

CARE HOME ACQUISITION AND DEBT FACILITY EXTENSION

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AEW UK Long Lease REIT PLC
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AEW UK Long Lease REIT plc ("AEWL" or "the Group")

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£6.65m acquisition of a care home and extension of debt facility

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AEW UK Long Lease REIT Plc (AEWL) is pleased to announce the acquisition of a long let Care Home in Nailsea, Bristol for £6.65m reflecting a net initial yield of 5.8%, funded through the Company's debt facility.

The asset comprises a 62-room, purpose built care home located in an affluent suburb approx. 8 miles south west of Bristol and is fully let to, and operated by, Handsale Ltd an established national provider of elderly care services. A new 30 year fully repairing and insuring lease has been granted by AEWL from the date of the acquisition providing the Company with annual rental uplifts in line with the Retail Price Index, with a minimum uplift level of 1% and a cap of 4%. The facilities of the home and its care provision have been rated as being 'Good' by the Care Quality Commission and in addition, the home has a history of high occupancy rates combined with a high percentage of private pay residents in this area which is currently under supplied for elderly care residential accommodation.

This acquisition was funded through the extension of the Company's existing debt facility with Canada Life Investments by £11m. In December 2018, the Group agreed an increase of £11 million to its loan facility with existing lender Canada Life, taking the total facility amount to £41 million. This amount is equal to 35% of the Company's gross assets which is in line with its target and is below its stated prospectus limit of 40%. The weighted average interest cost of the Group's £41 million facility is 3.19% and is repayable on the 20 October 2025.

AEW UK Investment Management LLP, AEWL's investment manager has identified a number of additional investment opportunities for AEWL and has a further property under offer which, if completed on, will be funded through the balance of the debt facility. This will provide AEWL with improved diversification and an additional income stream that will be accretive to its dividend.

Alex Short, Director of AEW UK Investment Management LLP, and Portfolio Manager of the Company commented: "This acquisition is a great addition to our portfolio, with its accretive day one yield, long term income stream and attractive rental uplift profile. The property is located within an affluent outskirts of Bristol and has achieved strong occupancy levels over recent years. This debt facility extension and acquisition together both reflect our continued effort to improve dividend cover as well as boost the quality of the Company's income stream through long leases and additional tenant diversification. The acquisition is reflective of the healthy pipeline of opportunity that we continue to see for this strategy and with a further asset also in exclusivity, we expect to make further acquisition announcements in the coming weeks."

About AEW UK Long Lease REIT (www.aewuklreit.com)

AEW UK Long Lease REIT plc (LSE: AEWL) aims to generate a sustainable, secure and predictable income return, whilst at least maintaining capital values in real terms, by investing in a diversified portfolio of UK properties, with an attractive entry yield, predominately in alternative and specialist sectors. It will invest in a diverse range of sectors that are underrepresented in institutional portfolios including leisure, healthcare, education, hotels, student accommodation, supported living and automotive. At least 85% of the gross passing rent from the portfolio's leases will contain inflation linked rent reviews, and average initial unexpired leases in excess of 18 years at the time of investment.

About AEW UK Investment Management LLP (www.aeweurope.com)

AEW UK Investment Management LLP ("AEW UK") is the investment manager of AEWL. It employs a well-resourced team comprising 24 individuals covering investment, asset management, operations and strategy. It is part of AEW Group, one of the world's largest real estate managers, with just over €62bn of assets under management as at 30 September 2018. AEW Group comprises AEW SA and AEW Capital Management L.P., a U.S. registered investment manager and their respective subsidiaries. In Europe, as at 30 June 2018, AEW Group managed nearly €30bn in value in properties of all types located in 14 countries, with close to 400 staff. The Investment Manager is a 50:50 joint venture between the principals of the Investment Manager and AEW. www.aewuk.co.uk

Enquiries

AEW UK

Alex Short
Laura Elkin

alex.short@eu.aew.com
laura.elkin@eu.aew.com

Nicki Gladstone

Nicki.Gladstone-ext@eu.aew.com
+44(0) 771 140 1021

Cenkos Securities plc
Tom Scrivens
Sapna Shah

+44 (0)20 7397 1915
+44 (0)20 7397 1922

TB Cardew
Ed Orlebar
Tom Allison
Lucy Featherstone

aew@tbcardew.com
+44(0) 7738 724 630
+44(0) 7789 998 020
+44(0) 7789 374 663

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