



# Sector Spotlight: Build-to-Rent

Across our Private Markets platform, L&G is always aiming for its investments to have a real-world impact while offering investors the potential for attractive returns.

That's why investing in Build-to-Rent (BTR) developments has been a key cornerstone of our real estate focus over the past decade. **Recognising the need for high-quality rental homes across the UK, we've deployed more than £3 billion of capital to deliver more than 10,000 rental homes.** To date, across 15 cities, 18 schemes have been completed with an additional five in development<sup>1</sup>.

Since 2016, we've led one of the largest BTR funds in the UK<sup>2</sup>. We saw an opportunity to address a key societal need – the requirement for more housing – while generating stable and consistent returns for investors. Our experience allows us potentially to continue focusing on both of these today.

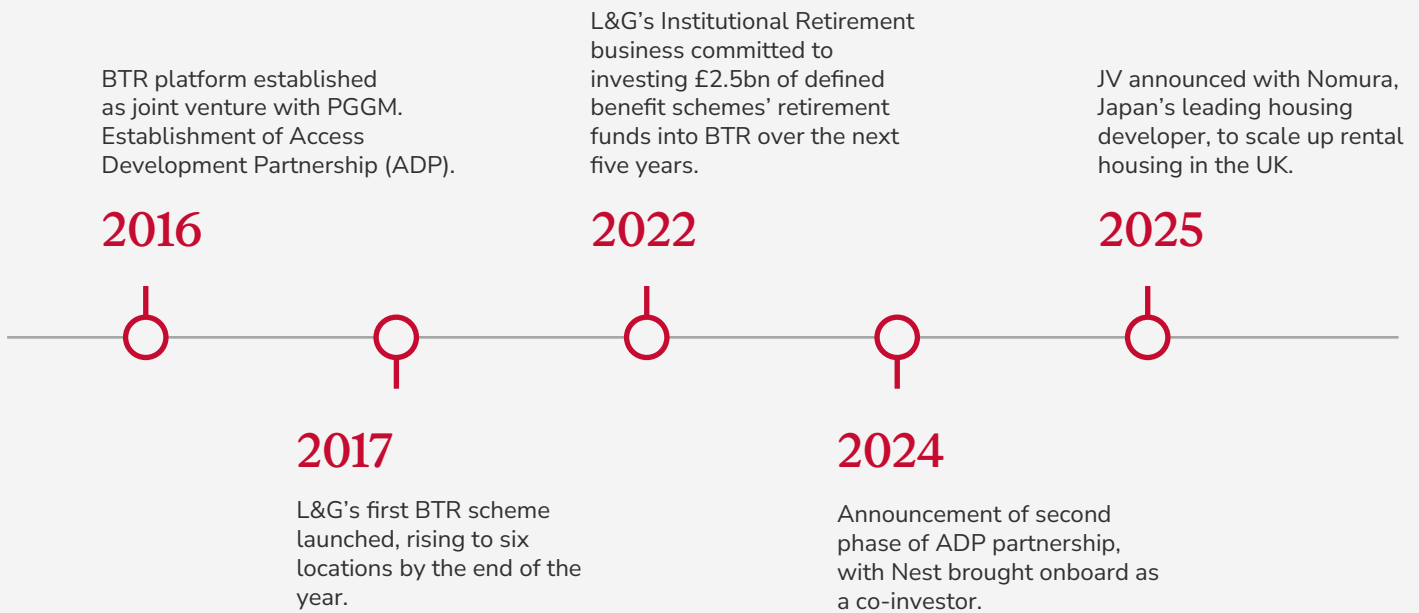
We remain committed to delivering high-quality rental housing, in line with the UK government's objective of building 1.5 million more homes<sup>3</sup> during this parliament.

The provision of adequate rental housing is, in our view, essential to fostering thriving local communities. The flexibility offered by renting is key to supporting labour mobility, and we believe in the need to develop more schemes either within urban centres or within commuting distance of key economic centres.

1. Source: L&G, as of March 2025  
2. Source: Savills, 2024  
3. Source: [Gov.uk](https://www.gov.uk), December 2024



## Timeline of L&G's BTR platform



The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested.

Assumptions, opinions, and estimates are provided for illustrative purposes only. There is no guarantee that any forecasts made will come to pass.

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Our Urban BTR platform was launched in 2016, with the Access Development Partnership (ADP) established the same year. We partnered with Dutch pension fund service provider PGGM to help expedite the delivery of high-quality rental housing across the UK.

In September 2024, we announced the second phase of this partnership, bringing on board UK pension scheme Nest. Initially backed by £350 million of combined investment, it continues to build on the ambitions of the JV.

