

Borrower:	Sealion Estates Limited
Loan Number:	PLL 0595
Report Date:	22/02/2018
Next Review Date:	25/10/2018

Covenants			
	Covenant	At Origination	Current
Interest Cover	N/A	1.38x	1.01x
Loan to Value	60%	57%	57%

Covenant Compliance / Loan Update

Rental income has decreased by £22,570 to £61,335; a 27% decreases from loan origination. The reduction in rental income is due to rolling leases not being regeared in line with the borrowers intention to gain vacant possession in order to convert the premises into residential accommodation. The borrower has sufficient funds to meet any interest shortfall should this occur, and Proplend retain 6 months interest on account.

£61,335 rent / £ 60,813 interest repayment = 1.01x ICR

Whilst the valuation was completed in September 2016 (reconfirmed Jan 2017), there is no indication that the properties will have fallen in value. Indeed, the borrower recently sold 6 Liverpool Terrace at auction, achieving a sale of £545k against a valuation of £360-410k.

£700,000 loan / £1,225,000 market valuation = LTV 57%

The Worthing property market remains buoyant for both office and residential properties. The probability of exit via refinance from a development finance provider or sale remains strong.

Loan Information	
Origination Date	25/01/2017
Maturity Date	25/01/2019
Gross Loan Amount	£700,000
Blended Interest Rate	8.69%
Tranche A Rate	8.5%
Tranche B Rate	10.0%
Tranche C Rate	N/A
Loan Status	Live

Property Information	
Location	Worthing
Type	Commercial
No. of Assets	7
No. of Leases/Licenses	8
Market Value	£1,225,000
VP Value	£1,225,000
Market Rent p.a.	£113,900
Current Rent p.a.	£61,335
Date of Valuation	27/09/2016

Exit Strategy

The borrower has confirmed that they are progressing with planning permission for change of use to residential, with our exit being via sale to a developer or refinance via development finance.

Proplend are also considering the option of providing a further facility should the borrower look to keep sufficient commercial leases in place to cover interest payments.



Interest Payments

On time and up to date

Reviewed By

Philip Gould
22.02.2018

Brian Bartaby
22.02.2018