

Full Loan Request: Ipswich - Broker - Bridge

Main Site: 22-32 Museum Street, Ipswich, Suffolk, IP1 1HZ

Date: 29/6/2018

Asset Description: Approximately 12,000 sq ft of office accommodation, formerly occupied by Birketts Solicitors LLP.



Deal Summary

Loan Type	Bridging Loan	Borrower Profile	Property investor
SIPP Classification	SIPP eligible	Loan Purpose	Purchase

Property Summary			
Market Value	£875,000	Property Income	£0
Vacant Possession Value	£875,000	Market Rental Value	£n/a
Purchase Price	£875,000	Purchase Type	Open market
Tenure	Freehold	Asset Class	Offices
EPC Rating (min. E)	n/a		

Loan Summary			
Total Loan Required	£656,250	Loan to Value (LTV)	75%
Blended Interest Rate	10.00%	Interest Cover	0x
Loan Term	6 months	Interest Expense (p.a.)	£65,625

Tranche	Risk	LTV	Loan Amount	Interest Rate	Interest Cover
C	High	66-75%	£87,500	14.95%	0x
B	Medium	51-65%	£131,250	11.70%	0x
A	Low	0-50%	£437,500	8.50%	0x

Borrower Details	
Name	Museum Street Developments Ltd
Registration	UK Registered Limited Company
Main Business Activity	The proposed Borrower is a newly-formed special purpose Limited Company, registered in the UK. It has no assets other than the Subject Properties.
Ownership Structure	Quinton Hembry owns 40%, Jane Mumford 25%, Andrew Holdcroft 15%, Dale Lewis 10%, and Michael Stewart 10%. Quinton Hembry and Jane Mumford, the two Directors, will provide Joint and Several Guarantees for 100% of the loan sum.

Applicant Details	
Name	Quinton Hembry
Age	60
Experience	Quinton has been a property developer in Ipswich for over 20 years, and has good working relationships, with tradesmen and professionals alike. He has been involved in numerous projects of a similar nature, converting commercial properties into residential. Jane is a Chartered Quantity Surveyor, having qualified in 1991. She has extensive experience of the construction process, from cost planning through all aspects of project management to final account. Jane has worked for among others, Willmott Dixon Housing, Bellway Homes, and the Berkeley Group.
Credit History	Assumed clear though consent to undertake credit searches not yet received.

Net Worth Quinton - £1.25m
 Jane - £1.25m

Loan Details

Loan Purpose	<p>We are asked to provide a 75% LTV gross loan to assist with the purchase of the target property, currently used by a firm of solicitors, who are about to relocate.</p> <p>The borrower's intention is to obtain change of use to residential, and then they will refinance to a development loan.</p> <p>The planning is expected to be looked upon favourably as the developer is well known to the planning office and has successfully obtained full planning permission for a similar scheme on the other side of the road, directly opposite the target property.</p>
Gross Loan Amount	£656,250
LTV	75%
ICR	0x
Serviceability	The monthly repayments will be made from the interest reserve. The loan term is 6 months, and a 9-month interest reserve is to be provided.
Interest reserve	<p>Proplend will retain £49,218.75 (9 months interest) from the gross loan amount which will be held on account.</p> <p>The balance of the Interest Reserve will be applied to the repayment of principal at the end of the loan term.</p>
Early Repayment	2% first 3 months, no fee thereafter.

Strategy During Loan Term

The borrower as above will obtain change of use to residential, submitting a scheme of 22 residential units.

The borrower's intention is to obtain change of use to residential, and then obtain development finance as soon as planning consent is granted.

Property Details

The premises comprise a number of late Georgian buildings which were originally built as town houses but subsequently converted into offices.

Externally the premises have an impressive Grade II Listed façade and internally, the offices have been well maintained to provide a predominantly cellular layout of accommodation retaining many features of the original town houses including high ceilings and large Georgian windows giving good natural light.

In total the premises provide approx 21,000 sq ft of accommodation from what was originally five individual buildings.

All the buildings are Grade II listed. Informal enquiries have been made of Ipswich Borough Council's Planning Department and a flexible approach will be taken to a change of use from offices to a wide range of alternative uses: commercial, leisure, residential, medical, educational etc in order that these important historic town centre buildings are retained and enhanced.



