



CREST NICHOLSON TEAMS UP AGAIN WITH M&G REAL ESTATE TO DELIVER THE UK'S FIRST PURPOSE-DESIGNED SUBURBAN PRIVATE RENTED SECTOR HOMES

- *227 new private rented sector homes created as part of wider regeneration scheme in Crawley*
- *New deal marks the next phase of the first agreement of its kind between an institutional investor and listed housebuilder*

LONDON, 17 November 2015 – M&G Real Estate and Crest Nicholson plc, a leading developer in London and the South East of England, have teamed up for a second time to sign a £51.5 million deal to fund, build and let 227 new private rented sector (PRS) homes in Faygate, three miles west of Crawley town centre.

The deal was made on behalf of M&G Real Estate's UK residential property strategy launched in mid-2013 for UK and international investors, managed by Alex Greaves. The development, known as Kilnwood, forms part of a wider regeneration scheme of 2,400 homes in Crawley by Crest Nicholson plc, a leading developer of sustainable communities.

Crest Nicholson is both landowner and developer of Kilnwood, of which the private rented sector element will provide a mix of one and two bedroom apartments and houses. It is anticipated that the homes will be ready for tenancy between November 2017 and February 2019.

Residents will have use of a communal BBQ area, a tennis court, terrace, and a clubhouse with gym and lounge. In order to appeal more directly to the private rental market, it will offer double bedrooms and greater storage for sharers. A total of 346 car park spaces will be provided, including four electrical car charging units and an onsite letting and management office.

This latest deal marks the next phase of an agreement between M&G Real Estate and Crest Nicholson, the first of its kind between an institutional investor and a listed house builder.

The first phase saw M&G Real Estate provide £25.2m to fund the development of 97 apartments as part of the wider Bath Riverside regeneration scheme within Bath city centre,



marking a major opportunity for institutional investors seeking access to the UK residential sector.

Alex Greaves, Head of Residential Investment at M&G Real Estate, comments: “Joining forces with Crest Nicholson marks a milestone in the long term development of the residential sector. It offers a route to delivering much needed housing stock at a much quicker rate and provides a significant opportunity for institutional investors seeking access to the UK residential sector. Our residential strategy provides stable, income-driven returns for investors and, in time, thousands of much-needed, well-managed rental properties.”

Chris Tinker, Executive Board member for Crest Nicholson, adds: “Stimulating new housing markets such as the private rental sector is the only way that the government will be able reach the 240,000 new homes Britain needs each year. Purpose designed PRS schemes such as this in Faygate will enable developers to bring forward and increase the rate of housing delivery on major sites and Crest Nicholson estimates that such schemes will enable it to build on average 250 PRS homes per year across its portfolio. As home ownership falls to its lowest level for a quarter of a century with almost 40 per cent of Brits renting, these professionally owned and managed schemes will also help to increase the quality and ease pressure on the rental market.”

-ENDS -

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Notes to Editors:

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 strategy targets a long term annual net return of 7% - 9% with an annual 3% - 4% distribution yield. Returns are driven by net income and rental growth.



- 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 £22.5 billion invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 September 2015). 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 September 2015 the firm manages over £247.5 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

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For further information about Crest Nicholson contact:

About Crest Nicholson

Crest Nicholson is firmly established as a leading developer with a passion for not only building homes, but also for creating vibrant sustainable communities. With a southern-based bias, the FTSE250 Group has a track record spanning more than 50 years and a broad portfolio of developments which range in size and scale, from contemporary, large scale mixed-use developments to smaller, more traditional housing schemes. As a pioneer of its own Garden Village principles, the Company advocates a holistic approach to development embracing social, environmental and economic factors to create homes for all segments of the community. These developments are founded on good design, high-quality green spaces, and the greater involvement of local people in both vision and long term management.



In line with its commitment to help meet housing demand, apprentices make up 10% of Crest Nicholson's entire workforce, and the Group supports the development of jobs and skills at every level.

The Group was named 'Large Housebuilder of the Year' at the Housebuilder Awards 2015; is listed in the FTSE4Good index and is a consistent top performer in the Next Generation industry benchmark.

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