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Investor Update: Worthing - Sealion - Office

Main Site:	8 & 9 Liverpool Terrace, Worthing, West Sussex, BN11 1TA and Land at South Side of 11 Shelley Road, Worthing, West Sussex, BN11 1TU
Borrower:	Sealion Estates Limited
Loan Number:	PLL595
Report Date:	07/11/18



Loan Update

Excellent account conduct. 3 months left to maturity.

In line with the Borrowers desire to achieve vacant possession, rental agreements are being allowed to run off and the vacant units remain un-let. As such, the current income produced has fallen to £34,205. Interest cover has reduced to 0.78x with the deficit being made up out of Company funds.

Proplend maintain a 6 month interest reserve (£30,406.25), that has not been utilised on any occasion throughout loan term.

Covenant Compliance

The loan remains compliant and active, good standing.

Interest Payments

On time and up to date. 6 month interest reserve still held (£30,406.25).

Exit Strategy

Having sold 7 Liverpool Terrace at auction the Borrower intends to obtain planning permission for change of use to residential for both 8 & 9 Liverpool Terrace, with the intention of selling both 8&9 to a developer with the benefit of full planning.

As such, the Borrower has requested that Proplend refinance the current facility for a further 12 months. The funds from any refinance will be used to fully redeem the current loan facility.

Property Summary

Market Value	£ 865,000	Property Income	£ 34,205
Vacant Possession Value	£ 865,000	Market Rental Value	£ 80,445
Tenure	Freehold	Asset Class	Office

Loan Summary

Total Loan	£ 502,603	Loan to Value (LTV)	58.1 %
Blended Interest Rate	8.69%	Interest Cover	0.78x
Loan Term	24 months	Interest Expense (p.a.)	£ 43,676.04

Covenants

LTV Covenant	75%	ICR Covenant	N/A
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Security

Main Site	First Legal Charge	Debenture	Debenture Required
Share Charge	Share Charge Not Required	Property Insurance	PSL Interest Noted and Current Doc Held
Personal Guarantee	Individual Guarantee from an Individual Director of Sealion Estates Limited for the sum of £400,000		

Valuation

A valuation of the property was carried out by Stiles Harold Williams on Jan 2017, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £ 865,000
Vacant Possession Value: £ 865,000
Open Market Rental Value: £ 80,445