

M&G REAL ESTATE AND TELFORD HOMES REUNITE TO PROVIDE A FURTHER 125 NEW HOMES IN EAST LONDON

- *M&G as a group has made residential commitments of around £600 million and 2,200 homes since 2013**

LONDON, 21 December 2016 – M&G Real Estate, one of the UK’s largest property investors, and Telford Homes Plc (Telford Homes), a leading developer of high quality mixed-tenure developments in London, have teamed up for a second time to sign a £48.6 million deal to finance and build 125 new private rental homes in Upton Park, E13.

The deal was made on behalf of M&G Real Estate’s £270 million UK residential property strategy launched in mid-2013 for UK and international investors, managed by Alex Greaves. Telford Homes will be developer and contractor of the scheme, which is anticipated to be ready for occupation by September 2019.

The development, to be known as The Forge, will comprise six blocks of one, two and three-bedroom homes, and is located close to Upton Park tube station, one of London’s best connected regeneration sites. Future occupiers will only be 16 minutes away from Canary Wharf, 11 minutes from Stratford and 17 minutes from Bank.

This latest deal marks the second transaction between M&G Real Estate and Telford Homes. The first phase saw M&G Real Estate provide £69.3 million to fund the development of 150 new private rental homes in Bow, providing another major opportunity for institutional investors seeking access to the UK residential sector.

Alex Greaves, Head of Residential Investment at M&G Real Estate, comments:

“We are thrilled to announce the next transaction with Telford Homes on ‘The Forge’ after completing the successful acquisition of Carmen Street earlier this year and look forward to exploring a more formal partnership in 2017.

“This deal further demonstrates our ability to deploy capital and our continued commitment to increase the supply of high quality, sustainable rental communities to London’s housing market. Our residential strategy provides a route to delivering much needed housing stock at a much quicker rate and, in time, thousands of well-managed rental properties.

“We have now invested in over 2000 homes on behalf of UK and international institutional investors, including pension funds, insurance companies and local authorities. We will continue to add scale and efficiency to our portfolio, and providing our investors with long-term income growth.”

Jon Di-Stefano, Chief Executive of Telford Homes, adds: “Build to rent is now a significant focus for Telford Homes with these transactions providing certainty over future revenues and cash flows, needing no debt finance and delivering strong returns on capital. We are a valuable partner for large scale investors given that we have the skills required to find land, achieve planning consents and manage and control all construction work.

“The sale of The Forge cements the strong relationship that we have formed with M&G Real Estate and we are delighted to be working with them again following the successful sale of Carmen Street earlier this year. Now that we are developing two schemes together I look forward to working closely with Alex Greaves and the M&G team and exploring ways of extending our partnership as we move into 2017.”

Including this deal, M&G as a group has already invested around £600 million of residential rental property since the beginning of 2013:

- M&G Real Estate signs third investor-house builder agreement with Mulberry. First phase to provide 135 new private rental homes in central Manchester, marking the institutional investor’s first PRS scheme in the North of England – **September 2016**
- M&G Real Estate signs second investor-house builder agreement with Telford Homes. First phase to fund 150 private rental flats in Bow, east London – **May 2016**
- Second phase of framework agreement with Crest Nicholson to provide the UK’s first purpose designed suburban private rented units - 227 new private rental homes in Faygate, West Sussex – **November 2015**
- The acquisition of 57 private rental homes in Marylebone, London – **September 2015**
- M&G Real Estate signs first ever institutional investor/housebuilder framework agreement with housebuilder Crest Nicholson. First phase to fund 97 private rental apartments in Bath - **May 2015**

- Development of 173 private rental homes in North Acton with HUB - **July 2014**
- The acquisition from Berkeley Group of a 534-unit portfolio in London and the South East – **June 2013**
- The funding of 233 social and private rental residential units at Aberfeldy New Village, East London – **June 2013**
- The sale and lease back of 401 market rented units at Stratford Halo, a 43-floor residential development at the main entrance to the Olympic Park in East London – **Jan 2013**

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For further information please contact:

Charles Font (Redwood Consulting for M&G Real Estate)

Tel: 020 7828 5553

Email: charles@redwoodconsulting.co.uk

Henry Harrison-Topham / Victoria Haynes (Buchanan – Financial PR for Telford Homes)

Tel: 0207 466 5000

Email: telfordhomes@buchanan.uk.com

Notes to Editors:

- *M&G's total residential commitments include 1200 units within the M&G UK Residential Property strategy and 600 units within M&G's Secured Property Income Fund.

About M&G Real Estate's UK Residential Property Strategy

- M&G Real Estate's UK Residential Property strategy is managed by Alex Greaves.
- The approach is focused on investing in mid-market apartments and houses in areas with good transport links and proximity to centres of strong economic activity with good employment opportunities for our target demographic (25-35 years). The fund management team seeks to maximise total returns and achieve rental growth through strategic asset allocation, stock selection and efficient asset management. This is further complemented by their ability to influence and lead design initiatives to drive operational efficiency, enhance customer experience, occupancy levels and rental growth.
- Future acquisitions are expected to comprise a mixture of completed and let schemes and the forward funding of properties specifically designed for rental.

About M&G Real Estate

M&G Real Estate is the real estate fund management arm of M&G and is one of the top 25 real estate fund managers in the world by assets under management, with over £25 billion invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 June 2016). M&G Real Estate has a sector leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of funds under management.



M&G is the investment arm of Prudential Plc in the UK, Europe and Asia. For more information, please visit www.mandg.com/realestate

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 30 June 2016 the firm manages over £255 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

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