

Acquisition

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

ACQUISITION OF TWO SEPARATE PORTFOLIOS OF CARE HOMES AND SUPPORTED LIVING PROPERTIES FOR A TOTAL OF £30.3 MILLION

The Board of LXi REIT plc (ticker: LXI) is pleased to announce the acquisition of two separate portfolios of care homes and supported living properties for a total consideration of £30.3 million.

Each of the portfolio acquisitions is being funded from equity resources following the Company's second issue of shares on 12 October, with senior debt finance expected to be introduced in the near term.

Acquisition of 31-year let care home portfolio for £28.5 million at 6.5% NIY

The Company has acquired the freehold interest in five modern, purpose-built care homes in Leicestershire and Lincolnshire (the "Properties") for a total consideration of £28.5 million, reflecting a net initial yield of 6.5% (net of acquisition costs to the Company).

Each of the Properties, benefiting from very high occupancy levels, is fully let to Prime Life, an established Care Quality Commission-regulated care operator which provides specialist facilities and services for elderly care, high dependency dementia and also for younger residents with learning disabilities, mental illnesses and physical disabilities. Prime Life is a family-owned business, with over 30 years' experience and currently operates over 1,800 beds across 60 homes in the UK.

The leases are immediately income producing and have an unexpired term of 31 years (expiring November 2048), without a break, and are subject to annual upward-only reviews index-linked to the Retail Prices Index (collared and capped at 2% p.a. and 3.5% p.a. compound).

Acquisition of 25-year let supported living portfolio for £1.8 million at 6.0% NIY

The Company has completed the acquisition of the freehold interest in a portfolio of regulated long-let supported living properties located in Lancashire and Yorkshire (the "Portfolio"). The purchase price for the Portfolio is £1.8 million, reflecting a net initial yield of 6.0% (net of acquisition costs to the Company).

Each property is immediately income producing and has been let on a new 25-year lease, with no tenant break, to a specialist Registered Provider of social housing. The Registered Provider is regulated by the Homes and Communities Agency and receives its funding for the rent payments directly from the relevant local authority.

Each lease is subject to annual upward-only rent reviews index-linked to the Consumer Prices Index and the Registered Provider is responsible for the costs of repair, maintenance, insurance and outgoings.

The Company has also now completed the acquisition of the £18.9 million 35-year let supported living portfolio, the exchange of which was announced on 16 October.

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

"The Company has now deployed 92% of the net proceeds of its second issue of shares announced on 12 October 2017 and we are in solicitors' hands on further acquisitions which will fully absorb the outstanding balance of the fundraise in the next few weeks.

Since the Company's IPO on 27 February 2017, the Company has deployed a total of £234 million of equity and debt capital across 29 acquisitions at an average net initial yield of 6.0% and with a weighted average unexpired lease term to first break of over 24 years."

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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