



# Why is the UK Living sector no longer an alternative investment?

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September 2023

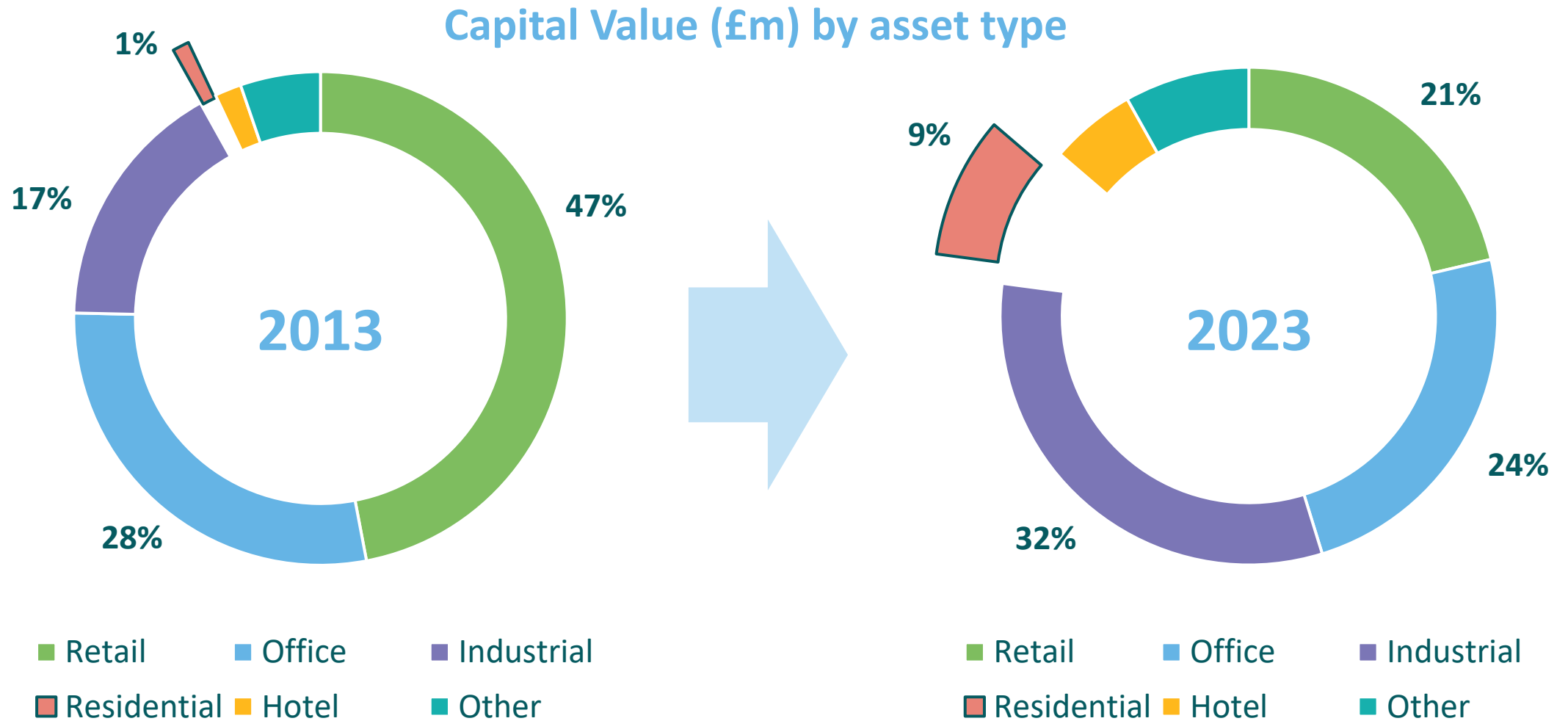
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Key risks are found on the slide 14

