

8 January 2020

LEGAL & GENERAL SECURES STUDENT BLOCKS AT UNIVERSITY OF THE CREATIVE ARTS, FARNHAM

LGIM Real Assets (Legal & General) announces, on behalf of its LPI (Limited Price Inflation) Income Property Fund, that it has agreed to fund the development of a new high-quality student accommodation block which is pre-let to the University for the Creative Arts (UCA).

The proposed new 252 bed student residence, located in the heart of UCA's Farnham campus, has been purchased on a forward funding basis for around £23 million.

The UK benefits from many of the best universities in the world and has one of the world's strongest higher education systems. Attracting international students and academic talent, the higher education sector remains vital to the long-term prosperity of the UK economy. In order to support this strong demand from students, modern purpose-built accommodation is an essential part of a first class education experience.

The property will be leased to the University on a new 35 year full repairing and insuring lease on completion of the development, which is scheduled for summer 2021. The development is being carried out by UCA.

Derek Gilby, Senior Fund Manager of the LPI Income Property Fund, commented: "The quality and affordability of accommodation can represent a large factor for students when deciding where they want to go to University. We believe that quality facilities that are affordable for students can help to provide a quality education. This is an excellent buy for the Fund, offering a secure long term income stream which provides a hedge to inflation from a good University."

Avison Young acted for Legal & General on this deal and JLL acted for UCA.

Launched in 2010, the LPI Income Property Fund offers defined Benefit pension schemes an innovative way to invest in direct property with secure, primarily government backed, inflation-linked sources of income, generating income yields well in excess of those from comparable asset classes such as index-linked gilts or social housing debt. The Fund has £1.3 billion of assets under management.

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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. LGIM manages £1.1tn in assets (as at 30 June 2019), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets, headed up by Bill Hughes, has AUM of £33.4bn (as 30 June 2019) 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, the platform actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt. By bringing these capabilities together under one platform, the business is able to offer its clients enhanced outcome-focused strategies and diversification benefits, with deep sector understanding across a broader investment universe. Taking a long term view in order to future proof its investments, the business continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level.

Legal & General Group

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 £1.1 trillion in total assets under management at 30 June 2019, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £22 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.