

Interim Review: Ipswich - Offices

Main Site:	22-32 Museum Street, Ipswich, Suffolk, IP1 1HZ
Borrower:	Museum Street Developments Ltd
Loan Number:	PLL0835
Report Date:	31/10/2018



Loan Update

Excellent account conduct. 3 months left to maturity.

Covenant Compliance

The loan remains compliant and active, good standing.

Interest Payments

Interest payments are being made from the Interest Reserve, we have retained an additional 3-months over and above the loan term.

Exit Strategy

Repayment will come by way of development finance, which the broker that introduced the deal to us, will be sourcing. The broker has two interested lenders lined up to provide the development finance.

Both the borrower and the broker have been proactive throughout, and continually in contact with Proplend. The Borrower advises that the pre-planning took slightly longer than anticipated, but that full planning will be submitted within the next seven days.

Accordingly, the Borrower believes that full planning consent may not be granted until the first or second week of February - the local authority commit to take no longer than 13 weeks.

It is likely therefore that the first month's interest payment, post-maturity, will have to be made from the Interest Reserve. The Borrower is aware that the default rate will be 15% p.a. and that he will therefore receive a lower amount than anticipated to him from the reserve, upon redemption.

Property Summary

Market Value	£875,000	Property Income	N/A
Vacant Possession Value	£875,000	Market Rental Value	N/A
Purchase Price	£875,000	Purchase Type	Open Market
Tenure	Freehold	Asset Class	Offices

Loan Summary

Total Loan Required	£656,250	Loan to Value (LTV)	75%
Blended Interest Rate	10.00%	Interest Cover	N/A
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%	N/A - Interest Res.
B	Medium	51-65%	£131,250	11.70%	N/A - Interest Res.
A	Low	0-50%	£437,500	8.50%	N/A - Interest Res.

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	Insured but PSL is not yet named as First Loss Payee. The Borrower confirmed verbally 30/10/18 that this is being attended to by his broker now. A copy of the new policy schedule has been requested.
Personal Guarantee	Joint and Several Guarantee from selected Directors and Shareholders of Museum Street Developments Ltd for the sum of £656,250		

Valuation

A valuation of the property was carried out by Carter Jonas on 03/07/2018, 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