

M&G and Birchgrove strike partnership to create £200 million of senior living homes for rent over 5 years

- *Reflects the strong growth prospects and investor appetite in the Senior Living sector*
- *Partnership with market leader in the Assisted Living sub sector brings high-quality purpose-built accommodation, enabling residents to maintain independence with a strong community focus*
 - *Partnership also brings pipeline of Assisted Living homes for rent*

London, 4 January 2022 – M&G Real Estate (M&G) – part of M&G plc’s £65 billion private assets division – has acquired two developments managed by Birchgrove Holdings (Birchgrove), one of the UK’s leading assisted living operators. The £69 million investment – M&G’s first in the UK Senior Living sector – represents the first phase of a long-term partnership that could deliver more than £200 million of purpose-built communities over the next five years.

The two properties, which comprise 125 one, two and three-bedroom apartments, are located in the South-East towns of Sidcup and Woking where there is a strong demand for assisted living among those looking to downsize or move out of London. Built to exacting environmental standards, both properties have been specifically designed for the senior generation, with high levels of amenity enabling residents to maintain independence and enjoy the benefits of a community, but without the burden of property ownership*.

Made on behalf of the £1.2 billion M&G UK Residential Property Fund (the Fund), investment reflects the growing investor appetite for the nascent retirement rental sector, driven by the rising demand for high-quality senior living accommodation in the U.K. Given the UK’s ageing population, the sector offers strong growth prospects that are not correlated to the economic cycle and good relative performance versus the private rented sector and UK commercial property.

Under the terms of the partnership with M&G, Birchgrove will continue to manage Sidcup and Woking and any other similar properties that the Fund acquires. Birchgrove was launched in 2017 by Bridges Fund Management - a specialist sustainable and impact investor with a long track record of successful property development in the care sector.

Commenting on the partnership, Honor Barratt, Managing Director, Birchgrove, says: “In Bridges Fund Management Birchgrove has always had a partner who believes wholeheartedly in the value of achieving better outcomes for our residents and for the planet.

“We’re delighted to be entering into this long-term partnership with M&G, which will allow us to move forward on an even stronger, more sustainable footing. That will not only benefit Birchgrove’s existing

residents; it will also enable us to build and operate more beautiful homes and communities for those of us who want to join our quiet rental revolution.”

Alex Greaves, Head of UK & European Living at M&G, adds: “The principle of renting a retirement home instead of owning a property at this key life stage has significant merits. Individuals can downsize and free up housing stock for the next generation of buyers and rid themselves of the administrative and physical burden of owning a house. It also offers increased flexibility in terms of the different levels of support and provision required to live longer lives in safe, thoughtfully designed communities.

“Since its launch in 2013, we have diversified the M&G UK Residential Property Fund’s investment strategy so we are able to cater for each of the key life stages ranging from student accommodation through to retirement. We very much look forward to developing our partnership with Birchgrove and Bridges in the next stages of the Fund’s evolution.”

-ENDS-

Notes to Editors

*Key environmental factors and amenities

- Both properties are signed up to 100% renewable energy tariffs and are supplied by electricity exclusively from renewable sources
- Full fill wall insulation enables apartments to warm quickly and cool slowly
- Residents corridors cooled using passive stack ventilation technology
- Air conditioning systems using onsite electricity generation produced by a combined central heat/power system, or uses energy purchased from renewable sources
- All onsite cleaning products are in non-plastic, refillable containers and not tested on animals
- Communal facilities include:
 - on site restaurants/café/shop
 - residents lounge
 - health and fitness studios
 - hair salon and beauty studios
 - libraries
 - activity/club rooms
 - landscaped gardens
 - guest facilities
 - laundry
 - assisted bathing facilities

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About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has over £370 billion of assets under management (as at 30 June 2021). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

For more information, please visit: <https://global.mandg.com/>

About Birchgrove

Birchgrove is creating a portfolio of high-quality assisted living developments within and around the M25, offering contemporary apartments for rent in brand-new purpose-built facilities. Underlying Birchgrove's business model is a belief that the current housing options for people over 65 exclude a large section of those who don't want to manage another house purchase – and therefore assisted living for rent is the missing piece of the housing puzzle; not right for all, but perfect for some. For more information on Birchgrove visit www.birchgrove.life

About Bridges Fund Management

Bridges Fund Management invests in the transition to a more inclusive and sustainable economy. Its specialist property funds focus on growth locations and sectors that are well-placed to benefit from changing demographics and societal needs, driving value through physical and operational improvements. Bridges is also a market-leader in implementing sustainability features that reduce costs, improve valuations and future-proof property assets. For more information visit www.bridgesfundmanagement.com.

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