

Residential in a Wider Portfolio

29 January 2026

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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

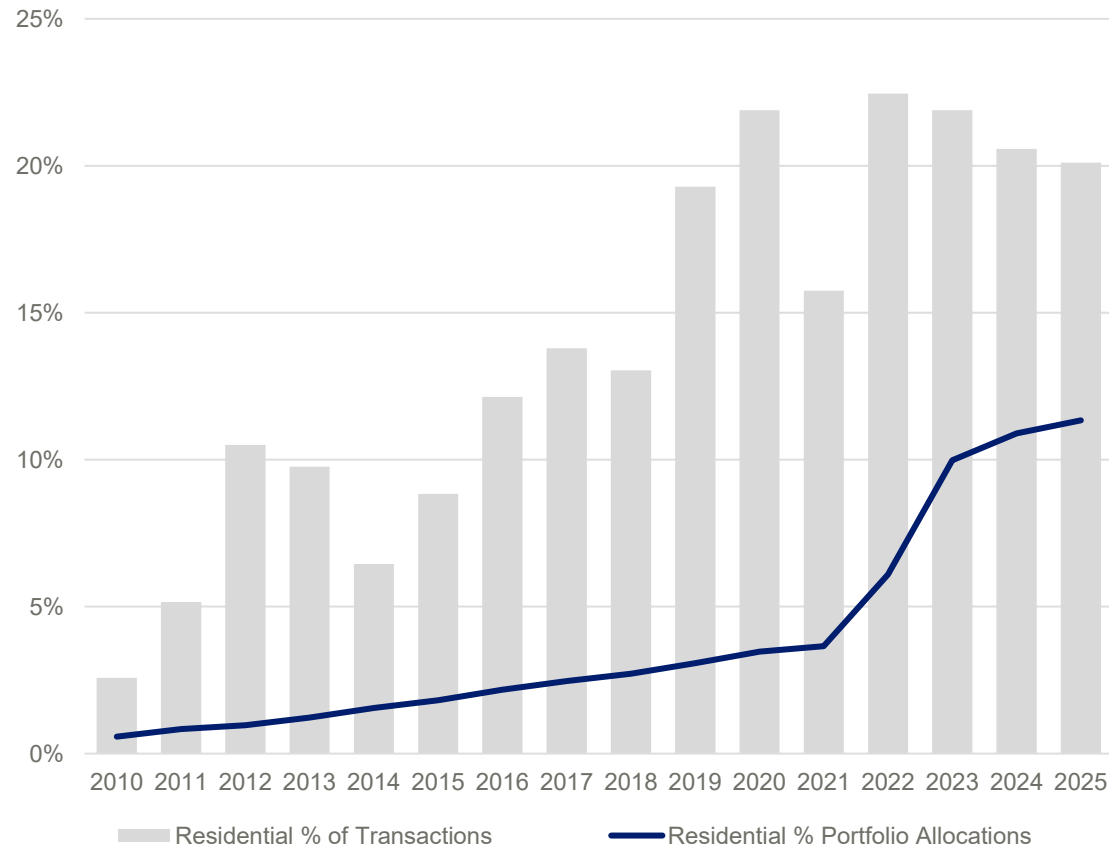
January 2026



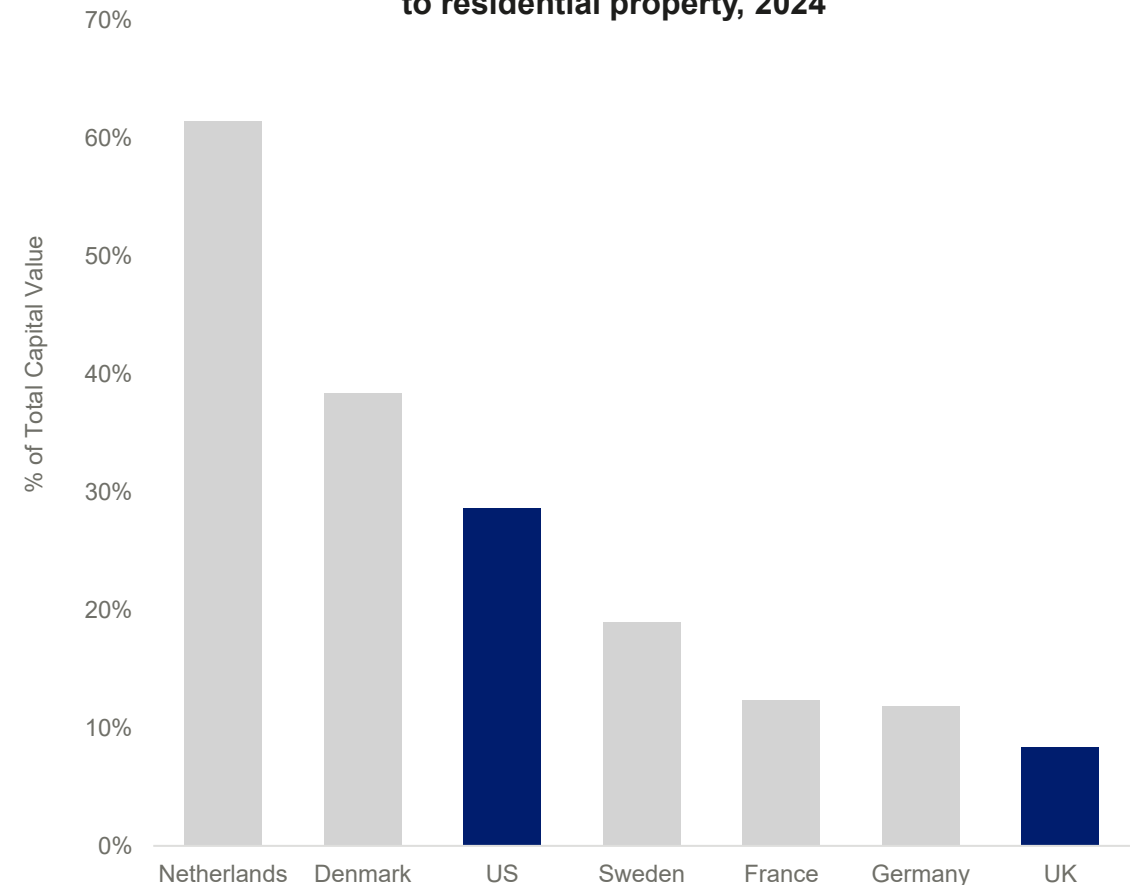
UK Living: room to grow

