

15 September 2016

Specialist Investment Properties plc

(the "Company" or "SIPP")

Acquisition of Property

The Company is pleased to announce a further property acquisition in Fazeley, Staffordshire, comprising 12 one bedroom flats providing supported living accommodation for adults with learning difficulties (the "Property"). This will be the Company's third acquisition in the supported living sector and the eighth acquisition overall since it began implementing its new investment policy in March 2016.

SL Boathouse Limited, a subsidiary of SIPP, has exchanged on the Property which is to be leased to Inclusion Housing Community Interest Company ("Inclusion Housing") on a 25-year inflation linked, full repair and insuring lease. Completion is due to occur on or around 26 September 2016.

Inclusion Housing is an established housing association responsible for providing accommodation for adults with learning difficulties. Midway Care Group will be the care operator for the Property and will enter into an agreement with Inclusion Housing to underwrite any rental voids in the first five years of the lease.

The consideration for the acquisition is £1,250,000 with SIPP funding £521,000 and the balance coming from funds drawn under its loan facility agreement with Heritage Square Limited. The gross initial rent per annum will be £115,000. The Property is being purchased from Midcroft Care Limited, of which 50 per cent. is owned by Midway Care Group.

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