

Press Release**12 October 2017**

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LEGAL & GENERAL IS SET TO BRING BUILD TO RENT OFFER TO BIRMINGHAM

Legal & General has today announced that it has agreed the funding of a prime Birmingham Build To Rent (BTR) development site known as Newhall Square for a total sum of £53m. Representing the sixth UK city to which it will bring its new rental offer, this latest investment brings its total pipeline of BTR units to over 1,700.

A forward funding deal has been agreed with award-winning residential developer Spitfire Bespoke Homes. The development has planning for 220 residential units and 7,500 sq ft of ground floor commercial space, together with a public square and 61 car parking spaces.

Located centrally between the established Central Business District and the retail/leisure hub of the Jewellery Quarter, the site offers a strong micro location for BTR accommodation within Birmingham's city centre and benefits from canal fronting apartments. There is currently more capital committed to infrastructure projects in Birmingham than any other European city and the site sits within five minutes' walk of the new Paradise development, a mixed-use development that will deliver 1.8m sq ft of new office, retail and leisure space, generating 12,000 new jobs.

With a current population of 1.1m, an increase of 100,000 people since 2004, the population growth of Birmingham is the third fastest in the UK, behind London and Bristol. It also has one of the youngest populations in Europe, with under 30's representing around 40%. However, available housing stock is at a record low and is exacerbated by weak levels of new house building in recent years.

L&G is investing around £1bn into the BTR sector, having raised pension fund capital for an open-ended BTR fund as well as a £600m joint venture between Legal & General Capital and PGGM. Through the creation of a BTR asset class, it is looking to use its sources of long term capital to help address the chronic long term lack

of housing supply and meet the increasing demand for affordable, quality rental accommodation. Its existing sites in Leeds, Bristol, Bath and Walthamstow are progressing well and its scheme in Salford has been home to residents since June. L&G is involved in housing creation across the spectrum, backing a fast growing pipeline of over 70,000 new homes over the next five to ten years and looking to help provide the UK's population with high quality, affordable living at all stages in their life cycle.

Dan Batterton, BTR Fund Manager at LGIM Real Assets, said: "This development, in a highly sort after area of Birmingham, links the industrial heritage of the Jewellery Quarter with the modern business district. The location is ideally suited to high-quality, affordable and professionally-managed rental accommodation that can help to address the supply demand imbalance in the city. Spitfire was the natural partner to deliver this project as they are known for their design-led approach and have a track record of delivering outstanding quality homes across the UK. Given the huge infrastructure investment in Birmingham, it has been a target location for us in building a high-quality and well diversified portfolio of BTR schemes. We expect to continue adding schemes and new locations over the coming months."

David Jervis, Managing Director of Spitfire Bespoke Homes, commented: "As a specialist developer with a reputation for creating unique homes featuring great design and unrivalled attention to detail, we are excited to be working with L&G to bring our expertise and high standards to the BTR sector. We understand that renting is now a tenure of choice for many urban dwellers, and recognise that they have high expectations. The traditional buy-to-let market is being overshadowed by the purpose-built rental sector, which is refreshingly focussed on service, high quality accommodation and resident amenities. Drawing strength from our parent company, IM properties, a widely respected developer of commercial and industrial properties, this is a prime opportunity for Spitfire Bespoke Homes to make its mark on the BTR market and extend our offering to a section of the market which is befitting of our own approach to quality homes in great locations."

Mathieu Elshout, Senior Director Private Real Estate at PGGM, commented: "Our successful venture with L&G is materialising through a range of BTR-development programmes across the UK. This follows PGGM Private Real Estate's ambition to build long-term partnerships with prominent local real estate players. In these partnerships we focus on large hubs with long-term economic potential like Birmingham. Our investment addresses the UK's housing shortage and will further add quality stock to Birmingham with a high degree of sustainability."

James Lidgate, Director of Housing at Legal & General Capital, said: "With a growing population that is living younger for longer, the strong gravitation of people back into areas of high population density where they can live, work and socialise productively is speeding up. The UK needs urban centres that are fit for purpose and can support vibrant, sustainable communities. To do this, we need to ensure that high-quality, well connected housing options are carefully integrated into the public realm, maximising our existing infrastructure and supporting economic growth."

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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 £951.1bn in assets on behalf of over 3,200 clients (as at 30 June 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £24.9bn (as at 30 June 2017), 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) focuses on direct investments in key sectors, particularly housing, infrastructure and SME finance. These 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. We work closely alongside other businesses within Legal & General to ensure the broadest range of skillsets are deployed on any project and to utilise principal investment and asset management synergies across the Group. Investments to date have

included housebuilder CALA Homes, a Build to Rent joint venture, urban regeneration projects at MediaCity/Salford and Bracknell, SME finance group Pemberton and clean energy firm, NTR.

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, 2016 PGGM had EUR 205.8 billion in assets under management. The PGGM cooperative has approximately 720,000 members and is helping them to realize a valuable future. Either alone or together with strategic partners, PGGM develops future solutions by linking together pension, care, housing and work.

www.pggm.nl

Spitfire Bespoke Homes

As a developer of bespoke new homes, Spitfire is passionate about design, sustainability and quality of construction, and is renowned for its creative flair and standards of customer service. Although only six years old, Spitfire has established a strong reputation as a niche housebuilder, creating class-leading small-scale developments in premium locations, including Bath, Cheltenham, Ascot, Henley-on-Thames, and throughout the Cotswolds. The business is growing rapidly and with ambitious plans for the future, it expects turnover to double to £90 million this year.

Spitfire draws on the strength of its parent company, IM properties, a widely respected developer of commercial and industrial properties located in strategic sites across the country. IM Properties' portfolio extends across the UK, Europe and the USA and is currently valued in excess of £1 billion, providing Spitfire with access to significant and immediate funding, enabling it to act swiftly to secure prime development sites.

From its headquarters in Coleshill, Warwickshire, Spitfire has made its mark on the high-end market in Central England. A newer office in Maidenhead, Berkshire, services its growing interests in the South East property market, focusing on premium sites in Berkshire, Buckinghamshire, Oxfordshire, Surrey and Hertfordshire.