

17 May 2018

HUB AND BRIDGES AGREE £100M DEAL WITH LEGAL & GENERAL TO KICK-START TABERNER HOUSE DEVELOPMENT

Residential developer HUB and specialist investor Bridges Fund Management have agreed a £100m deal with Legal & General to develop a 251-unit build to rent tower at the heart of the Taberner House development in Croydon, south London.

The forward funding deal will see Legal & General take ownership of the 35-storey building. Designed by Stirling Prize-winning architect AHMM, the building comprises a mix of one-, two- and three-bedroom apartments, with rooftop amenity space, communal facilities on the ground and first floors and a ground floor commercial unit.

The tower is the tallest of the four blocks that comprise the Taberner House development, which also includes 21-, 19- and 13-storey buildings. The development will provide 513 homes, with a mix of affordable, for sale and rental units, as well as new public realm, a children's play space and a new café. At least 40% of the units will be designated as affordable.

As part of the development, The Queen's Gardens, which are adjacent to the site, will be enlarged and revitalised, with new landscaping and amenities. HUB and internationally renowned landscape architect Grant Associates are working closely with local people, in a large collaborative design process, coordinated by consultant Kaizen, to understand their ideas and priorities to make sure these are reflected in the final design of the park.

The deal with Legal & General comes as construction work commenced on the scheme this week, after Henry Construction was appointed as main contractor.

Dan Batterton, BTR Fund Manager at Legal & General said: "Our funding deal will act as a catalyst for further housing development in Croydon and will help support the wider regeneration of the area. Bringing together the development expertise of HUB, the progressive long term vision of Croydon Council and our private capital we are able to unlock the development of much needed housing supply, delivering real UK growth and helping to transform Croydon over the long term."

Steve Sanham, HUB Managing Director, said: “Taberner House is a hugely important development for Croydon and after an extensive process of engagement with the community and other stakeholders we are very excited that work on the scheme is now underway. The deal with Legal & General is a massive vote of confidence not only in the quality of the scheme that we are bringing forward, but in Croydon itself – a vibrant, innovative and dynamic town with a proud history and a strong identity.”

Simon Ringer, Head of Property Funds at Bridges, said: “There’s a pressing need for more affordable and lower-cost housing in London. We believe our Taberner House development in Croydon, which is informed by the needs of the local community and draws on the latest sustainable design and construction techniques, is going to be a great example of what can be achieved. Moreover, this deal highlights that there’s a strong appetite among institutional investors for high-quality assets like this that are creating long-term value for their local area.”

Legal & General’s award-winning BTR platform now has a pipeline of almost 2,000 homes, with the aim to have 6,000 in planning, development or operation by the end of 2019. Legal & General has raised pension fund capital for an open-ended BTR fund alongside a £600m joint venture between Legal & General Capital and PGGM, meaning it has significant investment firepower.

HUB and Bridges are jointly developing a number of lower-cost housing developments across Greater London, in line with Bridges’ focus on investing in needs-driven sectors and emerging locations. Altogether the separate projects could deliver over 1,500 homes with a combined value of over £500m.

The Taberner House site is located in central Croydon, opposite the Croydon Council offices and near to Croydon Town Hall. A key regeneration site, the scheme will provide space for retail, leisure and cultural activities, as well as bringing much-needed new homes and jobs to the area.

In order to complement and enhance the existing townscape, the positioning of the residential blocks has been carefully considered in the context of the site, whilst also maximising and enhancing the area and quality of the landscaped public realm space.

Completion of the Taberner House development is expected in 2021.

Savills advised HUB on the forward funding deal with Legal & General.

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Notes to editors

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