

Acquisition

Released : 05 June 2017 07:00

RNS Number : 0862H
LXI REIT PLC
05 June 2017

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LXi REIT plc

(the "Company" or "LXi REIT")

£8.4M ACQUISITION OF THE PRIORY CARE HOME, LEEDS

The Board of LXI REIT plc (ticker: LXI) is pleased to announce that the Company has exchanged contracts to acquire the Priory Care Home, Leeds (the "**Property**") for £8.4 million, reflecting a net initial yield of 6.3% (net of acquisition costs to the Company).

The Property is fully let to Priory Elderly Care Limited and guaranteed by its parent company, Priory Investments Holdings Limited ("**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 lease has an unexpired term of just under 23 years (expiring in March 2040), without a break, and is subject to annual upward only rent reviews index-linked to the Retail Price Index (collared and capped at 2% p.a. and 5% p.a. compound). The next rent review is due in March 2018.

Purpose-built as a care home in 2010, the Property spans three storeys with 75 en-suite bedrooms. It is well-located, approximately two miles to the east of Leeds city centre, in a predominantly residential area within the suburb of Osmondthorpe.

The acquisition is being funded from equity resources, with senior debt finance expected to be introduced in the near term. Completion is due to occur within the next week.

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

"We are pleased to have acquired the Priory Care Home, Leeds, which provides the Company with an attractive net initial yield of 6.3% and a long, secure income stream with rare annual RPI rent reviews. This acquisition, our tenth since IPO, means that the Company now has 12 strong tenants with exposure to six distinct sub-sectors and has deployed 80% of its net equity."

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

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