

29th January 2019

LEGAL & GENERAL ACQUIRES FIRST BTR SCHEME IN SCOTLAND

Legal & General announces that it has exchanged contracts on its first Build To Rent (BTR) scheme in Scotland as it seeks to meet the increasing demand for affordable, quality rental accommodation across the UK. Legal & General will forward fund Drum Property Group to deliver 324 apartments within Glasgow's new Buchanan Wharf waterside regeneration area, which will also house the new Northern European hub of Barclays Bank.

Consisting of two 18 storey towers, current design iterations include dining space, a gym, a residents' lounge and a games room. Buchanan Wharf, which overlooks the River Clyde, will also offer a 4,250 sq ft communal roof terrace and is walking distance from Glasgow Central Station and the International Financial Services District, linked by the Tradeston Bridge.

With a stated commitment to transform UK towns and cities, creating jobs and driving economic growth, Legal & General has identified Glasgow as a key target for regeneration. Over the last 10 years, the city has seen particularly low levels of residential development, compared with other major cities. Only 517 residential units were completed in 2017, falling substantially short of the 2,500 new homes needed per annum, according to Glasgow City Council.

Buchanan Wharf represents Legal & General's fourth acquisition in Glasgow over the last 12 months. Last year, Legal & General began development of a new 160 room hotel; acquired the Scottish court and tribunal building, Atlantic Quay 3; and forward funded the Atlantic Square Development to provide a major new UK Government hub. Buchanan Wharf has been purchased by co-investors Legal & General Capital and PGGM, as well as additional pension fund capital raised by LGIM Real Assets through its open-ended BTR fund. This latest scheme will bring Legal & General's BTR portfolio to 3,700 homes across the country, with ambitions to have 6,000 in planning, development or operation by the end of this year.

Legal & General was advised on the acquisition by Savills.

Dan Batterton, Head of Build To Rent at LGIM Real Assets, said: "Glasgow has seen very low levels of residential development over the last decade. This acute supply and demand imbalance has made it an important target for us, demonstrating our commitment to quality asset selection, with sites cherry-picked by assessing needs-based demand to provide long-term, stabilised cashflows for investors. With Glasgow predicted to continue to see notable population growth, this latest acquisition is another great example of Legal & General investing in an area with significant urban regeneration potential and providing large scale sustainable rental schemes which will have a positive long term socioeconomic impact, delivering much needed homes."

Mathieu Elshout, Senior Director Private Real Estate at PGGM, commented: "As a responsible investor of Dutch pension capital, it is our ambition to build long-term partnerships with prominent UK real estate players to invest in

sustainable developments. Our growing BTR venture with Legal & General is delivering on this goal, adding quality stock within key regeneration hotspots across the UK. With Glasgow continuing to suffer from a severe lack of homes, we are delighted to be partnering with Legal & General to enter the Scottish market, investing in a high quality scheme which will have a positive impact on the built environment over the long term.”

“Paul Miller, MD Principal Investing at Legal & General Capital, said: “We are delighted to be making our first Build To Rent investment in Scotland as part of our ambition to tackle the housing shortage all across the UK. Scotland, and Glasgow in particular, has been a key target for Legal & General as part of our Future Cities initiative. We are excited to be bringing a long term sustainable rental scheme to the area to meet the demands of this vibrant and fast-growing city.”

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Notes to editors

Built to Rent

A natural evolution and fit for its multi-tenure housing investment strategy, Legal & General entered the Built to Rent (BTR) sector in 2016. Focused on key urban regeneration areas centred around transport hubs, it is targeting schemes of over 150 units, taking advantage of economies of scale to deliver better value and more choice for its residents, whilst building sustainable, vibrant communities. Legal & General’s total investment capability for the sector currently stands at circa £1.6 billion, having raised capital from major pension funds for an open-ended Build to Rent (BTR) fund, as well as an £800 million JV investment by Legal & General Capital and PGGM. It currently has a BTR pipeline of around 3,700 homes across schemes in Salford, Manchester, Bristol, Birmingham, Bath, Brighton, Leeds, Walthamstow, Croydon, Woolwich and Glasgow. Legal & General aims to have 6,000 homes in planning, development or operation by the end of 2019.

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 £983.3bn in assets on behalf of over 3,200 clients (as at 31 Dec 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £27bn (as at 31 Dec 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) 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 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.

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.

www.pggm.nl