

Forward Funding Investment at Biggin Hill Airport

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LXI REIT PLC
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LXi REIT plc

(the "Company" or "LXi REIT")

FORWARD FUNDING INVESTMENT AT LONDON BIGGIN HILL AIRPORT PRE-LET FOR 35 YEARS TO A LEADING INTERNATIONAL AEROSPACE GROUP

The Board of Directors of LXi REIT (ticker: LXI), the specialist inflation-protected long income REIT, is pleased to announce that the Company has acquired, by way of a pre-let forward funding, a new maintenance, repair and overhaul facility for business jets to be constructed at London Biggin Hill Airport (the "Property").

The Property has been fully pre-let to a leading international aerospace group on an unbroken 35-year lease from completion of the building works, with annual rental uplifts fixed at a growth rate of 2.5% per annum compounded.

The Property, which will comprise 232,000 sq ft of hangar, workshop and office space purpose-built to a high specification, along with 650,000 sq ft of apron area and surrounds, will be situated immediately adjacent to the airport runway.

London Biggin Hill Airport is located in South East London, just 12 miles from the capital's centre. The airport provides quick and convenient access to London, with a number of major high value businesses engaged in aviation and technology positioned onsite as well as nearby.

The Property will represent a key operating asset for the tenant group, being one of only three such large scale facilities to be operated by the tenant across the globe.

The Company is not developing the Property or assuming development risk and is forward funding the project on a fixed price basis. The Company will receive an income from the developer during the construction period.

The project is being funded by the Company's revolving credit facility.

Commenting on today's announcement, Simon Lee, partner of LXi REIT Advisors Limited, said:

"We are delighted to be acquiring at an attractive yield, on an off-market and forward funding basis, this key operating asset in South East London, pre-let to a strong global tenant covenant on an unbroken 35-year lease. The Property will provide the Company with long-term secure income, attractive levels of contracted annual rental growth and significant 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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