

## **Telford Homes and Legal & General complete innovative forward-funding deal for a new Build to Rent development in Stratford**

Telford Homes and Legal & General are delighted to announce the completion of a forward-funding deal to deliver a bespoke, high quality Built to Rent (BtR) development at International Way in Stratford, London.

The parties have adopted an innovative transaction structure whereby the total consideration payable to Telford Homes is linked to the ultimate performance of the completed BtR development. The structure provides a strong alignment of interest between Legal & General and Telford Homes and crucially, creates an incentive for both parties to benefit from the development they create and its operational outperformance. The development is expected to be worth at least £150m.

Legal & General Investment Management (LGIM) will forward fund the entirety of the BtR element of the project on behalf of its Legal & General Retirement (LGR) business. Legal & General will own and operate the completed scheme which will comprise 247 purpose-built BtR homes, 54 discounted market rent homes, high quality retail and commercial space and an exceptional amenity offering including a concierge, lobby, gym, roof top gardens and terraces. L&G Affordable Homes will also acquire and manage the 79 London Affordable Rent homes within the project, to create a fully inclusive, multi-tenure offering, to the benefit of all residents.

The development sits in a prominent plot adjacent to Stratford International station.

The development has been designed with an absolute focus on customer lifestyle and satisfaction, enduring quality, operational efficiency and sustainability. The scheme exceeds Part L building regulations with 42% cumulative CO2 savings in the residential areas and 36% for the commercial elements, and is targeting a BREEAM excellent rating.

The deal will be Telford Homes' seventh bespoke BtR forward funding agreement and an important milestone for the business as it continues to grow its BtR pipeline as a Trammel Crow Company Developer. The transaction will represent LGR's fourth forward funding transaction and will expand the Group's BtR pipeline to over 7,500 homes across the UK.

Construction work has already commenced and is set to be completed during 2025.

Avison Young advised Legal & General Investment Management and Savills advised Telford Homes.

**Charlie Weatherill, Capital Markets Director at Telford Homes, comments, "We're delighted to have completed this transaction using this innovative deal structure with Legal & General, which provides genuine alignment of interests and enables us to participate in the future success of what will become a truly market-leading, inclusive Build to Rent offering in this rapidly evolving part of London. We have been keen to share in the risk and success of our BtR developments alongside our partners for some time, and this structure strikes a great balance for both ourselves and Legal & General."**

**Adam Russell, Senior Residential Transactions Manager for LGIM Real Assets, said:**

*“We’re delighted to have partnered with Telford Homes and Legal & General Affordable Homes to deliver an exemplar Build to Rent development in Stratford. The area has undergone significant regeneration and place-making in recent years and is now London’s biggest rental hub. This, alongside its future employment growth potential and transport connectivity, makes it an attractive long-term rental destination and fantastic investment opportunity.*

*The development’s location 800 metres from Stratford underground station, its ESG credentials, high quality specification and first-class amenities set it apart from the competition.*

*With housing delivery in Newham needing to grow by 40% to meet local plan targets, International Way will make a significant contribution to tackling the borough’s housing shortage.”*

**ENDS**

#### **About Telford Homes:**

Telford Homes is one of London’s leading developers, with a focus on designing and constructing high-quality Build to Rent developments across the capital and beyond.

We build high-quality homes and sustainable communities, creating highly rewarding opportunities for our partners, stakeholders, residents and employees. Our expertise, sector knowledge and focus on sustainability is the combination that really sets us apart.

Our expert in-house teams of end-to-end development specialists across land acquisition, planning, design, construction and delivery are backed by Trammell Crow Company (TCC), one of the leading developers and investors in commercial real estate in the US. We form long-term partnerships, sourcing locations and opportunities that maximise investment returns and minimise risk.

Sustainability, longevity, passion and value are woven into every aspect of our business – into our practices, materials and processes. Our focus on sustainable building and living is called Building a Living Legacy (BLL). We are continually investing in our people, providing rewarding opportunities to develop and grow.

#### **About Legal & General**

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 almost £1.3 trillion in total assets under management\*, we are the UK’s largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, alternative asset origination, life insurance, workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

*\* at 30 June 2021*

#### **About Legal & General Investment Management Real Assets (LGIMRA)**

LGIMRA is a division of Legal & General Investment Management (LGIM), one of Europe's largest institutional asset managers and a major global investor. LGIM manages £1.3 trillion in assets\*, working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

LGIM Real Assets has assets under management of £35.6 billion\* and is one of the largest private markets investment managers in the UK. Investing in both debt and equity and across the risk/return spectrum, LGIM Real Assets actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt.

Taking a long-term view to future proof our investments, LGIM Real Assets continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level. In 2021, we are implementing a strategy as part of our commitment to net zero carbon emissions across the real estate equity business by 2050 and have also committed to measuring social value across 20% of our platform by the end of the year.

*\* at 30 June 2021*