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## Japan's leading housing developer joins forces with L&G to scale up delivery of high-quality rental housing in the UK

- Partnership with Nomura Real Estate Development aims to deliver over 1,000 homes, with the first Central London site acquired.
- The joint venture brings together L&G's extensive knowledge of the UK real estate market and occupier demands with Nomura's design and build quality expertise.
- Today's announcement marks another significant milestone for L&G's private markets ambitions, with growth of the residential platform a key focus.

L&G announces the formation of a new partnership with Nomura Real Estate Development, a leading property developer in Japan<sup>1</sup> aiming to deliver over 1,000 high-quality rental homes. Amid sustained demand for high-quality rental housing, today's partnership announcement will also directly support the UK government's target of delivering 1.5 million more homes.

The partnership has been launched with the acquisition of a site in Herne Hill, located in the London Borough of Lambeth. The development will deliver over 200 high-quality residential homes, thoughtfully designed to meet leading standards in energy efficiency and sustainable performance. With 35% of the homes designated as affordable housing, the project will foster a diverse and accessible community while blending modern architecture with community-focused design to create an exceptional living environment. The development will also feature a range of amenities, including landscaped communal gardens, co-working spaces, and a gym, providing residents with a sustainable and connected lifestyle.

The partnership will initially target sites in central London, focusing on brownfield and underutilised land to help regenerate communities and maximise the delivery of sustainable, high-quality homes. Over the next five years, the partnership aims to deliver an initial 1,000 homes across a range of sites. All properties will be developed and operated by L&G, ensuring consistent quality and long-term management.

**Bill Hughes, Global Head of Private Markets, L&G:** "This announcement further exemplifies our growth ambitions coming to fruition. Our residential platform is one of the longest standing foundations of our private markets capabilities and will continue to be a strategic driver of growth.

"Through long-term global partnerships, such as this, we continue to deepen our international presence, and deliver on our strategy to attract third-party capital to co-invest in our private assets.

"This partnership demonstrates how L&G's expertise and track-record in UK real estate attracts international investment into the UK's residential market, supporting the Government's initiative to boost housing delivery and accelerate growth."

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<sup>1</sup>[Housing Japan](#): Jan's top six leading real estate developers.



**Dan Batterton, Head of Residential, L&G:** “We know there’s a critical shortage of housing supply, coupled with increasing demand for high-quality rental homes in the UK. This partnership demonstrates the attractiveness of the UK residential market for international investors, such as Nomura.

“We are thrilled to be joining forces with one of the biggest and best apartment developers in Japan, pooling our expertise as leaders in our respective markets. Having launched our BTR strategy in 2016, we've accumulated almost a decade of experience in the UK rental market. This extensive knowledge allows us to offer partners unparalleled insights and the advantages of our economies of scale to deliver high-quality rental accommodation at pace. Our combined knowledge and best practices will no doubt deliver exceptional new homes.

“This partnership is a great example of how we can bring international capital into the UK to drive up delivery of much-needed homes, across all tenures. Institutional investment has an important role to play, and we expect investor demand in UK housing to continue to grow as the Government continues to look to meet its housing targets.”

Since launching the strategy in 2016, L&G has deployed over £3 billion of capital into the Build to Rent sector, delivering more than 10,000 rental homes. This forms a key part of its growing residential platform, one of the largest and most diverse in the UK. The build to rent sector is currently estimated to be roughly 2-3% of privately rented properties in the UK, presenting a huge opportunity for investors.

-ENDS-

## Key Risks

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## Notes to editors

### About L&G

Established in 1836, L&G is one of the UK's leading financial services groups and a major global investor, with £1.1 trillion in total assets under management (as at FY24) of which c. 44% (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.

### About our Asset Management business

L&G's Asset Management business is a major global investor across public and private markets, with £1.118 trillion in AUM.<sup>2</sup> Our clients include individual savers, pension scheme members and global institutions.

We provide investment solutions from index-tracking and active funds to liquidity and liability-based risk management strategies.

Our investment philosophy and processes are focused on creating value over the long term. We believe that incorporating financially material sustainability criteria, when relevant to our clients, can create value and drive positive change. This reflects L&G's purpose: 'Investing for the long term. Our futures depend on it.'

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<sup>2</sup>L&G internal data as at 31 December 2024. The AUM disclosed aggregates the assets managed by L&G in the UK, US, and Hong Kong (2018-2019 only) and Singapore from July 2023. Excludes assets managed by associates (Pemberton, NTR, BTR).