

LEGAL & GENERAL AND BELIEVE HOUSING COMPLETE £85M SUSTAINABILITY-LINKED PRIVATE PLACEMENT

LGIM Real Assets (Legal & General) has provided £85 million in long-term financing to believe housing, one of the largest affordable homes providers in North East England.

The private placement demonstrates Legal & General's on-going commitment to a wider ESG and decarbonisation agenda, implementing a forward-thinking sustainability focused structure with pricing linked to the Company's energy transition. The funding will support believe housing's strategic development goal to deliver over 1,200 new affordable homes over the next five years.

The housing association's 18,000 homes cover almost 900 square miles from the Durham coast to the Pennines. With LGIM Real Assets commitment, believe housing will use the funding to refinance existing debt, deliver new homes, and for general corporate purposes including investments in existing homes. believe housing has also recently become the first organisation in the sector to achieve the Carbon Neutral International Standard, demonstrating its commitment to reduce emissions and improve energy efficiency.

The delivery of believe housing's pipeline of new homes will serve the communities in which it operates, as well as play an important role in the UK's chronically undersupplied social housing sector – socially, economically and environmentally.

Covid has further highlighted the central role of the home in people's lives, demonstrating the need for more good quality, stable, affordable homes. There is an urgent need to innovate within the social housing sector, to not only provide good quality buildings, but also to support the UK's energy transition.

This marks LGIM Real Assets second recent partnership with a social housing provider operating in North East England, following its commitment to Bernicia last year. Aligned with its social purpose, Legal & General has over £1.5 billion invested in affordable housing to date in the UK. Bolstering its strong track record in the social housing sector, Legal & General continues its drive for inclusive capitalism, delivering social, economic and environmental value, and supporting the build back better initiative.

The investment has been made by LGIM Real Assets on behalf of its clients including Legal & General Retirement Institutional.

Steve Bolton, Head of Private Corporate Debt, Europe, said:

“This is an important transaction for LGIM Real Assets, believe housing, and the housing association sector more broadly. We’re delighted to place decarbonisation firmly at the centre of the investment, rather than something that’s talked about on the side-lines.

“Legal & General is uniquely placed to invest annuity money into the UK economy, supporting its long-term pension commitments and creating real assets which provide jobs, housing, and spur economic activity. The fundamental need for good quality, affordable homes has not changed. We are delighted to bolster our commitment to the social housing sector, and investment in the North East. believe housing marks yet another milestone for Legal & General’s backing for the North East, having recently committed £100 million and £350 million to landmark regeneration projects in Sunderland and Newcastle respectively.”

Alan Smith, Executive Director of Investment, Growth and Performance at believe housing, commented: “This funding will guarantee that our vision of a life without barriers can be brought to more people right across the region. It’s great news for us, and the affordable housing sector as a whole, that major private sector funders share our passion for doing the right thing for customers, for the business and in this case for the environment too.”

Sohail Singal, Associate Director at Chatham Financial, said, “We are delighted to have led this transaction and supported believe housing on this ground-breaking private placement. The strong demand from investors during the bidding process is testament to believe housing’s unique credit story. Furthermore, the notes, which are sustainability-linked, will support their desire to grow and deliver a positive ESG impact and continue to change peoples’ lives.”

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Notes to editors

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. With total assets under management of £1.28 trillion (as at 31 Dec 2020), LGIM works with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets has AUM of £36.3bn (as at 31 Dec 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 developed 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.

believe housing

believe housing is a multi-award-winning housing association with 18,000 homes covering almost 900-square-miles from the Durham coast to the Pennines. It is committed to innovative tenancy support and community investment to achieve its vision of offering customers a 'life without barriers.'

Chatham Financial

Chatham Financial is the largest independent financial risk management advisory and technology firm. A leader in debt and derivative solutions, Chatham provides clients with access to in-depth knowledge, innovative tools, and an incomparable team of over 600 employees to help mitigate risks associated with interest rate, foreign currency, and commodity exposures. Founded in 1991, Chatham serves more than 3,000 companies across a wide range of industries — handling over \$750 billion in transaction volume annually and helping businesses maximize their value in the capital markets, every day. To learn more, visit chathamfinancial.com.