



The Association of Real Estate Funds

Residential in a Wider Portfolio

29 January 2026

Proudly hosted by:

NEWMARK





Welcome

**Andrew Allen
Newmark**



Moderator Welcome

**Andrew Smith, CIO
Hearthstone Investments**

Agenda

09:00 **Welcome from Andrew Allen**

Introduction from Andrew Smith

09:05 **Presentation by Matthew Soffair, Legal & General AM**

09:20 **Panel Discussion**

10:00 **Q&A**

10:25 **Summary and Slido poll**

10:30 **Close**



Keynote Speaker

Matthew Soffair

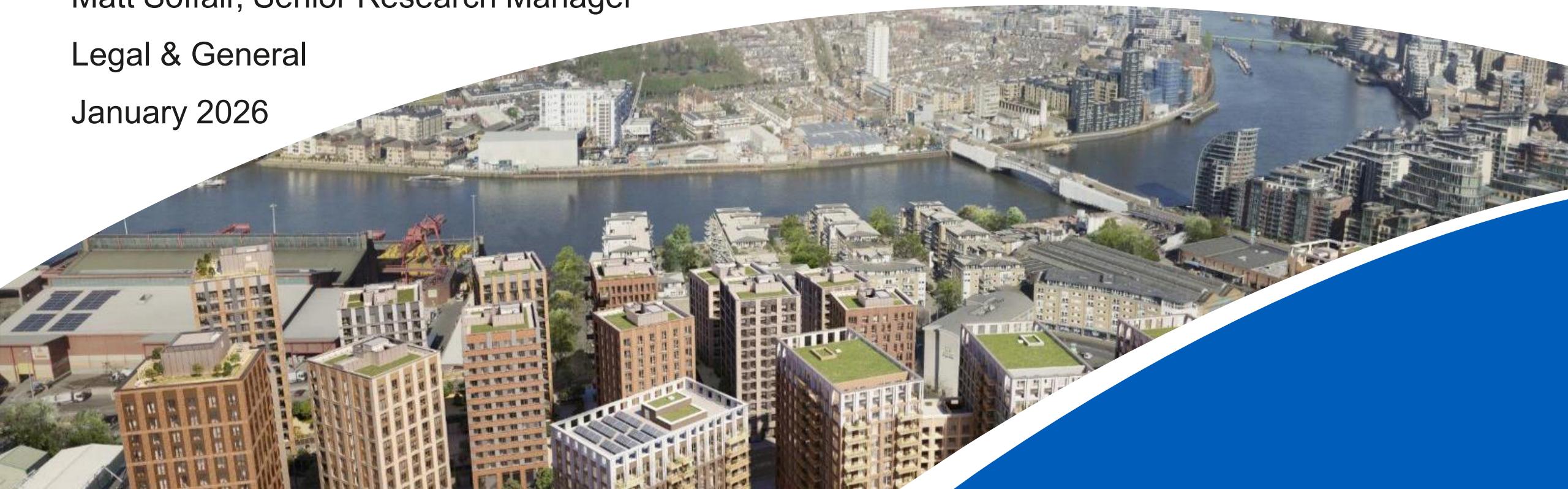
Legal & General Asset Management

AREF: Residential in a wider portfolio context

Matt Soffair, Senior Research Manager

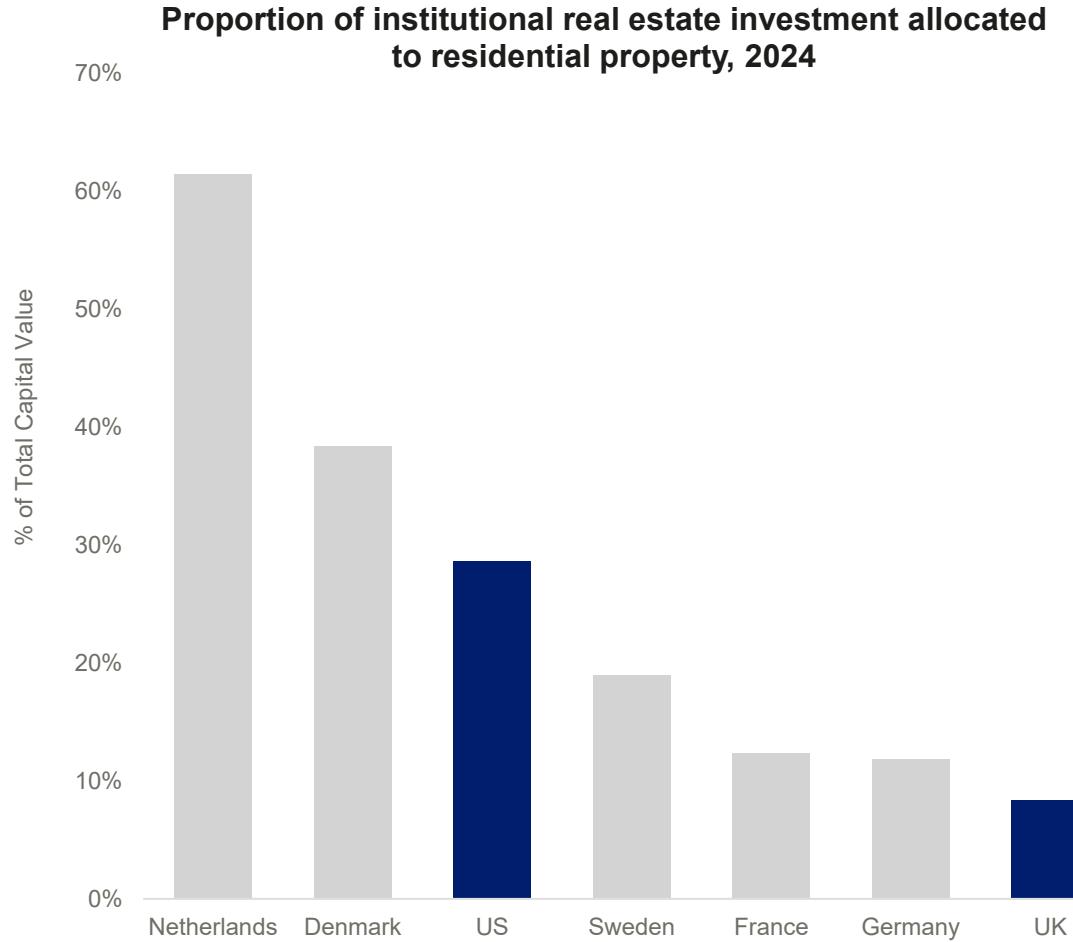
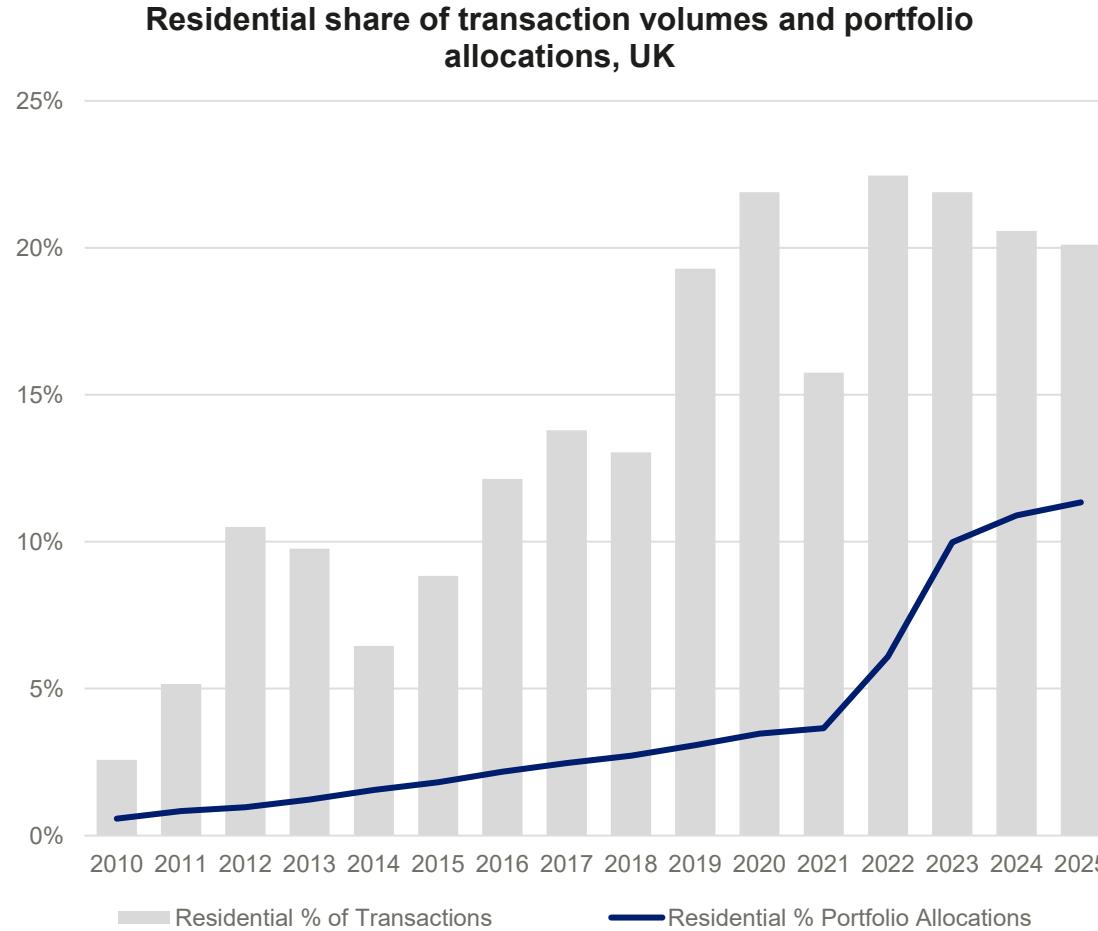
Legal & General

