

31 January 2018

LEGAL & GENERAL SET TO DELIVER BRIGHTON'S FIRST BUILD TO RENT SCHEME

Legal & General announces that it has exchanged contracts to acquire land in the centre of Brighton in order to deliver the city's first ever Build to Rent (BTR) development. This latest acquisition represents the seventh UK city to which it will bring its new rental offer.

Legal & General is improving standards across the rental market by delivering high quality, well managed, specifically designed accommodation in urban locations where people want to live. This new level of service will cater for all types of residents' needs, giving greater choice. This means that families could benefit from keeping their own pets, having a community around them and the occupational security of longer, more flexible tenancies.

Occupying a strong micro location within the centre of the city, it is 200 metres from Brighton train station which offers a quick mainline service to London stations. Subject to planning approval, the site which is currently occupied as industrial space will deliver 200 homes and up to 3,000 sq m of commercial space arranged as incubator space to support start-ups and SMEs. As such it offers the same employment ratio, but would alone meet the delivery of a third of Brighton's annual housing target.

Legal & General is a major employer in the city. It is founder of the award winning SE-Assist fund growing social enterprises in Greater Brighton and provides financial education to schools in the Sussex area with its Every Day Money Programme which last year benefitted 544 students. A strong and established growth city, Brighton is continuing to experience a vast increase in the number of young professionals moving to the City and is one of the most talented labour pools in the South East, yet there remains a shortage of homes for its residents.

Dan Batterton, BTR Fund Manager at LGIM Real Assets, said: "Brighton is a vibrant city where people want to live and work. This acquisition represents a rare opportunity to acquire land in an unrivalled location and to deliver the first institutional-grade BTR scheme. We look forward to working with the Council to support Brighton's talented workforce with the homes they deserve."

Mathieu Elshout, Senior Director Private Real Estate at PGGM, commented: "Our successful venture with Legal & General continues to materialise at pace through a range of BTR-development programmes across the UK. This is in line with our ambition to build long-term partnerships with prominent local real estate players. In these partnerships we focus on City's like Brighton which represent strong economic regions with significant potential for further growth. Brighton has a severe housing shortage and our investment will help address this by creating a highly sustainable and high-quality BTR offer for the City."

James Lidgate, CEO at Legal & General Homes, added: “Brighton is a thriving City with a hugely talented workforce. The UK needs urban centres that are fit for purpose and can support a creative, sustainable community like Brighton. Our BTR pipeline is growing at pace and it is exciting to see the impact that our developments are making to our UK cities.”

Legal & General’s award-winning BTR platform now has a pipeline of almost 2,000 homes, with the aim to have 6,000 in planning, development or operation by the end of 2019. Legal & General has raised pension fund capital for an open-ended BTR fund alongside a £600m joint venture between Legal & General Capital and PGGM, meaning it has significant investment firepower. Through the creation of a BTR asset class, it is looking to use its sources of long term capital to help address the chronic long term lack of supply of housing and meet the increasing demand for affordable, quality rental accommodation. It now has sites in Leeds, Bristol, Bath, Walthamstow, Birmingham, Salford and Brighton.

- Ends -

For further information, please contact:

Olivia Bayliss

Head of Communications, Legal & General Capital and LGIM Real Assets

Tel: +44(0) 20 3124 2777

Email: Olivia.Bayliss@lgim.com

Faye Bennett

PR Manager, Legal & General Capital and LGIM Real Assets

Tel: +44(0) 20 3124 2823

Email: Faye.Bennett@lgim.com

Maurice Wilbrink

Corporate Communications PGGM

Tel: +31 (0)30 277 1500

Email: Maurice.Wilbrink@pggm.nl

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. 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.

Legal & General Capital

Legal & General Capital (LGC) is the early-stage investment arm of Legal & General Group. Investing from Legal & General's £6bn principal balance sheet, LGC's purpose is to generate long-term shareholder value by injecting new capital into key sectors where there has been a shortage of investment and innovation. Focused on Housing, Infrastructure (Urban regeneration and Clean Energy) and SME Finance, these key sectors reflect our aim to invest for the long term in economically and socially useful assets, to secure competitive returns and to create new asset classes for Legal & General's varied investment requirements, for our partners and for the wider marketplace. Investments to date have included a c 48% stake in housebuilder CALA Homes, the Build to Rent joint venture, major urban regeneration projects in Salford, Newcastle, Cardiff and Bracknell, SME finance group Pemberton and clean energy firm, NTR.

Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with a number of growing businesses in the US and in other countries. At 30th June 2017, we had over £951 billion in total assets under management. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We work with companies and pension trustees to help people build security in retirement, being the UK's largest investment manager for UK corporate pension schemes, a major provider of auto-enrolled pensions and a market leader in pensions de-risking. We have also made a commitment to invest in direct investments, with £12 billion already invested in areas such as homes, urban regeneration, clean energy and small business finance, driving economic growth and making a positive difference to the UK's built environment.

About PGGM

PGGM is a cooperative Dutch pension fund service provider. Institutional clients are offered: asset management, pension fund management, policy advice and management support. On December 31, 2017 PGGM had EUR 218 billion in assets under management and was administrating pensions of 3 million participants. Around 725,000

workers in the Dutch healthcare are connected to PGGM&CO, our members organization. Either alone or together with strategic partners, PGGM develops future solutions by linking together pension, care, housing and work.

www.pggm.nl

Legal & General in Housing

A natural evolution and fit for its multi-tenure housing investment strategy, Legal & General has been involved in supply side housing activities for nearly 20 years. These include:

- Bringing housing back to the centre of the UK's cities through large scale regeneration, such as Salford, Plymouth, Liverpool, Bracknell, Newcastle and Canning Town
- Its c 48% stake in house builder CALA Homes, which is on track to deliver an annual capacity of 2,500 units and revenue of around £1bn in 2020, and believes it has the capability to build in excess of 3,000 units per annum thereafter
- Legal & General's total investment capability for the Build to Rent (BTR) sector currently stands at circa £1bn. It has secured around 2,000 homes under construction or in planning, with sites in Bristol, Edinburgh, Salford, Bath, Brighton, Leeds and Walthamstow, with the aim to have 6,000 in planning, development or operation by the end of 2019
- Delivering its first new housing communities at two sites in Berkshire. It is now on site building 1,000 new homes on its 250 acre site in Crowthorne and will begin on site on 1,500 new homes at its 272 acre site in Finchampstead (near Arborfield) at the end of 2017
- Revolutionising the construction industry through its modular housing factory in Leeds, it will deliver highly-sustainable precision-engineered homes. The homes are built using modern techniques of construction, in a precision engineering manufacturing environment, on a moving assembly line, which will be constructed and fitted out in the factory before delivery to site
- Providing later living accommodation through Inspired Villages Group, a best in class operator and developer of later living accommodation, which Legal & General acquired in August this year. Inspired Villages Group's development portfolio currently has around 1,000 homes

It is also a significant investor in social housing, care homes and student accommodation. This holistic approach provides Legal & General with the mechanisms to deliver high quality returns throughout market cycles by pivoting investment to where the need is greatest.