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

Residential share of transaction volumes and portfolio allocations, UK



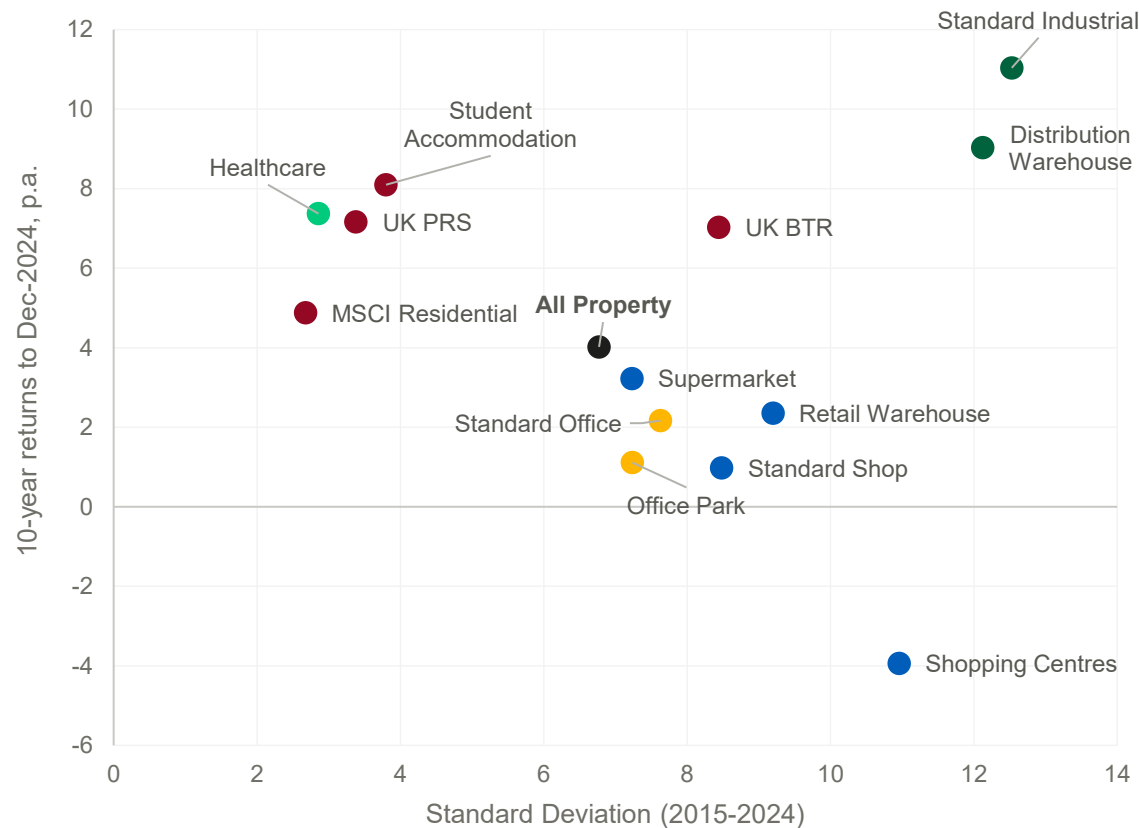
Proportion of institutional real estate investment allocated to residential property, 2024



