

Loan Analysis - 2 Albert Road, Colne BB8 0AA

Quote for Works to be carried out	£54,164.40
add 10% Contingency	£5,416.44
Estimated Total cost of works	£59,580.84

Option 1 - Loan taken out for Full amount, (Say £60,000)
To match Loan repayments to Rental Income would require a loan of 15 years at Current rates (5.51%)

Loan	£60,000.00
Interest on Loan	£28,950.30
Total amount to be repaid	£88,950.30

Loan Repayments			Potential Income	
Year	Bal bf	Payment	Total	Shortfall/Deficit
0	£88,950	£0		
0.5	£85,985	£2,965	£0	£-2,965.01
1	£83,020	£2,965	£3,000	£34.99
1.5	£80,055	£2,965	£3,000	£34.99
2	£77,090	£2,965	£3,000	£34.99
2.5	£74,125	£2,965	£3,000	£34.99
3	£71,160	£2,965	£3,000	£34.99
3.5	£68,195	£2,965	£3,000	£34.99
4	£65,230	£2,965	£3,000	£34.99
4.5	£62,265	£2,965	£3,000	£34.99
5	£59,300	£2,965	£3,000	£34.99
5.5	£56,335	£2,965	£3,150	£184.99
6	£53,370	£2,965	£3,150	£184.99
6.5	£50,405	£2,965	£3,150	£184.99
7	£47,440	£2,965	£3,150	£184.99
7.5	£44,475	£2,965	£3,150	£184.99
8	£41,510	£2,965	£3,150	£184.99
8.5	£38,545	£2,965	£3,150	£184.99
9	£35,580	£2,965	£3,150	£184.99
9.5	£32,615	£2,965	£3,150	£184.99
10	£29,650	£2,965	£3,150	£184.99
10.5	£26,685	£2,965	£3,300	£334.99
11	£23,720	£2,965	£3,300	£334.99
11.5	£20,755	£2,965	£3,300	£334.99
12	£17,790	£2,965	£3,300	£334.99
12.5	£14,825	£2,965	£3,300	£334.99
13	£11,860	£2,965	£3,300	£334.99
13.5	£8,895	£2,965	£3,300	£334.99
14	£5,930	£2,965	£3,300	£334.99
14.5	£2,965	£2,965	£3,300	£334.99
15	£0	£2,965	£3,300	£334.99

Assumptions

- .No rental income for first 6 months due to refurbishments
- .Rental income based on £500 per month rising to £525 after 5 years and £550 after 10 years.
- .Figures based on 100% occupancy after first 6 months.

Option 2 - A loan of £30,000 with £30,000 to be used from Reserves
To match Loan repayments to Rental Income would require a loan of 6 years at Current rates (5.65%)

Loan	£30,000.00
Interest on Loan	£5,789.52
Total amount to be repaid	£35,789.52

Loan Repayments			Potential Income	
Year	Bal bf	Payment	Total	Shortfall/Deficit
0	£35,790	£0		
0.5	£32,807	£2,982	£0	£-2,982.46
1	£29,825	£2,982	£3,000	£17.54
1.5	£26,842	£2,982	£3,000	£17.54
2	£23,860	£2,982	£3,000	£17.54
2.5	£20,877	£2,982	£3,000	£17.54
3	£17,895	£2,982	£3,000	£17.54
3.5	£14,912	£2,982	£3,000	£17.54
4	£11,930	£2,982	£3,000	£17.54
4.5	£8,947	£2,982	£3,000	£17.54
5	£5,965	£2,982	£3,000	£17.54
5.5	£2,982	£2,982	£3,000	£17.54
6	£0	£2,982	£3,000	£17.54

Assumptions

- .No rental income for first 6 months due to refurbishments
- .Rental income based on £500 per month
- .Figures based on 100% occupancy after first 6 months.