

LGIM secures £270m green debt facility from HSBC, NatWest & Standard Chartered for its Wandsworth BTR Scheme

LGIM Real Assets (Legal & General Investment Management), on behalf of its Build to Rent platform, has arranged a four year, £270m green development financing from a banking group consisting of HSBC, NatWest and Standard Chartered. HSBC and Standard Chartered acted as joint Sustainability Coordinators while NatWest acted as Documentation Coordinator and Agent.

The green debt facility will be used to fund the development of the £500m Wandsworth Build to Rent (BTR) scheme. The funding is aligned to the Loan Market Association's Green Loan Principles and one of the largest sustainable finance facilities in the housing sector to date. Eligibility under these principles specify that loan proceeds are to be used to finance green buildings which meet regional, national or internationally recognised standards or certifications for sustainability.

The former B&Q and Homebase sites are one of Legal & General's five BTR schemes in London and mark LGIM's largest residential development to date. The scheme will deliver more than 1,000 homes, 35% of which will be affordable, and over 60,000 sq ft of commercial space. Construction work is already underway with the first homes ready for occupation in 2023.

In 2021, LGIM Real Assets was the UK's largest BTR investor committing £700m to the sector, across more than 2,000 new apartments over six developments. Last year's acquisitions included sites in Birmingham, Glasgow, Hove, Southampton, Lewisham, and Stratford. In total, LGIM Real Assets has committed £2.5 billion to the BTR sector to date, with 20 sites in 12 cities¹. More than 2,500 apartments are already occupied, with over 6,000 more under construction.

LGIM Real Assets also secured a mandate with Legal & General's retirement business (LGRI) for a further [£2.5 billion investment into BTR](#) in February 2022, delivering another 7,000 new homes over the next five years.

Dan Batterton, Head of Residential for LGIM Real Assets, said: "The debt facility demonstrates the BTR sector's solid investment proposition where the existing imbalance between demand and supply continues to support growth. We're redoubling our commitment to BTR following an exceptional year as the largest BTR investor with the largest number of new leases across the market.

"The apartments will be designed with a focus on lifestyle and resident satisfaction, delivering higher standards of design, service, and asset management, operational efficiency, and long-term environmental sustainability with operational net zero carbon targeted by 2030.

"In keeping with our Inclusive Capitalism purpose, we want to help tackle the UK's housing crisis, create new neighbourhoods and bring brownfield sites back into effective use. This will also support local authorities in meeting their housing targets."

Phil Hooper, Head of Real Estate, NatWest speaking on behalf of the lending group, said: "We are delighted to support LGIM in the delivery of over 1,000 new build-to-rent homes. The sustainable nature of the assets is testament to LGIM's transition to a zero carbon economy and we are therefore pleased to complete the financing as a green loan."

¹ Salford, Bath, Manchester, Birmingham, Leeds, Bristol, Chelmsford, Glasgow, Cardiff, Brighton, London, Southampton

LGIM Real Assets' BTR Fund secured more new leases than any other BTR landlord in 2021, with almost 2,000 households moving in. Its portfolio achieved 2.2% rental growth over the same period.

Notes to editors

About LGIM Real Assets

LGIM is one of Europe's largest institutional asset managers and a major global investor. LGIM manages £1.4 trillion in assets*, working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

LGIM Real Assets has assets under management of £39 billion* 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 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.

** at 31 December 2021*

Further information

Name: LGIM PR Team

Email: lqimprteam@lgim.com