## Living sector

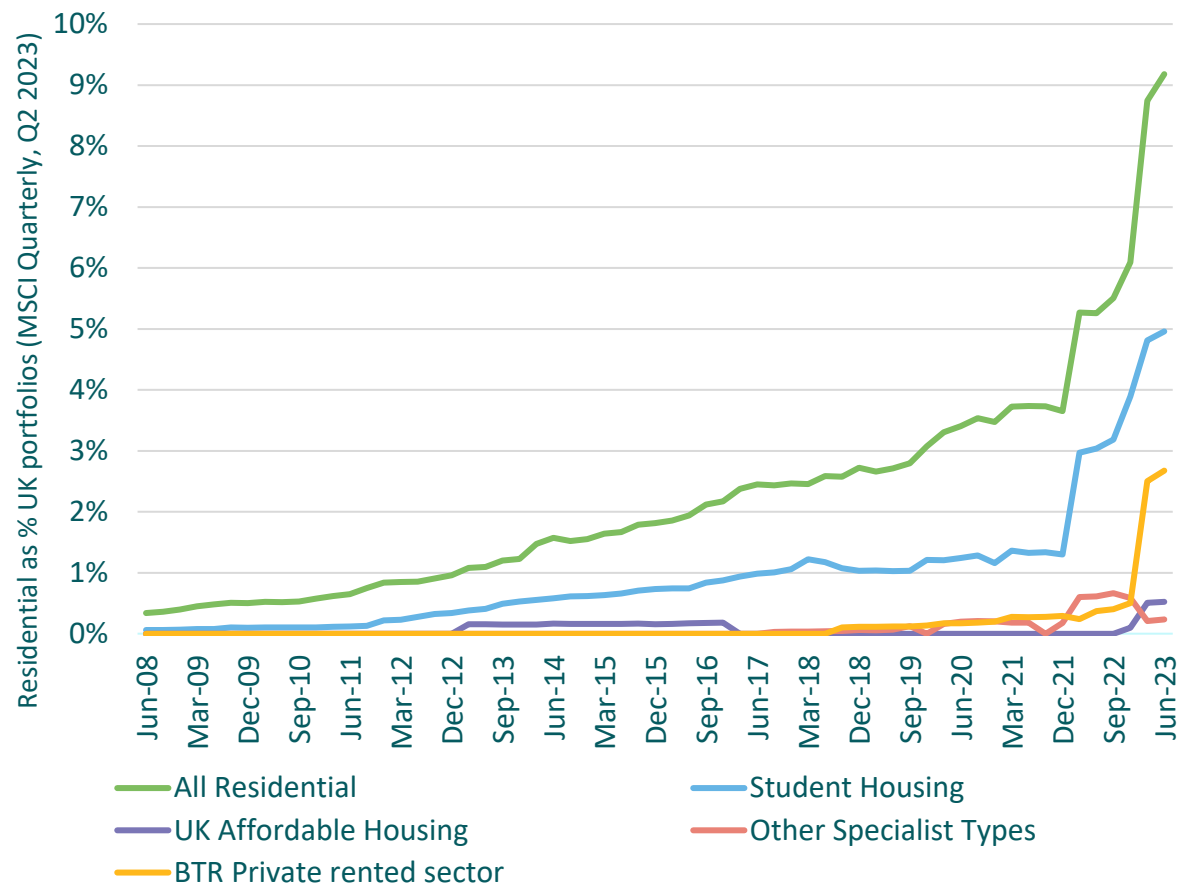
The evolution of its composition according to MSCI



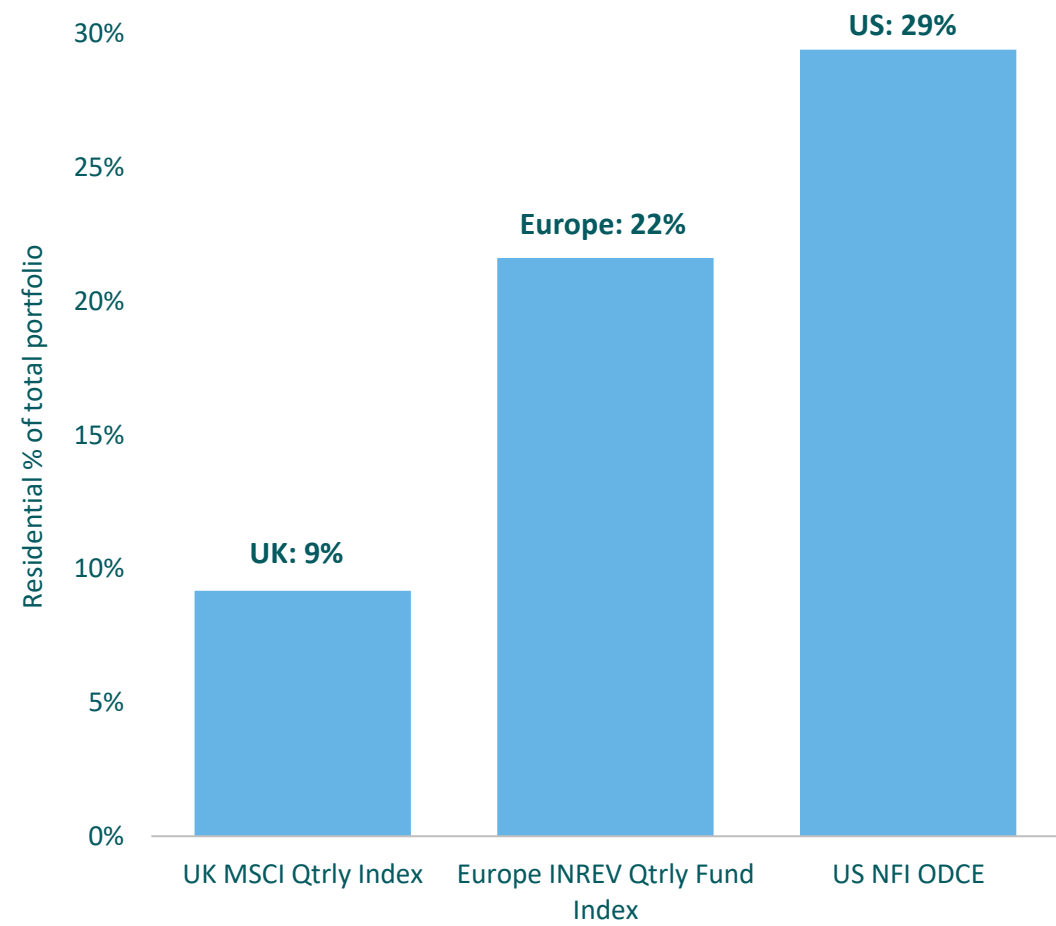
# The UK lags other markets when it comes to residential investment...

