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Lender Update: Kidderminster HMO

Property:	6 Lower Mill St, Kidderminster, DY11 6UU
Borrower:	Lovett Investments Limited
Loan Number:	BORR1601
Review Date:	6/4/2022
Next Review Date:	23/10/2022



Property Summary

Market Value	£565,000 04/09/2020	Property Income	£51,560
Vacant Possession Value	£565,000 04/09/2020	Market Rental Value	£65,000
Tenure	Freehold	Asset Class	HMO
EPC Rating (min. E)	D		

Loan Summary (At drawdown)

Total Loan	£367,250	Loan Term	36 months
Interest Rate	6.99%	Maturity Date	23/10/2023
Interest Expense (p.a.)	£25,671	Interest Reserve (mths)	6

Loan Update (Lease, income and asset management)

The Borrower has continued to perform as expected. However, although the Property is still fully let, six of the eight tenants have left since drawdown, and six new tenants have arrived, but the annual rent has decreased slightly from £52,800 to £51,560 p.a.

Rental voids were kept to a minimum, and the Borrower has declared that all tenants are paying their rent on time, and that there are no rent arrears at all, and all monthly interest payments have been made by standing order in a timely manner.

Covenants

LTV	65%	ICR (Day 1)	2.06x
LTV Covenant	70 %	ICR Covenant	1.25x
		Current ICR	2.01 x

Repayment Strategy

The Borrower's planned exit route remains to refinance onto a longer-term commercial mortgage product at more competitive terms.

Relationship Manager Comments

The Borrower has continued to perform as expected, with all monthly interest payments having been made in a timely manner.

The Borrower's assistant Carly Ecclestone, has also provided our Property Monitoring Report and insurance renewal documents, also in a timely manner.

The LTV remains constant, and although the ICR has worsened slightly, it is still a very healthy 2.01x. There are therefore no points of concern, and the loan is recommended to continue. SB