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LEGAL & GENERAL SHAKES UP PROPERTY MANAGEMENT INDUSTRY WITH NEW OPERATING MODEL

LGIM Real Assets (Legal & General) announces that it has established a new innovative operating model for managing its buildings, which is set to help disrupt the property industry, maximising the performance of investments and developing stronger occupier relationships.

Over the past five years there has been a significant shift in how occupiers use buildings, becoming more sensitive to how environments can support and retain their staff. Indeed sustainability, health and wellbeing, and productivity of staff, are all now board room level issues recognised as affecting overall business performance. According to CBRE's survey of European office occupiers, 59% say they would pay 10% more for high amenity serviced space and 30% see smart building tech as a factor in building choice.

Legal & General's new model addresses this shift in service standard requirements, by embedding a Facilities Management Integrator (FMI) Partner into its model in order to provide a more data-led, agile service for its occupiers, which can be tailored and flexed to their specific requirements.

Legal & General has appointed Bellrock Properties & Facilities Management Limited (Bellrock) as its new FMI Partner. Bellrock has specialist skills in being able to provide real-time data on buildings and supply chain performance which will allow us to maximise the benefits a well-run building can offer. This will lead to improved energy efficiency, better sustainability credentials, and buildings performing more efficiently, meeting our occupier's requirements and expectations. Over time we will also be able to make a demonstrable link to our occupiers business performance through data analysis.

Bill Hughes, Head of LGIM Real Assets, said: "This new approach should be a game changer for the property management industry and will separate the winners from the losers, redefining how we manage our buildings. It creates transparency to build customer trust, employment to fill the skills gap in property management and innovation to future proof our assets. It also encompasses cutting-edge business practices and advances the use of data as a means of measuring, monitoring and maintaining consistent standards."

The role of the Managing Agent remains important and therefore we will continue to work with JLL as well as Savills, BNP and Workman, who form our newly enhanced panel of Managing Agents. The



panel, who will work alongside the FMI, is in place to provide diversity of ideas and approaches to the asset managers at a strategic level and also enables closer strategic alignment to the funds and the asset managers to deliver their business plans.

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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 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 £19 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.