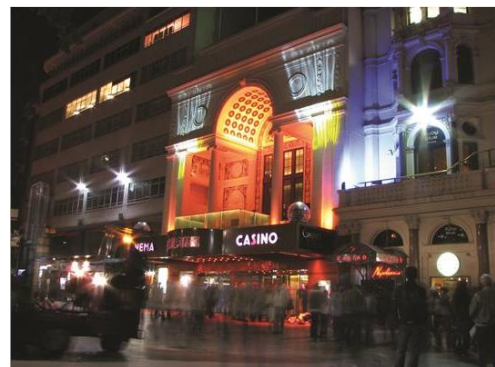


## Livingstones in fresh £341m loan restructuring talks

23 August 2013 | By [David Hatcher](#)

**Adviser appointed on loan on portfolio that contains Leicester Square casino ahead of October maturity date**

**The property company of the billionaire Livingstone brothers is working on restructuring proposals for a £341m loan that matures in October, which is secured against the Casino at the Empire on Leicester Square and other assets.**



Brookland Partners, which is headed by Nassar Hussain, has been appointed by the note holders of London & Regional Debt Securitisation No 2 (LoRDS 2) in anticipation of a proposal by the sponsor, London & Regional, ahead of its maturity in October.

The £256m securitised loan, issued in 2006, had £237.7m outstanding as of October last year, as well as a junior loan of £104.4m. A report by ratings agency Moody's, released at the time, valued the portfolio at £263m, meaning its loan-to-value ratio stood at 130%.

Moody's downgraded the rating of the CMBS (commercial mortgage-backed securities) at the time and said it expected the loan would default on its maturity date. As a result, London & Regional, which is being advised by AgFe, is expected to propose a plan that may involve the sale of the portfolio, a lengthening of the maturity date or a restructuring of the loan in which the varying tiers of bondholders would be paid back at different rates — or a combination of those options.

The CMBS is made up of £190m of class A note holders, £16m class B note holders and £50m class C note holders. Although the class C note holders may face some losses, the biggest problem will be for the junior loan issuer, which faces the prospect of being wiped out should the loan default.

The portfolio totals 24 properties throughout the UK which, by value, comprises 25% hotels including Hiltons in Trafalgar Square and Green Park, 27% leisure including nightclubs and casinos, 12% retail and mixed-use properties and 36% offices.

In December note holders of LoRDS 1, another CMBS loan held against four London & Regional office properties, with £234.2m outstanding and a junior loan of £128.25m, were granted a three-year extension to elements of the loan following a restructuring.