



Proplend Loan Request

Date	17 th February 2015
Property Name	185 Replingham Road, Southfields, London, SW18 5LY
Property Description (Short)	A ground floor freehold shop, comprising 458 sq.ft, let to a physiotherapy practice



Loan Request Summary

Borrower	Keildon Property Limited	Valuation	£ 200,000
Loan Type	Commercial Investment	Total Loan Required	£ 150,000
Purchase/Refinance	Capital Raising	Loan to value (LTV)	75%
Property Asset Class	A shop with planning permission for use as a physiotherapy practice	Whole loan blended interest rate p/a	7.1%
Property Income	£13,400 p.a.	Rental Value	£13,400 p.a.

Borrowers Loan Requirement

Tranche	Risk	LTV	Loan Amount	Gross Interest Rate p.a.	Loan Term
C	High	66-75%	£ 20,000	10.00%	24 Months
B	Med	51-65%	£ 30,000	8.00%	24 Months
A	Low	0-50%	£ 100,000	6.25%	24 months
Total			£ 150,000	7.10%	

OVERVIEW

Borrower

The proposed Borrower is a Limited Company holding the single asset, the owner of which is an Orthodontist.

Property

- The Subject Property is a freehold shop which is let to an established Physiotherapy Practice for five years commencing November 2013. The rent being paid is £13,400 per annum which reflects the current rental value.

Loan Request

- The property is currently unencumbered and the Borrower is looking to secure a loan of £150,000 for a period of 2 years, the proceeds will be reinvested for business purposes.
- The loan represents 75% of the valuation supplied by Cluttons LLP
- The proposed gearing level, based on the Market Value, will be 75%
- Tranche C, comprising £20,000 will attract gross interest of 10%
- Tranche B, comprising £30,000 will attract gross interest of 8%
- Tranche A, comprising £100,000 will attract gross interest of 6.25%
- Lenders are offered the opportunity to lend with minimum loan amounts of £5,000 on a **'first come first lend'** basis

Security

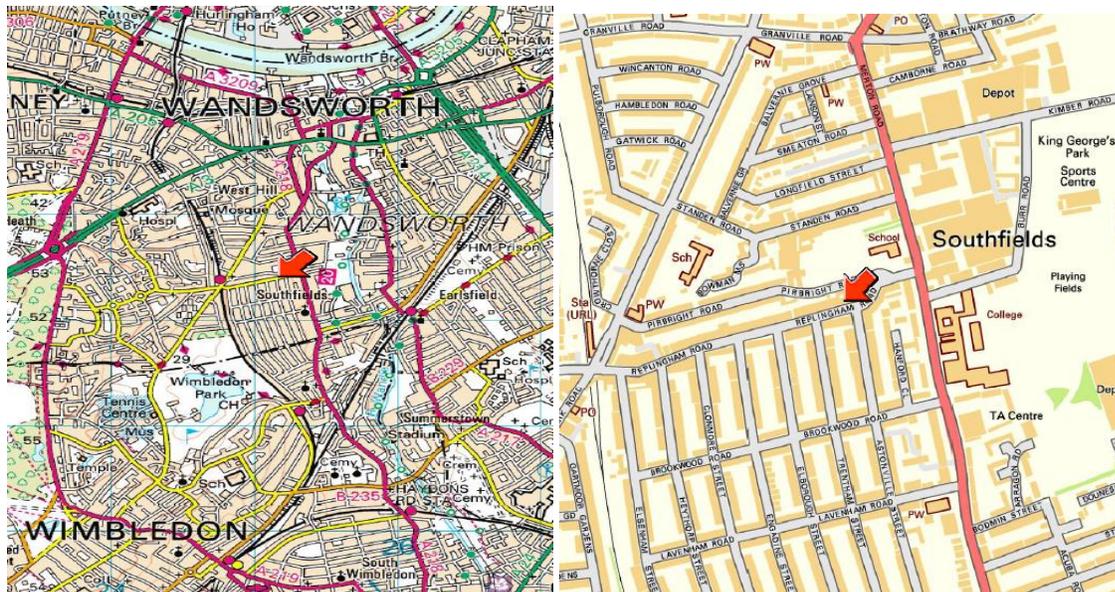
- The Loans will be supported by a first legal charge over the Freehold Site
- The sole director and shareholder, will provide personal guarantee for the full balance of the loan plus interest and expenses
- Corporate debenture over Keildon Property Limited
- Proplend will retain £5,325 (6 months interest) from the gross loan amount which will be held on account should the borrower fail to meet a monthly repayment

PROPERTY

Location

The subject property is situated on the northern side of Replingham Road in Southfields, an area administered by Wandsworth Council. It is located away from the main retail pitch, within a predominantly residential use location. Surrounding retailers are local traders and include a mix of local restaurants, solicitors, dry cleaners, hair and beauty and home security.

