John Lewis reveals £500m plan to build rental homes

The John Lewis Partnership has revealed plans to build 1,000 rental properties on its land as part of a drive to diversify its business.

The employee-owned group, which is spearheaded by its eponymous department stores and Waitrose supermarkets, said a joint venture with investment firm abrdn aimed to achieve a tenth of its ambition to build 10,000 new homes over the next decade.

It would see John Lewis develop and manage the proposed new sites in Bromley and West Ealing in Greater London, which would require Waitrose shops to be redeveloped.

A vacant John Lewis warehouse, at Reading in Berkshire, would also be transformed under the plans.

The project, which is subject to planning permission, includes commitments to affordable housing and sustainability tied to its 2035 net-zero pledge, the partnership said.

“We want to create homes that will provide a stable income for the partnership, and moving into housing aligns with our purpose to make a positive difference for our partners, customers and communities”, the statement added.

The sites were chosen according to their central location and proximity to transport links.

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It announced the investment against a backdrop of record private rental costs, with tenants across the UK facing an average monthly bill of over £1,100 per month.

Across London, the figure is double that sum following a 22% year-on-year increase during the first nine months of 2022

according to estate agency Foxtons.

Advertisement
John Lewis said its plans would help ease a shortage of 75,000 rental homes in the capital.

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Nina Bhatia, its 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."