

Acquisition

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LXI REIT PLC
21 August 2017

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

£5.7 MILLION ACQUISITION OF MOTORPOINT CAR SHOWROOM, LANCASHIRE

The Board of LXI REIT plc (ticker: LXI) is pleased to announce that the Company has acquired the Motorpoint car showroom in Burnley, Lancashire (the "**Property**"). The purchase price for the Property is £5.7 million, reflecting a net initial yield of 6.5% (net of acquisition costs), which is expected to rise to over 7.0% following next year's five yearly RPI-linked rent review.

The Property is fully let to Motorpoint Limited, the principal trading company of Motorpoint plc, a London Stock Exchange listed company which is the UK's largest independent vehicle retailer.

The lease has an unexpired term of just under 20 years (expiring in June 2037), without a break, and is subject to five yearly upward only rent reviews index-linked to the Retail Prices Index, with a collar and cap of 1% p.a. and 3% p.a. compound. The next rent review is due in September 2018.

The Property comprises a substantial car showroom facility, with extensive vehicle display and compound storage on an 8.6 acre freehold site. Internally, the main facility provides for a large customer area including a reception, sales area, offices and café. The remainder of the site provides for approximately 400 display vehicles. There are two further buildings used for the preparation, valeting and repair of vehicles.

The Property is strategically located fronting the M65 motorway in Burnley, Lancashire and the surrounding area comprises a mix of industrial and residential uses.

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

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

"This acquisition provides the Company with additional long-term, secure and RPI-linked income at an attractive yield and further diversifies its sector exposure. The property benefits from a strong residual value and is one of the tenant's top trading locations."

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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