## Significant growth potential for multi-family and senior housing

The UK has seen increased investor interest in the Living sector...

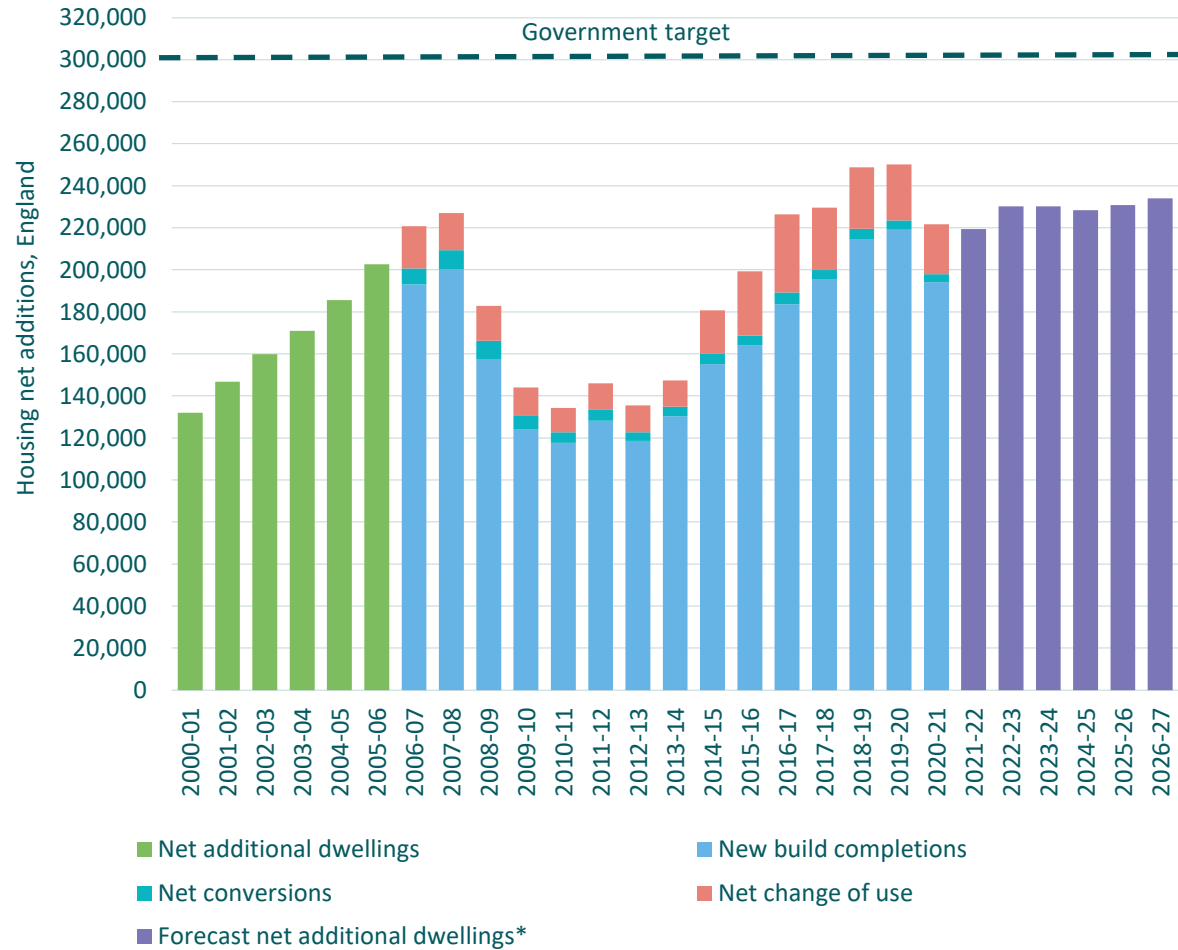


... but allocations remain well below those of other countries

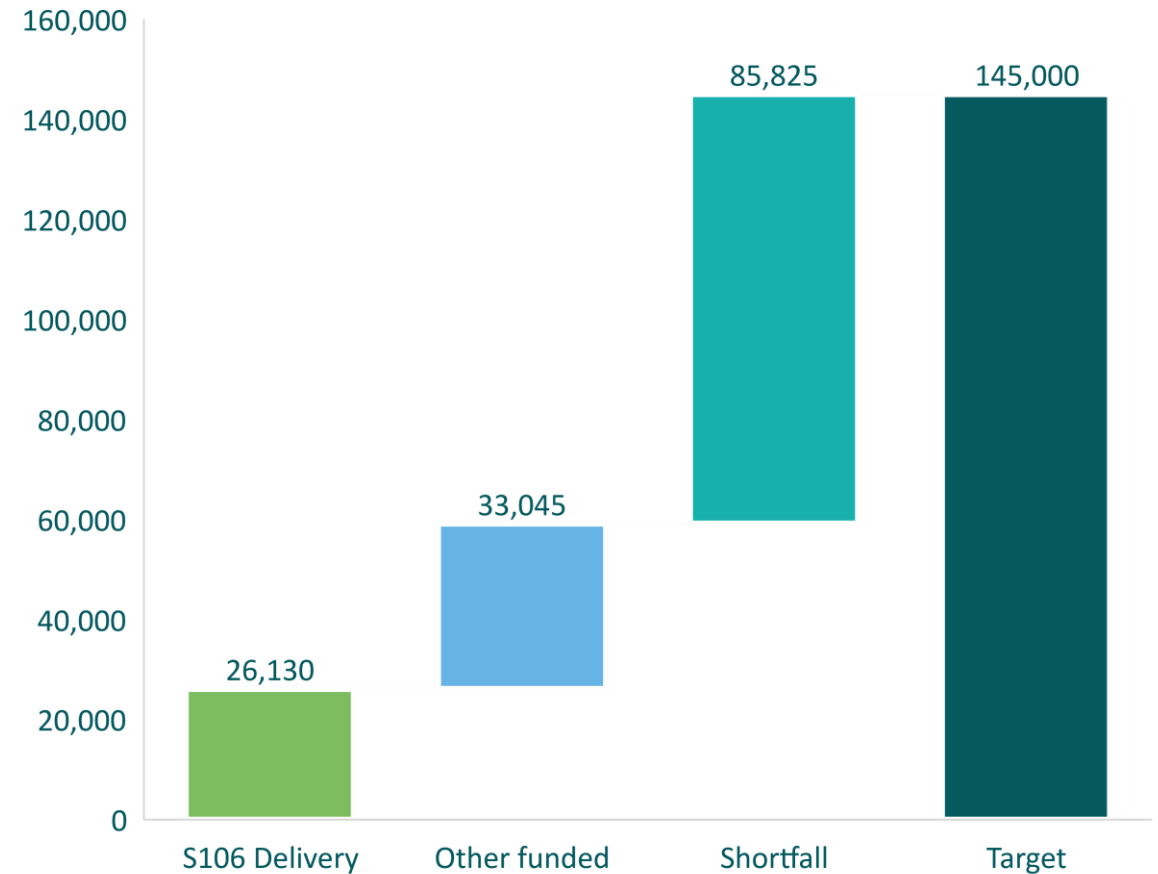


# Demand and supply imbalance

Supply: Government Target of 300,000 homes p.a.



2021/22 Affordable Housing Completions



# Saving for a deposit a major roadblock to home ownership



Source: Source: M&G Real Estate, August 2023.

