

# John Lewis enters London rental property market with £500 million Abrdn joint venture

John Lewis is to enter the London property market after agreeing a £500 million joint venture with investment firm Abrdn.


The multi-decade partnership is set to deliver around 1,000 new rental homes across three local communities, of which two are in London. The move forms part of the partnership's ambition to build 10,000 new homes over the next decade.

John Lewis plans to redevelop Waitrose shops at Bromley and West Ealing in Greater London to provide new homes and improved stores, subject to planning permission, while in Reading, a vacant John Lewis warehouse will be rebuilt as housing.

The sites, which cover a combined 78,000 square foot, were chosen according to their central location and proximity to transport links, John Lewis said. The precise number of homes to be built on each site has yet to be determined, a spokesperson told the Standard.

Nina Bhatia, Executive Director for Strategy and Commercial Development at the John Lewis Partnership, said: "Our partnership with abrdn is a major milestone in our ambition to create much-needed quality residential housing in our communities."

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“Our residents can expect homes furnished by John Lewis with first-rate service and facilities. The move underlines our commitment to build on the strength of our brands to diversify beyond retail into areas where trust really matters.”

The step into the rental market is part of renewed efforts by the firm to diversify its sources of income as it wrestles with squeezed profit margins and dwindling footfall across its sprawling retail estate. It comes after John Lewis closed sixteen of its stores during the pandemic and laid off over 1,000 employees in a bid to slash costs as it posted a £26 million pre-tax loss in the year to end January.

Hargreaves Lansdown analyst Sophie Lund-Yates said John Lewis’s “large physical estate means a structural decline in footfall is a problem.”

“The group has some enviable plots in its repertoire, with their central locations likely to make them attractive to renters. Grasping the nettle is an admirable move and rent collection should be a stable source of income, but the fact it has come to this speaks volumes.”

It comes as data from estate agent Foytons earlier this week revealed a [22% surge in rent costs in the capital since the start of the year](#), with average prices hitting a record £571 a

week amid a surge in enquiries and a rise in bidding wars between Londoners jostling to find a place to live.

The uptick in rents comes despite news [house prices fell at their fastest rate since the depths of the pandemic last month.](#)

Britain's biggest building society Nationwide said the average prices of a home in the UK slipped 1.4% in November, the sharpest monthly drop since June 2020.