

## Annual Review: Hinckley - Yewstone - Retail

<b>Main Site:</b>	46-48 Castle Street, Hinckley, Leicestershire, LE10 1DB
<b>Borrower:</b>	Yewstone Properties Ltd
<b>Loan Number:</b>	PLL769
<b>Report Date:</b>	05/10/18
<b>Next Review Date:</b>	20/09/19



### Loan Update

Excellent account conduct.

No change to tenancies or passing rent. All rental payments on time and up to date.

EPC now completed on 48 Castle Street - Rating C

### Covenant Compliance

Compliant throughout loan term.

While there is currently a negative sentiment towards high street retail assets, on the basis that:

- i) Proplend hold a professional valuation <18 months old
- ii) there has been no change to the tenancies
- iii) recent credit reports (Experian - Oct '18) indicate both CEX and Holland & Barrett as a Very Low Risk
- iv) all rental payments are on time and up to date

I do not find it necessary to request a revaluation at this time.

Proplend are in frequent contact with the borrower, should any factors change significantly, we reserve our right to request a revaluation at any time.

### Interest Payments

On time and up to date. 6 month interest reserve still held (£21,252).

## Exit Strategy

No change from origination, the Borrower's intention is to seek more favourable terms from an alternative Bank once they are beyond Proplend's penalty period for redemption.

Alternatively, should the current account conduct be maintained throughout loan term, Proplend may consider refinancing the facility internally.

## Property Summary

<b>Market Value</b>	£670,000	<b>Property Income</b>	£54,500
<b>Vacant Possession Value</b>	£480,000	<b>Market Rental Value</b>	£52,700
<b>Tenure</b>	Freehold	<b>Asset Class</b>	Retail
<b>EPC Rating (min. E)</b>	46 Castle Street - D 48 Castle Street - C		

## Loan Summary

<b>Total Loan Required</b>	£500,000	<b>Loan to Value (LTV)</b>	74.63%
<b>Blended Interest Rate</b>	8.5%	<b>Interest Cover</b>	1.28x
<b>Loan Term</b>	36 months	<b>Interest Expense (p.a.)</b>	£42,504

Tranche	Risk	LTV	Loan Amount	Interest Rate	Interest Cover
C	High	66-75%	£64,500	13.44%	1.24x
B	Medium	51-65%	£100,500	9.5%	1.56x
A	Low	0-50%	£335,000	7.25%	2.17x

## Covenants

<b>LTV Covenant</b>	75%	<b>ICR Covenant</b>	1.24x
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## Security

<b>Main Site</b>	First Legal Charge	<b>Debenture</b>	Debenture Required
<b>Share Charge</b>	Share Charge Not Required	<b>Property Insurance</b>	PSL Interest Noted and Current Doc Held
<b>Personal Guarantee</b>	Individual Guarantee from an Individual Director of Yewstone Properties Ltd for the sum of £500,000		

## Valuation

A valuation of the property was carried out by Innes England on April 2017, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £670,000  
Vacant Possession Value: £480,000  
Open Market Rental Value: £52,700

## PROPLEND DISCLAIMER - PLEASE NOTE:

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