# Issues / opportunities facing the housing sector



**Saving for a deposit – End of Help to Buy (Perhaps not!)**



**Fire safety**



**Buy to Let investors leaving the market**



**Planning / Build costs**



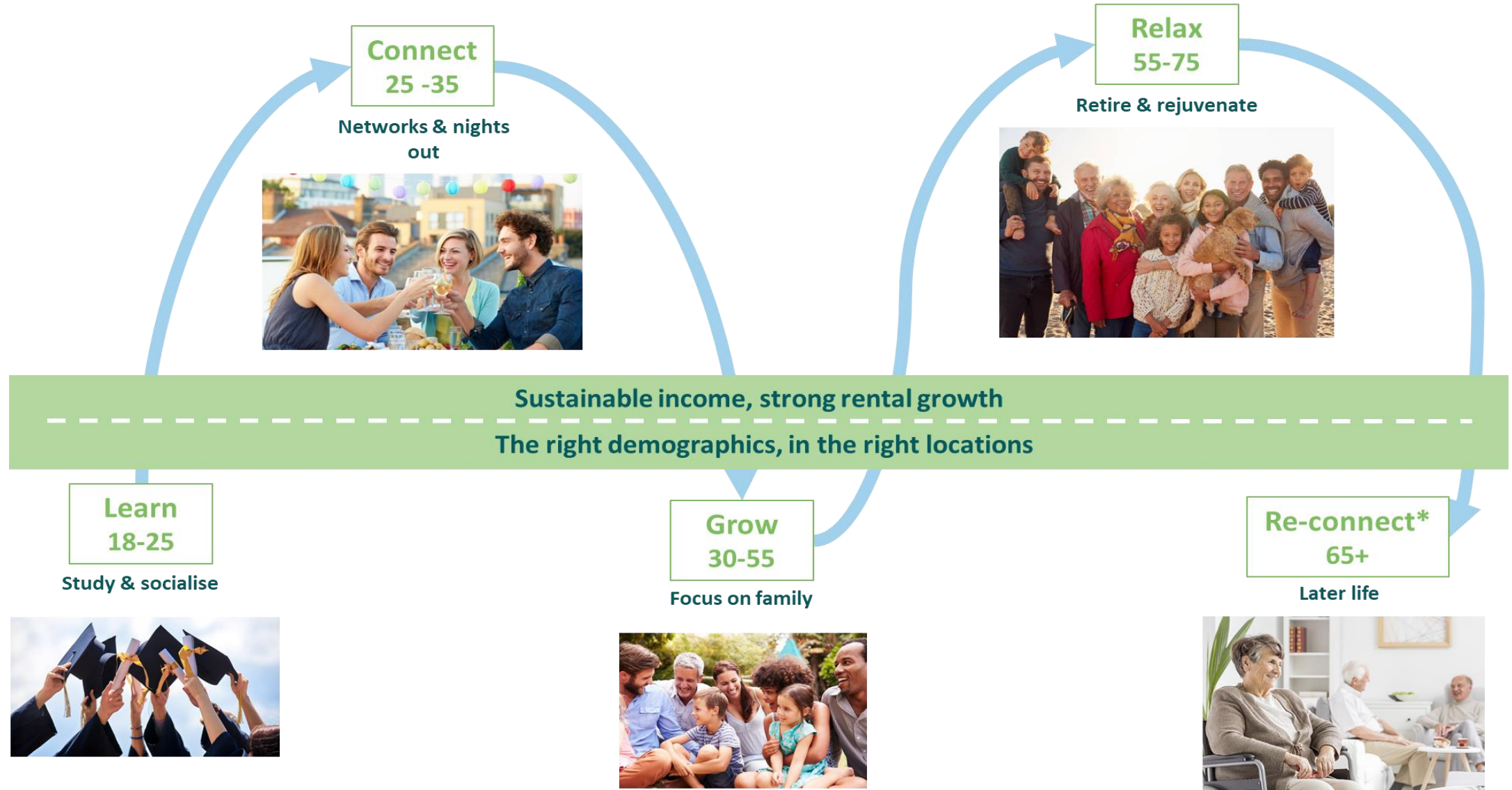
**Retro fitting**



**ESG /EPC ratings**

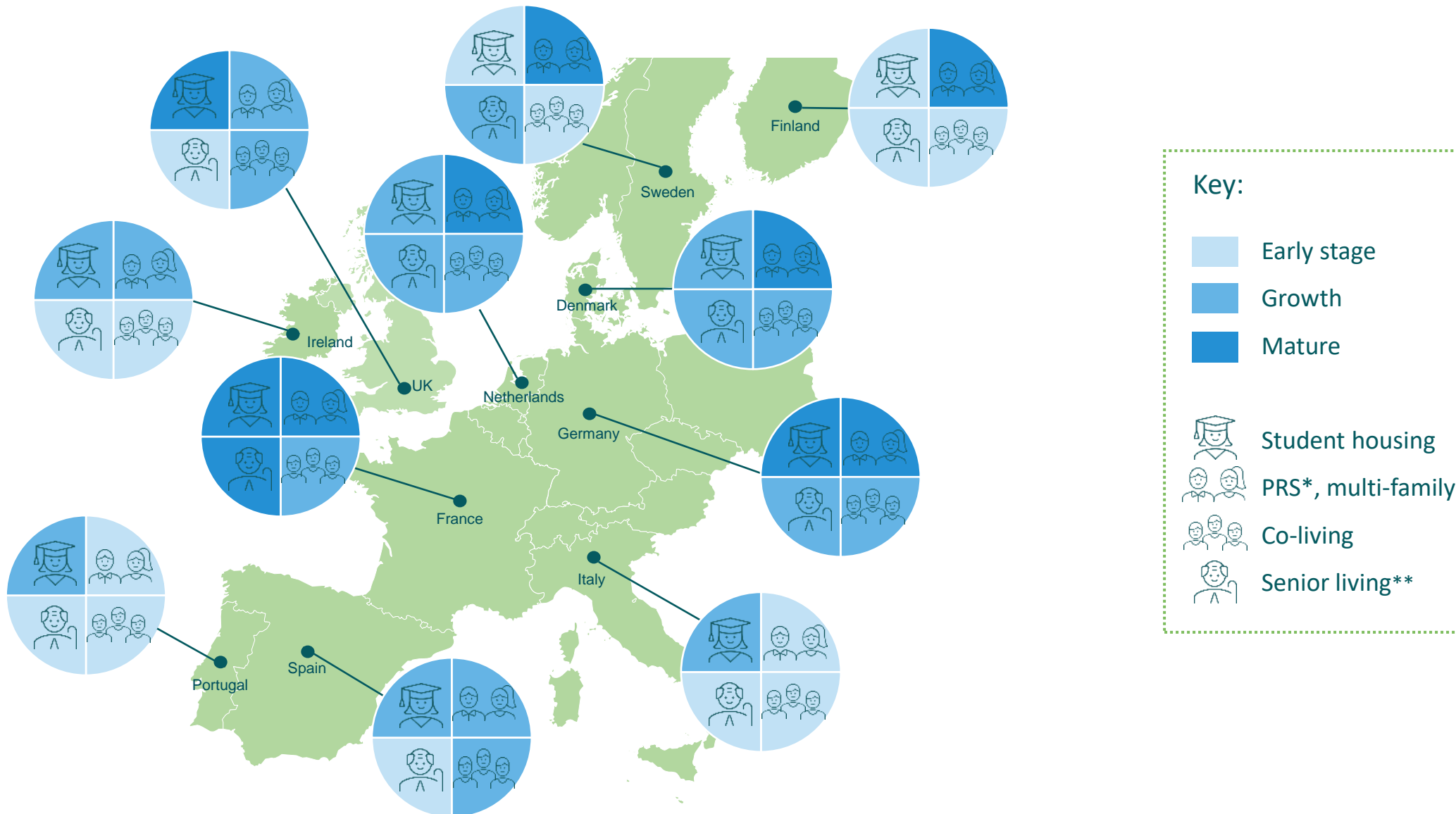
# How should you approach the living sector?

