



Legal & General's LPI Fund reaches £1.8 bn Assets Under Management as it adds 240,000 sq ft to portfolio

Legal & General, on behalf of its Limited Price Inflation Fund (LPI), announces that it has expanded its investment portfolio to £1.8 billion following a string of deals amidst the coronavirus pandemic, as it commits to long-let, secure income investments backed by strong covenants. LPI has invested over £130 million in three significant deals in recent months, delivering over 240,000 sq ft of new real estate, including one of the largest office lettings of 2020, a new Government hub and a university teaching facility with Keele University.

LPI has exchanged contracts to forward purchase The Interchange, a 120,000 sq. ft., eight storey office building in Cardiff Central Square. Marking one of the largest office lettings in the UK in 2020, the new office building will be let on completion to over 1,800 Legal & General Group employees, relocating from their existing offices in Cardiff. The office building forms part of the £140m Interchange development, and is an integral part of Legal & General's wider £450 million regeneration scheme in Cardiff city centre. The state of the art new office and associated services will provide staff with a collaborative, agile space to meet changes to working practices in the wake of Covid-19. Construction is due to be completed in Q4 2022.

As part of Legal & General's £1.5 billion investment in Government Hubs, the LPI Fund has commenced funding of a 90,000 sq. ft. office building in Peterborough. The office building will be let on a 25 year lease from completion to the Secretary of State for Communities and Local Government, to be occupied by 1,000 members of staff from the Department of Environment, Food and Rural Affairs and HM Passport Office. The scheme supports regional job growth and flexible working practices in the wake of Covid-19.

Alongside these two significant milestones for the Fund and office sector, LPI has also committed to fund a part two/three-storey, 30,000 sq. ft. veterinary college at Keele University, plus an additional 26,000 sq. ft. of space to be sub-let by the University. This new veterinary college, which is currently under construction, will help meet the UK's undersupply of purpose-built teaching facilities for veterinary students, with only eight currently in operation. The Harper & Keele Vet School will be leased to Keele University on a 40-year income strip deal, providing teaching facilities, including a lecture theatre, tutorial rooms and a laboratory.

Derek Gilby, Senior Fund Manager at LGIM Real Assets, said: "Amidst the Covid-19 crisis; secure, long-term income streams, underwritten by strong covenants, have remained robust. Against this backdrop, and aligned with LPI's investment strategy, we have committed to a string of deals, enhancing our portfolio and positioning the fund for a strong start to the year. We expect to see further growth to our £1.8 billion investment portfolio in the coming months.

"In line with Legal & General's commitment to level-up regional economies and provide state-of-the-art, flexible work and teaching space which promotes job creation, we are delighted to be starting work on a major new HQ for Legal & General – which will see over 1,800 staff relocate, a new Government Hub in Peterborough and a state-of-the-art veterinary college at Keele University."

The 90,000 sq. ft. office building in Peterborough will be developed by Bride Hall Developments and The Harper & Keele Vet School will be developed by Noviniti.

The Interchange building will be delivered by Legal General Capital and Rightacres. Legal & General's LPI Fund were advised by Knight Frank.

Further information

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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 over £1.24 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.

LGIM Real Assets

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe's largest institutional asset managers and a major global investor. LGIM manages £1.24tn in assets (as at 30 June 2020), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets has AUM of £35.9bn (as 30 June 2020) 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, LGIM Real Assets 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 in order to future proof our investments, LGIM Real Assets continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level. During 2020, we are developing 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.

