

News

Property

February 2009



Fortune Favours The Brave

THE OPPORTUNITY

It is an inevitable consequence of a difficult economic climate that some developments will falter when only part complete.

Our experience from previous recessions is that, at some point during the economic cycle, these sites will fall in value to a level where they again become commercially attractive. These sites will usually benefit from planning permission (assuming the developer did not start without) and there is potential to capitalise quickly on the return of increasing land values, especially where the construction may be capable of immediate recommencement.

THE RISK

Purchasing a part complete development can give rise to challenging practical and legal issues which must be considered fully, such as:

- Have all necessary approvals been obtained?
- If there are estate roads/common parts, are there management arrangements in place?

- Are the appropriate infrastructure agreements in place?
- Are there warranties available for existing works?
- Is there a suitable licence available to use the intellectual property rights?
- Are there any other construction related risks?

HOW HAMMONDS CAN HELP

Hammonds has set up a taskforce to assist developers/investors who are considering purchasing a part complete development.

The taskforce includes experienced specialist lawyers from our property, planning, construction, insolvency and tax teams. We will mobilise swiftly to identify and address legal and practical issues and assess the risks involved in these situations effectively.

We provide sound commercial advice to assist you to proceed with a purchase without delay, getting you ahead of the competition.

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FURTHER INFORMATION

For more information relating to this article, please contact:

Thornton Allen

Partner (Property)
T: +44 (0)121 222 3219
E: thornton.allen@hammonds.com

Neil Taylor

Senior Associate (Property)
T: +44 (0)121 222 3127
E: neil.taylor@hammonds.com

Warren Berwick

Senior Associate (Construction, Projects & Engineering)
T: +44 (0)121 222 3534
E: warren.berwick@hammonds.com

Daniel French

Senior Associate (Corporate Strategy & Finance)
T: +44 (0)121 222 3697
E: daniel.french@hammonds.com

Hammonds

Berlin

Hammonds LLP
Georgenstraße 22
10117 Berlin Germany
Telephone +49 30 7261 68 000
Fax +49 30 7261 68 001

Leeds

Hammonds LLP
2 Park Lane
Leeds LS3 1ES
Telephone +44 (0)113 284 7000
Fax +44 (0)113 284 7001

Manchester

Hammonds LLP
Trinity Court
16 John Dalton Street
Manchester M60 8HS
Telephone +44 (0)161 830 5000
Fax +44 (0)161 830 5001

Birmingham

Hammonds LLP
Rutland House
148 Edmund Street
Birmingham B3 2JR
Telephone +44 (0)121 222 3000
Fax +44 (0)121 222 3001

London

Hammonds LLP
7 Devonshire Square
London EC2M 4YH
Telephone +44 (0)20 7655 1000
Fax +44 (0)20 7655 1001

Munich

Hammonds LLP
Karl-Scharnagl-Ring 7
80539 Munich Germany
Telephone +49 89 207 02 8300
Fax +49 89 207 02 8301

Brussels

Hammonds LLP
Avenue Louise 250
Box 65
1050 Brussels Belgium
Telephone +32 2 627 7676
Fax +32 2 627 7686

Madrid

Hammonds LLP
Plaza Marques de Salamanca 3-4
28006 Madrid Spain
Telephone +34 91 426 4840
Fax +34 91 435 9815

Paris*

Hammonds Hausmann
4 Avenue Velasquez
75008 Paris France
Telephone +33 1 53 83 74 00
Fax +33 1 53 83 74 01

Hong Kong*

Hammonds
Suites 3201-05, 3217-20
32nd Floor Jardine House
1 Connaught Place
Central Hong Kong
Telephone +852 2523 1819
Fax +852 2868 0069

Beijing+

Hammonds Beijing
Representative Office Hong Kong
Suite 1419 - 20
South Tower Beijing Kerry Centre
1 Guang Hua Road
Chao Yang District
Beijing 100020 China
Telephone +86 108529 6330
Fax +86 10 85296116

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WWW.HAMMONDS.COM

If you do not wish to receive further legal updates or information about our products and services, please write to: Richard Green, Hammonds LLP, Freeport, 2 Park Lane, Leeds, LS3 2YY or email richard.green@hammonds.com.

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