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Strategic partnership kickstarts investment to develop thousands of new rental homes

First site acquired in landmark BTR partnership between Nest, L&G, and PGGM

- Unlocking DC pension capital and international investment in UK housing.
- Brownfield site will be transformed into 494 high-quality rental homes in central Manchester.
- The agility and pace of acquisition underscores L&G's expertise and prominence in the UK real estate market.

London, 6 March 2025 - L&G has today announced the acquisition of the first Build To Rent (BTR) site in its partnership with Nest and PGGM. This follows the recent launch of the partnership to build thousands of high-quality rental homes, seeking to deliver stable financial returns for institutional investors. This investment expedites the capital deployment of the portfolio expected to grow up to £1 billion in the coming years.

The development, known as F1, will deliver highly sought-after, sustainable rental accommodation in the New Jackson neighbourhood of Deansgate, Manchester. In recent years, Greater Manchester has experienced rapid population growth and increased employment opportunities, requiring accelerated delivery of housing to keep pace¹ with demand. The Greater Manchester Combined Authority stresses that the supply of high-quality housing is a critical factor in sustaining the high levels of economic growth and productivity in the city².

L&G owns the adjacent North and West Towers in Deansgate Square which will create opportunities for wider placemaking and activation of the local area. Through strategic developments to date, both Renaker and L&G have played pivotal roles in Manchester's urban regeneration, addressing housing demand and contributing to the city's economic growth.

Dan Batterton, Head of Residential, Asset Management, L&G: "This partnership demonstrates how investment from domestic pension schemes as well as international private capital can support the UK Government's push to boost investment into productive assets, accelerate growth, and deliver pensions savings.

"We've been highly selective when exploring potential sites, and the outstanding characteristics of this development reflect this rigorous and detailed process. With a thriving economy and a rising number of professionals working and aspiring to live in the city centre, the rental market in Manchester is robust.

"Having launched our BTR strategy in 2016, we've accumulated almost a decade of experience in the UK rental market. This extensive knowledge allows us to offer partners unparalleled insights and the advantages of our economies of scale to deliver high-quality rental accommodation at pace. Leveraging our experience developing the North and West towers in Deansgate Square, we've incorporated local market insights that will deliver a highly attractive proposition for renters, while aiming to provide strong returns for investors. These homes will not only offer an enhanced living experience, but also address housing shortages by increasing the supply in high-demand areas."

¹[Manchester City Council](#).

²[Greater Manchester Combined Authority; "Greater Manchester is ready to build": Mayor steps up housing ambition and unveils landlord charter](#).

The partnership will forward fund the development of 494 purpose-built, thoughtfully designed rental apartments in New Jackson, Manchester. The 51-storey building will offer a mix of 1, 2, and 3-bed apartments, incorporating low-carbon heating systems, all EPC B-rated. The building will include c.10,000 sq.ft. of amenity and resident facilities including a gym, private gardens, and co-working space.

Matthew Forward, Senior Investment Manager Real Estate, Nest: “We’re pleased to embark on this new partnership [with L&G and PGGM] with such an exciting project. It’s a fantastic opportunity right in the heart of Manchester, providing much needed, high-quality rental properties for a growing city.

“We look forward to expanding our portfolio with more UK sites, complementing the £3 billion we’ve already directly invested in UK real estate.”

Dirk Bootsma, Sr. Investment manager Private Real Estate, PGGM: “The acquisition of F1 in Manchester is the next step of our long-term partnership with L&G. This is a great example of our ambition and commitment to deliver strong social and financial returns for the participants of our client Pension fund Zorg en Welzijn (PFZW). We see the social value of realising new, high-quality rental housing as an additional benefit that fits with the investment philosophy of PFZW.”

Daren Whitaker, Chairman – Renaker: “We are delighted to have reached an agreement on this new and important addition to New Jackson and to build on an already established and successful relationship with L&G. We look forward to delivering this iconic new development and 494 high quality new homes on behalf of the partnership.”

L&G will harness real-time resident feedback, operational insights, and known market trends from the North and West towers to ensure F1 aligns seamlessly with Manchester’s evolving rental demands. This data-driven approach will enhance the development’s long-term value and appeal.