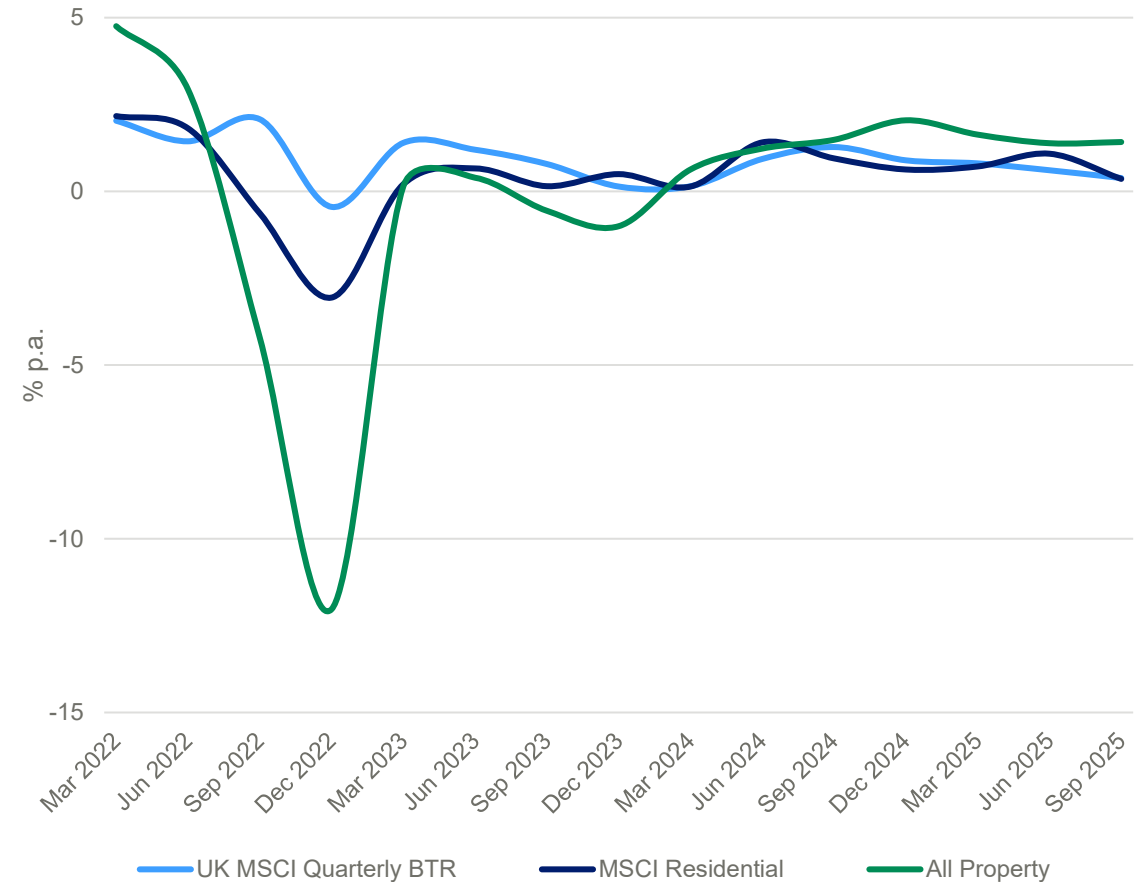
Has UK Living performance delivered?

