

2<sup>nd</sup> March 2019

## LEGAL & GENERAL TO PROVIDE 250 HOMES FOR HOMELESS FAMILIES IN CROYDON

Legal & General announces that it has committed a further £21.6m to its innovative partnership with Croydon Council, providing hundreds of homes for families on housing waiting lists in the borough.

The partnership, which is creating around £24 million in savings for the council will bring 250 houses and apartments back into use for families currently residing in emergency accommodation. The announcement follows the establishment of the partnership last year, bringing Legal & General's total investment to £66.2m.

With waiting lists for affordable homes reaching 1.1 million in England, and over 2,000 families requiring Temporary Accommodation in Croydon alone, Legal & General is delighted to be making a further commitment to this pioneering partnership, creating a blueprint for institutions and the public sector to work together to tackle the UK's housing crisis.

Legal & General's investment, which requires no Government affordable housing grant and does not rely upon Section 106 contributions, represents a first for the sector and an innovative new model that could be rolled out across other London Boroughs and UK local authorities. The homes will be managed by Croydon Council's housing team and leased on a 40-year term, after which they will belong to the council. Rents will be set at Local Housing Allowance ('LHA') levels.

The investment, being made on behalf of Legal & General Retirement Institutional, provides an excellent match for Legal & General's long term annuity and pension commitments. It demonstrates the positive social impact that a proactive local authority and long-term investment can deliver, enabling Croydon Council to meet its affordable housing needs and reducing the burden on the public purse.

**Pete Gladwell, Head of Public Sector Partnerships at Legal & General said:** "Our strengthening partnership with Croydon Council highlights our determination to innovate and tackle the UK's chronic housing crisis. With this additional investment, we will be providing 250 homes and much-needed stability for some of the most vulnerable people in society. This is a great demonstration of our purpose to deliver inclusive capitalism, developing a structure which supports our long term pension commitments whilst improving lives and helping to create further savings for the council to reinvest."

**Councillor Alison Butler, Croydon Council's deputy leader and cabinet member for Homes and Gateway Services, said:** "I am pleased by the investment of a further £21.6 million into our partnership with Legal & General. There remains a strong demand for good-quality affordable homes in Croydon and this innovative scheme offers us better value for money than the more traditional loans available to councils. With this additional investment, we are now saving around £24.5m over the loan period, meaning we can assist even more people in the long term and provide the homes that local families need."

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**For further information, please contact:**

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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 £1tn in assets (as at 31 December 2018), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £31.4bn (as 31 December 2018), actively investing and managing assets across commercial property, private residential, infrastructure and property lending and, most recently, corporate credit.

**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 trillion in total assets under management, we're the UK's largest investment manager for corporate pension schemes and a market leader in pensions de-risking, life insurance and workplace pensions. We have also invested over £19 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

**Croydon Affordable Housing**

The 250 homes are mainly two- and three-bed flats and houses, plus a four-bed house and a five-bed house, all of which are for Croydon families previously in temporary accommodation and are run by Croydon Affordable Tenures, part of Croydon Affordable Housing (CAH), a local housing charity set up by the council.

In addition 96 properties which were purchased by the council and used for temporary accommodation were transferred to the partnership with CAH.

All rooms in the CAH-run homes meet the Mayor of London's space standards, and tenants get an assured shorthold contract instead of the usual six months with private landlords.