

Press Release

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LEGAL & GENERAL REDESIGNS AND ACQUIRES NEW MANCHESTER TOWER FOR GROWING BUILD TO RENT PORTFOLIO

Legal & General today announces that it has exchanged contracts on the West Tower in Manchester's premier development, Deansgate Square, as it continues to scale up its Build To Rent (BTR) portfolio. Working closely with renowned architect SimpsonHaugh, designer of some of Manchester's major landmarks such as Beetham Tower and Two St Peter's Square, Legal & General has made a range of significant BTR design improvements to the tower, in order to meet the specific requirements of today's elective renters. The West Tower will be the tallest BTR scheme in the UK.

This latest acquisition brings Legal & General's development pipeline in Manchester to over 750 units, increasing its exposure to a target city with strong momentum, underpinned by a significant demand for rental accommodation. Whilst Manchester has seen increased investment over recent years, the city's housing needs remain under-served. According to Experian, the population of Greater Manchester is expected to grow by 14% over the next 20 years with 3,465 rental households forming every year. Despite an estimated 12,000 new homes required each year to meet demand, annual delivery since 2010 has averaged just 650 homes.

Deansgate's West Tower is located in Manchester's prime residential area of Castlefield, comprising 44 storeys overlooking the River Medlock. It consists of 350 units, 147 car parking spaces and ancillary commercial space. The acquisition has been made through LGIM Real Assets' open-ended Build To Rent Fund and Legal & General was advised on this acquisition by CBRE.

Deansgate Square will be Legal & General's second BTR scheme in Greater Manchester and follows on the success of its multi-award winning Slate Yard development in Salford which was 50% let before first occupation. The third and final phase of The Slate Yard is due to start construction shortly. Both developments will create a positive and vibrant community for residents who will benefit from free WIFI, a

residents lounge and gym. Deansgate also offers access to other premier facilities such as a tennis court and swimming pool.

Dan Batterton, BTR Fund Manager at LGIM Real Assets, said: “As demand for rental accommodation continues to outweigh supply, Legal & General is increasing the scale of its Build to Rent portfolio, UK wide. The acquisition of Deansgate and our award-winning Slate Yard development are excellent examples of Legal & General investing in long term sustainable schemes. We are supporting wider urban regeneration through utilising existing local infrastructure and maximising land density in areas where there is a housing shortage. Manchester is the second most populated area in the UK with a particularly diverse economy. The apartment sizes, amenities, specification and affordability across our multiple schemes will allow us to cater for a wide demographic across this varied community.”

Sir Richard Leese, Leader of Manchester City Council, said: "By providing hundreds of homes for market rental this development will make a significant contribution to the council's residential growth strategy for homes across a range of types and tenures to meet demand in our vibrant and fast-growing city. Legal & General are already a significant player in Manchester and we welcome their investment in Deansgate Square."

Tom Sinclair with CBRE's Investment Properties team in Manchester said:

“We are delighted to have secured the West Tower for Legal & General, which forms part of the Deansgate Square development. This really is ground breaking for elective renters in Manchester, bringing a sophisticated and stylish residential offer into the heart of the City.”

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Notes to editors:

Built to Rent

A natural evolution and fit for its multi-tenure housing investment strategy, Legal & General entered the Built to Rent (BTR) sector in 2016. Focused on key urban regeneration areas centred around transport hubs, it is targeting schemes of over 150 units, taking advantage of economies of scale to deliver better value and more choice for its residents, whilst building sustainable, vibrant communities. Legal & General's total investment capability for the sector currently stands at circa £1.3 billion, having raised capital from major pension funds for an open-ended Build to Rent (BTR) fund, as well as an £800 million JV investment by Legal & General Capital and PGGM. It currently has a BTR pipeline of over 3,300 homes across ten schemes in Salford, Manchester, Bristol, Bath, Brighton, Edinburgh, Leeds, Walthamstow, Croydon and Woolwich. Legal & General aims to have 6,000 homes in planning, development or operation by the end of 2019.

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 £951.1bn in assets on behalf of over 3,200 clients (as at 30 June 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £24.9bn (as at 30 June 2017), actively investing and managing assets across commercial property, private residential, infrastructure and property lending and, most recently, corporate credit.