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# Annual Review: South Harrow - Broker - Mixed Use

<b>Main Site:</b>	273 Northolt Road, South Harrow HA2 8HX
<b>Borrower:</b>	Abiy Property Ltd
<b>Loan Number:</b>	PLL0962
<b>Report Date:</b>	23/03/2022
<b>Next Review Date:</b>	18/12/2022



Loan Update

## Loan Update

Since drawdown in December 2020 the borrower has proactively increased rental from £40,655 to £47,928 at 273 Northolt Road. The tenants have signed a 15 year lease agreement.

## Covenant Compliance

LTV covenant 75%, LTV at origination 70%, LTV currently 70%  
ICR covenant 1.25x, ICR at origination 1.56x, ICR currently 1.84x

## Interest Payments

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

## Exit Strategy

The borrower still intends to refinance on to more competitive terms on or before maturity.

## Property Summary

<b>Market Value</b>	£495,000	<b>Property Income</b>	£47,928
<b>Vacant Possession Value</b>	£550,000	<b>Market Rental Value</b>	£39,120
<b>Purchase Price</b>	£500,000	<b>Purchase Type</b>	Open Market
<b>Tenure</b>	Freehold	<b>Asset Class</b>	Mixed Use (Commercial)
<b>EPC Rating (min. E)</b>	E		

## Loan Summary

<b>Total Loan Required</b>	£346,500	<b>Loan to Value (LTV)</b>	70%
<b>Blended Interest Rate</b>	7.50%	<b>Interest Cover</b>	1.84x
<b>Loan Term</b>	36 months	<b>Interest Expense (p.a.)</b>	£25,988

Tranche	Risk	LTV	Loan Amount	Interest Rate	Interest Cover
C	High	66-75%	£24,750	10.50%	1.84x
B	Medium	51-65%	£74,250	8.50%	2.05x
A	Low	0-50%	£247,500	6.90%	2.81x

## Covenants

<b>LTV Covenant</b>	75%	<b>ICR Covenant</b>	1.25x
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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>	Interest noted in current docs held
<b>Personal Guarantee</b>	Individual Guarantee from an Individual Director of Abiy Property Ltd for the sum of £69,300		

## Valuation

## Valuation

A valuation of the property was carried out by Capital Value Surveyors on 20 November 2020, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £495,000  
Vacant Possession Value: £550,000  
Open Market Rental Value: £39,120

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## Relationship Manager Recommendation

Borrower has maximised rental during the term of our loan from £36,000 to £42,000 on the commercial unit and £4,655 to £5,928 on the residential unit.

Rental for commercial due to be reviewed in June 2022 with potential for rent to be increased to £48,000.

Borrower has maintained their monthly interest payments.

No issues to be raised.