably good return - these are the people talking to us. You have investors who say, we have to raise a lot of money, how are you going to help us do that?"



You will also have investors who say we like the E or the environmental aspect of ESG and not necessarily the S of social impact. So, if you tell them we are doing a fund for carbon emissions they would give us \$200 million but for domestic abuse, forget about it. It will be one of those things that will take a bit of time to prove, but that has been the story of my entire career."

Why isn't domestic abuse taken as seriously as global warming for example given that both are on the rise and both have devastating social consequences?

"Domestic abuse is too personal - I will give you an example, I do a lot of charity work for disabled veterans, and I recently had a girl speak at Patron, who I saw on a Netflix documentary called Rising Phoenix. It's about a girl called Beve Vio, she lost her hands and feet to meningitis at the age of eleven. She is now 24 and an Olympic gold medal-winning fencer. She is the coolest girl I've ever met. I found out who her parents were and what her foundation was, and I reached out to her, asking if she would speak at my Greatness Lecture series."

"She was absolutely awesome. I invited people to come and listen to her and some went, wow, that was amazing. She was truly inspiring, and I feel like I can go kick some arse now. But, some people don't want to watch because they can't deal with watching someone who has no hands and feet. So, they dismiss it, just like domestic abuse."

"We've pitched the fund as it is, and you can make a really good return here, oh and by the way, it will actually make a difference to society."

What kind of returns are you offering?

"We are offering total returns of six to eight or six to nine percent. This mostly comes from rental income and capital gains growth, so depending on where you see house prices going, you should make six to nine percent per annum over ten years."

"There are very low fees in this, Patron is working effectively pro-bono and I have personally invested one million into it. I came out of the box and said I will invest a million because I wanted to make the point that this is not about us making money or just a Patron product making money."

Are more institutional investors coming around to the idea that this is something they can invest in?

"I think there is an interesting question - the reality of pension funds is that they have one obligation and that is to protect the value of donors' capital. This is to ensure it can pay back to the donor when they retire, they are not in the business of making charity donations. In fact, it is against their mandate, but they are in the business of making reasonably good returns on a risk-adjusted basis which is what we are offering - we are constantly trying to prove this."

Domestic abuse is one of the leading causes of homelessness for women and children. In England and Wales alone, 1.3 million women experienced domestic abuse in 2017-18. Women's Aid reports that 60% of women being referred to specialist refuges are being turned away, mainly due to lack of space.



The national lockdowns in response to the pandemic exacerbated the volume of domestic violence cases, with the Office for National Statistics reporting that in mid-May 2020, there was a [12% increase in the number of cases referred to victim support](#) and between April and June 2020, there was a 65% increase in calls to the National Domestic Abuse Helpline, when compared to the first three months of that year.

In April 2020, the Home Affairs Committee highlighted that there was “[evidence that cases are escalating](#) more quickly to become complex and serious, with higher levels of physical violence and coercive control.”

Karen Ingala-Smith, who runs the ‘Counting Dead Women’ project, estimated that during the first three weeks of the first lockdown, there had been [sixteen domestic abuse killings](#) of women and children in the UK, which was the highest for at least 11 years.

The WISH fund aims to provide around 650 affordable homes across the UK and has already formed partnerships with leading women’s sector charities including the [Preston Road Women’s Centre](#) in Hull, which will offer safe homes and help other women’s sector organisations to replicate its pioneering recovery model for women and children.