Strategically positioned in New Jackson, Deansgate, one of Manchester’s most sought-after Neighbourhoods locations, F1 offers an exceptional investment opportunity. Deansgate is a thriving hub known for its vibrant atmosphere, outstanding transport links, and proximity to top-tier amenities. It attracts a dynamic mix of professionals, young families, and students, driving strong and sustainable rental demand. In addition to the homes that Renaker are delivering in the Neighbourhood, Renaker have developed a school, a medical centre, and public park.

With Manchester’s rental market continuing to strengthen, F1 stands out as a prime investment, offering both immediate appeal and lasting value in one of the UK’s fastest-growing cities.

L&G, Nest and PGGM were advised by CBRE.

-ENDS-

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with £1.2 trillion in total assets under management (as at HY24) of which c40% (circa £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

About our Asset Management division

Asset Management is one of Europe’s largest and a major global investor across public and private markets, with £1,136bn / €1,324 bn / F 1,274 bn in assets under management*.

The division combines deep expertise in asset management and origination with global distribution capabilities to deliver positive outcomes for our clients, which include individual savers, pension scheme members and global institutions, investing alongside L&G's own balance sheet. As a global investor, we are present where our clients need us – from Hong Kong and Singapore, to major European financial hubs, to Chicago – operating under the L&G brand.

We provide investment solutions across the full spectrum of asset classes, ranging from index-tracking and active funds to liquidity and liability-based risk management strategies. Through our private markets platform, we utilise our rich heritage and extensive network of partners to offer access to a wide range of purposeful alternative investment opportunities, including specialist real estate, clean energy, infrastructure, venture capital, unlisted equities and private credit.

Our division is underpinned by our enduring commitment to responsible investment, dedicated to creating long-term, sustainable value for our clients and partners.

*Data as at 30 June 2024.

About the Build to Rent industry

Build to Rent is a small but growing sub-sector of the private rental sector. There are an estimated 46 million households available for private renting, estimated property value of around £1.5 trillion. The build to rent sector is currently estimated to be about £30 billion, roughly 2-3% of privately rented properties in the UK.

About the Nest, L&G and PGGM partnership

L&G and PGGM have been investing together in UK Build to Rent schemes through a joint venture called the Access Development Partnership (ADP). Launched in 2016, the ADP was established to expedite the delivery of high-quality rental homes across the UK whilst aiming to drive stable returns for institutional investors.

Since then, L&G has deployed over £3 billion of capital into the Build to Rent sector, delivering more than 10,000 rental homes – forming a key part of its growing residential platform, one of the largest and most diverse in the UK.

This is the second phase of the ADP partnership, in which Nest now also co-invests.

Following development of the new schemes, L&G will manage the properties on behalf of Nest's and PGGM's members. Nest, L&G and PGGM are all committed to improving the rental market by offering high-quality, rental properties with the option of long leases to provide people with more financial certainty.

There will be a range of apartment types built and held within the portfolio, typically including co-working areas, a lounge, gym and all fixtures, fittings and furniture required to occupy the apartments.

About Nest

Nest was set up by the government to give every UK worker somewhere to save after the introduction of auto enrolment. Since then, it's grown to become the largest workplace pension scheme in the country with more than 13 million members, representing around one third of the working population.

Nest's members benefit from an award-winning investment strategy and one of the most diversified DC portfolios in the UK. The pension scheme manages more than £48 billion assets on its members' behalf, taking around £500 million a month in new contributions. By the end of the decade Nest's AUM is expected to reach £100bn.

About PGGM Investment Management

PGGM Investment Management is part of the Dutch not-for-profit pension fund service provider PGGM. It fulfils a social mandate: the sustainable investment of the pension capital of around three million participants of PFZW, the pension scheme for the Dutch health and welfare sector. On 30 June 2024, PGGM IM managed EUR 243 billion in public and private markets globally.

About Renaker

Founded in 2006 by Daren Whittaker, Renaker are the largest developer in Manchester with a strong reputation and proven track record on delivery creating, aspirational new neighbourhoods across Manchester city centre. Renaker offers end to end capability in house from land acquisition, planning, development, design, delivery of build, sales and marketing, and customer care.

Further information

Name: Bella Golding

Role: Communications Executive

Division: Asset Management

Tel: 07596 914332

Email: bella.golding@lgim.com

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