



PIC AND LONDON SQUARE GROUP TO INVEST £50 MILLION IN FIRST AFFORDABLE AND SHARED OWNERSHIP HOMES DEVELOPMENT

London, 13 November 2023 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension schemes, today announces its first affordable housing investment of £50 million to develop 125 affordable and shared ownership homes, funded with a combination of internal debt and equity. The development was made possible through a £4.9 million grant from the Mayor of London’s Affordable Housing Programme.

This is the first investment as part of a long-term partnership with London Square Group (“London Square”), an award-winning residential developer operating in Greater London, and Square Roots, the independent affordable housing provider set up by London Square. We aim to invest £500 million over the coming years to develop affordable homes to help alleviate the housing shortage in Greater London, whilst providing cash flows to back the pensions of PIC’s policyholders.

This is PIC’s inaugural equity investment into affordable housing, helping diversify its investments in a sector in which it has invested almost £4 billion as debt since 2012. PIC has a purposeful investment strategy, through which the company backs the pensions of its policyholders over decades with secure, long-term assets. The company continues to invest significant sums in sectors which seek to address the lack of homes being created in the UK across the demographic spectrum, including regeneration leases, built to rent, and retirement living.

The 100 per cent affordable scheme, comprising 125 high quality affordable rent and shared ownership homes, is being developed on the former Hawks Road Health Clinic site in Kingston upon Thames, Surrey, which became surplus to NHS requirements after health services were moved to other sites in the borough. It will provide 44 apartments to be rented at London Affordable Rent (“LAR”) levels and 81 apartments available for shared ownership, with on-site amenities for residents including play space. The LAR homes will be set at rents that the Mayor of London views as ‘genuinely affordable’ and will be let to local residents who are most in need. The shared ownership homes will allow many medium income households to fund the deposit needed for homeownership, something which has proved difficult through traditional routes, despite many having stable employment. London

Square is acting as contractor/developer, with Square Roots as the affordable provider. Construction of the main buildings is now under way. The development is expected to be completed in November 2025.

Allen Twyning, Investment Director at PIC, said: “We are excited to be partnering with London Square and Square Roots on this development and our inaugural equity investment in social housing. We are also delighted that a grant was secured from the GLA Affordable Housing Programme that has made the overall scheme viable, given the high interest rate environment, and inflated building costs. Not only does this create secure, low-risk cashflows with which we can pay the pensions of our policyholders pensions, but it creates huge social value in Kingston upon Thames.”

Adam Lawrence, Chief Executive of London Square, said: “Our new partnership with long-term investor PIC is excellent news for London Square and Square Roots, enabling us to deliver another 100 per cent affordable scheme, making an important contribution to the housing shortage, and creating homes and communities of the highest quality in a well-connected location where people will choose to live. The scheme will also support the local economy in Kingston, with the creation of jobs during the construction phase and opportunities for apprenticeships and local suppliers.”

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Notes to Editors:

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About PIC

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At half year 2023, PIC had insured 339,900 pension scheme members and had £44.9 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. PIC has made

total pension payments of almost £12 billion to its policyholders. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit www.pensioncorporation.com

About London Square

Founded in 2010, London Square is a leading residential developer delivering a range of high quality homes in well-connected locations across Greater London. London Square has expanded its existing platform to offer an entire eco-system of tenures - private for sale, for rent and affordable. The company's divisions comprise London Square Developments, its private for sale arm, London Square Partners, set up to work with the public sector, London Square Works, which focuses on developing high quality space at its mixed use developments, and London Square Living, its new Build to Rent division, which sources sites and develops the for rentals. Square Roots is an independent provider of affordable housing launched by London Square in 2021, which achieved Registered Provider status in June 2022. London Square is a member of NextGeneration, the sustainability standard for benchmarking the top 25 housebuilders, reflecting its journey to delivering net zero homes by 2030. www.londonsquare.co.uk