

Acquisition

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Impact Healthcare REIT PLC
02 November 2018

2 November 2018

Impact Healthcare REIT plc

(the "**Company**" or, together with its subsidiaries, the "**Group**")

ACQUISITION

The Board of Directors of Impact Healthcare REIT plc (ticker: IHR), the real estate investment trust which gives investors exposure to a diversified portfolio of UK healthcare real estate assets, in particular care homes, is pleased to announce that the Group has acquired two care homes, Croftbank House ("**Croftbank**") and Rosepark Nursing Home ("**Rosepark**") with a combined total of 126 beds for a net purchase price of £11.6 million, reflecting a net initial yield of 7.6%.

Croftbank and Rosepark are both located in Uddingston to the south east of Glasgow. Croftbank, a 68-bed care home all with ensuite facilities, was purpose-built in 1996 with extensions in 1998 and 2000. It has been well maintained and is rated 5 (Very Good) in the most recent inspection by the Care Inspectorate. Croftbank is being acquired with adjacent land with the potential to add circa 30 additional beds. Rosepark comprises two buildings, providing 58 beds in total all with ensuite facilities. The first building was built in 1992 (34 beds) and the second in 2009 (25 beds). It has been well maintained and is rated 4-5 (Good to Very Good) in the most recent inspection by the Care Inspectorate. These investments comprise one of the four target transactions that the Company included in its announcement on 24 October 2018, which would add in excess of 450 beds.

The homes are being sold by the Balmer family who have owned and operated them since they were developed. The Group has entered into new leases with Renaissance Care (Scotland) Limited ("**Renaissance**") one of Scotland's leading care home operators, currently operating 12 further homes across Scotland. Renaissance have entered into two new fixed 25-year term leases with no break clauses and a tenant option to extend to 35 years at the end of year 15. The rents receivable under the leases will be subject to annual upward-only rent reviews linked to the Retail Prices Index, with a floor of 2% p.a. and a cap of 4% p.a. Renaissance has committed to a minimum annual expenditure on maintenance of the homes.

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.

NOTES:

Impact Healthcare REIT plc 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 has declared or paid six quarterly dividends of 6.0 pence per share since IPO on 7 March 2017, which equates to a yield of 6 per cent. per annum on the IPO Issue Price.

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.

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