

Acquisition

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LXI REIT PLC
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LXi REIT plc

(the "Company" or "LXI REIT")

£5.0M ACQUISITION OF A LONG-LET SUPPORTED LIVING PORTFOLIO

The Board of LXI REIT plc (ticker: LXI) is pleased to announce that the Company has completed the acquisition of the freehold interest in a portfolio of regulated long-let supported living properties located in Surrey, Somerset and Leicestershire (the "Portfolio").

The purchase price for the Portfolio is £5.0 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 Price Index (uncapped) and the Registered Provider is responsible for the costs of repair, maintenance, insurance and outgoings.

The properties in the Portfolio comprise specialist, high quality supported living homes for individuals with physical and/or mental disabilities or other care needs.

The acquisition has been funded from equity resources, with senior debt finance to be introduced in the near term.

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

"The Company has now deployed just under 90% of its net equity at an attractive average net initial yield of 5.9%, diversified across seven property sub-sectors and with 14 strong tenants. The assets have a long weighted average unexpired lease term to first break of 23 years and over 95% inflation-linked rent reviews.

We are in solicitors' hands on further acquisitions across a range of property sectors which will fully absorb in short order both the balance of the Company's equity and the debt finance under the recently completed Scottish Widows loan."

For further information, please contact:

LXI REIT Advisors Limited John White (Partner, Fund Manager) Simon Lee (Partner, Fund Manager)	Via Newgate Communications
Peel Hunt LLP Luke Simpson	Tel: 020 7418 8900
Newgate Communications (PR Adviser) James Benjamin Zoe Pocock Lydia Thompson	Tel: 020 7680 6550 Email: lxireit@newgatecomms.com

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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