

**2 September 2016**

**Specialist Investment Properties plc**

**(the "Company" or "SIPP")**

**Acquisition of Property**

The Company is pleased to announce its seventh acquisition since implementing its new investment policy in early 2016. SIPP Holdings Limited ("SIPP Holdings"), a subsidiary of SIPP, has entered into a share purchase agreement to acquire a special purpose vehicle ("SPV"), HB Villages St Helens Limited, which will own four supported living bungalows (the "Properties") in St Helens, Merseyside.

Construction of the Properties is due to take approximately ten months and completion of the acquisition will not take place until construction has been fully completed. SIPP Holdings will not be involved in the construction process or be obliged to provide any funding in conjunction with it. The required planning consents for the Properties have been obtained.

An agreement has been entered into to lease the Properties to Inclusion Housing Community Interest Company ("Inclusion Housing") on a 35-year inflation linked, full repair and insuring lease. The first year's rent under the terms of the lease is approximately £47,000 per annum.

Inclusion Housing is an established housing association and will be responsible for placing adults with physical and mental disabilities into the Properties, care services will be provided by Lifeways Finance Limited.

The consideration for the acquisition will be £724,686 with SIPP funding £220,686 and the balance coming from funds drawn under the Company's loan facility agreement with Heritage Square Limited. The Properties are being acquired from HB Villages Developments 2 Limited which is ultimately owned by Morgan Sindall Group Plc.

**For further information:**

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