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UK property group launches \$820m fund

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Property and finance group, **Mill Group**, is looking to start an \$823 million residential property in London and the south-east, *Financial Times* reports. The *Investors in Housing* fund will work on a co-investment basis, where the buyer buys 25-50% of the property via a conventional mortgage with the fund buying the rest.

The new fund seeks to offer investors a running yield of 6% a year as part of a projected internal rate of return of 15% a year over a five-year period, after fees.

Buyers will pay a monthly indexed investment fee, for the property they do not own. The buyers can buy out the fund's interest at any time.

The fund fees will be about 0.7% a year of assets under management.

According to **David Toplas**, Mill Group CEO, the new strategy will remove some of the usual barriers to institutional investment in residential property, such as void periods and running costs.