

## Acquisition

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Impact Healthcare REIT PLC  
26 March 2018

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**Impact Healthcare REIT plc**

(the "Company" and with its subsidiaries, the "Group")

**ACQUISITION OF A CARE HOME IN BRISTOL**

The Board of Directors of Impact Healthcare REIT plc (ticker: IHR) is pleased to announce that the Group has acquired, in a sale and leaseback transaction, a care home in Bristol for a total consideration of £4.9 million (including costs).

The home operates as two units on one site: Fairview Court and Fairview House. It is being sold by its current owners as part of their retirement from the business. On completion the home will be operated by Welford Healthcare Limited ("Welford"), which is owned and managed by Peter Madden, a high quality operator with an established track record of successfully managing and adding value to care homes. The Group will enter into a new full repairing and insuring lease with Welford for an initial term of 25 years, with an option for Welford to extend to 35 years. Welford has committed to a minimum annual expenditure on maintenance.

The initial rent of £356,000 receivable under the lease is subject to annual, upward only rent reviews, increasing in line with the Retail Prices Index, with a floor of 2% p.a. and a cap of 4% p.a.

Fairview Court was built by the vendors in 2006 with 49 single bedrooms, all are en-suite, providing nursing with dementia care. Fairview House is a 22-bed unit in a period building, providing residential care. Both units are rated "Good" by the Care Quality Commission and are operating at or near full capacity.

The Board believes that the principal benefits that make this care home an attractive addition to the Company's portfolio include:

- the level of initial rent agreed with Welford offers us an attractive net initial yield, combined with a high level of rent cover to ensure the rent is sustainable;
- a clear path to increase the rent through a programme of active asset management. Planning permission is in place to extend Fairview House and to link the two units. Once this work is completed, it will be possible to operate the home as one unit, offering 79 bedrooms, all en-suite and refurbished to a high standard; and
- the addition of a dynamic new tenant, with whom we intend to do further business.

The home is one of the target acquisitions identified by the Group at the time of the fundraise completed in November 2017 and is in line with the Group's strict investment criteria and returns profile. The Group has also agreed exclusivity on a number of further acquisitions, and continues to evaluate a strong attractive pipeline of potential investment opportunities.

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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The Company's LEI is 213800AX3FHPMJL4IJ53.

Further information on Impact Healthcare REIT is available at [www.impactreit.uk](http://www.impactreit.uk)

**NOTES:**

The Group is a real estate investment trust ("REIT") which aims to provide shareholders with an attractive return, principally in the form of quarterly income distributions and with the potential for capital and income growth, through exposure to a diversified portfolio of healthcare real estate opportunities, in particular residential care homes. The Group's investment policy is to acquire, renovate, extend and redevelop high quality healthcare real estate assets in the UK and lease those assets primarily to healthcare operators providing residential healthcare services under full repairing and insuring leases.

The Group is targeting an aggregate dividend of 6.0 pence per share for the first 12 months from Admission which equates to a yield of 6 per cent. per annum on the IPO Issue Price, payable in quarterly instalments<sup>(1)</sup>.

The Group's Ordinary Shares were admitted to trading on the main market of the London Stock Exchange, Specialist Fund Segment, on 7 March 2017.

(1) This is a target only and not a profit forecast and there can be no assurance that it will be met and it should not be taken as an indication of the Group's actual or expected future results.

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