

## Profitable disposal and accretive acquisition

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

### **PROFITABLE DISPOSAL AT MATERIAL PREMIUM TO BOOK VALUE AND ACCRETIVE ACQUISITION**

The Board of LXI REIT plc (ticker: LXI), the specialist inflation-protected very long income REIT, is pleased to announce the following profitable disposal and accretive acquisition.

#### **Disposal**

Following receipt of an unsolicited approach, the Company has sold a bus storage facility in Yardley Wood, near Birmingham, let to National Express Group PLC on a long lease, to a specialist REIT for £6.8 million:

- reflecting a low exit yield of 4.2%, which compares favourably to the acquisition yield of 5.7% paid by the Company;
- representing a 34% uplift on purchase price and a 13% premium to latest book value (as at 30 September 2019); and
- generating an attractive geared IRR for the Company of 36% per annum.

The Company retains its other bus storage facility in West Bromwich let to National Express Group PLC, which it acquired at the same time and on the same lease and pricing terms as Yardley Wood.

#### **Acquisition**

The Company has acquired, on a sale and leaseback basis, a 679-space car park in Croydon.

The property has been leased back to Q-Park Limited, with a guarantee from its parent Q-Park N.V., on a new, unbroken, 35-year lease, with annual rent reviews linked to the Retail Prices Index.

Q-Park is one of Europe's leading parking providers, with more than 475,000 parking spaces across over 2,500 car parks in seven Western European countries.

Croydon is located 10 miles south of Central London and is the largest London Borough in terms of population with a catchment of 363,378.

The property benefits from multiple demand drivers including residential, office and leisure users and the rent has been set at a low level to provide strong rent cover.

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

"We are pleased to have completed the disposal of the Yardley Wood property at a significant premium to acquisition cost and book value, enabling us to recycle the proceeds into the accretive acquisition of a well-located car park secured to a substantial tenant covenant on a 35 year, RPI-linked lease, at a low capital cost."

#### **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 250, FTSE EPRA/NAREIT and MSCI indices.

Further information on the Company is available at [www.lxireit.com](http://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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