



Legal & General targets a further £2.5bn of pension money to invest into BTR, delivering 7,000+ new homes over the next five years

The investments will deliver Build to Rent homes for local communities

Legal & General Retirement Institutional (“LGRI”), a division of the Legal & General Group (“Legal & General”), today announces that it targets to invest £2.5bn of Defined Benefit (DB) schemes’ retirement funds into Build-to-Rent (“BTR”) schemes over the next five years, which will create around 7,000+ new homes.

LGRI invested over £500 million in 2021 on the development of four BTR schemes in Stratford, Hove, Southampton and Lewisham, which will create over 1,300 new homes for the local communities. The first residents are expected to move into the Hove and Southampton developments in 2024.

LGRI invest with the support of Legal & General Investment Management Real Assets (LGIMRA), which is one of Europe’s largest institutional asset managers and a major global investor. LGIMRA is one of the largest investors into BTR and has already invested c£2.5 billion into twenty BTR schemes around the UK, with 2,700 apartments already operational and a further 6,000 under construction.

Legal & General’s well established BTR platform directly develops and works alongside third parties to create best-in-class BTR schemes, which help to tackle the UK’s housing crisis by using pension funds to deliver thousands of new homes. Crucially, the housing provision is part of Legal & General’s plans to regenerate derelict, unused sites in the UK’s towns and cities to deliver economically and socially useful assets. Through these investments, spread across the UK, Legal & General further demonstrates the principle of “Inclusive Capitalism” which supports the Government’s “Levelling Up” agenda.

The BTR apartments are designed with a focus on lifestyle and resident satisfaction, ensuring quality, operational efficiency, and long-term environmental sustainability that meet the needs and aspirations of residents.

To align with Environmental, Social and Governance (ESG) commitments, LGIMRA adhere to the standards set out by the London Energy Transition Initiative (LETI) and the UK Green Building Council (UKGBC) outlined in its report, [“The future of Build-to-Rent in a net-zero world”](#). This includes reducing carbon emissions associated with construction and using renewable energy. All Legal & General BTR units are targeting Net Zero Carbon in operation by 2030.

[Legal & General’s report “The Power of Pensions”](#), published in 2020, highlights how DB pension money can be used to plug the UK’s £1 trillion infrastructure gap over this decade. The report states that investing DB pension funds can create a virtuous circle of older UK savers funding infrastructure assets that provide a public service, increase the productivity of the wider economy and generate the right level of returns for pension members.

Andrew Kail, Chief Executive Officer, Legal & General Retirement Institutional

“Through investing pension funds into BTR schemes, we can invest into developments that contribute to the regeneration of cities all around the country and support the UK economy. Today’s announcement showcases our commitment to creating thousands of high-quality, sustainable homes for communities that need them most. This is Inclusive Capitalism at its best – by investing in the real economy, generating returns to pay pensions and create a better society for us all.”

Dan Batterton, Head of BTR, Legal & General Investment Management Real Assets

“Following successful investments in 2021 and our long-term track record in the development and operation of BTR schemes, we are delighted that LGR’s commitment to expand its investment allows us to grow our mission and have a greater impact on the supply of high quality rental housing in the UK. Within five years, the Legal & General Group will have committed a total of at least £5bn to the sector, providing 15,000 purpose built BTR homes.”

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.3 trillion in total assets under management*, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, alternative asset origination, life insurance, workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

** at 30 June 2021*

About Legal & General Retirement Institutional

Legal & General Retirement Institutional (LGRI) works with trustees and sponsoring companies of defined benefit (DB) pension schemes of all sizes to settle their pension obligations and secure scheme members' benefits, through a full range of buy-ins, buyouts and other de-risking solutions.

Our UK Retirement annuity book stands at over £85 billion as at 30 June 2021, of which over £25 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing.

Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +70, which is widely regarded as being at a "world class" level.

About Legal & General Investment Management Real Assets (LGIMRA)

LGIMRA is a division of Legal & General Investment Management (LGIM), one of Europe's largest institutional asset managers and a major global investor. LGIM manages £1.3 trillion in assets*, working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

LGIMRA has assets under management of £35.6 billion* and is one of the largest private markets investment managers in the UK. Investing in both debt and equity and across the risk/return spectrum, LGIMRA actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt.

Taking a long-term view to future proof our investments, LGIMRA continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level. In 2021, we are implementing a strategy as part of our commitment to net zero carbon emissions across the real estate equity business by 2050 and have also committed to measuring social value across 20% of our platform by the end of the year.

** at 30 June 2021*

Further information

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