## Creating sustainable, diversified, communities



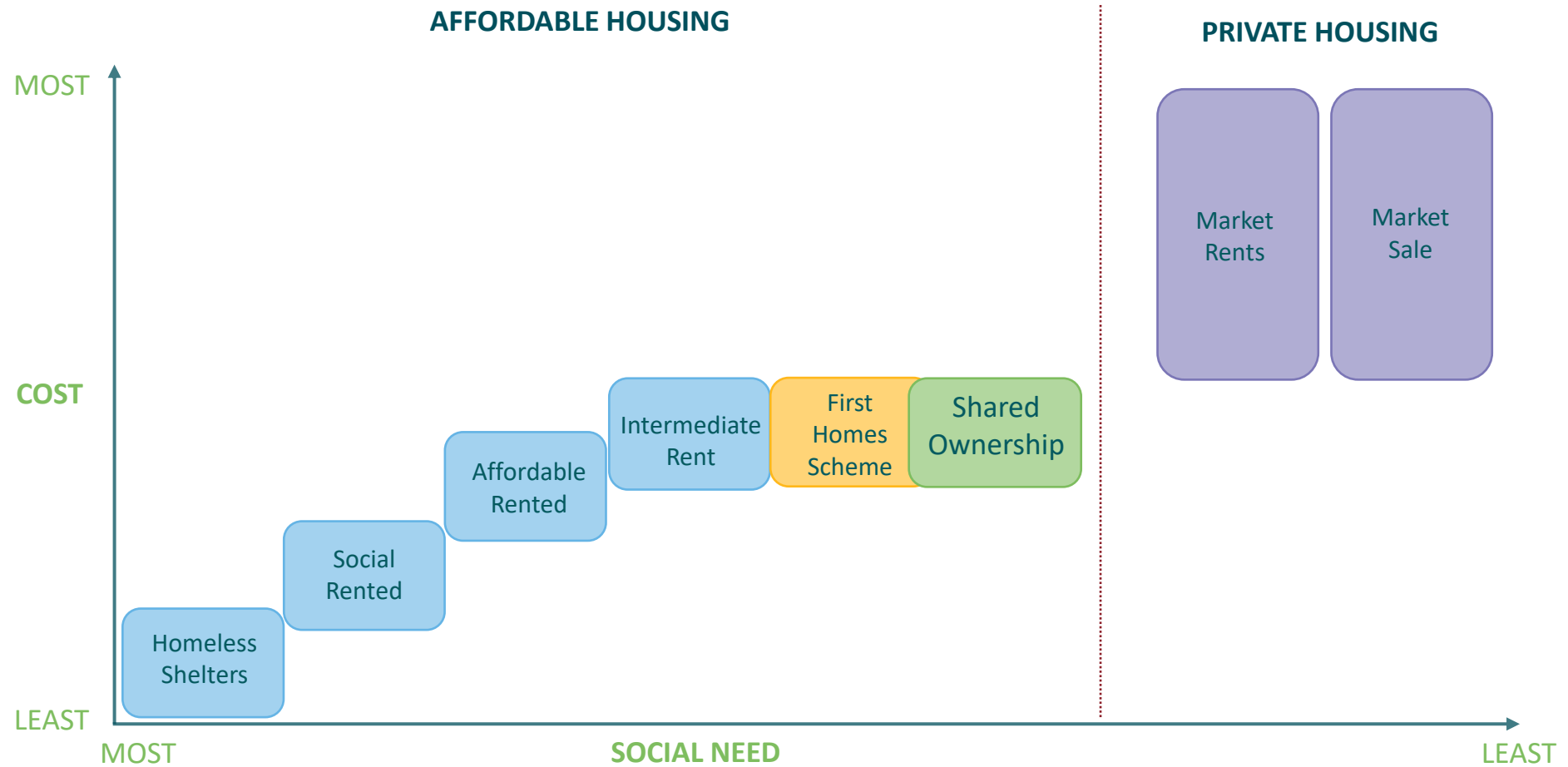


# European lifecycle





# Types of housing



# How should you select a partner?

