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Annual Review: Margate Commercial Mixed Use

Main Site:	The multi leisure centre, Ethelbert crescent, Cliftonville, Margate CT9 2EA
Borrower:	G E Bowra Group Limited
Loan Number:	BORR1169
Report Date:	9/2/2022
Next Review Date:	30/05/2022



Loan Update

Rental income for the above property has increased from £116,184 p.a. when the loan was drawn down in May 2019, to £150,558 p.a. now.

This is by virtue of a modest increase of the existing tenants rent (£4,374 p.a.), and a new tenant, Black Axe Industries, occupying part of the ground floor, paying £30k p.a. on a new 6-year lease.

Covenant Compliance

The LTV at origination was 75% with LTV covenant of 80%. A revaluation is not required.

The ICR at origination was 1.25x with a covenant of 1.20x. With the increased rentals as described above, the ICR has now improved to 1.62x.

Interest Payments

All interest payments are up-to-date, and are always been made in a timely manner.

Exit Strategy

The Property is a long-term investment for the Borrower, as with all of their properties. The Borrower will redeem this loan in full, by refinancing at more competitive terms with either a high street lender or challenger bank. We may also wish to consider providing a second loan.

Property Summary

Market Value	£1,600,000	Property Income	£116,154
Vacant Possession Value	£1,000,000	Market Rental Value	£116,064
Tenure	Freehold	Asset Class	Mixed Use (Commercial)
EPC Rating (min. E)	D		

Loan Summary

Total Loan Required	£1,200,000	Loan to Value (LTV)	75%
Blended Interest Rate	7.75%	Interest Cover	1.25x
Loan Term	48 months	Interest Expense (p.a.)	£93,000

Tranche	Risk	LTV	Loan Amount	Interest Rate	Interest Cover
C	High	66-75%	£160,000	10.45%	1.25x
B	Medium	51-65%	£240,000	8.45%	1.52x
A	Low	0-50%	£800,000	7.00%	2.07x

Covenants

LTV Covenant	75%	ICR Covenant	1.25x
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Security

Main Site	First Legal Charge	Debenture	Debenture Required
Share Charge	Share Charge Not Required	Property Insurance	PSL Interest to be Noted on Completion
Personal Guarantee	Joint and Several Guarantee from the Directors and Shareholders of G E Bowra Group Limited for the sum of £160,000		

Valuation

Valuation

A valuation of the property was carried out by Pinders on 16 May 2019, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £1,600,000
Vacant Possession Value: £1,000,000
Open Market Rental Value: £116,064

Relationship Manager Recommendation

This Borrower is a strong Property professional, who has continued to perform across all three loans with Proplend. I would like to do more business with this Borrower, if mutually beneficial. Recommend the loan is allowed to continue.