January 2026



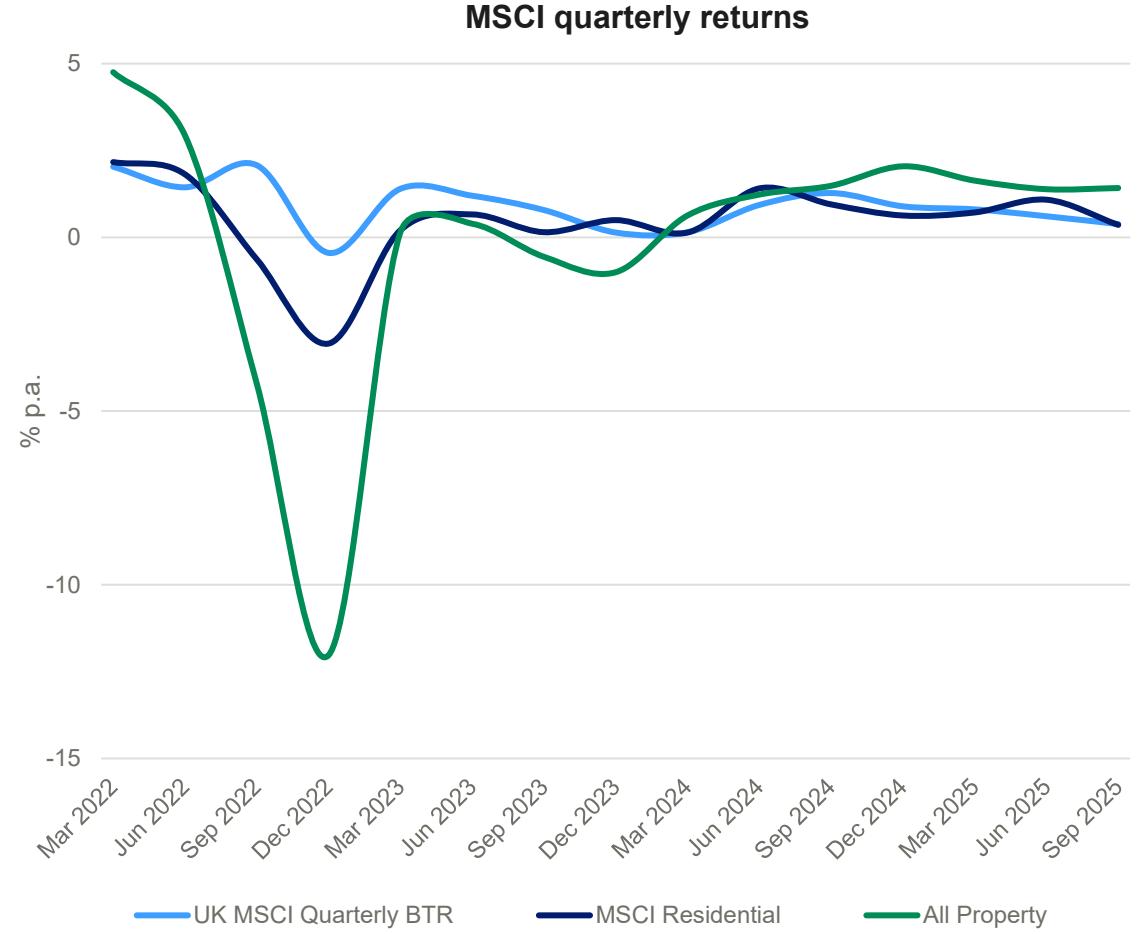
