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S T A M F O R D

- News Release -

Drum Agrees £81.5 Million Deal With L&G for 346 Apartment Build-to-Rent Complex at Glasgow's Candleriggs Square

Deal Marks "Next Significant Step" in £300 Million City Centre Regeneration Project

Candleriggs Development 2 Limited, the joint venture between Drum Property Group and Stamford Property Investments, has agreed an £81.5 million deal with Legal & General to deliver a major 346-apartment Build-to-Rent (BTR) scheme at Candleriggs Square, Glasgow.

The deal marks the next significant step of the much-anticipated regeneration of the 3.6-acre Candleriggs Square site lying at the heart of the Merchant City area. Approval was granted for a 'Planning Application in Principle' for the entire site by Glasgow City Council in May 2020 - including a detailed application for a new 500-room hotel complex owned and operated by the pioneering hotel brand, the Student Hotel Group.

Legal & General will forward fund Candleriggs Development 2 to deliver the apartment complex, designed to meet the growing demand for affordable and high-quality rental accommodation across Scotland and the UK. The joint venture company has now submitted a detailed planning application to Glasgow City Council to develop the residential complex.

As well as the 346 apartments, the 17-storey 325,000 sq. ft. building will include a range of retail and commercial units at ground floor level creating a vibrant and attractive public realm. A generous entrance lobby will open onto Glasgow's Trongate, giving direct access to a communal landscaped courtyard at the first-floor level, while a range of roof terraces will provide spectacular views across the city.

Drum and Stamford's joint venture first launched the ambitious £300m plan to transform Candleriggs Square when the site was bought in March 2019. Plans included a high-quality mixed-use scheme combining homes, offices, hotels, restaurants and local amenities, together with landscaped open spaces and accessible walkways with a new public square at its heart.

Glasgow City Council has granted Planning Application in Principle for the entire site, as well as a detailed application for the first development phase including the 500-room hotel and leisure complex operated by the TSH Group, which, when complete, will become Scotland's largest hotel. Construction of the hotel will begin in early 2021.

Graeme Bone, Managing Director of Drum Property Group, welcomed the L&G deal as a much-needed catalyst, heralding an exciting future for the city centre as it starts to recover following months of lockdown. "The L&G deal is testament to the unwavering commitment and confidence we have placed in both the Candleriggs Square site and Glasgow city centre during these most testing of times," he said.

"It represents a significant step forward in the long-awaited regeneration of one Glasgow's most prominent gap sites, driving forward the evolution of Candleriggs Square which has quickly established itself as one of Scotland's largest and most important commercial and residential development sites.

"This will be a huge boost to the area and to local businesses, who are in desperate need of some good news right now. We can now look forward to a once-in-a-generation opportunity to transform a very special area which has always been at the centre of Glasgow's commercial and social development."

Dan Batterton, Head of BTR at LGIM Real Assets, added: " Glasgow faces a significant undersupply of high-quality rental accommodation and, within the coming decade, will see its population increase as it continues to establish itself as one of the UK's best cities to live and work. The site is located in a prime location and, alongside Legal & General's Buchanan Wharf scheme, is the city's only high-density build to rent product.

"Through our BTR Fund we want to create the best possible experience for renters, providing high-speed digital connectivity, dedicated workspace and exercise facilities, all of which are essential in a post-covid world."

Ends

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Issued on behalf of Drum Property Group and Stamford Property Investments by Richard Bright Associates Ltd. For more information contact Richard Bright on 07770 886914 or email richard@rbrightassociates.com.

Notes to Editors:

About Candleriggs Square: Candleriggs Square, bound by Wilson Street, Hutcheson Street, Candleriggs and Trongate, is regarded by many as the last and most significant piece of the Merchant City regeneration jigsaw.

Originally home to Glasgow's flourishing fruit and vegetable market, for most of the 20th century it was used as a department store before remaining unoccupied and derelict since the closure of the last operator in 1999. Since then, the site has suffered many false development dawns, including a proposal to establish Scotland's first Selfridges there in 2007.

Drum and Stamford's joint venture inherited an existing planning consent, approved in 2016, for around 850,000 sq. ft. of residential, student, hotel and commercial space. The current approved planning application made significant improvements to the quality of design and site permeability which reflect the site's unique setting at the heart of the Merchant City.

Proposals include a mix of homes, hotels and commercial space clustered around landscaped areas and a central public square. Restaurants, cafes, bars and retailers will be included at ground-floor levels, augmented by a variety of pedestrian-friendly street-level courtyards and contemporary art installations – including an additional open public space at the intersection of Candleriggs, Wilson and Bell Street.

About Drum Property Group: Drum Property Group Ltd is an award-winning property development and investment business with a strong track record of growth throughout Glasgow, Scotland and the UK. www.drumpropertygroup.com

About Stamford Property Investments: Stamford Property Holdings and its subsidiaries are a multi-faceted property developer specialising in private residential, PRS and student accommodation. Stamford has a strong track record of institutional grade developments in major cities in the UK. www.stamprop.com

About LGIM Real Assets LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe's largest institutional asset managers and a major global investor. LGIM manages £1.24tn in assets (as at 30 June 2020), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets has AUM of £35.9bn (as 30 June 2020) and is one of the largest private markets investment managers in the UK.