

STRICTLY PRIVATE & CONFIDENTIAL

Q2 Update Report 2019

proseed  capital



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Ongoing Investment - Development of 5 Flats and 4 Houses on Gated Waterfront Location – Southampton



Key Investment Details

- Loan type: Mezzanine bridging facility
- Property Partner investment: £145,991
- LTV: 65.9%
- Security: 2nd charge, personal guarantee and a debenture
- Asset: 4 x four-bed and 5 x two-bed residential units
- Planning: full planning permission approved
- Date of co-investment: 30th April 2019
- Term: 12 months
- IMS forecast duration to PC: July 2019
- IMS spend to date/budget: £858,089/£1,042,200
- Project status: four properties under offer, site practical completion forecast for Q3 2019



Underwrite as at 30th April 2019

Gross Development Value (GDV)	£2,925,000
Total Senior Funding	£1,735,000
Senior Exit Fee	£36,563
Mezz Facility	£156,615
Total Debt	£1,928,178
Developer Equity and Forecast Profit	£964,224
Mezzanine Loan to Value (LTV)	65.9%



Q2 Update

Per discussions with the Borrower on 11th June 2019, Proseed understands that four of the nine units are currently under offer. Of the four units under offer, two have had sizeable deposits paid and it is anticipated contracts will be exchanged shortly. Smaller deposits have been paid on the units earlier in the sales process.

Upon sale of the four units, the Loan LTV position will reduce to 41.6%. It is forecast that following the sale of three further units the Loan will be fully redeemed.

It should be noted, that three of the four units currently under offer are houses, leaving one house and four flats remaining to sell. The build programme has been designed such that the houses reach practical completion before the flats. It is for this reason that Proseed believes a greater number of houses when compared to the flats have been sold to date.

The Borrower confirmed that the show flat is forecast to complete by the end of Q2 2019. Shortly following completion of the show flat, the Borrower intends to host two open day events on weekend days, allowing prospective buyers to view the properties.

It is forecast that the site construction work will be fully completed by the end of Q3 2019.



Ongoing Investment - Development of 5 Flats and 4 Houses on Gated Waterfront Location - Southampton



Proseed Update

Top left photo – shows an aerial photo the site from the River Itchen. As is visible, the roof is complete with skylights installed; blockwork complete; windows partially installed; and the insulation and rendering currently underway.

Top right photo – photo taken looking from the middle of the plot towards the River Itchen, the view of which is obstructed by the buildings positioned along the waterfront. The photo shows site infrastructure being installed beneath the ground.

Middle left photo – photo taken looking toward the site entrance. Building equipment, a skip for waste and mini-digger landscaping can be seen in the shot.

Middle right photo – has been taken from the inside of a bedroom, showing windows and insulation installed throughout.

Bottom left photo – shows two semi-detached houses nearing completion. The roof is complete, windows installed and external façade substantially complete.

Bottom right photo – shows the kitchen partially installed in one of the units, noting the white goods are yet to be installed, the protective polythene covers have been left on the units until such a point it is appropriate to remove.