Aligned interests with the sector

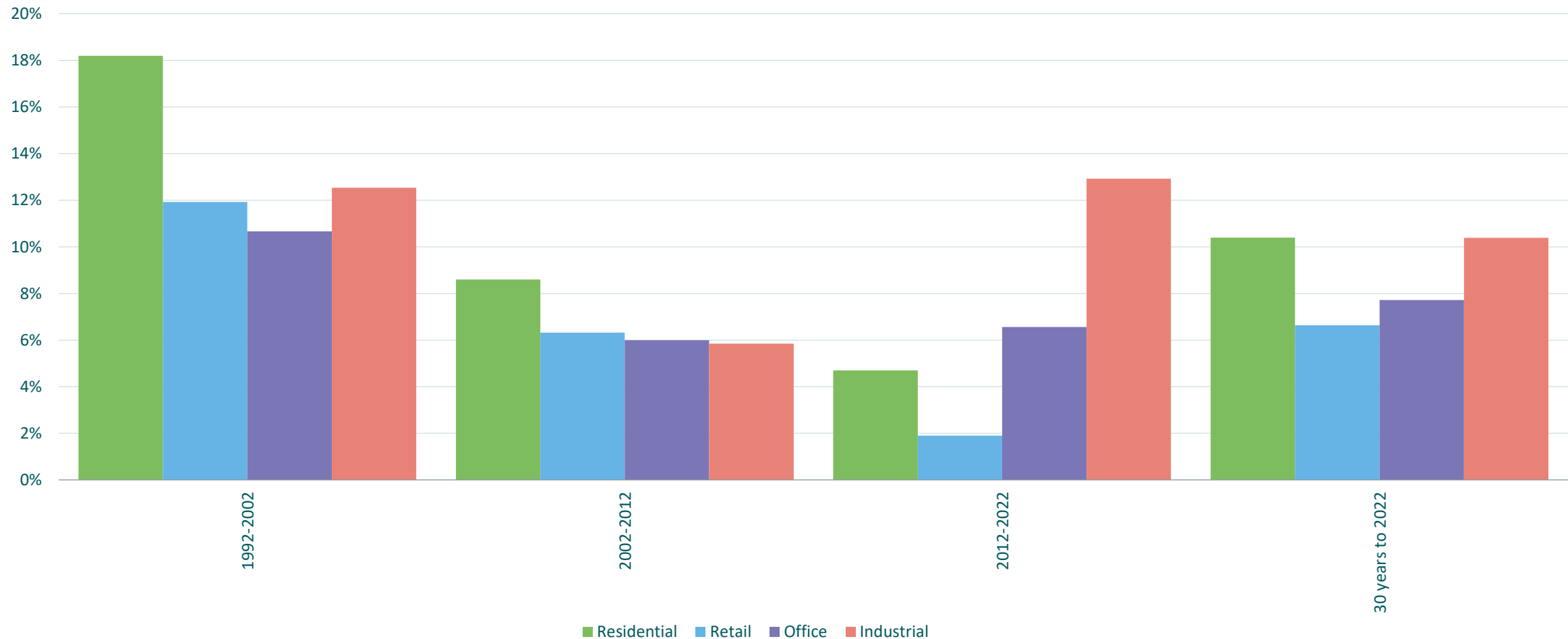
Service Provision	✓
Environmental Performance	✓
Track Record	✓
Pipeline	✓
Quality of Stock	✓



