

10th December 2018

## LEGAL & GENERAL BECOMES A REGISTERED PROVIDER OF SOCIAL HOUSING

Legal & General announces today that its subsidiary Legal & General Affordable Homes Limited, launched in April 2018, has been granted Registered Provider (RP) status.

Registration by the Regulator of Social Housing represents a significant milestone in Legal & General Affordable Homes' business plan, allowing it to hold and manage regulated affordable housing assets. The registration means Legal & General Affordable Homes can now significantly accelerate its business plan of developing, holding and managing a blend of affordable housing tenures where the regulated status is required. These include both social and affordable rent and shared ownership homes under grant-supported and Section 106 schemes.

With a growing crisis in the UK's affordable housing sector and over 1.3 million households remaining on waiting lists, this registration is also a milestone for the sector, highlighting the important role institutional capital and new funding streams will have in increasing housing output to address this major societal issue.

Having undertaken a significant recruitment programme since launch, the realisation of RP status recognises the sector expertise and robust corporate governance brought in by Legal & General to support the acceleration and growth of the UK's affordable housing provision.

Legal & General remains committed to working in close partnership with local authorities and leading existing affordable housing providers to deliver 3,000 homes per year within the next four years.

### **Simon Century, Head of Affordable Housing at Legal & General Capital, says:**

"Affordable housing has been a classic example of where a lack of new capital has had a big impact on hampering overall provision. Over 1.3 million households are on social waiting lists and the required provision is rising year on year. This is not a sustainable position. We are therefore delighted that the Regulator of Social Housing has registered Legal & General Affordable Homes, enabling us to deliver our business plan and commitment to the sector to make a genuine contribution to increasing supply whilst advancing overall service delivery. We are very much looking forward to getting on with the job and working towards delivering our first sites soon."

- Ends -



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**Notes to editors -****Legal & General in Housing**

A natural evolution and fit for its multi-tenure housing investment strategy, 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 £1.5bn. It has secured around 2,000 homes under construction or in planning with sites in Bristol, Birmingham, Manchester, Salford, Bath, Brighton, Leeds and across London. It aims to have 6,000 homes 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 housing pipeline of over 3,000 new homes. 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. The homes are built using modern manufacturing

techniques, in a precision engineering manufacturing environment, on a moving assembly line, which will be constructed and fitted out in the factory before delivery to site

- 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

It is also a significant investor in student accommodation, having invested £1.5bn to date in this sector. This holistic approach provides Legal & General with the mechanisms to deliver high quality returns throughout market cycles by pivoting investment to where the need is greatest. A further example would be Legal & General's £40million investment in Thames Valley Housing Association which focused on providing high quality key worker accommodation for Imperial College NHS Trust and St George's Healthcare NHS Trust.

### **Legal & General Capital**

Legal & General Capital (LGC) is the principal investment arm of Legal & General Group. Investing from Legal & General's £7.3bn shareholder 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 Housing, Urban Regeneration, Clean Energy and SME Finance, these 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.