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

Ten-year annualised total returns and standard deviation by sector to December 2024

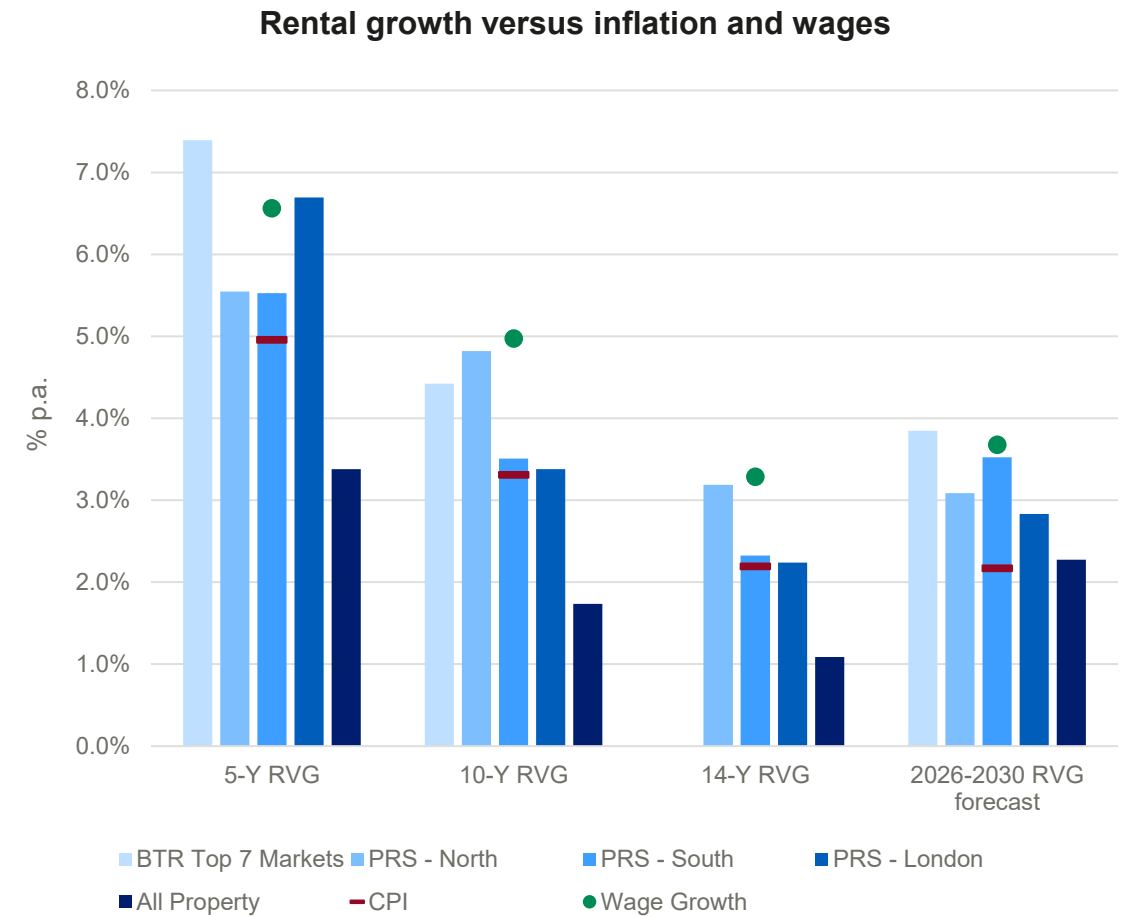
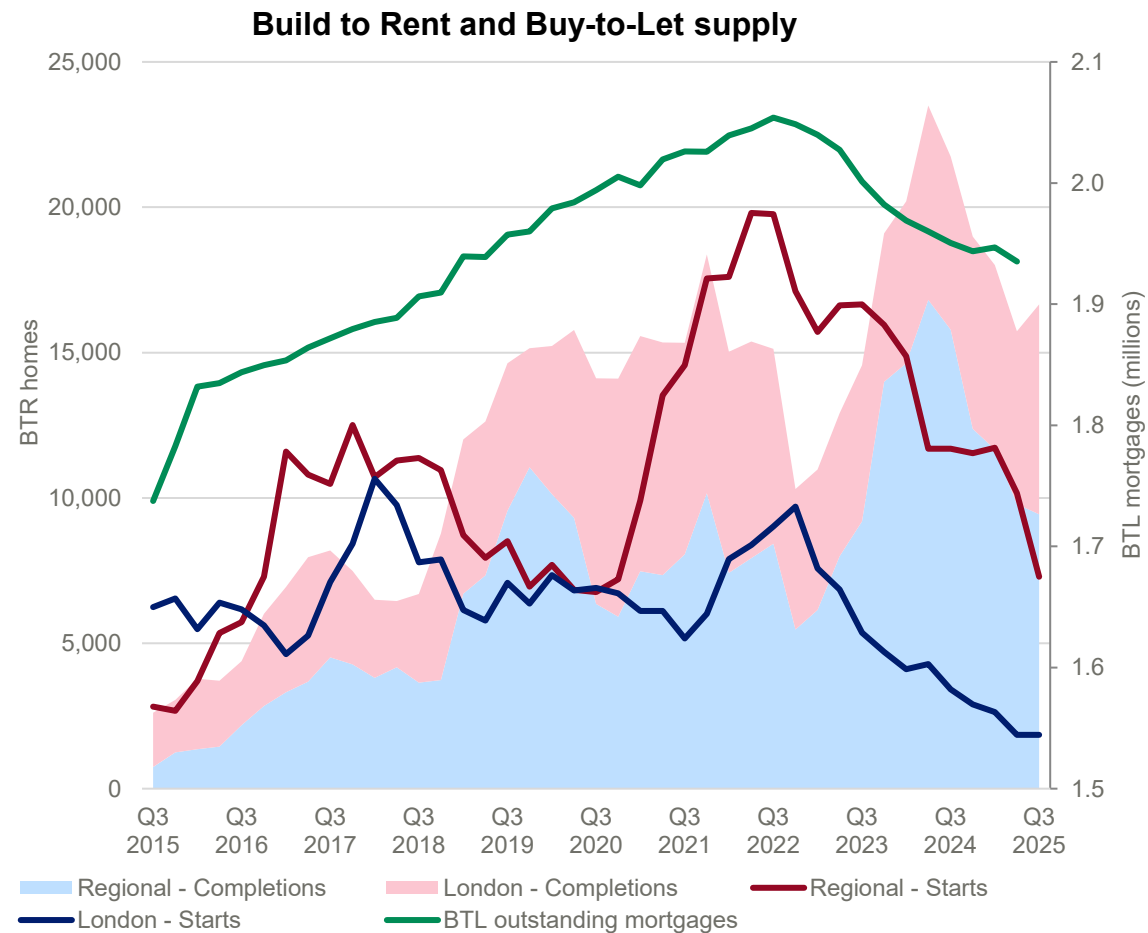