# Residential property offers strong diversification

Past performance is not a guide to future performance

## Total returns by asset class (% per annum)

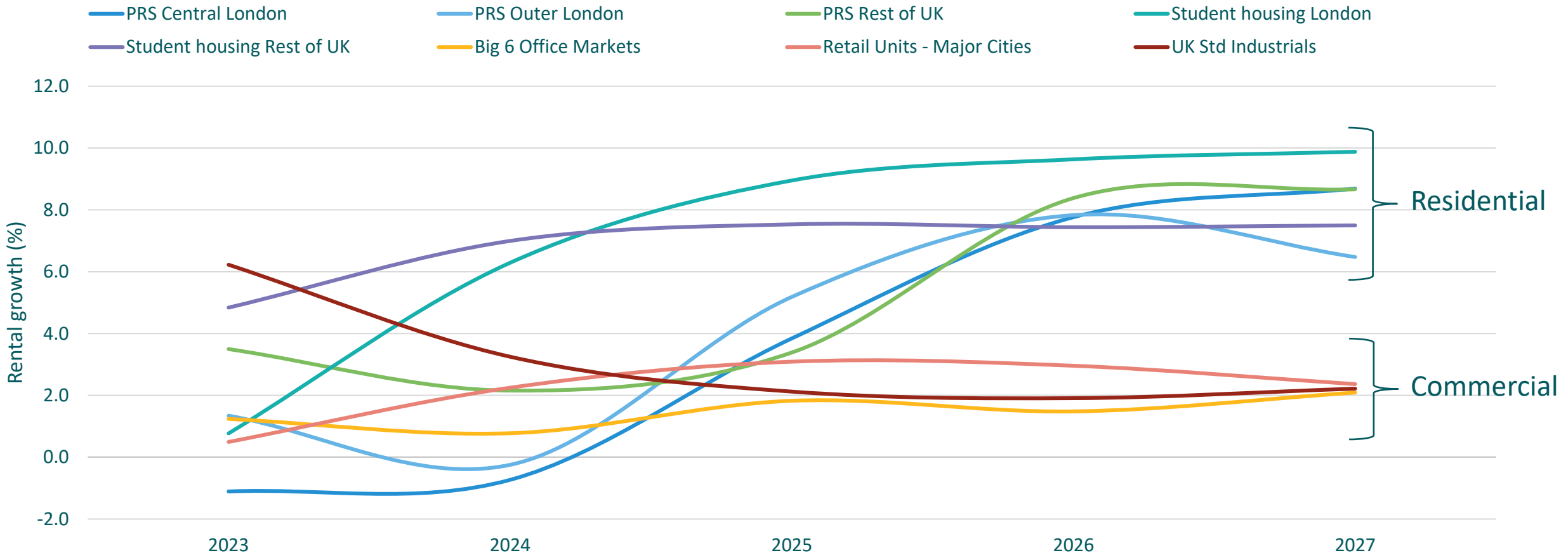


N.B. Residential total returns from 1991-2000 taken from MSCI Annual Property Digest, 2001+ from MSCI Residential Property Digest.  
Source: MSCI Annual Property Digest 2022, MSCI Residential Property Digest 2022, Macrobond (March 2023).

# Attractive rental growth outlook

Student housing expected to outperform against its private rented sector (PRS) counterparts

Rental growth forecasts (%)



# Appendices

# Important information

- The value of an investment in the Fund will fluctuate, which will cause the Fund's Unit price to fall as well as rise and you may not get back the original amount you invested.
- There is no guarantee that the Fund's objective will be achieved.
- Past performance is not a guide to future performance.
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