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US real estate giant strikes deal with Pocket

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TOP NEWS STORY: One of the largest real estate firms in the US has taken a 50% share in a London-based affordable homes company to help drive a massive expansion of its development.

Related Companies has bought a share in Pocket Living for an undisclosed sum and plans to throw its substantial weight into scaling up the **construction** of discounted flats for sale and rent in **London**.

Related, which began life as an affordable housing provider in 1973, has \$20bn of real estate assets worldwide has been plotting expansion into the London affordable **housing market** for several years.

It agreed a joint venture with Argent, one of the UK's leading mixed-use **regeneration** firms last year and is engaged on key sites in Kings Cross and **Brent** through that company.

This is likely to provide Pocket with access to major regeneration schemes to provide its flagship homeownership products, compact flats which are sold at a 20% discount to buyers earning less than £71,000.

Pocket has developed 200 homes in its 10 year life, typically agreeing deals with local authorities for use of land and reductions in **planning** obligations

It intends to double this in the next 18 months and step up its provision of rental homes in central London with Related's assistance.

Kenneth Wong, chief operating officer at Related, will join Pocket's board under the deal. Mr Wong was previously president of Westfield America, and has also served as president of the Disney **development** Company.

Mr Wong said: "We have ambitious plans in London and Pocket is a perfect strategic fit with our ongoing initiatives."

He said the capacity and ambition of Related to boost Pocket's development was "unlimited".

Related has major developments in Boston, Chicago, Los Angeles, San Francisco, Florida,

Abu Dhabi, Sao Paulo and Shanghai. Its regeneration of the Hudson Yards in New York will see 16 skyscrapers and 1.2m square feet of office residential and retail space built in one of the largest construction projects in the world.

Its founder and president Stephen Ross is one of America's most well known billionaires, and owns American football franchise the Miami Dolphins.

Pocket has previously been funded through a Greater London Authority loan of £26.4m, crowdfunding bonds and bank [finance](#).

The [financial](#) capacity provided by Related will therefore hugely increase Pocket's capacity to take on larger and more ambitious schemes.

It hopes to [build](#) 4,000 homes by 2023, and it aiming to increase its development to 700 homes per year which would put it among the largest developers of discounted rented housing.

Marc Vlessing, chief executive of Pocket, said: "This transaction is a huge vote of confidence in Pocket."

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