



Legal & General acquires two self storage assets, adding c.100,000 sq. ft. to its rapidly growing portfolio

LGIM Real Assets (Legal & General) continues to build and diversify its real estate portfolio with the acquisition of two purpose built operational self storage assets in Bury and Lichfield, providing over 92,000 sq. ft. of combined lettable space. These transactions demonstrate a continued focus on investing in operational assets, and follow a year of acquisitions and developments for its self storage portfolio.

The self storage sector in the UK has grown significantly in recent years, and today it makes up 41% of the European self storage market¹. Recent findings show that whilst there are now approximately 1,900 self storage sites in the UK², only 35% of these are purpose built - representing a significant opportunity for investors.

Since entering the market last year, LGIM Real Assets has rapidly expanded its self storage portfolio with operational assets in Cannock, Northwich, Bolton, Stafford, Bury and Lichfield, and development sites in Wokingham and York. Today, its portfolio exceeds 365,000 sq. ft. of assets in operation or development, with ambitions to deliver a further 270,000 sq. ft. by 2022.

Whilst the coronavirus pandemic has created challenges and driven secular changes across areas of the real estate sector, self storage has shown strong performance throughout, demonstrating continued demand for high quality, well located purpose built self storage assets. Across the Real Assets operational portfolio, occupancy has remained strongly in line with the business plan throughout the coronavirus pandemic, with enquiries and lettings reverting to pre Covid levels by Q3 2020.

Michael Barrie, Director of Fund Management, LGIM Real Assets, said; “Led by our in-house self storage experts Jessica Cunningham and Matthew Lilley, we continue to look for opportunities to acquire operational facilities and development sites, alongside repurposing underutilised assets within our own real estate portfolio. Recent development plans include; repositioning prominent industrial sites, partial repurposing of retail parks and progressing mixed use self storage anchored schemes. Together, these are expected to provide resilient and diversified income streams on assets across multiple funds, further enhancing our portfolio.”

At present, all of Legal & General’s operational self storage assets are managed by Surestore. LGIM Real Assets continues to work successfully alongside Surestore, which has been significant to its rapid growth within the sector.

The acquisition of the SureStore self storage assets in Bury and Lichfield were made by Legal & General’s Industrial Property Investment Fund (IPIF), which is valued at over £2.3 billion and specialises in multi-let industrial and trade assets alongside its growing self storage portfolio. Bury and Lichfield will continue to be managed by Legal & General’s storage partner SureStore Management Services.

JLL brokered the sales in Bury and Lichfield, taking the total assets within the Surestore pipeline sold to six.

¹ <https://www.cushmanwakefield.com/en/united-kingdom/news/2020/05/demand-for-self-storage-space-in-the-uk-remains-robust>

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Notes to editors

About Legal & General

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, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income.

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 £1.24tn in assets (as at 30 June 2020), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets has AUM of £35.9bn (as 30 June 2020) 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, LGIM Real Assets actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt. Taking a long term view in order to future proof our investments, LGIM Real Assets continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level. During 2020, we are developing a strategy as part of our commitment to net zero carbon emissions across the real estate equity business by 2050, and have also committed to measuring social value across 20% of our platform by the end of the year.

About SureStore

SureStore opened its first site in Bolton 2017. Today it operates eight facilities across the North West and the Midlands.

All SureStore facilities combine domestic and business storage, co-working spaces, office rentals and trade counters. Customers are able to book, manage and sign for their space entirely online, an industry first, pioneered by SureStore.

Co-founders Mike Wilson and Andy Wood have collectively worked in the storage industry for over 30 years. Mike currently leads the operational and strategic direction of SureStore, on behalf of LGIM Real Assets. Andy leads on the acquisition and development of the new storage facilities.

In 2019, SureStore's Stafford facility was awarded Best Independent Self Storage Facility by The Self Storage Association.

The group are members of The Self Storage Association and Mike Wilson is a Board Member providing industry perspective to the strategic management of the Association.

Further information

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