Southfields is a small district, located 6 miles south-west of Charing Cross. The street services local residents and is predominantly made up of independent traders. National retailers that are nearby include Tesco Express, HSBC and Sainsbury's Local. Southfields tube station (District Line) is located a 5-10 minute walk to the west of the subject property, close to the main retail pitch of Southfields.

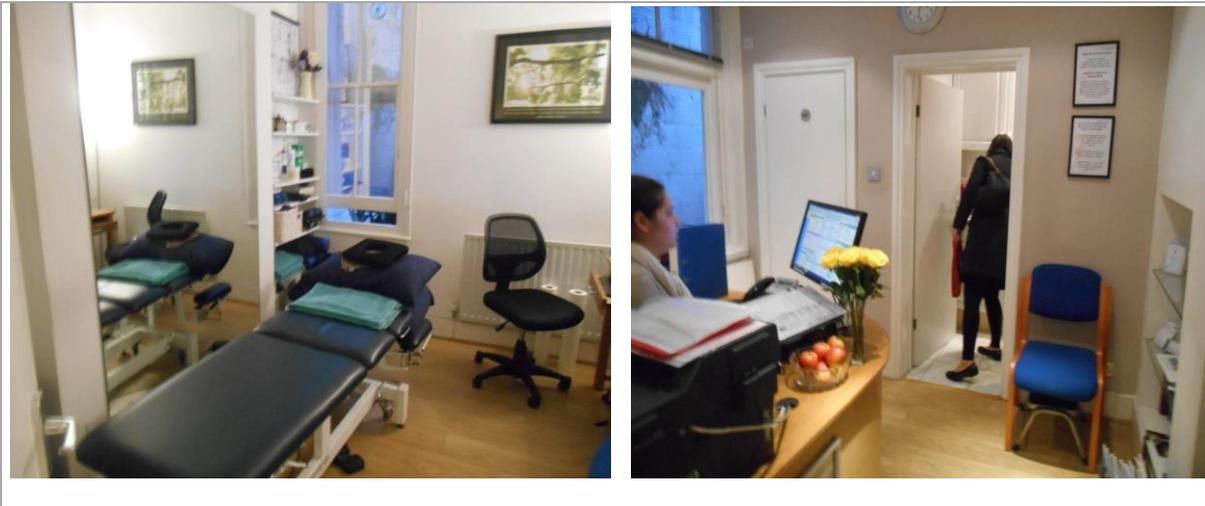


Asset Description

The property comprises a ground floor shop with an NIA of 458 sq.ft. Forming part of a Victorian mid-terrace, the building has three storeys with residential accommodation above the shop unit. The upper floors are let on a long lease so their only contribution to the value is a nominal ground rent.

The Property has brick elevations, with timber framed single glazed windows, beneath a pitched tiled roof.

The shop is trading as a Physiotherapy Clinic and, internally, the unit provides two treatment rooms, a reception area to the rear with separate kitchenette and a WC.



Tenure

The Property has Freehold Title

Valuation

A valuation of the Property was carried out by Cluttons LLP in November 2014, a copy of which can be viewed in the supporting documents. This Report concludes with open market capital value of £200,000 and an estimated rental value of £13,400 p.a.

Valuers online enquiries of the local planning portal confirmed that the property is not listed nor situated within a Conservation Area. Inspection of the Planning Register, on Wandsworth Council's website, reports a planning approval dated 20.04.2007 allowing "use of ground floor as a physiotherapy practice".

There are very few, if any, vacant shop units on Replingham Road including the parade in which the subject property is located. Although the unit is situated away from the main retailing pitch, demand is still apparent for small lot sizes such as the subject property, resulting in low void periods and therefore attracting a number of private investors to areas such as Southfields.

Certificate of Title

A draft Certificate of Title has been supplied by the Borrowers Solicitors. This has been reported on by Keystone Law, acting on behalf of Proplend Security Ltd, and its comments thereon can be viewed under documents.

TENANTS & LEASE

Tenant

The Property is let to Ms. Irene Inger Allen, a Chartered Physiotherapist. She owns and runs a Practice by the name of Southfields Physiotherapy Ltd.

Southfields Physiotherapy is a private treatment, injury rehabilitation and performance training clinic, whose principle services are physiotherapy, chiropractic, acupuncture, massage therapy, Pilates instruction and physical fitness and performance training.