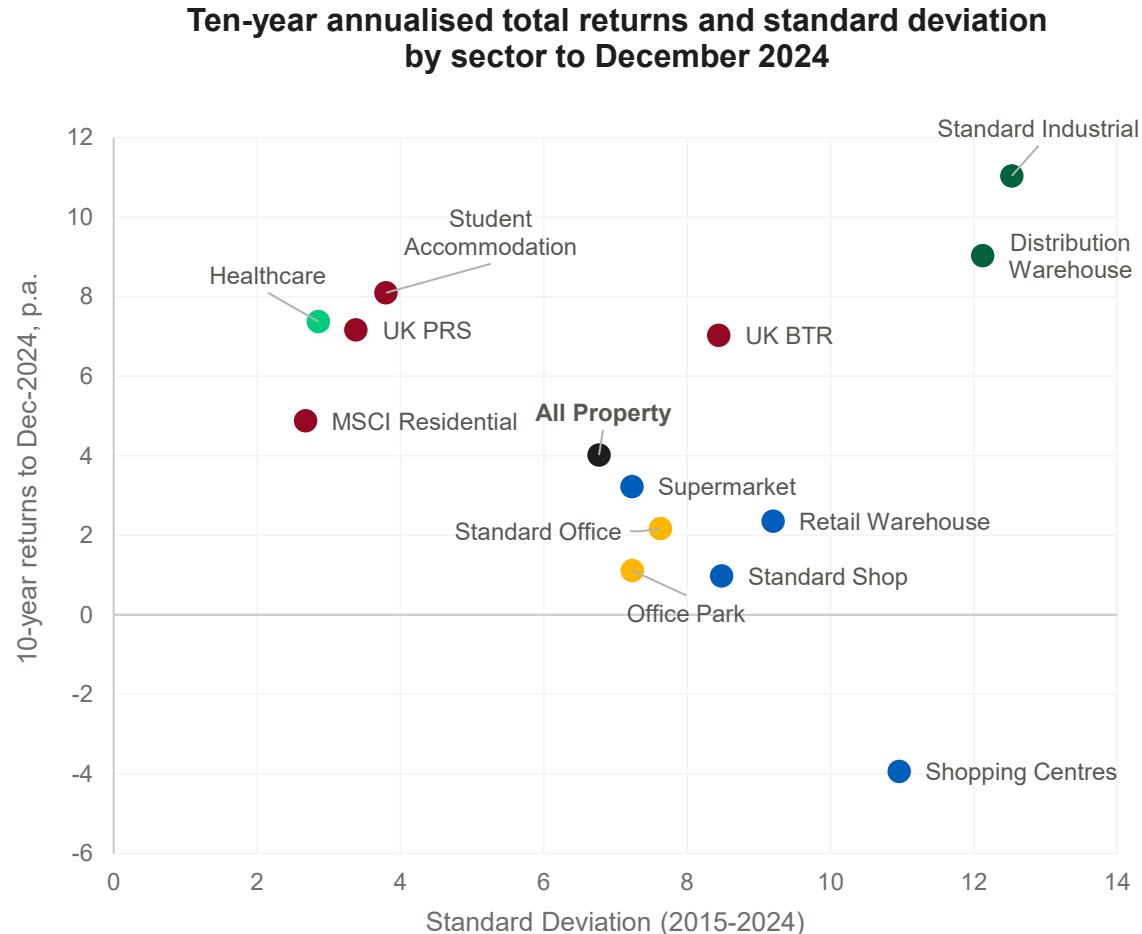
UK Living: room to grow

