

Acquisition

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

ACQUISITION OF THREE PRIORY GROUP CARE HOMES IN NORTHERN IRELAND FOR £14.9 MILLION

The Board of LXI REIT plc (ticker: LXI) is pleased to announce that the Company has acquired the freehold interest in two Priory Group care homes in Northern Ireland and exchanged contracts to acquire a third Priory Group care home (the "Properties") for a total portfolio consideration of £14.9 million, reflecting a net initial yield of 6.5% (net of acquisition costs to the Company).

Each of the Properties is fully let or pre-let to companies within the Priory Group, a leading provider of mental health and elderly care services. The Priory Group is ultimately owned by NASDAQ-listed Acadia Healthcare which has a market capitalisation of \$4 billion and operates a network of over 570 facilities with over 17,000 beds.

The leases have a weighted average unexpired term of 29 years, without a break, and are subject to fixed annual rental uplifts of 2.5% p.a. compound.

The Properties are located in Armagh and Newtonabbey, in Northern Ireland, and comprise modern, purpose-built care homes for individuals with mental and/or physical disabilities. The Newtonabbey property comprises a newly built facility with 36 bedrooms, which opened in February 2017. The Armagh property ("Armagh 1") comprises a recently built facility with 30 bedrooms, which opened in 2012.

The third property ("Armagh 2") will form an extension to Armagh 1 and will comprise 34 bedrooms. Armagh 2 has been fully pre-let (as described above), detailed planning consent is in place and construction works have commenced, with practical completion scheduled for Q1 2018. The Company has paid the vendor a 10% deposit for Armagh 2, with the balance of the price to be paid on completion of the purchase. The Company is not developing the site or funding the construction works and is not assuming development risk.

John White, Partner of LXI REIT Advisors Limited, commented:

"We are pleased to have acquired three modern Priory Group care homes in Northern Ireland, which provide the Company with an attractive net initial yield of 6.5% and a secure 29 year income stream with guaranteed annual rental uplifts. This is the Company's first acquisition in Northern Ireland and further geographically diversifies our portfolio with an accretive net initial yield."

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 term.

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

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

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