



Proplend Annual Review & Investor Report



Borrower: Avondale Estates Limited
 Loan Number: PLL0104 / PROP00092
 Report Date: 20/10/2016
 Next Review Date: 20/07/2017

Covenants

	Covenant	At Origination	Current
Interest Cover	1.00x	1.21x	1.04x
Loan to Value	70%	60%	65%

Covenant Compliance / Loan Update

Covenant Compliant.

The Borrower confirmed that there have been 2 changes to the tenancy schedule. Those changes include:

- 1 Jacobs Court – New tenant as of 05-08-16. Annual rent increased from £10,200 to £12,260.
- 5 Jacobs Court – Now vacant, as there is a pending sale of the property.

Annual rental income decreased 17% to £40,760 in 2016.

£40,760 Rent / £39,328 Interest = 1.04x Interest Cover

5 Jacobs court is under offer for £240,000, which is 7.7% below the 2014 valuation. Given the sales price for No 5, a 7.7% decrease was applied to the entire portfolio, giving a new value of £1,015,320.

Once the sale on No 5 is complete, interest cover is expected to rise to 1.46x, with new interest expense of c. £27,998 pa.

Research from Knight Frank indicates that average UK residential price growth remains steady. Even though there is uncertainty surrounding Brexit, the UK still has a shortage of housing supply.

£660,000 Loan / £1,015,320 Value = 65% LTV (70% Covenant)

Loan Information

Origination Date	20/10/2014
Maturity Date	20/10/2017
Gross Loan Amount	£660,000
Blended Interest Rate	5.96%
Tranche A Rate	5.75%
Tranche B Rate	7.00%
Tranche C Rate	---
Loan Status	Good Standing

ICR History



LTV History



Property Information

Location	Yorkshire
Type	Residential Terrace
Number of Assets	5
Number of ASTs	4
Est. Market Value (10.2016)	£1,015,320
VP Value	N/A
Market Rental Value	£50,280
Date of Valuations	May 2014

Exit Strategy

The exit strategy remains the same, which is that in 2017, two or three of the properties will be sold to repay the loan whilst the remaining properties will be kept as investments.

No 5 is currently under offer, and the Borrower does not foresee an issue with selling the remaining properties.

Interest Payments

On time and up to date.

Reviewed By

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