Southfields Physiotherapy has been trading from these premises since its establishment in 2007 and currently has 12 practitioners offering the aforementioned services. The Practice also occupies and trades from two other premises in the same road as the Subject Property.

Equifax score the Practice with an A rating and describe its risk level as excellent.

Lease

The lease is for a five year term commencing 6th November 2013. The current rent passing is £13,400 p.a. with an upward only rent review due in November 2016. The tenant has a rolling break clause subject to giving six month's notice.

In consideration of the comparable evidence, the Valuer is of the view that the market rent is in line with the current passing rent of £13,400 p.a.

Under the repairing covenants the Tenant must decorate the inside of the property in the first and last year of the term. The Tenant must also maintain and decorate the shop front and maintain the state and condition of the property.

The Landlord insures the whole freehold and recovers a pro rata contribution from the Tenant.

The lease is subject to the Landlord and Tenant Act 1954.

BORROWER

Borrower

The proposed Borrower is Keildon Property Ltd, a company incorporated on 5th August 2014. It is 100% owned by Dr. Neil Counihan. The Company owns no other property.

Dr Counihan is one of the U.K's leading orthodontists. He qualified in Dentistry at Kings College Hospital, London then studied orthodontics at New York University. In 2000, he opened a private practice in Battersea and in 2004 co-founded the award winning 'Elleven Orthodontics' in Harley Street; voted Best Private Dental Practice in 2005.

Dr Counihan is a Registered Specialist in Orthodontics at the General Dental Council of the U.K. and is an active member of the British and European Orthodontics Societies.

Although the Tenant is well established, having been in that location since 2007, and has not indicated any wish to move, one weakness in the proposal is that the Tenant could exercise their right to break the lease, with 6 month's notice. In consideration of this, Dr Counihan, will be personally guaranteeing the Loan.

Business Plan

Dr Counihan purchased the property in 2000 as a derelict unit, refurbished it and it has been leased out since then. The current tenant has been in occupancy since April 2007.

In 2014 the property was transferred into the borrowing vehicle, Keildon Property Limited (100% owned by Dr Counihan) and 999 year lease was granted on the 1st and 2nd floor residential unit to Dr Couhinan.

The Borrower intends to hold the property as a long term investment and use profits from his other business to redeem the loan along with a refinance of any remaining balance.

Security

The Security for the Borrower's performance under the loans will be documented by Keystone Law and held in trust on behalf of all the lenders by Proplend Security Limited. Such security will include:

- A first legal charge over the freehold interest in the Subject Property.
- The personal guarantee of the sole director and shareholder, Dr Neil Counihan for the full balance of the loan plus interest and expenses
- Corporate debenture over Keildon Property Limited

Interest Reserve

Proplend will retain £5,325.00 (6 months interest) from the gross loan amount which will be held on account should the Borrower fail to meet the interest payments as they fall due.

Serviceability

The Site is currently producing a rental income of £13,400 p.a. The interest that will be charged on the proposed loan equates to £10,650 p.a.

The income therefore covers interest on a ratio of 1.26:1

Additional Documents

The following documents are available to download via the Loan Request screen

1. A Draft Standard Loan Contract
2. The Legal Report & Property Summary
3. A copy of the Valuation Report dated 24th November 2014

NEXT STEPS

If you are **interested in participating in this Loan Request** and are already fully registered with Proplend then:

1. log-in your *Proplend Lenders Account*, go to *Loan Requests* and select the Loan
2. If the *Loan Request* is still *Pending* you can register your interest via the *Pre-Offer* facility
3. If the *Loan Request* is *Active* and your Proplend account has sufficient funds to cover your Loan Offer then pick the Tranche you wish to lend into and click *Lend Now*. You will be required to enter the loan amount twice and then *Lend Now*. You then have the option to Lend again into a different Tranche if you wish. A copy of the Loan contract signed by you will appear in the *Waiting to Close* screen in your *Lender Dashboard*. When all the Loan Tranches are 100% filled, the Borrower will be invited to sign the Loan Contracts and we will complete the final Security documentation before drawing down the loan. This may take up to 10 days from 100% funding and you will be kept informed.
4. If you need to transfer funds to your Lender Account in order to make an Offer to Lend then go to the *Lender Dashboard* and *Transfer Funds* Screen. Here you will find our *Barclays Client Money Account details*, ensure to include your unique *Lender Reference* when you make the transfer or this may delay the transfer. Please let us know you are transferring funds via the *quick email facility*.
5. Once your funds have cleared in your Lender Account you will be able to make an *Offer to Lend*.
6. If you have any questions, please call us on 0203 379 8290