

Update

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

ACQUISITIONS, PORTFOLIO UPDATE AND FULL DEPLOYMENT OF EQUITY AND DEBT

The Board of LXI REIT plc (ticker: LXI) is pleased to announce the following acquisitions, portfolio update and the full deployment of its equity and debt.

Acquisition of specialist supported living portfolio

The Company has exchanged contracts on the acquisition of the freehold interest in a portfolio of regulated long-let supported living properties located across England (the "Portfolio").

The purchase price for the Portfolio is £12.9 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 Prices Index (uncapped) and the Registered Provider is responsible for the costs of repair, maintenance, insurance and outgoings.

Completion of forward funding of a pre-let Travelodge, Costa and KFC in Camborne, Cornwall

The Company has now completed, at a 6.15% net initial yield, the forward funding acquisition of the property in Camborne, Cornwall, which has been pre-let to Travelodge, Costa and KFC, the exchange of which was announced by the Company on 24 July.

The acquisitions are being funded from the Company's Scottish Widows debt facility.

Portfolio update - full deployment of equity and debt

The Company has now deployed all of the net proceeds of its £138 million IPO and its £55 million 12-year loan facility following listing on 27 February 2017.

Across the Company's assets, the average net initial yield is 5.94%, the weighted average unexpired lease term to first break is 24 years and 96% of the income is index-linked/has fixed uplifts.

The assets are diversified across eight different sectors: hotels (30%), supported living (23%), care homes (13%), industrial (11%), car parks (10%), discount retail (5%), restaurants and coffee shops (5%) and automotive (3%).

The income is secured against 17 strong tenants, including Aldi, Costa Coffee, General Electric, Home Bargains, Motorpoint, Premier Inn, The Priory Group, Q-Park, SIG, Specialist Housing Associations, Starbucks and Travelodge.

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

"We are very pleased with the Company's strong progress since listing on 27 February 2017 and to have deployed our equity and debt in full in this period. LXI has invested into high quality assets with strong, secure covenants diversified by sector, tenant and geography with a 24 year WAULT and attractive income yield, meeting and in many areas exceeding our original expectations at our IPO.

Coupled with our substantial investment pipeline of secure, long-let index-linked property assets, the Company is well positioned with an excellent platform to deliver attractive inflation-protected income and capital returns to our shareholders."

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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