MSCI quarterly returns



Sector fundamentals remain robust

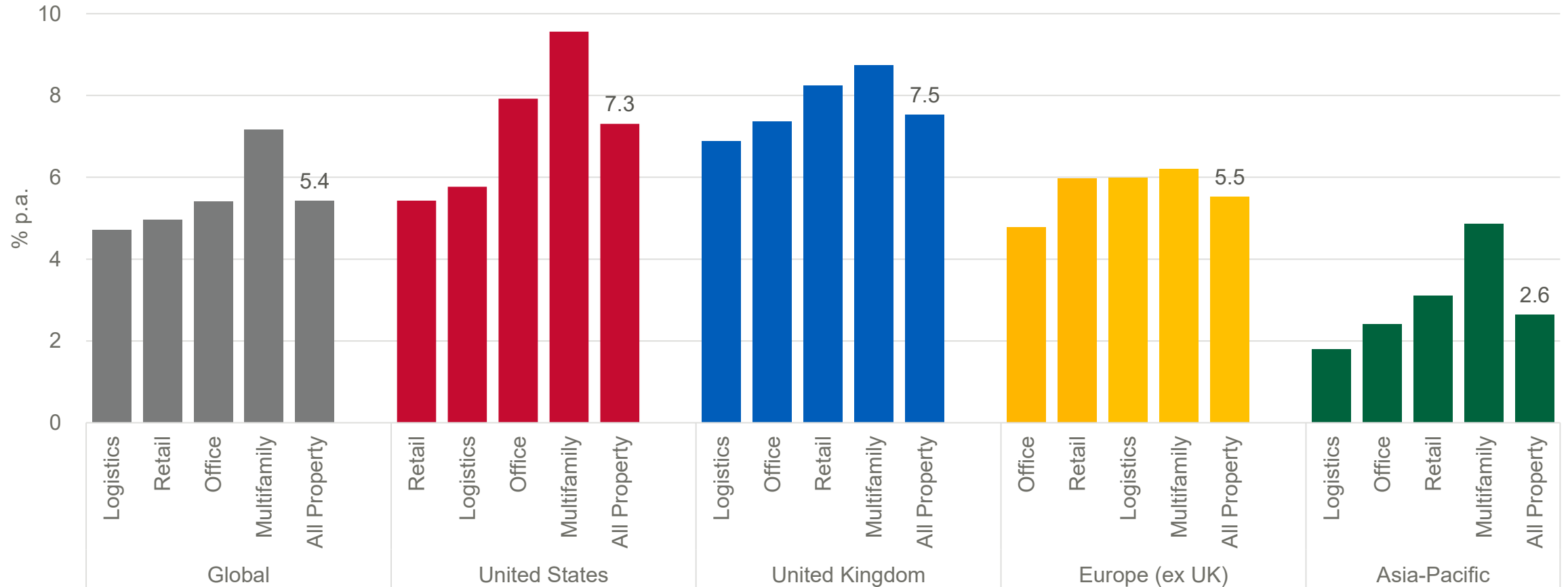
Rental growth has delivered, with supply constraints providing future upside



Global real estate performance prospects

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

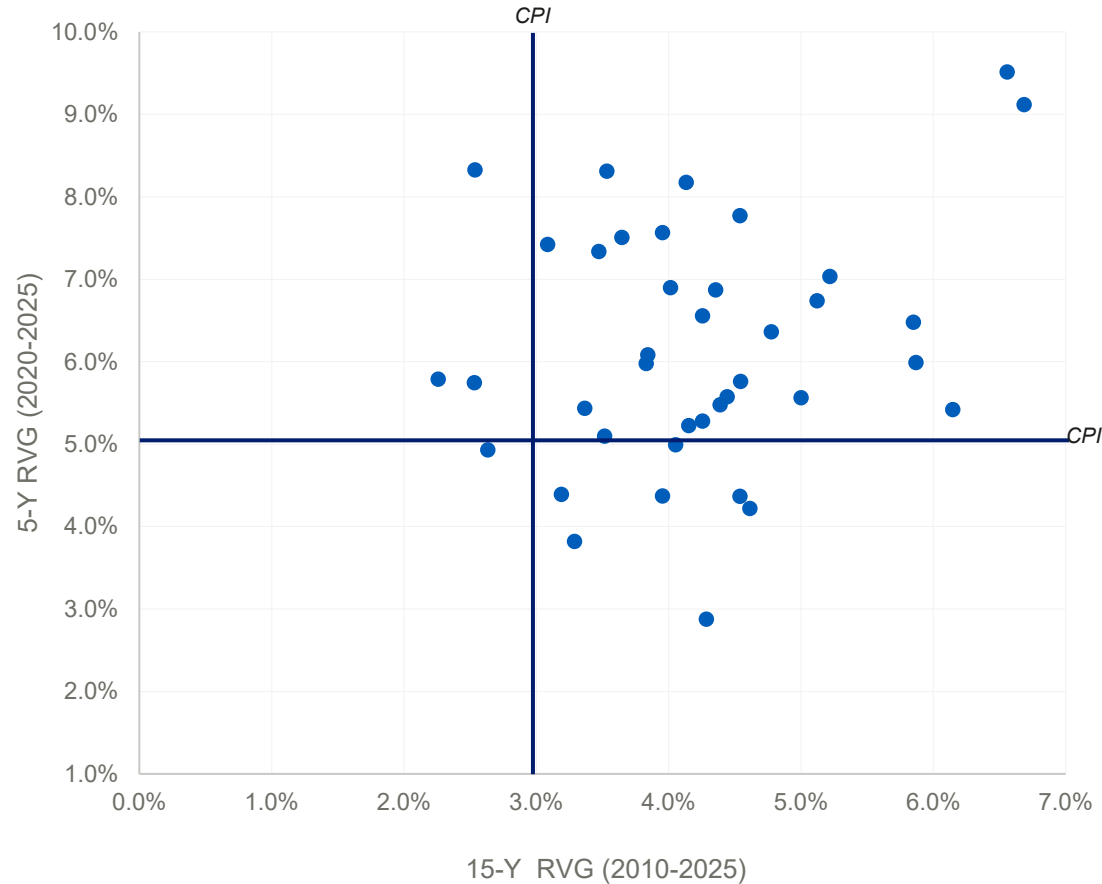
Expected prime total returns 2026-2030 % p.a.