Further scope for higher allocations to Living, underpinned by positive investor sentiment



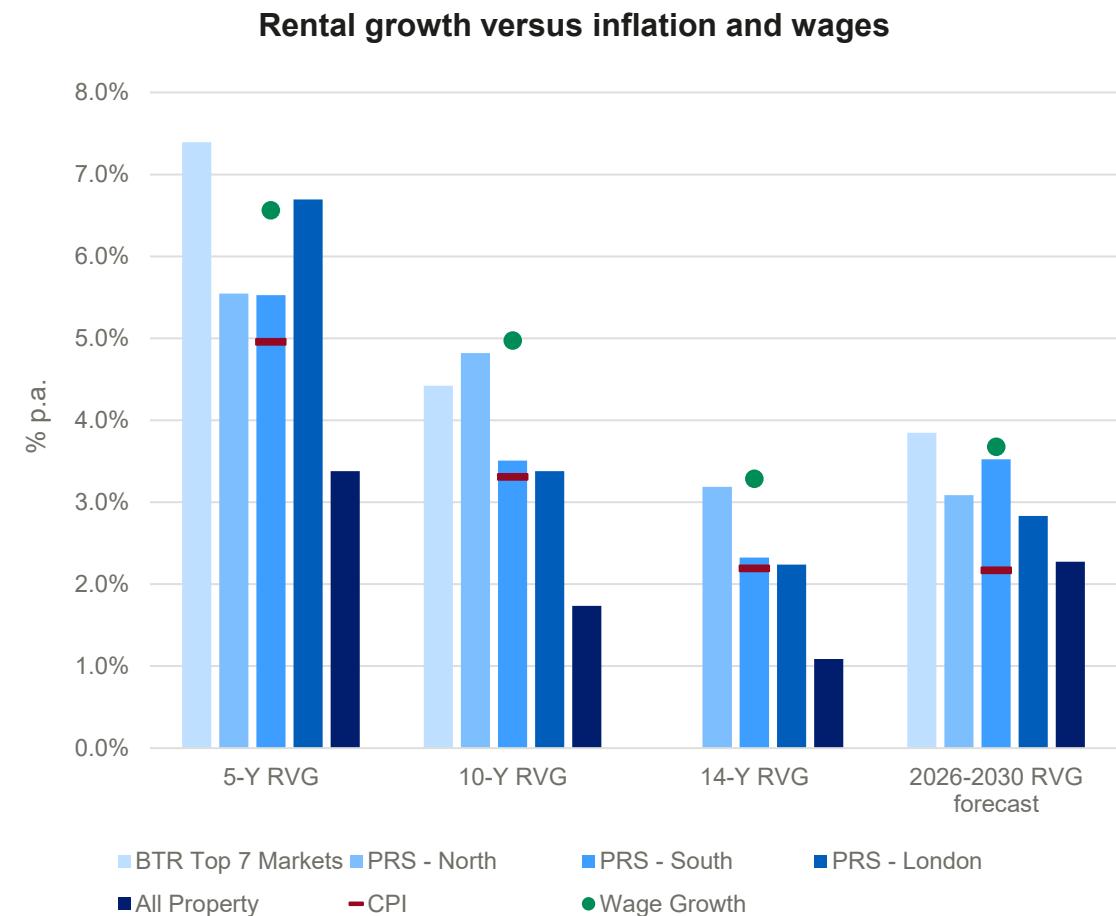
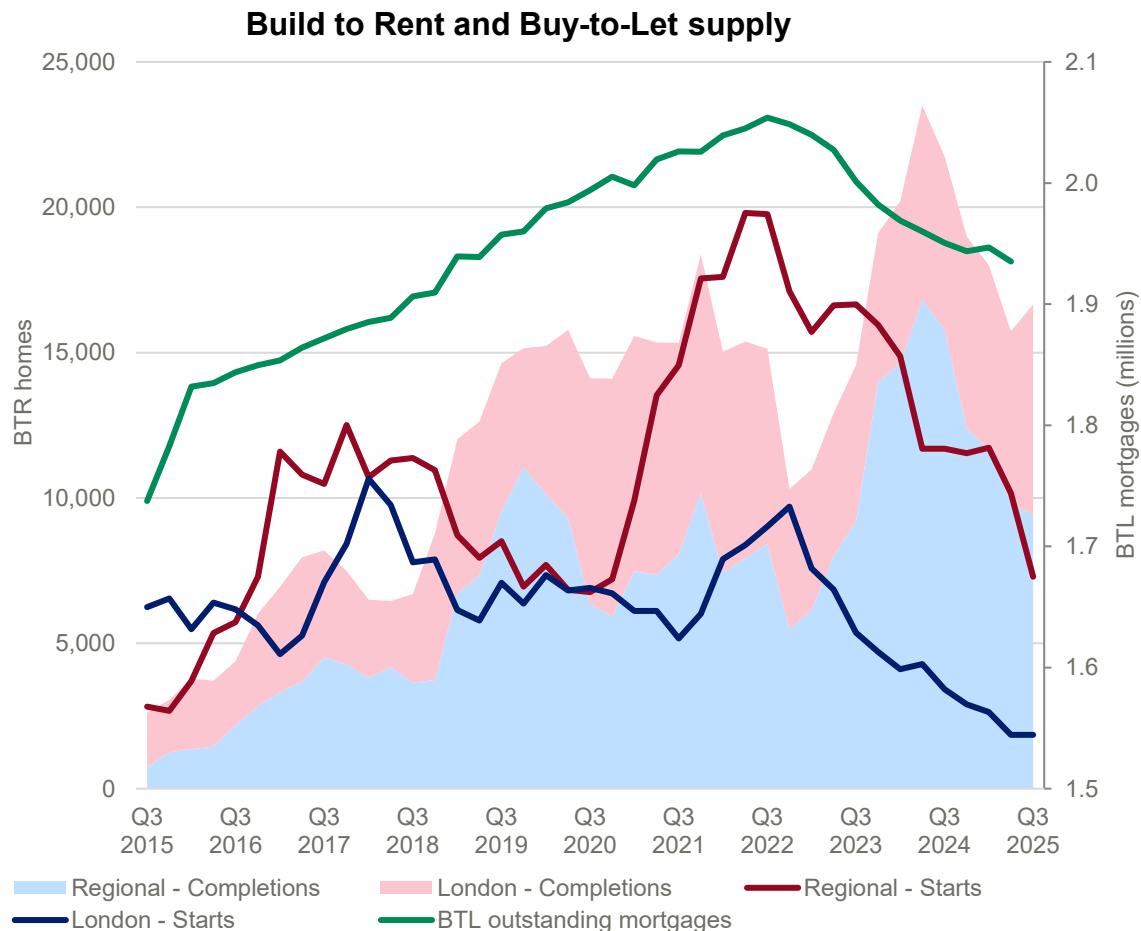
Has UK Living performance delivered?

