



LXI REIT PLC - LXI Acquisitions for a combined investment of £23M
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LXi REIT plc

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

ACQUISITIONS FOR A COMBINED INVESTMENT OF £23 MILLION

The Board of Directors of LXi REIT (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce the following long-let, index-linked acquisitions (the "**Acquisitions**"), for a combined total investment of approximately £23 million, reflecting a weighted average net initial acquisition yield of 5.7%, net of acquisition costs (which compares favourably to the Company's latest portfolio valuation yield of 5.1% as at 31 March 2019).

These Acquisitions are being funded by the Company's new Revolving Credit Facility ("**RCF**"), announced on 22 July 2019. The Company is also in solicitors' hands on additional acquisitions which will fully deploy the balance of the RCF.

The Company is not developing the forward funding investments or assuming development risk and is forward funding each property on a fixed price basis. The Company will receive an income from the developers during the construction periods.

Forward funding of Premier Inn hotel, Greater London

The Company has exchanged contracts to acquire, by way of a pre-let forward funding, a new 85-bedroom Premier Inn hotel in Romford, Greater London.

Romford forms one of the largest commercial, entertainment and leisure districts in London with a considerable catchment area and excellent transport links.

The hotel has been pre-let to Premier Inn Hotels Limited, with a guarantee from its parent Whitbread Group plc, on a new, unbroken 25-year lease from completion of the building works, with five yearly rental uplifts in line with the Consumer Prices Index.

Premier Inn is the UK's largest hotel brand, operating over 72,000 rooms across 785 hotels, and is part of Whitbread PLC, a FTSE 100 constituent and the UK's largest operator of hotels and restaurants, with a market capitalisation of approximately £5.6 billion.

Forward funding of commercial vehicle centre, Birmingham

The Company has exchanged contracts to acquire, by way of a pre-let forward funding, a new servicing and sales centre for Mercedes commercial vans and trucks in Smethwick, Birmingham.

The new development will comprise 35,647 sq ft of warehouse, servicing, showroom and office space over two floors, on a four acre site.

The property has been pre-let to Midlands Truck and Van Limited, with a guarantee from its parent Ballyvesey Holdings Limited, on a new, 30-year lease from completion of the building works (with a one-off break right in year 20), with five yearly rental uplifts in line with the Retail Prices Index.

Ballyvesey Holdings is the privately owned parent company of a wide range of trading subsidiaries. Established in 1970, the group's main activities are centred around transport and logistics, truck sales and after sales support, trailer manufacturing and spare parts sales, transport industry services, construction equipment sales and service and property rental and development.

Smethwick is an established industrial location, four miles west of Birmingham city centre, with good access to the M5, M6 and M42 motorways.

A key driver of anticipated demand for the sale and servicing of commercial vans and trucks from the property is the fulfilment of online shopping.

Aldi foodstore, Lytham St Annes

The Company has exchanged contracts to acquire a recently constructed 25,000 sq ft Aldi foodstore in Lytham St Annes, Lancashire, a seaside resort just south of Blackpool with residents' earnings one of the highest in the north of England.

The property has been let to Aldi Stores Limited on on a long lease, with over 19 years unexpired to first break. The rental uplifts are fixed at 2.5% per annum compounded and the current passing rent equates to a low £10 per sq ft.

Aldi Stores Limited is the principal UK trading company of the Aldi group, a leading global supermarket chain which operates 10,000 foodstores across 20 countries.

Commenting on today's announcement, John White, partner of LXI REIT Advisors Limited, said:

"We are pleased to be acquiring, on an off-market basis, these attractively-priced assets let on long leases to strong tenant covenants across robust sectors with high residual values, which are expected to provide our shareholders with further diversified, secure and inflation-linked income and capital growth potential."

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is: 2138008YZGXOKAXQVI45

NOTES:

LXi REIT plc invests in UK commercial property assets let, or pre-let, on very long (typically 20 to 30 years to first break), inflation-linked leases to a wide range of strong tenant covenants across a diverse range of robust 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 an annual dividend of 5.75 pence per ordinary share, starting from the financial period commencing 1 April 2019, with the potential to grow the dividend in absolute terms through upward-only inflation-protected long-term lease agreements, and is targeting a total NAV return of a minimum of 8 per cent. 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 Financial Conduct Authority and was admitted to trading on the main market for listed securities of the London Stock Exchange in February 2017. The Company is a constituent of the FTSE EPRA/NAREIT and MSCI indices.

Further information on the Company is available at www.lxireit.com

* These are targets only and not a profit forecast and there can be no assurance that they will be met.

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