

M&G REAL ESTATE PARTNERS WITH TELFORD HOMES TO PROVIDE 150 NEW HOMES IN EAST LONDON

- *Marks M&G Real Estate's second investor-house builder agreement*
- *M&G as a group has made residential commitments of over £515 million and 1800 homes since 2013**

LONDON, 31 May 2016 – M&G Real Estate, one of the UK's largest property investors, and Telford Homes plc, a leading developer of high quality mixed-tenure developments in London, have signed a £69.3 million deal to finance and build 150 new private rental homes in Bow, E14.

The deal was made on behalf of M&G Real Estate's £220 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 Carmen Street, will comprise two five-storey buildings and a 22-storey tower and is located next to Langdon Park DLR station, one of London's best connected regeneration sites. Future occupiers will be only six minutes away from Canary Wharf, nine minutes from Stratford and 16 minutes from Bank.

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

"This partnership with Telford Homes marks a significant point in the evolution of our residential investment strategy. We have now invested in over 1200 units on behalf of UK and international institutional investors, including pension funds, insurance companies and local authorities.

"We are thrilled to be working with Telford Homes and playing our part in increasing the supply of high quality, sustainable rental communities to London's housing market. With excellent access to transport, employment, and local amenities, this location and delivery partner is an excellent strategic fit. This deal adds scale and efficiency to our portfolio, brings additional homes to market and provides our investors with stable long-term income growth. We have really enjoyed working with Jon and the Telford team on this exciting scheme and hope this is the first of many deals."

Jon Di-Stefano, Chief Executive of Telford Homes, adds: "We are delighted to be working with M&G, a leading international asset manager that is enthusiastically

increasing its Private Rented Sector (“PRS”) portfolio. Forward funded PRS transactions offer strong returns and we are very pleased to have swiftly secured our second sale in the sector just a few months after our first. We hope to extend our relationship with M&G as new opportunities arise and as Telford Homes continues to broaden its sales mix with further de-risked forward funded PRS transactions.”

Since launch in 2013, M&G Real Estate’s UK residential property strategy has 591 built homes and with another 618 in development.

Including this deal, M&G as a group has made over £515 million of residential rental property investments since the beginning of 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**
- The funding of 233 social and private rental residential units at Aberfeldy New Village, East London – **June 2013**
- The acquisition from Berkeley Group of a 534 unit portfolio in London and the South East – **June 2013**
- Development of 152 private rental homes in North Acton with HUB - **July 2014**
- 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**
- The acquisition of 57 private rental homes in Marylebone, London – **September 2015**
- 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**

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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 31 December 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 31 December 2015 the firm manages over £246.1 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

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