Resilient long-term performer, but recent performance has been softer



Sector fundamentals remain robust

Rental growth has delivered, with supply constraints providing future upside

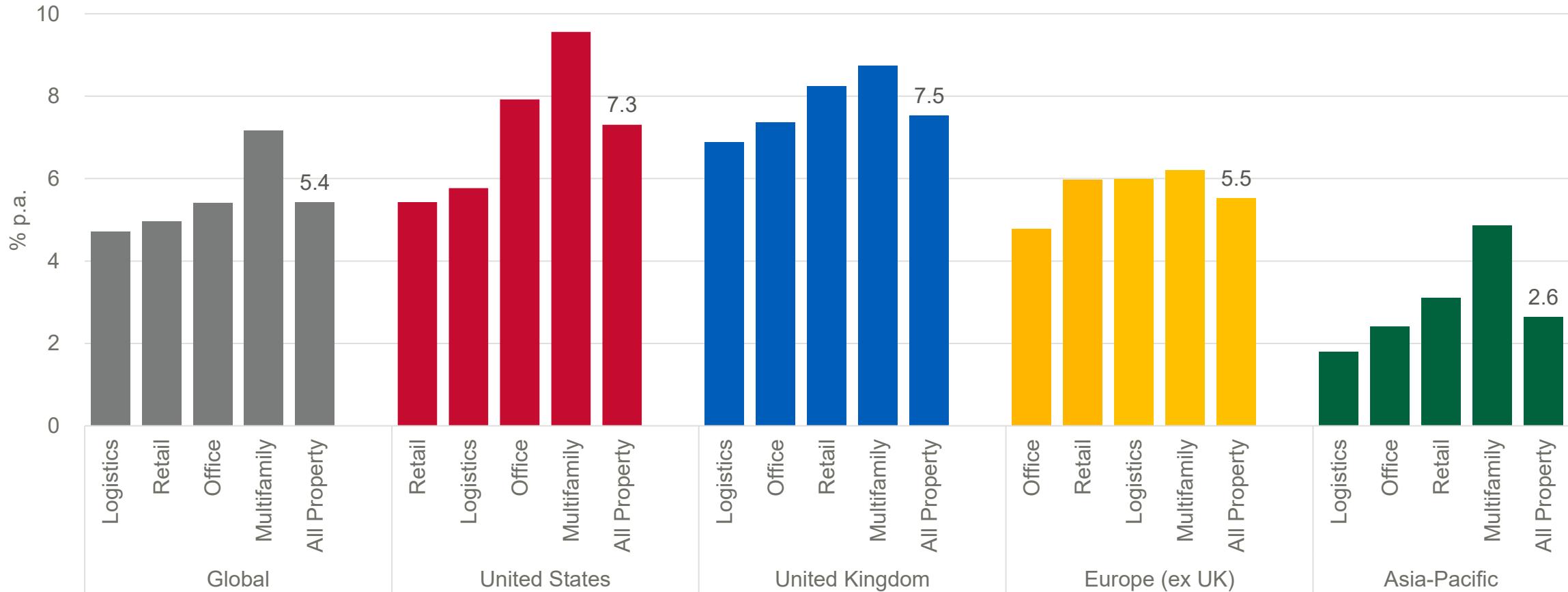


Source: BPF, Savills, UK Finance, PMA

