

Press Release

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L&G COMMITS £53M TO DOVER REGENERATION PROJECT

Legal & General Property (“LGP”) announces, on behalf of its Managed Property Fund, that it has committed £53.25M to acquire and fund the development of St James, Dover, a new retail and leisure scheme at the heart of Dover town centre, supporting the Council’s wider regeneration work currently underway in the District.

The developer for St James, Dover is Bond City which has been involved with the scheme for more than ten years. Once developed, it will provide 156,915 sq ft of modern retail and leisure accommodation. The retail element is to be anchored by major brands including Marks & Spencer and Next, whilst the leisure component includes a six-screen Cine-UK (Cineworld) Cinema, a 108-room Travelodge hotel and six restaurants.

The scheme is currently 69% pre-let with a further 3% under offer. Work has already begun on site with completion due by autumn 2017. St James, Dover is expected to provide strong returns for the Managed Fund, giving the Fund access to a retail and leisure asset which is well positioned to capitalise on key attributes which define resilient retail destinations, including convenience, tourism and transport.

The development of St James, Dover is part of Dover District Council’s wider commitment to regenerating the town and fits with its growth agenda to ensure the town has the appropriate retail and leisure provision to support its growing population. The Council is working with developers to bring more than 10,000 new homes to the district by 2026, increasing to 14,000 new homes in the longer term. Moreover, there is significant investment being directed towards the local infrastructure, including the Port of Dover’s Western Docks Revival project and the Traffic Management Improvement scheme at the Eastern Docks Ferry Terminal.

Mark Russell, Senior Fund Manager at Legal & General Property, said: “Already significantly pre-let, St James, Dover will provide access to a diverse and resilient income stream derived from high quality tenants that are relevant to the intended market. Rents are affordable and will allow for profitable trading – important as we enter a phase in the market cycle where income and income growth is expected to form the greater part

of total returns. The scheme will be modern, fit for purpose and highly prominent and we have already received significant tenant demand for the remaining vacant units.”

Cllr Paul Watkins, Leader of Dover District Council, said: “This is a major vote of confidence in Dover from one of the UK’s leading investors who have clearly recognised the enormous potential of the St James, Dover development. We look forward to working with Legal & General to transform the retail and leisure offer in the town centre. These are exciting times for Dover.”

Clive Lynton, Development Director, Bond City, said: “We are delighted to be working with Legal & General who have a strong track record in financing and operating major retail and leisure schemes across the UK. Our pre-construction plans are well advanced, and we will be making a series of announcements in the coming weeks about the construction phases and new tenants.”

Gerald Eve acted for Legal & General Property, whilst Harvey Spack Field acted for Bond City.

-Ends-

For further information, please contact:

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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 £717bn in assets on behalf of over 3,100 clients (30 September 2015), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has an aggregate asset value of £21.4bn (31 March 2016) and is responsible for the division’s direct investment capabilities in property and infrastructure. LGIM Real Assets is made up of three specialist divisions, Legal & General Property (LGP), its property fund management arm, LGIM Infrastructure, its specialist infrastructure lending and investment division, and Commercial Lending Limited (CLL), its commercial lending arm.

LGP is the fourth largest institutional property fund manager in the UK, managing or co-managing 17 separate funds or vehicles including three segregated mandates with an aggregate asset value of £18.1bn (31 March 2016). These funds include:

- **Balanced Funds**
 - Life Fund; Linked Pensions; Linked Life; Managed Fund; Legal & General UK Property Fund; UK Property Income Fund I; UK Property Income Fund II; LPI Income Property Fund and the Hybrid Property Fund
- **Specialist Pooled Funds**
 - The Leisure Fund Limited Partnership; Industrial Property Investment Fund; Arlington Business Parks Partnership; and the English Cities Fund
- **Single Asset Vehicles**
 - Bracknell Regeneration Partnership; Central Saint Giles Partnership.

LGIM Infrastructure has concluded 18 debt investments to date across all key infrastructure sectors and has a total AUM of around £1.5bn.

CLL has now invested a total of over £1.8bn across 19 deals. Transactions include eight loans to the social housing sector, two loans to the student accommodation sector, two hotel debt deals and two loans to the care home market.