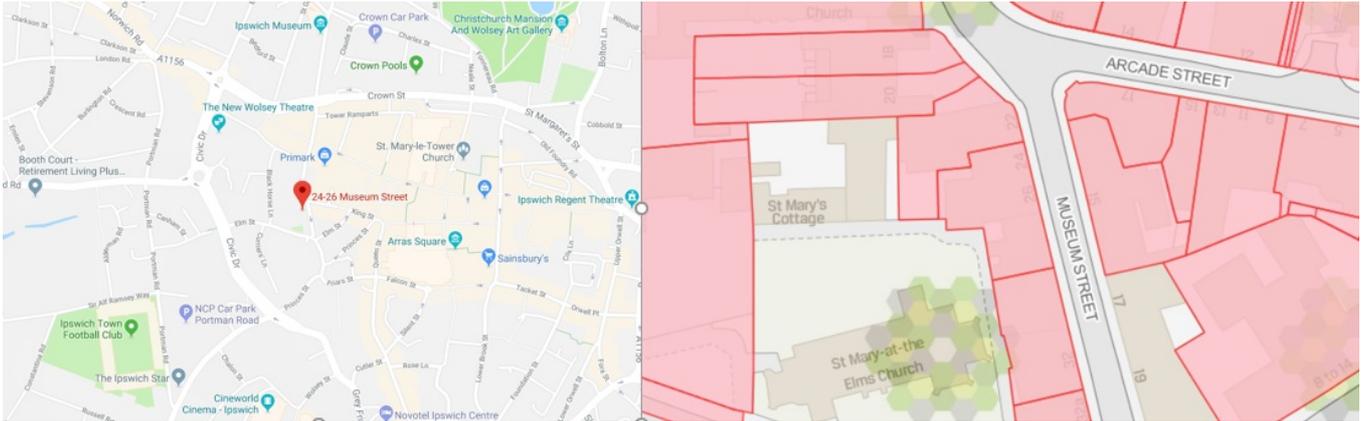
Location Report

Ipswich is one of East Anglia's most important commercial centres with a catchment population of about 350,000. There are good road links to the M25, Midlands and London via the A12 and A14. London Liverpool Street is just over an hour away by train.

Museum Street lies at the heart of Ipswich's town centre and forms part of the town's established professional office location but is likely to undergo a major transformation over the next few years to accommodate a much broader range of occupiers from the residential, medical and leisure sectors as well as commercial.

The premises are within easy walking distance of all Ipswich's central amenities: leisure, retail, office, car parks and bus stations and are a 10 minute walk from the town's train station.

The premises occupy a prominent position on Museum Street and have, for many years, been the head office of major regional law firm, Birketts LLP.



Security

Main Site	First Legal Charge	Debenture	Debenture Required
Share Charge	Share Charge Not Required		
Personal Guarantee	Joint and Several Guarantee of selected Directors and Shareholders of Museum Street Developments Ltd for the sum of £656,250		

Exit Strategy

Repayment will come by way of development finance, which the broker that introduced the deal to us, will be sourcing.

Covenants

LTV Covenant 75% %

Fees

Arrangement Fee 2%

Broker Fee 1%

Valuation

A valuation of the property was carried out by Carter Jonas on tbc, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £875,000

Vacant Possession Value: £875,000

Open Market Rental Value: n/a

Report on Title

A report on Title will be supplied by Paris Smith acting on behalf of Proplend Security Ltd, and it's comments thereon can be viewed under documents.

Conditions Precedent

The following actions have been completed prior to credit approval:

- Satisfactory AML/KYC checks in respect of the Borrowers / Directors / Shareholders
- Clear credit searches against the Directors / Shareholders
- Formal, independent valuation addressed to Proplend Security Limited by a RICS qualified valuer confirming market value of the property.
- Satisfactory completion of all stated security requirements / Report on Title.
- Adequate insurance cover with Proplend Security Limited named as First Loss Payee
- Proplend Ltd diligence to be satisfied that interest payments can be serviced
- Loan to value not to exceed 75% on draw down

Documents

The following documents are available to download via the Loan Request screen:

- A Draft Standard Loan Contract
- The Report On Title and Lettings Report produced by Paris Smith
- A copy of the Valuation Report

Next Steps

If you are interested in participating in this Loan Request and are already fully registered with Proplend then:

Log-in your Proplend Lenders Account, go to Loan Investments

If the Loan Investment is In Funding, pick the Tranche you wish to lend into and click Lend Now. You will be required to enter the loan amount twice and then Lend Now. You then have the option to Lend again into a different Tranche if you wish. A copy of the Loan contract signed by you will appear in the Waiting to Close screen in your Lender Dashboard. When all the Loan Tranches are 100% filled, the Borrower will be invited to sign the Loan Contracts and the final Security documentation will be completed by Proplend Security Limited before drawing down the loan. This may take up to 10 days from 100% funding and you will be kept informed.

If you have any questions, please call us on 0203 379 8290

PROPLEND DISCLAIMER - PLEASE NOTE:

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