


101863 - Second charge commercial loan against a hotel - Hythe

Case studies

10.10.22




 **TAB.**

Princes Parade, Hythe

Loan amount:	£3,500,000
LTV:	62.16%
Term:	6 months
Security:	2nd charge
Product type:	Commercial

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TAB completed a £3.5m [second charge commercial loan](#) secured against a hotel in Hythe.

The property comprises 92 bedrooms that first opened in 1892. The current owner and operator purchased the hotel in 2007 and has since undertaken significant refurbishment works.

The borrower's first charge was with a large private bank who was not happy for the second charge loan interest to be retained. However, we successfully negotiated an ICD (Inter Creditor Deed) with the bank, protecting their rights and ours. The solution meant interest is retained and the loan could be redeemed at any point.

We also took the commercial view that a redemption at 60% LTV would be suitable, given that the value of the property would increase by just under £3 million after the completion of the works. This, paired with the wider view of the client's large portfolio and experience, gave comfort that there will be a secure exit available.

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