

News

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L&G looks to forward fund New Bailey scheme



Legal & General Capital (LGC) has announced that it continues to execute its strategy to invest in and professionalise UK Private Rented Sector (PRS) and, as part of this, is close to securing its second investment in the Build to Rent market.

The development, devised and designed by English Cities Fund (ECf) - a joint venture between Muse Developments, Legal & General Property and the Homes and Communities Agency - will be the first custom-built PRS scheme to be delivered in Greater Manchester. ECf will secure funding from LGC for the £16m scheme, which forms part of the New Bailey development and will create a total of 90 homes located on the border of Salford and Manchester, adjacent to Spinningfields. The properties will comprise a mixture of one, two and three bedroom apartments, expected to be completed in 18 months.

Working with Legal & General Property (LGP), LGC is looking to professionalise what has previously been a cottage industry in the UK. Focused on urban locations across the UK, that benefit from good transport connections, LGC is looking to create high quality schemes that provide a customer experience for elective renters through best practice in building and customer management.

Laura Mason, Director of Direct Investments at Legal & General Capital, said: “The renaissance of Salford is one of the best success stories in UK urban regeneration. Situated in a waterside location, within walking distance of Manchester Piccadilly and 200m from Salford Central, we have the ability to provide a new class of rental accommodation, based off fair value rents but with a higher quality offer, and greater tenant service and flexibility.”

With an appetite to invest up to £1bn in the sector over the long term, the deal represents LGC’s second PRS investment, having recently acquired a regeneration site in Walthamstow, London, with planning for over 300 flats. It will seek to partner with like-minded international capital, in order to grow a significant, UK-wide portfolio of good quality, fairly priced, well located schemes in key cities.

In developing New Bailey, ECf is linking up with wider regeneration activities and successfully establishing a new business destination for the city. The scheme features a 143-bed Premier Inn and a 615-space NCP car park, both of which are complete and fully open to the public. One New Bailey, a 125,000 sq ft office development is also currently under construction and due to complete in May 2016. The development will ultimately include a vibrant mix of cafes, bars and restaurants, as well as enhanced public realm to the exterior in the form of a new public square, extensive landscaping and an outdoor events space.

ECf is responsible for bringing forward the regeneration of Salford Central, as well as extensive regeneration projects in four other UK cities, delivering over 5.4m sq ft of mixed use space including hundreds of much-needed homes.

Phil Mayall, development director at ECf, said: “With its convenient location and close proximity to city centre amenities, including the bars and restaurants of Spinningfields a short walk over the bridge, it makes perfect sense to include a residential element within New Bailey and we think a PRS offering here will be a good fit. As more businesses and people are undoubtedly attracted to the area, it will become even more desirable as a place to live, work and visit.”