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LEGAL & GENERAL TO DEVELOP FLAGSHIP BUILD TO RENT SCHEME IN WANDSWORTH DELIVERING 1,000 NEW HOMES

Legal & General announces that it has exchanged contracts on two adjacent sites in Wandsworth which will combine to deliver its largest Built To Rent (BTR) scheme to date. The scheme has been acquired by the Legal & General BTR Fund, PGGM and Legal & General Capital.

With an anticipated Gross Development Cost of £500 million, the site will be a flagship BTR development in the UK, providing around 1,000 homes and 85,000 sq ft of commercial space. The scheme has full planning consent which includes 35% affordable housing within one of Central London's most established and popular residential areas.

Demand for rental property has continued to grow in the UK, having increased 34% over the last five years, according to Savills. Due to the supply/demand imbalance in the local area, the latest London Plan identifies that the unmet housing need in Wandsworth has now reached a shortfall of 2,310 new homes per year. Legal & General's new scheme will be a significant contributor to tackling this shortage, providing purpose-built rental homes with long leases for all ages, demographics and social groups.

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 uniquely placed to lead the way in this sector, with unparalleled access to investment opportunities, the skills to develop and a diverse pool of capital through pension fund clients and own balance sheet. It has already directly invested over £19bn in housing, infrastructure and small businesses, creating new jobs, homes and communities across UK towns and cities. With this latest acquisition, Legal & General has brought its total BTR pipeline to nearly 5,000 homes across the country, supporting a flexible workforce and productivity growth.

This latest scheme, covering 6 acres and currently comprising home improvement outlets, will represent the first BTR scheme in Wandsworth Town. Located within Zone 2 and adjacent to Wandsworth Town train station, the development will include a new entrance to the platforms and will form part of the major regeneration of the local area.

Legal & General's first London BTR scheme, Blackhorse Mills in Walthamstow, will open in the Autumn.

Dan Batterton, Head of Build To Rent at LGIM Real Assets said: "This latest acquisition 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 socioeconomic impact. The location is highly desirable for renters and, with 1,000 units planned for the site, demonstrates Legal & General's ambition to make a real impact on the delivery of new homes within the UK. Representing our largest scheme to date, this flagship BTR development is another step forward towards tackling the severe housing crisis facing both London and the UK, offering homes for all ages and social groups, as well as reduced living costs thanks to economies of scale."

Paul Miller, MD Principal Investing at Legal & General Capital, said: "As renting continues to become a tenure of choice in the UK, the delivery of high density, high quality developments with vibrant communities is becoming more and more important. To do this, we need to deliver schemes which offer well connected housing options, which are carefully integrated into the public realm, maximising our existing infrastructure and supporting economic growth. This latest development in Wandsworth, our largest BTR acquisition to date, is a perfect example, offering 1,000 new rental homes alongside improving the station infrastructure and offering commercial real estate space to support local businesses."

Mathieu Elshout, Senior Director Private Real Estate at PGGM, commented: "Our growing BTR venture with Legal & General continues to deliver on our goal to have a positive impact on the UK's built environment over the long term. As a responsible investor of Dutch pension capital, we are delighted to be partnering with Legal & General on this flagship scheme, delivering quality and affordable homes for elective renters and helping to tackle London's growing housing crisis."

Colliers Capital and JLL advised on the transactions.

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For further information, please contact:

Lauren Kemp

PR Manager, Legal & General Capital and LGIM Real Assets

Email: lauren.kemp@lgim.com

Faye Bennett

PR Manager, Legal & General Capital and LGIM Real Assets

Email: Faye.Bennett@lgim.com

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 Capital

Legal & General Capital (LGC) is the early-stage investment arm of Legal & General Group. Investing from Legal & General's principal balance sheet, LGC's purpose is to generate long-term shareholder value by injecting new capital into key sectors where there has been a shortage of investment and innovation. Focused on Future Cities (Urban regeneration and Clean Energy), Housing, Venture and Growth Investing, these key sectors 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.

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.

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, 2018 PGGM had EUR 211 billion in assets under management and was administering pensions of 4.4 million participants. Around 750,000 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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