Global real estate performance prospects

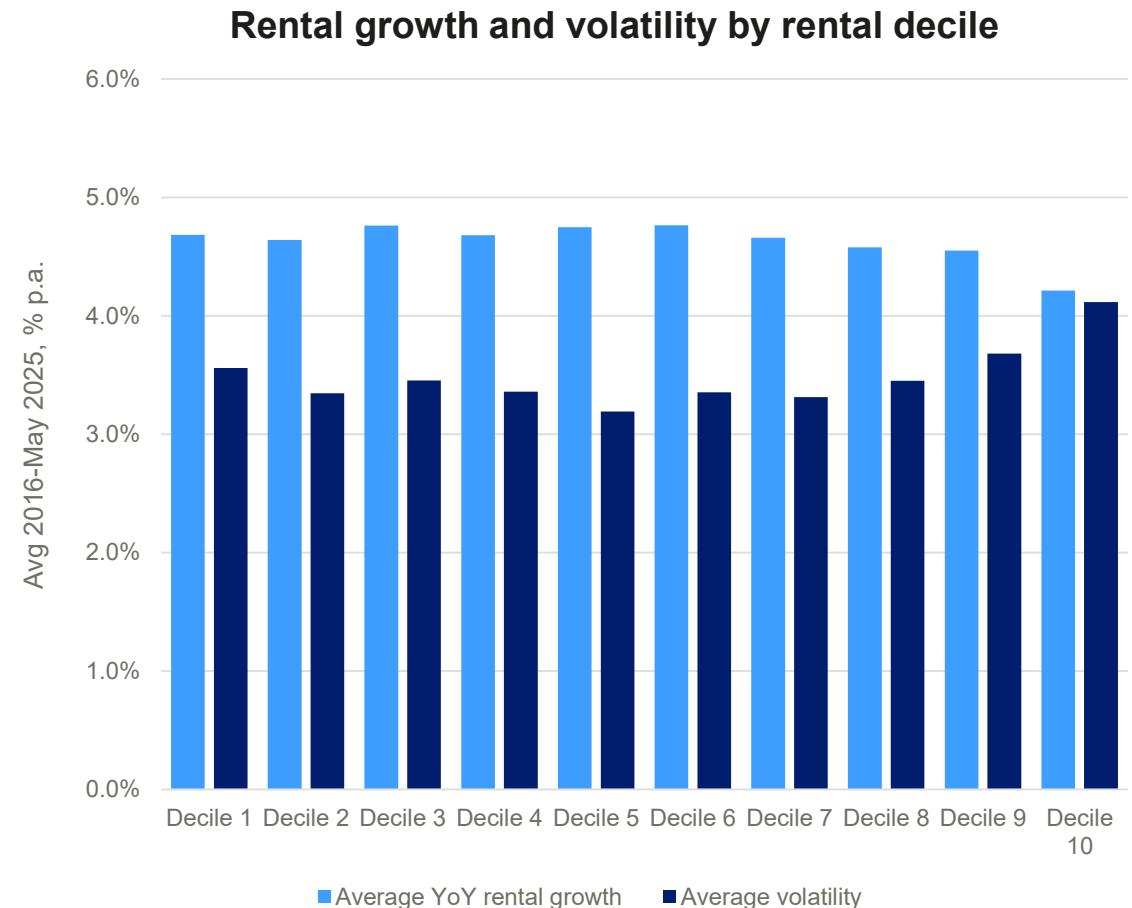
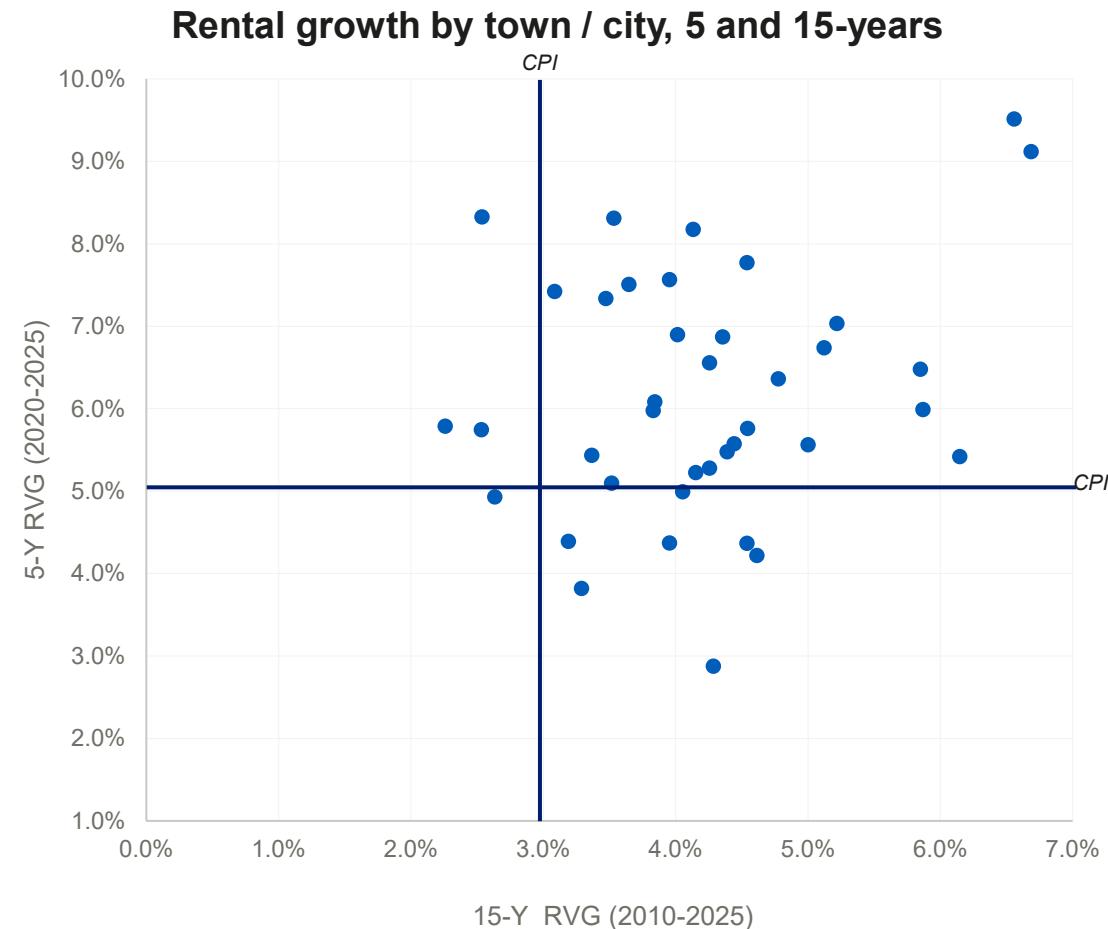
UK Living well placed, but narrower sector spreads point to selectivity within sectors

Expected prime total returns 2026-2030 % p.a.



