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L&G raises over £750m and bolsters its deployment into new affordable housing

- With over £250m in new commitments, L&G's affordable housing strategy has now raised over £750m since launching in July 2024. The latest fundraising includes £50m from Local Pensions Partnership Investments (LPPI).
- The Fund has achieved sustained momentum in deploying capital, with 1,111 homes across 35 assets completed with customers moved in and a further 1,285 under construction, bringing L&G's total portfolio of affordable homes to over 9,000. The Fund's activity has delivered its target returns to investors in its first year.
- The fundraise demonstrates the continued growth of L&G's private markets platform and strong client demand for the affordable housing asset class, combining the potential for attractive index-linked returns with positive societal impact.

Legal & General today announced that it has raised over £750m for its affordable housing investment strategy of its Affordable Housing Fund ("the Fund"), aimed at delivering new affordable housing across England.

New investors include LPPI, one of the UK's Local Government Pension Scheme (LGPS) investment pools, with an investment of £50m. In addition, L&G's Private Markets Access Fund, which provides L&G's 5.7 million Defined Contribution members with the ability to access a diversified range of investment opportunities, has completed an investment into the fund.

These commitments build on previous investments from a range of institutional investors including, local government pension, insurance, UK defined contribution and charity/endowment clients.

The Fund has made strong progress in deploying capital into new high-quality affordable homes, with two-thirds of investments committed across 1,111 stabilised homes and 1,285 under-construction homes, with a strong pipeline for the remaining capital. Assets include properties in London, Dorset, Cheshire, Gloucestershire, Norfolk and Leicestershire, with an ambition for the Fund to deliver over 5,000 homes by 2030*. The Fund is making a significant social impact with the average L&G home at 60% of open market rent. With 11% of customers coming from homelessness, the Fund's progress shows the difference it is making to customers' lives. The Fund also recently completed its first net-zero development in Essex.

Investments to date include the 311-home Colindale scheme in Barnet, North London, comprising of social rented homes. This development, acquired by the Fund from Barratt Homes, represents the largest single social rented grant-funded affordable housing scheme delivered in London in the past 12 months, in an area of acute need, is estimated to house over 500 children and helping many out of temporary accommodation.

With severe supply shortfalls in affordable housing across the UK, this additional capital demonstrates both the strong client demand for the asset class and the positive impact of the public and private sector coming together to build much-needed homes.

The Fund's assets are developed and operated by L&G Affordable Homes, benefitting from a sector-leading platform in origination and management of affordable housing. With over £1bn invested in affordable housing



since the business was established in 2018, L&G Affordable Homes has an established track record of delivery within the sector.

Ali Farrell, Head of Impact Strategies (Real Estate), L&G, said: “The strong demand for our affordable housing investment offering underscores the confidence investors have in our mission to address the UK’s critical affordable housing shortage while seeking to deliver steady inflation-linked returns. Having successfully raised significant capital, we are actively deploying to deliver high-quality homes in areas that desperately need more supply.”

Louise Warden, Investment Director at Local Pensions Partnership Investments, added: “We’re proud to be supporting an investment strategy that demonstrates the positive impact pension capital can have in communities across the UK. As long-term investors, we’re backing L&G’s proven capability to scale its platform and deliver sustainable outcomes for both its customers and pension fund members.”

-ENDS-



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 HY25) 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.

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Key Risks

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