

## Acquisition

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LXI REIT PLC  
15 August 2017

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**LXI REIT plc**  
(the "Company" or "LXI REIT")

### **£6.2 MILLION FORWARD PURCHASE OF PRE-LET PREMIER INN HOTEL, MIDDLESBROUGH AND PORTFOLIO UPDATE**

The Board of LXI REIT plc (ticker: LXI) is pleased to announce that the Company has exchanged contracts to forward purchase the new Premier Inn hotel currently under construction at Wilson Street, Middlesbrough (the "Property"). The purchase price is £6.2 million, reflecting a net initial yield of 5.1% (net of acquisition costs to the Company).

The Company has paid the vendor a 10% deposit with the balance of the price to be paid on completion of the purchase. Completion of the purchase will occur following practical completion of the building works, which is scheduled for December 2017. The Company is not assuming development risk or funding the construction works.

The Property has been fully pre-let to Premier Inn Hotels Limited, the principal hotel trading company of Whitbread PLC, a FTSE 100 company with a market capitalisation of £7.1 billion and the UK's largest hotel, restaurant and coffee shop operator, with more than 68,000 hotel rooms across over 750 hotels. Whitbread Group PLC is the tenant's guarantor under the terms of the lease.

The lease will run for a term of 25 years from completion of the building works, with a one-off tenant break right at the end of year 20. The rent is subject to five yearly upward only reviews index-linked to the Consumer Prices Index (collared and capped at 0% p.a. and 4% p.a. compound).

The Property is being purpose-built for the tenant and will comprise of a six storey, 83 bedroom hotel. It is well located on Wilson Street in the centre of Middlesbrough, with good access to the A66 dual carriageway, town centre shopping and Middlesbrough Football Club's Riverside Stadium.

The acquisition is being funded from the Company's Scottish Widows debt facility.

### **PORTFOLIO UPDATE**

The Company is also pleased to report the following updates:

- The building works have now completed for the Premier Inn and Beefeater in Whitley Bay, in relation to which the Company had previously exchanged on a conditional basis. The acquisition of the property by the Company has also now completed.
- Planning permission has now been granted for the Swindon property pre-let to Travelodge, Starbucks and Subway, in relation to which the Company had previously exchanged on a conditional basis. Completion of the acquisition will take place shortly.
- Planning permission has now been granted for the Bradford property pre-let to Aldi, Home Bargains, Heron Foods and Starbucks, in relation to which the Company had previously exchanged on a conditional basis. Completion of the acquisition will take place shortly.
- The Company has now completed on the acquisition of the Travelodge in Ipswich, in relation to which the Company had previously exchanged.
- Construction works are progressing well and on schedule in relation to the forward fundings of the property in Melksham, pre-let to Travelodge, Starbucks and Greggs, and the property in Cramlington, pre-let to GE Oil & Gas group.

### **Simon Lee, Partner of LXI REIT Advisors Limited, commented:**

"We are pleased to be forward purchasing this new and well-located Premier Inn hotel, which will provide the Company with a long, inflation-linked income fully underpinned by the strong Whitbread PLC and Premier Inn covenants."

### **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](http://www.lxireit.com)

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

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