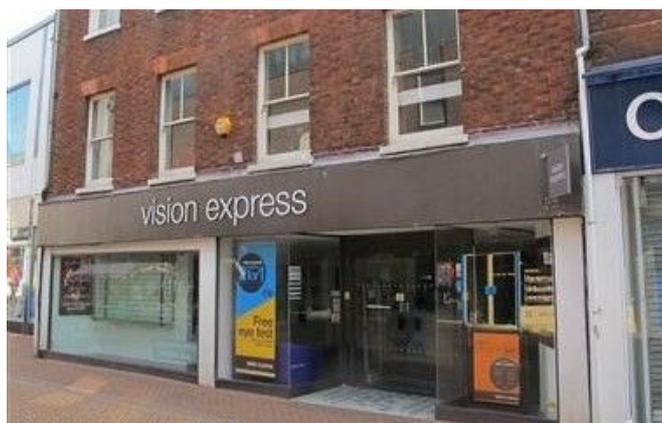


Private and Confidential.

The information contained in this document is solely for the reader and is not to be disclosed to any third parties or in any way republished on any third party forums. Any Lender doing so will be in breach of clause 17.2 of the Proplend Members Agreement.

Full Loan Request: King's Lynn Retail

Main Site:	38/39 High St, Kings Lynn, PE30 1BJ
Date:	21/08/2020
Asset Description:	Situated on the high street of King's Lynn, the subject property is a retail unit let in entirety to the opticians, Vision Express



Deal Summary

Loan Type	Commercial Mortgage	Borrower Profile	Commercial Property Investor
SIPP Classification	SIPP Eligible	Loan Purpose	Purchase

Property Summary

Market Value	£500,000	Property Income	£45,000
Vacant Possession Value	£400,000	Market Rental Value	£40,500
Purchase Price	£535,000	Purchase Type	Auction
Tenure	Freehold	Asset Class	Retail
EPC Rating (min. E)	C	Planning Use	A1

Loan Summary

Total Loan Required	£350,000	Loan to Value (LTV)	70%
Rate of Interest	7.25%	Interest Cover	1.77x
Loan Term	15 months	Interest Expense (p.a.)	£25,375

Tranche	Risk	LTV	Loan Amount	Gross Interest	Net Interest	Interest Cover
C	High	66-75%	£25,000	10.05%	9.05%	1.77x
B	Medium	51-65%	£75,000	8.15%	7.34%	1.97x
A	Low	0-50%	£250,000	6.70%	6.03%	2.69x

Borrower Details

Name	Cicek Investments Ltd
Registration	UK Registered Limited Company
Main Business Activity	A commercial property investment company, this being the only asset to be held in the borrowing entity
Ownership Structure	Cicek Investments Ltd is 100% owned by Mr Mehmet Cicek

Applicant Details

Name	Mehmet Cicek
Age	32
Experience	<p>Whilst studying Business at University of Hertfordshire, Mehmet worked at the family retail business which ignited his entrepreneurial spirit. After graduating in 2011 with a BA in Business, Mehmet commenced working as an insurance broker in 2013. He is the director of Ava Insure Ltd.</p> <p>This is Mehmet's first venture into commercial property investment, however, he owns two residential properties, one of which is a flat in North London, currently occupied by his parents. He intends on letting the flat in the near future.</p>
Credit History	Clear, with Lexis Nexis also Passed
Net Worth	£770K

Loan Details

Loan Purpose	We have been approached by the borrower to provide a 70% LTV loan for a term of 15 months to assist with the acquisition of the subject property.
Gross Loan Amount	£350,000
LTV	70%
ICR	1.77x
Serviceability	The property generates rental income of £45,000 pa of which £25,375 pa will be utilised to service interest on the loan.
Interest reserve	Proplend will retain £6,344 (3 months interest) from the gross loan amount which will be held on account.
Early Repayment	2% first 6 months

Strategy During Loan Term

Despite the age, type, and character of the property, the borrower does not need to undertake any refurbishment or structural works, simply collect the rent and service the loan. The tenant, Vision Express, has recently undertaken works to the ground and first floors as well as the roof.

Property Details

The subject property fronts directly onto the High Street within the prime pedestrianised retailing area of the town.

Constructed in c.1800, the subject property comprises a 3 storey building providing accommodation on the ground floor, and ancillary storage and staff accommodation on the first floor. The second floor is currently vacant. The single storey extension to the rear of the property was constructed in the 1970s.

The original three storey building (c. 1800s) is constructed of brick underneath clay tile and slate covered roof. The later extension (1970s) is of brick construction under a flat felt roof.

Internally, the ground and first floors are finished with vinyl and carpet covered floor, plastered and painted walls, and suspended ceilings. The second floor, currently unoccupied, requires works to be undertaken should it be required for rental purposes.

The property provides the following areas of accommodation:

Ground Floor: 1,962 sqft

First Floor: 701 sqft

Second Floor: 874 sqft

1,084 sqft of the ground floor has been designated Zone A

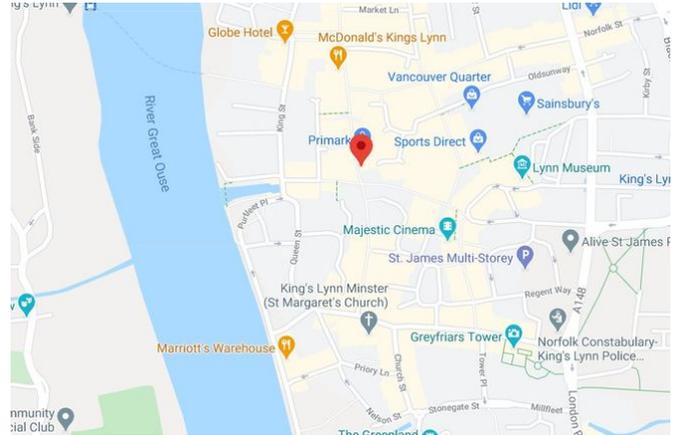


Location Report

King's Lynn is a seaport and market town in Norfolk, England, 98 miles (158 km) north of London, 36 miles (58 km) north-east of Peterborough, 44 miles (71 km) north-north-east of Cambridge and 44 miles (71 km) west of Norwich with a population of 42,800.