Our BTR team consists of 20 fund professionals as of December 2024, with an average of nine years of direct experience in the sector. Our ambition is to ensure the build and design quality of our schemes is as high as possible. We aim to see net-zero carbon across our BTR operations by 2030.

Source: L&G, September 2024

### Case study: New Acres, Wandsworth

Completed in December 2024, the New Acres scheme in Wandsworth, London represents L&G's largest BTR scheme to date. The flagship development offers 1,034 homes as well as a suite of amenities that will help to build a vibrant and strong community.

The scheme includes 35% affordable housing and was 75% let at time of completion – demonstrating the consistent demand for high-quality rental accommodation in London. It's estimated there is a shortfall of 66,000 homes in the city per year<sup>4</sup>.

In addition to housing, the scheme includes 50,000 sq ft of commercial space at street level. A diverse set of independent retailers has been selected to occupy these facilities, with their first year of occupancy being rent-free to encourage entrepreneurship and support the longevity of a thriving community.

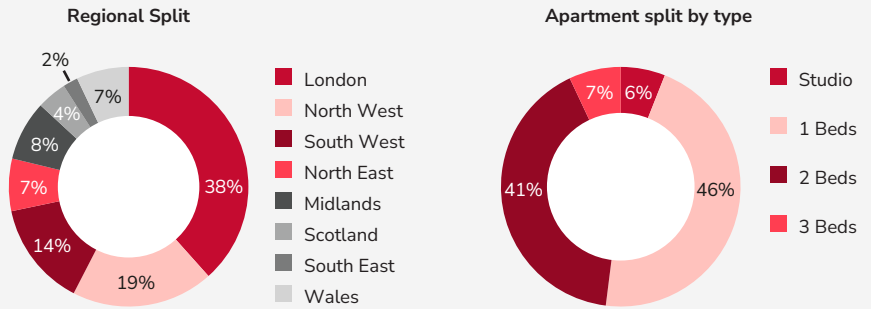


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4. London Plan Review Report of Expert Advisers (15 January 2024)

In March 2025, L&G announced a JV with Nomura – one of Japan’s leading housing developer<sup>5</sup> – with the goal of building 1,000 homes in the UK. The partnership was launched with the acquisition of a site in Herne Hill, London with the aim to construct 200 high-quality rental properties. Once again, 35% of these will be designated as affordable housing, with all homes constructed to leading standards in energy efficiency and sustainability performance.

**L&G BTR portfolio by apartment type split and regional split**



Source: L&G, as at December 2024

Our portfolio is balanced between London and the regions. We have operational schemes in London, Salford, Manchester, Bath and Birmingham. Our commitment to creating thriving communities means we aim to provide residents with amenities – such as co-working spaces and gyms – to foster a collective environment.

**Case study: F1, Manchester**

The F1 development in Manchester represents the first initiative of L&G’s partnership with PGGM and Nest. It will aim to deliver 494 purpose-built rental apartments in the New Jackson neighbourhood of Deansgate, Manchester.

Greater Manchester requires an accelerated delivery of high-quality housing, having experienced rapid population growth in recent years<sup>6</sup>. The development will also include resident amenities, such as a gym and co-working space.

The F1 development is located in one of Greater Manchester’s most sort-after neighbourhoods, with a dynamic mix of residents driving strong demand for rental properties. We believe the continuing strength of Manchester’s rental market allows F1 to stand out as a prime investment, representing potentially lasting value in a fast-growing UK economic centre.

**Investor view**

Multi-asset investors continue to show a growing interest in private markets, with real estate playing a role as a potential portfolio diversifier and income-producer. The world, however, is changing and, in our view, real estate can no longer rely on historic allocations.

In a challenging fundraising environment where capital is deployed more selectively, we understand that aiming to deliver strong risk-adjusted returns is only part of the ask. Our experience has taught us that investors also want to see real-world impact, sustainability and an alignment with long-term trends.

We have conviction in the view that real estate owners need to have a sharply focused strategy while improving transparency for investors. Additionally, demonstrating the capacity to source and manage resilient, high-performing assets is critical.

To thrive in this landscape, we believe it’s critical to show innovation. This may come in the form of demonstrating operational excellence, repurposing existing assets or striving to integrate sustainable solutions.

5. Housing Japan: Japan’s top six leading real estate developers.  
6. Manchester City Council, 2025

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## Contact us:

For further information about L&G Asset Management, please visit [am.landg.com/private-markets](https://am.landg.com/private-markets) or contact your usual L&G Asset Management representative.



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