

LEGAL & GENERAL TO DELIVER 2,750 MULTI-TENURE HOMES IN HORSHAM

Legal & General Capital (Legal & General) has acquired control of a 500 plus acre multi-tenure development site in Horsham, West Sussex as part of its ambition to tackle the UK's housing crisis by scaling up overall housing delivery and providing homes for all ages, tenures and social groups.

Regularly voted as one of the best places to live, Horsham has excellent road and public transport links to London. The project offers a development scale rarely available, in an area identified by the Local Authority as having the potential to meet the significant local demand for homes and jobs. With consent attained to provide 2,750 new homes and 500,000 sq ft of commercial space, the site represents one of the largest residential planning permissions in the South East of England, supporting the creation of around 4,000 jobs, four new schools and associated local infrastructure.

Alongside homes for the open market, the scheme can deliver Build To Rent, Later Living accommodation and Affordable Housing units, bringing together the full spectrum of Legal & General's housing capabilities and demonstrating the diversity of its model within the residential sector.

Legal & General's move into large-scale Master Development comes on the back of a number of major Government initiatives to promote the delivery of housing at scale to address the UK's housing crisis. This includes NPPF2, the £2.3bn Housing Infrastructure Fund for Local Authorities and the £3bn Home Building Fund enabling accelerated scheme delivery. The need to take a multi-tenure approach to housing development was also identified as critical to accelerating overall build out rates and also creating compelling and enduring communities in the recent Letwin Review.

The site, a northern extension of Horsham, has been purchased from Liberty Property Trust who recently obtained outline planning consent for the development, which will be developed over three principle phases. CBRE acted in the sale for Liberty.

Kerrigan Procter, CEO of Legal & General Capital, said: "England has a shortfall of four million homes and the affordability gap for buyers and renters is at an historic high. We need to stop measuring the housing gap and start to close it. This acquisition in Horsham is an exceptionally exciting opportunity for Legal & General to deliver a genuinely multi-tenure community, utilising our patient capital and in-house expertise to bring forward a significant pipeline of housing for all ages, tenures and social groups

"As a business, we have a core commitment to create sustainable communities with good employment opportunities, high-quality and varied housing and easy access to an efficient and comprehensive public

transport system, whilst reducing our environmental impact. Legal & General is unique in being able to deliver such a varied range of housing due to the diversity of its capital streams which can provide a hedge against current house price volatility. This strategic extension of Horsham will represent a blueprint that we can roll out across the UK, working in close partnership with local councils and the public sector to create places where people can live, work and prosper.”

James Lidgate, Director of Housing, Legal & General Capital commented: “This site represents the first step for Legal & General to expand its current Strategic Land capabilities into Master Development. Against the backdrop of the UK’s chronic housing shortage, our move into this sector is a milestone for both the business and house building more widely, meeting the Government’s objective to enable and accelerate delivery of large scale sites to tackle this persistent issue. Master Developing is a particularly underserved market area and Legal & General is well placed to utilise its 20 years’ experience in all aspects of residential property and bring a new approach to the residential development. By leveraging its long-term patient capital to provide a strong multi-tenure pipeline, Legal & General in a unique position deliver a site of this scale across a number of building phases to include not only build to sell homes but also long-term options such as Build To Rent and affordable housing which are less exposed to current market fluctuations.”

Andrew Blevins, Managing Director of Liberty’s UK development and investment activities said: “We are delighted that having secured the outline planning consent for this huge and exciting project we have been able to identify such an accomplished multi-disciplinary development and investment company for the future delivery of much needed housing in the South East of England.

Ray Dawe, Leader of Horsham District Council said: “It is excellent news for Horsham that Legal & General, a major British company, has taken over the North Horsham development from Liberty Property Trust. At a time when there is considerable national political and economic uncertainty, this investment by Legal & General shows huge confidence in our District and in the combination of commercial and residential use on this site. We very much look forward to working with them and bringing forward the new jobs and homes that this development offers us.”

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Notes to editors -

Legal & General in Housing

Legal & General has been involved in supply side housing activities for nearly 20 years. These include:

- Bringing housing back to the centre of the UK's cities through large scale regeneration, such as Salford, Plymouth, Liverpool, Bracknell, Newcastle and Canning Town
- Ownership of house builder CALA Homes, which is on track to deliver an annual capacity of 2,500 units and revenue of around £1bn in 2020, and believes it has the capability to build in excess of 3,000 units per annum thereafter. CALA has seen revenues grow from £241m in 2013 to £748m in 2017
- Legal & General's total investment capability for the Build to Rent (BTR) sector currently stands at circa £1.3bn. It has a pipeline of around 3,500 homes across 10 schemes countrywide, with the aim to have 6,000 in planning, development or operation by the end of 2019
- Delivering its first three new housing communities, Legal & General's housebuilding arm, Legal & General Homes, is bringing forward a rapidly expanding housing pipeline. These include a 78-acre site in Shrivenham, Oxfordshire with outline planning for 515 new homes, building 1,000 new homes on its 250 acre site in Crowthorne, Berkshire, called Buckler's Park, and 1,500 new homes at its 272 acre site in Finchampstead, also in Berkshire
- Revolutionising the construction industry through its modular housing factory in Leeds, it will deliver highly-sustainable precision-engineered homes. Legal & General is the first provider of modular homes to be constructed in a factory on a moving assembly line. This means that the modular product is delivered to site as a complete unit, with the electrical, plumbing, wiring, kitchens and bathrooms all in place. With groundworks completed in advance, at site level it requires only cladding and roofing
- Providing later living accommodation through Inspired Villages Group, a best in class operator and developer of later living accommodation, established by Legal and General in 2017. Inspired Villages Group's development portfolio currently has around 1,000 homes
- Launching Legal & General Affordable Homes, a new wholly-owned affordable housing provider which it is establishing through a leading development and management platform
- We are also a significant investor in student accommodation, having invested £1.5bn to date in this sector.

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, SME Finance and Venture Capital, 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 a number of growing businesses in the US. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We operate in three principal areas:

- Investing & Annuities, where we manage £58bn of retirement annuities for policyholders and invest for their long term return within Legal & General Retirement, as well as investing our own balance sheet within Legal & General Capital;
- Investment Management, where we have £983bn in total assets under management from clients in the UK, US, Asia and EMEA and a leading UK workplace savings and retail investments business within LGIM; and
- Insurance, where we provide protection against life events for customers, with £2.9bn of gross written premiums principally in life insurance in the UK and US within Legal & General insurance and household insurance in the UK within our General insurance division.