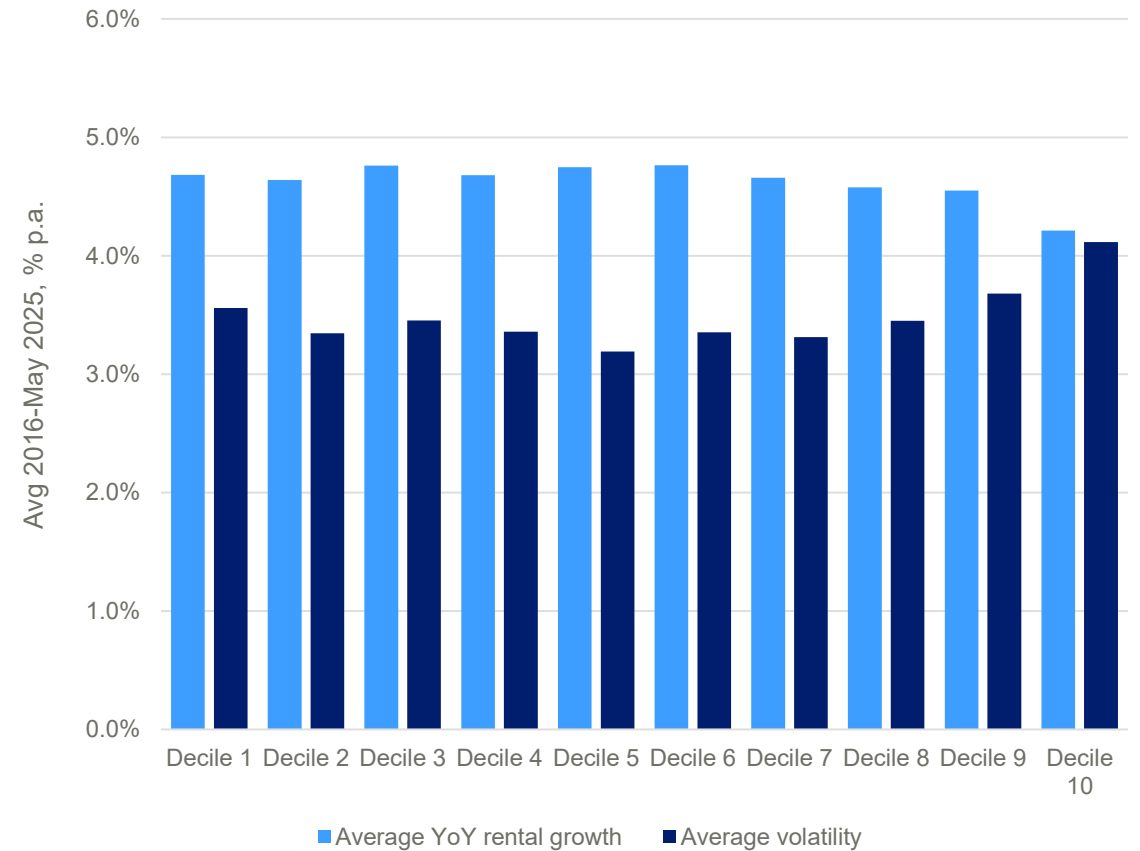
Selection, selection, selection

Wide range in performance by market and price point

Rental growth by town / city, 5 and 15-years



Rental growth and volatility by rental decile



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

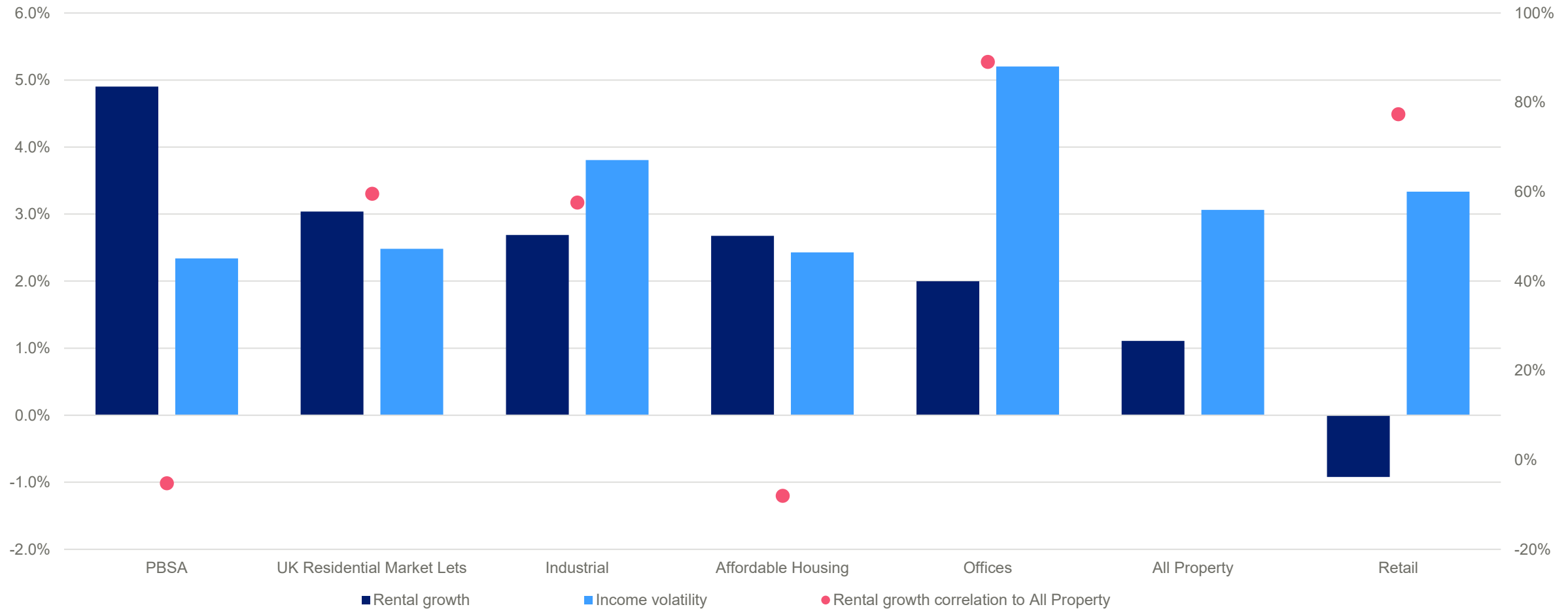


Purpose built housing with light touch 'care'. 24-hour access to support, services, amenities and staff

The case for a diversified living exposure

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

Historic rental growth (p.a) and volatility



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 Sivy, SVP
Private Markets
Gallagher

Thank you for joining us

Many thanks to Newmark for hosting



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