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# Investor Update: Worthing Mixed Use Refinance

<b>Main Site:</b>	8 & 9 Liverpool Terrace, Worthing, West Sussex, BN11 1TA and Land at South Side of 11 Shelley Road, Worthing, West Sussex, BN11 1TU
<b>Borrower:</b>	Sealion Estates Limited
<b>Loan Number:</b>	PLL0866
<b>Report Date:</b>	15/11/2019
<b>Maturity Date:</b>	8/2/2020



## Loan Update

The loan continues to perform, with monthly interest payments in this instance being made out of the interest reserve.

## Covenant Compliance

Fully compliant throughout the loan term.

## Interest Payments

All interest payments have been made, as above, from the interest reserve. With three months until maturity, there is still a six-month reserve held on account, equating to £40,950.

## Exit Strategy

The Borrower's strategy remains to sell the Property.

The Borrower has implemented the planning permission for the conversion of 8 Field Row, into residential use and mostly separated it from the main building.

However to finalise the work, the Borrower needs to disconnect the electricity supply for the whole building at No.8 which currently runs through Field Row and is waiting until the tenant in the flat of No. 8 vacates in order to do this. This tenant is due to move out in December.

The Borrower submitted their planning application for the remainder of Nos. 8 & 9 in April 2019. The Borrower has been in extensive discussions and negotiations with the planning and conservation officers since then, and have a couple of issues outstanding relating to relatively minor details which are expected to be resolved very soon.

Either way, the Borrower will be selling the Property. The preferred route for sale is via auction (the Borrower previously successfully sold Nos. 6 and 7 this way), and they are also priming the relevant local agents, whom they plan to use as joint auctioneers, as was the case previously.

We will continue to be in regular dialogue with the Borrower to check progress towards the redemption of this loan.

## Property Summary

<b>Market Value</b>	£1,050,000	<b>Property Income</b>	£28,661
<b>Vacant Possession Value</b>	£1,050,000	<b>Market Rental Value</b>	£88,190
<b>Tenure</b>	Freehold	<b>Asset Class</b>	Office

## Loan Summary

<b>Total Loan Required</b>	£682,500	<b>Loan to Value (LTV)</b>	65%
<b>Blended Interest Rate</b>	12.00%	<b>Interest Cover</b>	0.35x
<b>Loan Term</b>	12 months	<b>Interest Expense (p.a.)</b>	£81,900

Tranche	Risk	LTV	Loan Amount	Interest Rate	Interest Cover
B	Medium	51-65%	£157,500	15.30%	0x
A	Low	0-50%	£525,000	11.01%	0x

## Covenants

<b>LTV Covenant</b>	65%	<b>ICR Covenant</b>	0
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## Security

<b>Main Site</b>	First Legal Charge	<b>Debenture</b>	Debenture Required
<b>Share Charge</b>	Share Charge Not Required	<b>Property Insurance</b>	PSL Interest Noted and Current Doc Held
<b>Personal Guarantee</b>	Individual Guarantee from the Directors and Shareholders of Sealion Estates Limited for the sum of £136,500		

## Valuation

A valuation of the property was carried out by Styles Harold Williams Partnership LLP on 29/1/2019, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £1,050,000  
Vacant Possession Value: £1,050,000  
Open Market Rental Value: £88,190