

STRICTLY PRIVATE & CONFIDENTIAL

Q2 Update Report 2019

proseed  capital



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Ongoing Investment - Development of 4 Semi-Detached Houses – Ottershaw, Surrey



Key Investment Details

- Loan type: Mezzanine development facility
- Property Partner investment: £218,524
- LTV: 68.9%
- Security: 2nd charge, personal guarantee and a debenture
- Asset: 4 x four-bed semi-detached houses
- Planning: full planning permission approved
- Date of co-investment: 18th January 2019
- Term: 18 months
- IMS forecast duration to PC: April 2020
- IMS spend to date/budget: £82,260/£964,000
- Project status: site clearance complete, foundations underway, block layers anticipated imminently

Underwrite as at 18th January 2019

Land Costs (inc. stamp, CL and planning)	£1,186,500
Build Costs and Professional Fees	£964,000
Costs pre finance	£2,150,500
Funded Finance Costs	£165,425
Funding Requirement	£2,315,925
GDV	£2,900,000
Sales Costs	£72,500
Net Sales Proceeds	£2,827,500
Profit	£511,575
Gross Senior Facility	£1,740,000
Mez Facility	£230,025
Equity	£345,900
Total Source of Funds	£2,315,925

Q2 Update

Per discussion with the Borrower on the 24th April 2019, it was explained that initial progress was 4 – 5 weeks behind schedule as a result of delays in achieving Local Authority (“LA”) sign-off of the pre-commencement planning conditions. Whilst it is commonplace for a development programme to be fluid and therefore these relatively minor initial delays are of limited concern, Proseed has been impressed with the measures taken by the Borrower to recover time following the initial delay. It is also noted that this delay to the programme was outside the Borrower’s control and since then they have been proactive with the delivery.

As evidenced in the photos overleaf, the site has since been cleared and laying of foundations is underway. This progress is consistent with the revised schedule presented to Proseed per discussion with the Borrower on the 24th April, where it was explained the ground works team would be onsite for w/c 3rd June.

It was also explained that the transition from groundwork to block laying would be more efficient than initially scheduled. It was explained that a team of block layers working for the Main Contractor on a nearby site would be able to transition onto the Ottershaw site upon immediate completion of the ground works.

The Borrower intends to recover time lost against the overall programme as a result of delays at the LA in this first transition of the build programme and is confident of further time-saving efficiencies throughout the project.

Proseed are pleased with progress following LA sign-off and will continue to monitor the progress with ongoing site visits.

Ongoing Investment - Development of 4 Semi-Detached Houses – Ottershaw, Surrey



Proseed Update

Top left photo – (25.04.19) photo taken during first post-completion site visit. The photo shows the demolition of the conservatory.

Top right photo – (25.04.19) photo taken during first post-completion site visit. The photo shows skip on site for waste following removal of shrubs surrounding property.

Middle left photo – (12.06.2019) photo taken during second post-completion site visit. The photo shows removal of earth from site following landscaping and foundation preparation.

Middle right photo – (12.06.2019) photo taken during second post-completion site visit. The photo shows digger used to clear site.

Bottom left photo – (12.06.2019) photo taken during second post-completion site visit. The photo shows view across the site with foundations throughout.

Bottom right photo – (12.06.2019) photo taken during second post-completion site visit. The photo shows concrete poured into sections of the foundations.