

Legal & General investing £200m to build 700-plus waterfront apartments in the centre of Cardiff

The Central Quay regeneration scheme at the former Brains brewery site in the centre of Cardiff has been boosted with a £200m investment that will see hundreds of new waterfront apartments built. Financial services giant Legal & General is investing to deliver 715 built to rent (BTR) apartments at the regeneration site – marking the scheme’s first project.

The mixed-use scheme, which is being spearheaded by Cardiff-based property firm Rightacres, will eventually see more than one million sq ft of new office, leisure and residential development at the site running alongside the River Taff.

Planning for the two apartment buildings was granted to Rightacres in June. L&G has appointed Bangor-based construction company Watkin Jones to build the apartments. It is understood construction will start later this year, with the first apartments available for rent in 2025.

The BTR project will consist of a mix of studio 1, 2 and 3 bed units and includes facilities such as a concierge, lobby, gym, gardens and terraces, as well as nearly 20,000 sq ft of leisure and retail space.

The BTR market, underpinned by secure rental incomes, are an increasingly attractive investment option for pension funds and institutional investors. L&G’s latest investment in the BTR market in Cardiff follows on from its Interchange scheme at nearby Central Square development, which will see 318 apartments ready for rent next March.

Since backing the first phases of Rightacres' Central Square office buildings, L&G has deployed around £1bn of investment fire power into financing office, industrial, hotel and new rail rolling stock in Wales.

The value of the deal for its acquisition of the land from Rightacres at Central Quay has not been disclosed, but is understood to be in the region of £20m.

With construction and funding costs for developments rising, it is a challenging marketplace for the commercial property sector.



How the apartments at Central Quay could look
However, the deal will allow Rightacres to invest further in public realm and next development phases at Central Quay. These include a new multi-storey car park to service Cardiff Central Station and a new 200-bedroom Moxy Hotel.

Work is also expected to start later this year on the scheme's

first office development. The One Central Quay 150,000 sq ft building, formerly known as the Ledger scheme, has been linked to professional advisory firm PwC to accommodate major expansion plans in the city. The firm, which has declined to comment on any plans to expand, currently employs 300 in the city at the 1 Kingsway office scheme where its lease expires in 2025.

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Plans also remain on track, subject to a funding deal, to turn the historic and listed Brains brew house building at Central Quay into a few office and leisure scheme with bars and restaurants. Depending of market investment appetite there is the prospect for further residential development too.

L&G's head of strategic investment at L&G Investment Management (LGIM) Real Asset, Cardiff-born [Tom Roberts](#), said: "Investing long-term capital in what society needs has never been more important. For the past decade, Legal & General has brought partnership models, expertise and capital to stimulate mixed-use redevelopment – long before 'levelling up' was coined.

"Our £1bn real assets investment in Cardiff reflects what patient investment can achieve. Alongside partners Rightacres Property, Cardiff Council and the Welsh Government, we have transformed Cardiff Central Square, not only changing people's first impressions of the city, but re-shaping Cardiff for the long-term. We're proud to progress this world-class regeneration, setting the city apart as one of the UK's leading places to live, work and invest."

Mike Powell, head of transactions, BTR, at LGIM Real Assets, added: "Residential rental demand has risen strongly in recent years due to increased activity in city centres across the UK,

but supply is still constrained, leading to fast rental growth. Recognising the need to provide more high-quality rental homes, Legal & General now has 20 sites in 12 cities nationwide, with more than 2,500 apartments already occupied and over 6,000 more under construction.

“This investment in Cardiff provides an opportunity to build on the role Legal & General has played in the urban regeneration of the city centre, developing much needed homes that will meet the employment growth that has been created. The development will deliver a new offering for young professionals to live, work and play in a river fronting environment.”

Chief executive of Rightacres, Paul McCarthy, said: “The sale of the land to L&G is the launchpad of the Central Quay regeneration project. The two apartment buildings, together with the original brewery building, will frame a new waterfront leisure destination that is the centrepiece of the development featuring exciting new artisan bars and restaurants. The land deal will also allow us to start our new office project, One Central Quay, which will support new ways of working with a renewed focus on sustainability and wellness and offers potential tenants the opportunity to target operating their business space on a carbon zero basis.

“We already have a number of businesses that are serious about reducing their carbon footprint showing significant interest in our new office development.”

Alex Pease, chief investment officer at Watkin Jones said: “We are delighted to be partnering with Legal & General on another development. The projects we are delivering together will create excellent homes, act as a catalyst for regeneration of the surrounding areas and help improve people’s lives. We look forward to bringing our expertise to what is a hugely exciting regeneration masterplan.”

Property advisory firm Knight Frank acted for L&G on the land deal at Central Quay.

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