



5 March 2019

**Telford Homes Plc**  
(‘Telford Homes’ or the ‘Group’)

**Long term strategic build to rent partners selected**

***‘M&G and Invesco chosen as investment partners for future build to rent pipeline’***

Telford Homes Plc (AIM: TEF), the London focused residential property developer, is delighted to announce that following an extensive selection process managed by Savills, the Group has chosen Invesco Real Estate (‘Invesco’) and M&G Real Estate (‘M&G’) as our long term strategic build to rent partners for forward fund transactions.

The decision to select two partners was based on the high quality of all the potential partners in the final stage of the process and a desire to maximise our ability to enter individual forward fund transactions via the partnerships. Each investor has different criteria for what makes the optimum build to rent development and with two partners to work alongside we are increasing our ability to bring more build to rent projects forward in line with our strategic priorities and the wider need for increased housing supply.

To have clarity and exclusivity when bidding with partners, M&G will be the Group’s priority partner for schemes including up to 200 build to rent homes and Invesco will have priority for more than 200. In capital value terms, 200 homes is likely to represent between £75 million and £100 million. Whilst both M&G and Invesco operate across a wider spectrum, the split at 200 homes fits well with their existing portfolios, ideal investment scale preferences and, in the case of M&G, the schemes we have undertaken with them to date. Both partners can step in to schemes should the other decide not to take an opportunity further.

Telford Homes believes that the partnerships with Invesco and M&G will lead to more efficient ways of buying land and designing bespoke build to rent schemes that match up with each investor’s requirements. We also expect to produce a standard set of documents for a forward fund development that will shorten and improve the contractual process for each transaction. It is anticipated that the strategic partnerships will provide excellent opportunities for Invesco and M&G and we expect to develop significant build to rent pipelines for both partners over the next few years. We will continue to work with other investors, on both existing and new

projects, especially where they bring opportunities to us or on sites that do not fit the criteria of either Invesco or M&G.

Invesco is a global real estate investment manager, investing in direct property and publicly-traded real estate securities with £49.2 billion in real estate assets under management. Since 2014, Invesco has been actively growing its exposure to build to rent across the UK and has already invested around £1.5 billion in the development of 5,000 build to rent homes on behalf of international institutional investors. Invesco's target is to increase its UK build to rent exposure to at least £5 billion over the next five years with a circa 60% weighting to investing in London and the South East.

Headquartered in London, M&G is one of the world's leading financial solutions providers for real estate investors and is part of M&G Prudential, a savings and investment business with over £341 billion of assets under management. The new partnership builds on M&G's existing strong relationship with Telford Homes, having previously invested in two of the Group's schemes totalling £118 million for 275 build to rent homes.

Both Invesco and M&G have signed partnership agreements with Telford Homes for an initial three year period but with an expectation from all parties that the relationships will continue beyond this. These partnerships are an exciting step forward in our focus on the build to rent sector and we expect them to provide a significant catalyst for our ongoing strategic objective to become one of London's leading build to rent developers in the coming years.

**Jon Di-Stefano, Chief Executive Officer of Telford Homes, said:** "We have been consistent in highlighting our desire to significantly increase our build to rent pipeline over the next few years. It is therefore a major step forward for us to announce that we have attracted these two extremely well-respected, experienced and ambitious institutional investors as long term partners. Furthermore it underlines our reputation as one of the build to rent developers of choice in London.

"Rental demand is increasing in London but the supply of new homes is still constrained. New generations are demanding better quality amenities, a better level of service and more flexible tenancies, all of which are offered by the growing institutionally owned build to rent sector. These compelling market fundamentals and the opportunity to de-risk our future pipeline with reduced capital investment give us confidence that these partnerships will help accelerate our aim to deliver a significant increase in our output of build to rent homes across London."

**Alex Greaves, Head of Residential Investment at M&G Real Estate, adds:** “We are delighted to formally cement what has been an excellent working relationship with Telford over the last three years. Commercialising the production of homes to rent at scale with a likeminded, high quality developer of rental stock, is another step closer to fulfilling M&G’s residential investment strategy. Telford Homes has been an early adopter of the sector and this is another example of how it adjusts its model today to focus on tomorrow’s customers and occupiers.”

**John German, Managing Director of Residential Investments at Invesco Real Estate, said:** “We are delighted that Telford Homes has chosen Invesco as a strategic investment partner for their projects in excess of 200 build to rent units across London. The alignment of our respective strategic objectives to both develop the UK build to rent sector and to seek to redress the supply/demand imbalance that exists today, makes for an exciting collaboration and we look forward to working closely with the Telford Homes team to deliver market leading projects. Our global institutional investors continue to believe in the fundamentals of the UK build to rent market and we still see an increasing appetite for the sector both in London and the wider UK market as it provides a key investment opportunity for a diversified investment portfolio.”

**Andrew Brentnall, Head of Savills UK Residential Capital Markets, said:** “It is a great pleasure to be able to support Telford’s growth ambitions in this sector as their corporate build to rent advisor. Unsurprisingly for a partner of Telford’s quality, we received considerable investor appetite from around the world, yet again demonstrating the significant capital capacity for supporting the delivery of much needed homes across London. We will continue to support Telford Homes, M&G and Invesco, to aid the success of the partnerships for the long term.”

- Ends -

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Established in 2000, AIM listed Telford Homes has grown to become one of London's largest residential developers. The Company is dedicated to developing the homes and creating the places that London needs. The Group's customers include institutional investors in the build to rent sector, housing associations, individual buy to let investors and owner-occupiers.

Telford Homes has a substantial development pipeline of £1.65 billion of future revenue comprising just over 5,000 homes. The Group is at the forefront of build to rent in London delivering over 1,750 homes in the sector. Telford Homes focuses on brownfield opportunities in locations across London where the need for homes far exceeds supply and invests in the communities it creates via its sustainability strategy. The Group has extensive knowledge and expertise in acquiring land, obtaining planning permissions and designing and building high quality developments. For more information please visit: [www.telfordhomes-ir.london](http://www.telfordhomes-ir.london).

**About Invesco**

Invesco is an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. NYSE: IVZ; [www.invesco.com](http://www.invesco.com).

**About Invesco Real Estate**

Invesco Real Estate is a global real estate investment manager with £51.5 billion in real estate assets under management, and 496 employees across 21 investment centres across the US, Europe and Asia. The firm was established in the US in 1983 and has been actively investing across the risk/return spectrum in Europe since 1992. Our European footprint includes 152 investment professionals across eight offices in London, Munich, Milan, Madrid, Paris, Prague, Luxembourg and Warsaw. We manage 149 assets across 12 European countries with assets under management of £9.2 billion. Data as at 31 December 2018.

**About M&G Prudential and M&G Investments**

M&G Investments is part of M&G Prudential, a savings and investment business which was formed in August 2017 by our parent company, Prudential plc and has £341 billion of assets under management. M&G Prudential has over 7 million customers in the UK, Europe and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

M&G Prudential is set to demerge from Prudential Plc to become an independent company listed on the London Stock Exchange.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate. M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

Its £30 billion property arm, M&G Real Estate, is a leading financial solutions provider for global real estate investors, has a sector leading approach to responsible property management and is committed to continuously improving the sustainability performance of its funds. For more information, please visit: <http://www.prudential.co.uk/businesses/mandg-prudential>.