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Full Loan Request: Peterborough Land Refinance

Date:	27/9/2021
Main Site:	Land on the west side of Goodwin Walk, Werrington, Peterborough, PE4 6NB
Property Description:	Approximately 0.47 acres of land, comprised of a bus access road and dropping off point, together with ancillary walkways and landscaped areas.
Loan Summary:	We are asked to provide a 68% LTV gross loan facility in order to provide a straight refinance of the Peterborough Land 1 loan, as the land changes ownership contemporaneously, from Knightsbridge Real Estate Asset Management Limited, to JWL Private Limited.

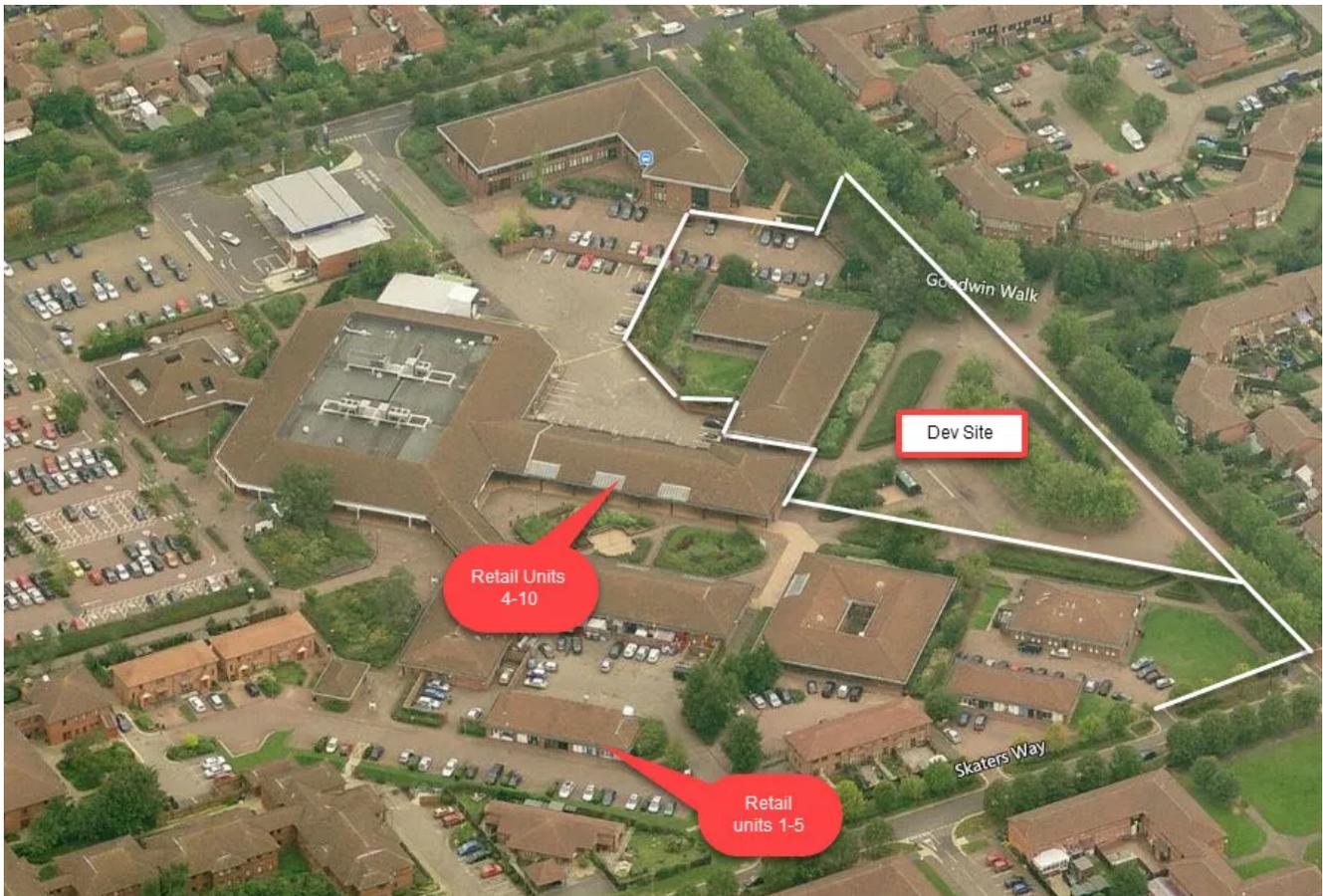


HIGHLIGHTS			
Loan Type	Commercial Bridge	SIPP Eligible	Yes
Property Value	£470,000	Passing Income	£0
Gross Loan	£319,600	Loan to Value (LTV)	68%
Blended Interest Rate	8.88%	Loan Term	12 months

Tranche	Risk	LTV	Loan Amount	Gross Interest	Net Interest	Interest Cover
C	High	66-75%	£14,100	12.78%	11.50%	0x
B	Med	51-65%	£70,500	11.00%	9.90%	0x
A	Low	0-50%	£235,000	8.01%	7.21%	0x

PROPERTY			
Market Value	£470,000	Passing Income	£0
Vacant Possession Value	£470,000	Estimated Rental Value	£0
Tenure	Freehold	Asset Class	Land

Property Details
<p>The land on the west side of Goodwin Walk comprises a bus access road and dropping off point together with ancillary walkways and landscaped areas. The land extends to approximately 0.47 acres.</p> <p>This plot of land, which is adjacent to the security used for the Peterborough Retail 1 loan, will ultimately form part of a residential development.</p> <p>The security for this loan comprises approximately half of the area marked 'Dev Site' below.</p>



Location Report

The Property forms part of a local centre originally constructed to serve the adjacent residential estates.