King's Lynn's popular town centre offers an extensive pedestrianised shopping area with ample parking close by. The Vancouver Quarter (0.2 miles from the subject property) offers a modern shopping experience that sits well next to the traditional shopping areas of the town and are complemented by the markets which often take place on the historic Tuesday Market Place.

The subject property is situated on the main high street between a Primark and O2 store with a branch of Barclays Bank directly opposite.



Tenant Details

Tenant	King's Lynn (VE) Ltd (Vision Express)	Activity	Opticians
Lease Type	FRI *	Lease Start Date	28/04/2017
Months to Lease Break	78	Months to Lease End	78
Contracted Rent (£ p.a.)	£45,000	Occupation Level (%)	100%

* The landlord insures the building and recovers the premium from the tenant

Tenant Description Since opening their first store in Gateshead's MetroCentre over 30 years ago, Vision Express have expanded to 575 Vstores across the UK and Ireland, from big city locations to local high street stores.

In 1997, Vision Express became part of leading international optical retail group GrandVision NV. Operating over 7000 stores in 44 countries across the globe, GrandVision has more than 37,000 employees.

Vision Express further enhanced their prominence in larger Tesco stores through the acquisition of Tesco Opticians in 2017.

Tenant Strength/Covid-19

The store was closed for a period of 7 weeks, re-opening on 7th May 2020.

Rent payments have been made in a timely manner despite the ongoing pandemic. The current vendor offered the tenant a two month rent holiday as gesture of goodwill. We have had sight of the statement from the vendor.

Vision Express For the year ended 31/12/2018, Vision Express (UK) Ltd reported the following financials:

Turnover: £324.32m

Net Profit: -£14.29m (due to acquisition of Tesco Opticians)

Net Assets: £92.66m

Security

Main Site	First Legal Charge	Debenture	Debenture Required
Share Charge	Share Charge Not Required	Property Insurance	PSL Interest to be noted on completion
Personal Guarantee	Individual Guarantee from an Individual Director of Cicek Investments Ltd for the sum of £87,500		

Exit Strategy

The borrower will refinance the loan with an alternative lender at a more competitive rate

Covenants

LTV Covenant	75%	ICR Covenant	1.25x
---------------------	-----	---------------------	-------

Fees

Arrangement Fee	2%	Broker Fee	0%
------------------------	----	-------------------	----

Valuation

A valuation of the property was carried out by Russen and Turner on 18th August, 2020, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £500,000
Vacant Possession Value: £400,000
Open Market Rental Value: £40,500

We are lending on the basis of the lower of purchase price and market value, in this market value of £500,000.

Report on Title

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

Lender Risks

Mitigant

Risk Level

Risk that the management of the Borrower is not able to execute their business plan.

This is the first commercial property investment for the borrower, however, given the property is wholly let to Vision Express, collection of rents should be straightforward.

Medium

Vision Express are a well known high street brand. Like other retailers, they may face issues owing to the current situation, they appear to have weathered it well and continue to trade from the premises

Risk that the Borrower stops making monthly interest payments to Lenders due to loss of lease income and or tenants whose leases had ended, had exercised a lease break or have gone into receivership.

The property benefits from having just under seven years remaining on the lease. The lease does not contain any break options.
Additional comfort is provided by the fact that the rental income generates a healthy ICR (1.77x). A three month reserve will be held and Personal Guarantee equivalent to 25% of the gross loan amount will be provided

Medium/Low

Risk that the Borrower is unable to repay the loan principal at the end of the loan term because they have not been able to sell or re-finance the property.

The property is well situated on the high street to a good tenant and should present other commercial property lenders with a good refinancing opportunity.

Medium

Risk that the Property falls in value due to either macroeconomic or property specific reasons

The value would have to fall by 30% before lenders in Tranche C would be affected.

High

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 the interest of Proplend Security Limited noted
- Proplend Ltd diligence to be satisfied that interest payments can be serviced
- Loan to value not to exceed 70% 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 LLP
- 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 to 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 397 8290

PROPLEND DISCLAIMER - PLEASE NOTE:

The information provided in this Loan Request is provided solely by the applicant and not Proplend Ltd ("Proplend") or Proplend Security Limited ("PSL"). Neither Proplend nor PSL has verified or audited the information in the Loan Request or the Loan Request itself; and the publication of the Loan Request by the applicant on the Service Website does not constitute any approval, endorsement or representation by Proplend or PSL in relation to the Loan Request. Neither Proplend nor PSL provides any warranty, representation or undertaking as to the accuracy, timeliness or reliability of the information in the Loan Request or that the Loan Request or any Due Diligence Material accurately reflects the risks associated with the Loan Request; nor does Proplend or PSL make any recommendation or give any advice of any kind in relation to the Loan Request. Expected bad debt estimates are estimates for general guidance only and neither Proplend nor PSL warrant their accuracy or reliability. Lenders should seek their own independent legal, financial, tax or other advice before lending. Capital at risk.