

MTVH and L&G Affordable Homes shared ownership JV will help nearly two thousand families get a foot on the housing ladder

[DATE] 2022 — Housing association MTVH via its shared ownership brand So Resi, and Legal & General Affordable Homes (LGAH) have joined forces to create a 50:50 joint venture targeting the delivery of over 2,500 shared ownership and affordable rent homes over the next seven years. Of the 2,500 homes, around 2,000 will be shared ownership with the remainder for affordable rent.

The first homes built under the Joint Venture are expected to be completed by 2025, with construction set to begin on these homes within the next twelve months. All homes will be built to meet or exceed EPC B energy efficiency standards.

The Joint Venture expects to help many more households in London and the South-East to become homeowners.

Around 2,000 of the homes will be sold through shared ownership via MTVH's SO Resi brand, boosting access to affordable homeownership. This is especially timely, with the current interest rate environment making shared ownership a relatively more attractive housing product. SO Resi is the award-winning shared ownership brand of MTVH – one of the country's largest housing associations.

The remaining homes will be available for affordable rent. MTVH through SO Resi will bring its experience in marketing and managing shared-ownership homes - MTVH currently, manages or administers around 57,000 homes across London, the South East, East Midlands and East of England.

LGAH was launched in 2018 to increase the supply of affordable housing and now operates over 2,500 homes across the country, with a further 6,500 in its pipeline. Over the last 12 months it has developed and sold nearly 550 shared ownership homes and handed over nearly 1,500 affordable homes.

LGAH's mission is to significantly increase the supply, sustainability, and quality of affordable homes, aiming to deliver best-in-class customer service. Its aim is for the provision of its services to help reduce inequalities, improve people's health and well-being, making a positive contribution to the communities it serves.

This forward-thinking Joint Venture merges the financial resources and expertise of Legal & General Affordable Homes with decades of experience in developing, selling and managing quality affordable housing at MTVH.

Geeta Nanda, CEO at MTVH and Chair of the G15 group of London's largest housing associations, said: "This partnership couldn't come at a better time, when rising house prices and the cost-of-living crisis mean that affordable routes into homeownership are needed more than ever. Our research tells us that demand for our shared ownership properties exceeds supply in some instances by as much as 10 to 1, so we are delighted at the prospect of being able to expand our provision thanks to this exciting Joint Venture. Ultimately, it will help around 2,000 households to become homeowners, buying a share in their own home. In the current challenging economic environment, this type of opportunity enabling people to build a better future is needed more than ever.

"It is no secret that there is a chronic shortage of affordable homes in the UK. It is imperative that more such homes are built. Innovative steps such as this partnership between a housing association and a major financial institution are a good way forward. We look forward to working closely with Legal & General Affordable Homes to create comfortable homes as the foundation for people to live better."

Ben Denton, CEO at Legal & General Affordable Homes, said: "Our vision is for everyone to have a high-quality, well-managed, sustainable and affordable home. Our business model balances the need for investors to see a fair and reliable return on their investment, while injecting much-needed additional capital to grow the

affordable housing sector. At the moment, housing associations around the country are managing to create just a third of the new homes that are required to meet current need. By providing additional institutional investment, amounting to £1.15bn since 2018, we can significantly increase the rate at which these homes are built and the number of households helped.

“Our new partnership with MTVH and its shared ownership brand SO Resi will help us to achieve our goal of creating over 2,000 new affordable homes a year - and ensuring they are superb quality. For example, 96% of our completed homes have EPC ratings of A or B, to help residents combat the soaring costs of energy.”

Notes to editors

About Legal & General Affordable Homes

Legal & General has been involved in housing for over 20 years and established Legal & General Affordable Homes (LGAH) in 2018 with the aim of becoming the leading private affordable housing provider in the UK. Across its fast-growing portfolio of developments across England, LGAH offers social and affordable rent as well as Shared Ownership homes.

LGAH seeks to make a positive difference to the affordable housing sector and offer an alternative route onto the property ladder.

LGAH's mission is to better people's lives and ensure everyone has access to a safe and secure space to call their own. It strives to create sustainable communities with high-quality homes, reflected by its key principles of quality, sustainability and customer service which underpin every decision made. Recognising the strength in partnership and collaboration, LGAH works with local housebuilders, housing associations and contractors to deliver homes which are affordable and accessible.

Visit www.landgah.com for more information.

Legal & General Capital

Legal & General Capital (LGC) is Legal & General Group's alternative asset platform, creating assets for Legal & General Retirement and third-party clients in order to achieve improved risk-adjusted returns for our shareholders. LGC has built its market leading capabilities in a range of alternative assets, delivering depth of resource, track record and intellectual property. Investing in the real economy and creating alternative assets that deliver a tangible societal impact, its purpose is to invest society's capital for society's benefit. LGC's investments have been vertically integrated and include: residential property; specialist commercial real estate; clean energy; alternative credit; and venture capital.

As LGC's capability to create alternative assets continues to grow, it will not only continue to expand its balance sheet but also to create alternative assets for third party investors. Many of these investors have the same aims, namely to create assets to back pensions with an improved yield or to create assets with strong growth prospects but with low correlation to equities performance.

L&G has invested over £30bn in levelling-up regional economies, including through major regeneration schemes in Cardiff, Newcastle and Salford. Legal & General recently made a commitment to enable all new homes across its portfolio to operate at net zero carbon emissions by 2030, including Legal & General Modular Homes, CALA Group, Legal & General Affordable Homes, Build to Rent and Later Living.

Legal & General Group

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 over £1.4 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, life insurance, workplace pensions and retirement income.

About MTVH and SO Resi

- SO Resi is the shared ownership brand of MTVH, one of the UK's largest housing associations, providing affordable homes, and care and support services.
- It owns, manages or administers around 57,000 homes across London, the South East, East Midlands and East of England. MTVH was formed in October 2018 when Metropolitan and Thames Valley Housing came together as a new group.

- MTVH is a member of the National Housing Federation and Chair of the G15, which represents London's largest housing associations collectively housing one in ten Londoners. The organisation believes everyone should have a home and the chance to live well.
- The housing association announced it would spend £2.1bn over the next five years as part of its plans to deliver 6,000 new homes for people living in London, the South East, East Midlands and East of England.
- Under the plans, all new MTVH homes will meet at least Energy Performance Certificate (EPC) B standard, or better, while existing homes will be upgraded to meet a minimum of EPC C by 2030. Ensuring that housing is greener will be vital if the UK is to be a net-zero country by 2050 given that housing is responsible for around a third of the country's carbon emissions.
- Eighty percent of the new homes delivered will be for affordable rents or shared ownership.
- MTVH recently raised £250m of new funding through a 15-year sustainable bond issue to build more new homes and help tackle the climate emergency.

Further information

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