Situated on the northern outskirts of Werrington, a good range of local amenities are available close by, with comprehensive amenities being available in Peterborough city centre, which lies approximately 4 miles to the south.

The Property is well sited for access to other parts being within close proximity of the A15, which in turn provides good access to the A47, and in turn to the A1M, and other major road networks.

Main line railway services are available from Peterborough Railway Station via the East Coast Main Line.



Valuation Commentary

A valuation of the property was carried out by Harwoods Chartered Surveyors on 9 September 2021, a copy of which can be seen in the supporting documents.

Valuation Numbers

Market Value	£470,000	Vacant Possession Value	£470,000
Passing Rent	£0	Estimated Rental Value	£0

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.

LOAN			
Gross Loan	£319,600	Loan Purpose	Refinance
Loan Term	12 months		
Loan to Value (LTV)	68%	LTV Covenant	70%
Interest Cover Ratio (ICR)	0x	ICR Covenant	n/a
Rate of Interest	8.88%	Interest Expense (p.a.)	£28,380

Interest Reserve	Proplend will retain £35,476 (15 months interest) from the gross loan amount which will be held on account, from which the 12 months interest will be retained to service the monthly payments, and a minimum of 3 months to be held in Reserve.
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Fees			
Arrangement Fee	2%	Broker Fee	0%
Early Repayment	1 % first 6 months, no fee thereafter.	Exit Fee	1% - only incurred if the loan is not fully redeemed within the agreed 12-month loan term (and if incurred, to be shared between Proplend and the Lenders).

Existing Facility			
Lender	Proplend Security Limited	Expiry	2/7/2021
Amount Outstanding	£280,000	Status	Interest up-to-date, but past maturity.

Business Plan During Loan Term

The Borrower's strategy is to secure planning consent for 60 affordable homes and associated parking, on the whole area outlined in white on the aerial photograph above, labelled Dev Site (development site). Progress has been made but, as we are also seeing with other Borrowers, the planning process has been severely slowed by the impact of Covid-19.

The scheme has received verbal planning officers recommendation to full planning permission - <https://www.peterborough.gov.uk/council/planning-and-development/planning-and-building/search-applications> - reference no. 20/01113.

The neighbouring security can also be seen on the aerial photograph above - Retail Units 1-5 for the Peterborough Retail 1 loan, and also Retail Units 4-10, which will soon be the security for the Peterborough Retail 2 loan.

Exit Strategy

This loan will be fully redeemed upon receipt of the sale proceeds, subject to planning.

In the unlikely event planning is not granted, the Borrower will sell as is, to a local or national housebuilder.

Security

Charge	First Legal Charge	Debenture	Debenture Required
Property Insurance	PSL Interest to be Noted on Completion	Other	

Personal Guarantee	Individual Guarantee from an Individual Director of JWL Private Limited for the sum of £153,000.
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BORROWER

Name	JWL Private Limited
Registration	UK Registered Limited Company
Main Business Activity	The proposed Borrower is a special purpose Limited Company, registered in the UK. It has no assets other than the Subject Properties.
Ownership Structure	The Company is 100% owned by John Livock

Sponsor

Name	John Livock
Age	72
Relevant Experience	<p>John is a former Quantity Surveyor by trade and began practising in 1970.</p> <p>He has particular expertise in site assembly in the former 21 New Towns, and has completed 27 Joint Ventures with various funding partners ranging from £5m to £65m Gross Development Values, mainly involving the acquisition of multi-let industrial estates.</p>
Credit History	Strong

Lender Risks	Mitigant	Risk Level
<p>The Borrower is not able to successfully execute their business plan.</p>	<p>The Borrower is a vastly experienced property professional, with a history of successfully obtaining full planning consent for similar and larger projects of this nature.</p>	<p>Medium</p>
<p>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.</p>	<p>An 15-month Interest Reserve is being taken for this 12-month loan.</p> <p>If planning consent is not forthcoming in a timely manner, the Borrower will be required to service interest payments monthly until redemption, in order to preserve a minimum of 3 months in reserve.</p>	<p>Medium</p>
<p>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.</p>	<p>If the property is not sold as expected, depending on the reasons behind this, the Borrower will have to refinance away to an alternative lender.</p> <p>Planning is expected albeit, the final planning recommendation may be for a few units less than the current scheme.</p>	<p>High</p>
<p>The Property falls in value due to either macroeconomic or property specific reasons</p>	<p>The Property may fall in value due to general economic conditions, however, once planning consent is obtained, the value should increase substantially.</p>	<p>Medium</p>

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 68% 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

PROPLEND DISCLAIMER - PLEASE NOTE:

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