

John Lewis reveals £500m deal to build 1,000 new rental homes

The [John Lewis](#) Partnership's nine-year ambition to diversify away from the difficult retail sector has come a step closer to fruition after the business signed a deal that will help it build 1,000 new homes.

The £500 million deal with investment giant ABRDN set JLP – which also owns [Waitrose](#) – on course for its plan to become a major landlord with a portfolio of 10,000 homes.

The one-, two- and three-bedroom flats will be fitted out with John Lewis furniture and rented out to tenants.

The business said last year that it wants to make around 40% of its profit from outside retail by the end of this decade.

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Nina Bhatia, executive director for strategy and commercial development, said: "Our partnership with ABRDN is a major

milestone in our ambition to create much-needed quality residential housing in our communities.

“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 first 1,000 homes on which JLP has partnered with Abrdn will be built on the sites of two Waitrose shops in [Bromley](#) and West Ealing, both in [Greater London](#), and replace a vacant John Lewis warehouse in Mill Lane, [Reading](#), Berkshire.

JLP said around half of the 10,000 homes it plans to build will use sites that it already owns and needs to find new uses for.

Neil Slater, head of real assets at Abrdn, said: “The critical lack of quality rental accommodation in the UK needs to be addressed, so we are delighted to partner with the John Lewis Partnership to provide the required institutional investment.

“The ambitions and responsible ethos of our brands both strongly align, and our partnership should offer investors long-term returns and give residents confidence in a top-quality living experience.”