

9 April 2018

LEGAL & GENERAL SNAPS UP SOUTH EAST INDUSTRIAL ESTATE FOR £180M

LGIM Real Assets (Legal & General) announces that it has acquired Woodside Industrial Estate in Dunstable from Harbert Management Corporation for a total consideration of £182.3M, representing a net initial yield of 5.02%.

Legal & General has bought the asset on behalf of two separate Funds, the Legal & General UK Property Fund and its Managed Property Fund, in a 50/50 joint venture.

Woodside is one of the largest single ownership industrial estates in the South East, and represents one of the largest acquisitions of its kind in the region in recent years. The South East Industrials segment is expected to outperform all others over the forecast period (2018-2022) with a projected average total return of 5.7% p.a. (All Property 4.4% p.a.)

The property comprises 35 units totalling 1.5 million sq ft and occupies 96 acres. 18 of the units are either new or recently refurbished, whilst the remaining 17 offer substantial rental enhancement through a rolling refurbishment plan. On the western boundary of the estate there is also a development site of 1.4 acres.

Mark Russell, Senior Fund Manager of the Managed Property Fund, commented: “This is an excellent buy for the Fund, providing a rare opportunity to gain exposure to a large south east industrial asset. The purchase is also in line with our strategy of buying assets with strong fundamental characteristics and positive occupational dynamics, which are set to deliver strong returns to our investors.”

Matt Jarvis, Senior Fund Manager of the Legal & General UK Property Fund, said: “The UK logistics and industrial property sector continues to outperform all other property sectors, making this a strong purchase for the Fund and its investors. The estate provides many asset management opportunities which will enable us to move rents forward as well as increasing the overall asset value.”

JLL advised Legal & General on this acquisition, while DTRE advised the vendor.

- Ends -

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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 £983.3bn in assets on behalf of over 3,200 clients (as at 31 Dec 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £27bn (as at 31 Dec 2017), 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 a number of growing businesses in the US. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We operate in three principal areas:

- Investing & Annuities, where we manage £58bn of retirement annuities for policyholders and invest for their long term return within Legal & General Retirement, as well as investing our own balance sheet within Legal & General Capital;
- Investment Management, where we have £983bn in total assets under management from clients in the UK, US, Asia and EMEA and a leading UK workplace savings and retail investments business within LGIM; and
- Insurance, where we provide protection against life events for customers, with £2.9bn of gross written premiums principally in life insurance in the UK and US within Legal & General insurance and household insurance in the UK within our General insurance division.