



L&G unveils new partnership model which could unlock £9bn¹ of additional annual investment in affordable housing delivery

- Partnership Registered Provider (“Partnership RP”), a new partnership model, is a joint venture between Housing Associations and institutional investors – designed as a scalable mechanism to unlock more institutional investment
- Every five homes transferred into a Partnership RP provides sufficient subsidy and investment for one new affordable home
- If Housing Associations, government and investors adopt the Partnership RP model at scale across England, it could unlock c.£9bn a year in net new investment and support delivery of 80,000+ affordable homes a year without additional government subsidy
- The model is designed to appeal to long-term pension capital, including LGPS investors, seeking stable, inflation-linked returns from regulated affordable housing
- L&G already put some of the principles underpinning the Partnership RP model into action through its partnership with Hyde Group, announced last month, marking the first deal of its kind in England
- Builds on L&G’s track record in the sector, having invested £1bn of its own capital, alongside £750m of third-party capital – through the L&G Affordable Housing Fund – to finance and deliver more than 9,000 new affordable and social homes since 2018

L&G today publishes a Whitepaper, [Delivering Affordable Housing Growth: a Partnership Approach for England](#), which sets out a new solution to unlock significant long-term institutional capital for affordable housing across England and accelerate delivery. L&G is inviting institutional investors, Housing Associations and Government to back the scalable solution designed to re-capitalise the social housing sector, unlock long-term capital for affordable housing, and increase delivery without additional cost to the taxpayer.

Partnership RPs are joint ventures between a Housing Association and an institutional investor. Under the model, a Housing Association sells homes to the joint venture and uses capital from the sale to build new affordable homes and upgrade existing stock. All homes remain within the regulated social housing sector, with rents and resident protections unchanged and the condition of the homes improved.

L&G has developed and is pioneering Partnership RPs, a new partnership investment model providing a repeatable framework to bridge the gap between long-term institutional capital and affordable housing delivery. The partnership model will be an option for Housing Associations with suitable stock and growth ambitions, alongside institutional investors seeking long-term, inflation-linked income. The standardised approach is designed to channel more pension and insurer capital into the sector, helping Housing Associations rebuild their balance sheets, improve existing homes to benefit occupiers, and increase affordable housing delivery.

England faces a widening gap between need, ambition, and delivery in affordable housing. Housing Associations, which have historically delivered most affordable homes, have cut back development amid higher borrowing costs, tighter balance sheets, and rising bills to maintain and upgrade existing homes. At the same time, institutional investors are looking to increase deployment of their long-term pensions capital into assets that offer stable, inflation-linked returns. Regulated affordable housing can provide those long-dated returns, while supporting new supply and the upgrade of existing housing stock.

¹£9bn additional annual investment assumes that 35% of social housing held by Housing Associations are transferred into Partnership RPs over the next decade.



There are currently c.2.9 million homes owned by Housing Associations across England. Analysis in the Whitepaper shows that, for every five homes transferred into a Partnership RP, the model can create capacity to deliver at least one additional affordable home, over and above existing delivery and at no cost to the UK Exchequer.

If adopted widely, new affordable home delivery could reach up to 800,000 in a decade – without expanding the Government’s grant programme. Delivering this volume of homes without Partnership RPs would require over £2bn a year in additional government grant funding.

Last month, L&G [announced](#) a 50:50 partnership with Hyde Group – a Housing Association that owns and/or manages 125,000 affordable homes – putting some of the principles of the Partnership RP model in action. The joint venture launched with an initial portfolio of more than 1,000 affordable homes.

António Simões, Group Chief Executive Officer, L&G, said: “Solving the UK’s housing challenge is a shared responsibility which requires fresh thinking and long-term commitment – pension capital has a unique role to play in this transformation. Our new partnership model with Housing Associations is designed to unlock investment at scale — accelerating the delivery of affordable homes across the country. If adopted widely, this approach could mobilise over £9bn of net new investment every year and support the delivery of more than 80,000 affordable homes annually, all without adding pressure to the public purse.”

Gareth Mee, CEO, Institutional Retirement at L&G, said: “Investors like L&G are already helping to deliver social and affordable homes across the UK, and this model gives us – and other institutional investors – the ability to go further by putting long-term pension capital to work where it is needed most, while delivering returns for our investors.

“Through our partnership with Hyde, we have already put some the principles of a Partnership RP into action. We now hope other long-term investors and Housing Associations will join us in adopting this model to help deliver the affordable homes the country needs.”

Andy Hulme, Group Chief Executive of the Hyde Group, commented: “This country needs a growing and vibrant affordable housing sector so we can provide high quality homes that people can afford. We welcome this work. It shows the potential for scalable partnerships between institutions and traditional Housing Associations which can support building more new homes alongside investing in existing homes.”

L&G has invested over £1bn of its own capital into affordable housing since Legal & General Affordable Homes was established in 2018, alongside £750m of third-party capital, funding and delivering more than 9,000 homes across England.

-ENDS-



Notes to editors

L&G is working with partners to deliver Partnership RPs and is engaging with government, housing associations and investors to support broader adoption. A leading investor in UK affordable housing, it has deployed over £1bn of its own capital and £700m of third-party capital to fund and deliver more than 9,000 homes across England and has committed to a further 10,000 social and affordable homes as part of its £2bn impact investment programme.

About L&G

Established in 1836, L&G is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management (as at FY25) of which c. 43% (c. £0.5 trillion) is international. We have a highly synergistic business model, which continues to drive strong returns. We are a leading player in Institutional Retirement, in Retail Savings and Protection, and in Asset Management through both public and private markets. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

Further information

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