Selection, selection, selection

Wide range in performance by market and price point



What UK Living? The investable universe

PBSA



High-rise. Specifically for students. Units typically studios or 'cluster' flats. Located close to uni campuses. Range of amenities

Co-Living



High rise. Studio flats. Shared living spaces and large number of amenities. Value v size proposition

BTR



High rise. Urban locations. Range of units. Typically features amenities & concierge services

Single Family Housing



Housing-led build to rent schemes. Suburban locations

Affordable Housing



Broad term for below market rent housing. Unit mix of houses and flat. Affordable rent, social rent and shared ownership

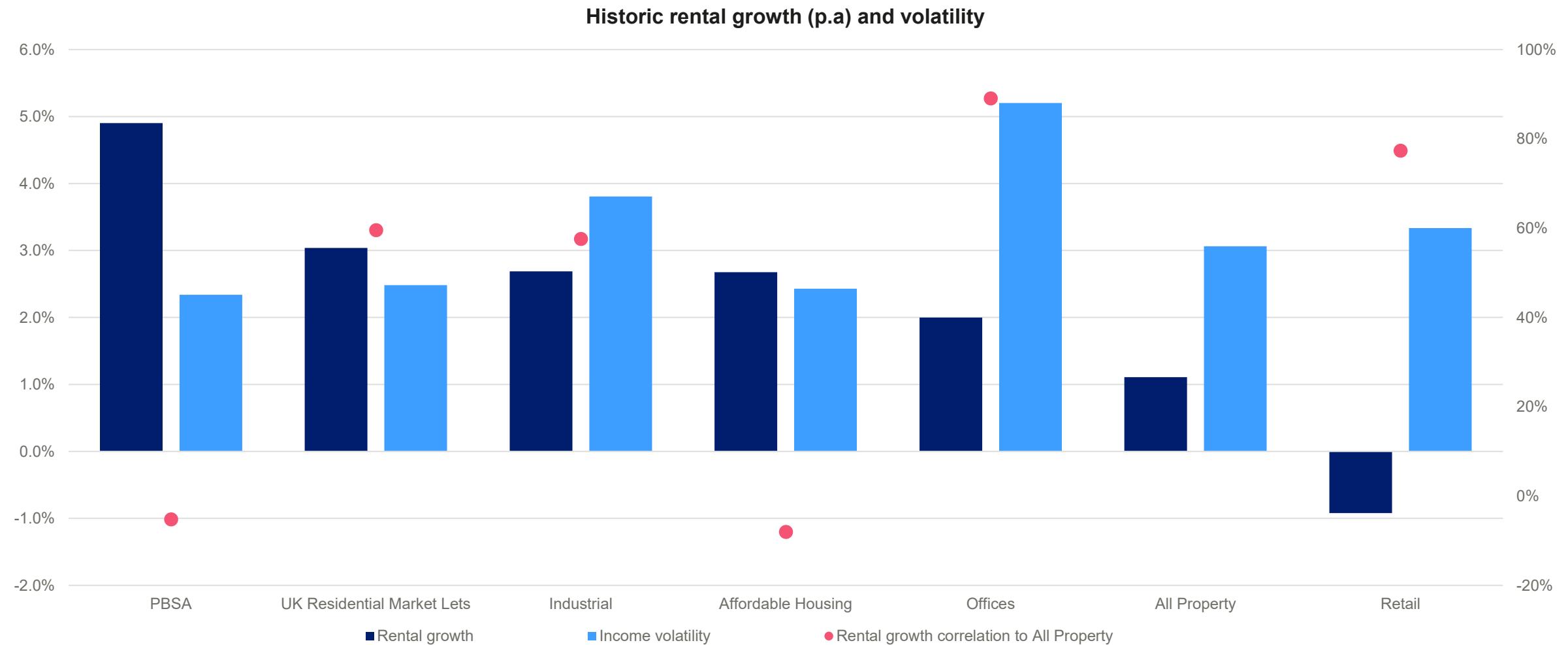
Senior Living/IRC



Purpose built housing with light touch 'care'. 24-hour access to support, services, amenities and staff

The case for a diversified living exposure

Resilient, inflation-matching cash flows, a broader opportunity set and improved diversification of risks



Source: L&G, PMA, RSH, ONS

Three themes for UK Living in 2026

1 Diversification

2 Selection, selection, selection

3 Further politicisation of housing



Panel discussion



Moderator
Andrew Smith, CIO
Hearthstone Investments



Laura Sweet
Fund Manager
Swiss Life AM UK



Dan Batterton
Head of Housing
Legal & General AM



Naomi Green
Fund Manager
Schroders Capital



James Sivyer, SVP
Private Markets
Gallagher



Thank you for joining us

Many thanks to Newmark for hosting

