

Press Release

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LEGAL & GENERAL ACQUIRES ITS LARGEST BUILD TO RENT SITE IN WOOLWICH

Legal & General announces that it has exchanged contracts on its largest Build To Rent (BTR) site to date located in Woolwich. This scheme has been acquired by co-investors Legal & General Capital and PGGM, as well as pension fund capital raised by LGIM Real Assets through its open-ended BTR fund.

This site, known as Macbean, is Legal & General's third BTR scheme in London, with existing developments progressing in Walthamstow and Croydon. With a total BTR pipeline of around 3,000 homes across nine schemes countrywide, Legal & General aims to have 6,000 homes in planning, development or operation by the end of 2019.

Located near Woolwich Arsenal Overground Station, this brownfield site has been identified as one of the last development opportunities of scale opposite a Crossrail station, within one of the highest growth areas along the new rail line. Woolwich, within the Borough of Greenwich, is benefiting from intensive regeneration and significant investment in housing, transport, retail and leisure, and has become an increasingly aspirational location. With the improved transport infrastructure, the area needs a greater supply of housing to meet growing demand. According to the Government's Objectively Assessed Housing Need consultation, 3,313 additional homes are required each year in the Borough. The Macbean development will be a significant contributor to this chronic shortage of housing.

Subject to planning approval, the scheme is projected to deliver over 650 new homes, together with 21,000sqft of commercial space and a new public square. The development will comprise both private and affordable rental homes, split between London Living Rent and Discount Market rent.

Through the creation of a BTR asset class, Legal & General is looking to use its sources of long term capital to help address the chronic lack of housing supply and meet the increasing demand for affordable, quality rental accommodation. Legal & General is involved in housing creation across the spectrum, backing a fast growing pipeline of over 80,000 new homes over the next five to ten years to provide high quality, affordable accommodation at all stages of life.

Legal & General was advised by Colliers International on this acquisition.

Dan Batterton, BTR Fund Manager at LGIM Real Assets, said: “Macbean is another great example of Legal & General investing in a location with significant urban regeneration potential and providing large scale sustainable rental schemes which will have a positive long term socioeconomic impact. The location is highly desirable for renters and, with over 650 units planned for the site, is of a size which will offer significantly reduced living costs thanks to economies of scale. Given the notable infrastructure developments in the area, such as Crossrail, it has been a target location for us to expand our BTR offering and we remain firmly on track with our growth plans.”

Mathieu Elshout, Senior Director Private Real Estate at PGGM, commented: “As a responsible investor of Dutch pension capital, it is our ambition to build long-term partnerships with prominent UK real estate players, investing in sustainable developments with a positive impact on the build environment over the long term. Our growing BTR venture with Legal & General is delivering on this goal, adding quality stock within areas, such as Woolwich, which are suffering from a severe lack of housing stock, whilst supporting wider urban regeneration.”

James Lidgate, Director of Housing at Legal & General Capital, said: “As the UK’s population continues to grow and renting becomes a tenure of choice, delivery of high density, high quality developments with vibrant communities is becoming more and more important. This latest development, our largest BTR acquisition to date, is another step forward for Legal & General in its ambitions to tackle the severe housing shortage that the UK is facing, helping to address the significant supply and demand imbalance – both in the Borough of Greenwich and across London as a whole.”

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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 £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) focuses on direct investments in key sectors, particularly housing, infrastructure and SME finance. These 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. We work closely alongside other businesses within Legal & General to ensure the broadest range of skillsets are deployed on any project and to utilise principal investment and asset management synergies across the Group. Investments to date have included housebuilder CALA Homes, a Build to Rent joint venture, urban regeneration projects at MediaCity/Salford and Bracknell, SME finance group Pemberton and clean energy firm, NTR.

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 administering 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.

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