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# Annual Review: Nottingham Retail

<b>Main Site:</b>	16B Lower Parliament St, Nottingham NG1 3DA
<b>Borrower:</b>	Maven Property (Nottingham) LP
<b>Loan Number:</b>	BORR1663
<b>Report Date:</b>	01/02/2022
<b>Next Review Date:</b>	15/01/2023



Loan Update

## Loan Update

The Bon Marche rents have decreased by £20k p.a. as expected from £95,000 to £75,000 following their well-publicised financial difficulties. Going forwards will have the following stepped increases;

06/06/2022 - £80,000

06/06/2023 - £85,000

06/06/2024 - £90,000

06/06/2025 - £95,000

The Poundland rent remains unchanged.

## Covenant Compliance

As below, at the outset, the LTV was 61%, and within the covenant of 65%. A revaluation is not required.

The ICR covenant is 2x. At the time of drawdown, the ICR was 2.79 x. Even with the agreed Bon Marche rent reduction, the ICR is still a healthy 2.66x.

## Interest Payments

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

## Exit Strategy

The borrower will look to sell the property either as a whole or separate units once planning has been achieved.

## Property Summary

<b>Market Value</b>	£3,700,000	<b>Property Income</b>	£425,000
<b>Vacant Possession Value</b>	£2,350,000	<b>Market Rental Value</b>	£227,000
<b>Purchase Price</b>	£3,700,000	<b>Purchase Type</b>	Open Market
<b>Tenure</b>	Leasehold	<b>Asset Class</b>	Retail
<b>EPC Rating (min. E)</b>	D (Poundland), C (Peacocks)	<b>Planning Use</b>	E

## Loan Summary

<b>Total Loan Required</b>	£2,257,000	<b>Loan to Value (LTV)</b>	61%
<b>Blended Interest Rate</b>	7.07%	<b>Interest Cover</b>	2.79x
<b>Loan Term</b>	36 months	<b>Interest Expense (p.a.)</b>	£159,570

Tranche	Risk	LTV	Loan Amount	Interest Rate	Interest Cover
B	Medium	51-65%	£407,000	8.52%	2.79x
A	Low	0-50%	£1,850,000	6.75%	3.56x

## Covenants

<b>LTV Covenant</b>	65%	<b>ICR Covenant</b>	2x
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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 to be Noted on Completion
<b>Peacock Rent Escrow</b>	Change		

## Valuation

## Valuation

A valuation of the property was carried out by Eddisons on 18 November 2020, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £3,700,000  
Vacant Possession Value: £2,350,000  
Open Market Rental Value: £227,000

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## Relationship Manager Recommendation

The Borrower has made all monthly interest payments in a timely manner, and has also remained communicative throughout (i.e. with Property Monitoring Reports and insurance renewal docs, etc).

Recommend loan is allowed to continue.