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LEGAL & GENERAL INVESTS £95 MILLION IN LARGEST SOCIAL HOUSING PROVIDER IN NEWPORT, WALES

Legal & General announces that it has provided £95 million in long-term financing to support Newport City Homes (“NCH”) in their plans to deliver 1,000 affordable homes in Newport, Wales, over the next four years.

As the third largest city in Wales, home to more than 150,000 people, Newport has undergone significant regeneration over the past 20 years. The city, which sits along the M4 corridor between Cardiff and Bristol, has delivered strong economic growth in recent years, with Newport exhibiting the highest level of house price growth across the UK in 2018. These factors have increased both demand for housing in Newport but also affordability concerns.

Since its formation in 2009, Newport City Homes has played a significant role in the regeneration of Newport city and today is the largest provider of social housing stock in the city, providing homes and services to more than 20,000 residents.

This transaction represents another significant investment in Wales, and follows Legal & General’s recent announcement of the completion of the largest privately funded development in Wales; the regeneration of Cardiff Central Square, in partnership with the Welsh Government and Rightacres Property, alongside a commitment to deliver 318 Build to Rent apartments in Cardiff city centre. Legal & General’s activity in Wales demonstrates how its varied capital streams can be put to work to create real, high quality assets which have a significant long term socio-economic impact in the region.

Steve Bolton, Investment Manager, LGIM Real Assets, said: “Newport City Homes are an important regional provider who play a major role in fulfilling affordable housing needs in South Wales. Legal & General’s Private Credit business has seen considerable growth over the last 12 months, with gross assets under management now at £12bn. This is another significant investment for the team, and further demonstrates both our commitment to housing in the UK, and our on-going support to organisations that make a positive impact on the communities they serve.

“Having recently signed the UK’s largest bulk annuity transaction – a £4.6bn Pension Risk Transfer with the Rolls-Royce UK Pension Fund, this investment is ideally suited for annuity money. Legal & General is ideally placed to invest pension money into the UK economy, and our investment in Newport City Homes both matches our extended liabilities and delivers both real economic growth and social value for the UK.”

Tim Jackson, Executive Director of Finance and Resources, Newport City Homes said: “We are delighted to be partnering with Legal & General to help Newport City Homes deliver its purpose of providing homes in communities in which people want to live. We have ambitious plans at Newport City Homes, and this new investment will help us achieve our goal of delivering 1,000 new homes in Newport over the next four years. Having run a competitive process, which was strongly supported by the institutional market, we were attracted to Legal & General’s proven track record in both housing and Wales more broadly.”

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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.