

New Fixed Rate Term Loan Facility

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LXI REIT PLC
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LXi REIT plc
(the "Company" or "LXi REIT")

NEW FIXED RATE 11.5-YEAR TERM LOAN FACILITY OF £40 MILLION SIGNED WITH SCOTTISH WIDOWS AT 2.85%

The Board of LXi REIT plc (ticker: LXI) is pleased to announce that the Company has signed a new 11.5-year, fixed rate, interest only loan facility of £40 million with Scottish Widows Limited, acting in partnership with Lloyds Bank Commercial Banking (the "Second Facility").

The Second Facility is repayable on 3 July 2029, the same date as the expiry date of the Company's existing £55 million Scottish Widows loan (the "First Facility").

The Second Facility has a fixed all-in rate payable of 2.85% per annum, for the duration of the loan term.

The Company's average debt maturity across all facilities is 11.5 years and its weighted average all-in cost of debt is now 2.90% per annum.

This average interest rate is 311 basis points lower than the Company's average net initial property yield of 6.01%.

The First Facility and the Second Facility are both secured against the assets acquired by the Company utilising the Company's IPO proceeds of 27 February 2017 and its second equity issue of 12 October 2017.

The full drawing of the Second Facility will reflect a loan-to-value ratio of 32%, when aggregated with the First Facility. As set out in the Company's investment policy, the Company will maintain a conservative level of aggregate borrowings, with a maximum level of aggregate borrowings of 35% of the Company's gross assets.

The Second Facility provides the debt resource needed to support the Company's acquisition of additional long-let index-linked assets, comprising both pre-let forward funded and built properties.

The Company has fully deployed its net equity and is in solicitors' hands on additional acquisitions which will fully absorb the debt finance under the Second Facility in the next few weeks.

Simon Lee, Partner of LXi REIT Advisors Limited, commented:

"We are delighted to have entered into this new 11.5-year loan facility with Scottish Widows. This provides the Company with a second, long-dated senior financing package at a very attractive fixed rate, which is highly accretive to the Company's dividend yield."

The Company's LEI is: 2138008YZGXOKAXQVI45

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

The Company invests in UK commercial property assets let, or pre-let, on very long (typically 20 to 30 years to expiry or first break), inflation-linked leases to a wide range of strong tenant covenants across a diverse range of property sectors.

The Company may invest in fixed-price forward funded developments, provided they are pre-let to an acceptable tenant and full planning permission is in place. The Company will not undertake any direct development activity nor assume direct development risk.

The Company is targeting a minimum annual dividend of 5 pence per ordinary share, starting from the financial period commencing 1 April 2018, with the potential to grow the dividend in absolute terms through upward-only inflation-protected long-term lease agreements, and is targeting a net total shareholder return of 8 per cent. plus per annum over the medium term¹.

The Company, a real estate investment trust ("**REIT**") incorporated in England and Wales, is listed on the premium listing segment of the Official List of the UK Listing Authority and was admitted to trading on the main market for listed securities of the London Stock Exchange in February 2017.

Further information on the Company is available at www.lxireit.com

Note 1: these are targets only and not a profit forecast and there can be no assurance that they will be met.

This information is provided by RNS
The company news service from the London Stock Exchange

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