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LICENSED INSOLVENCY PRACTITIONERS

E-mail News Release

“Abandoned sites blight neighbourhoods”

If proof were needed that property developers have been mortally wounded by the ravages of this recession, just cast an eye on the thousands of partially completed sites around the country.

One man’s loss is another man’s gain could never be a truer statement. Currently there are opportunities galore for those developers and investors in a position to seek out a bargain. However, Phil Wood of Newcastle based licensed insolvency practitioners BCR believes that a modicum of caution is needed when a buyer is seeking to acquire a partially completed site. It is important to remember that a discounted price is not always good value and the buyer should always consider if the risks connected with the site are accurately reflected in the price.

Phil suggests it is essential for the prospective purchaser to tread very carefully especially where the existing owner may be insolvent. An act of insolvency may, for example, enable an end user tenant to terminate an agreement for lease or enable a Local Authority to determine a development agreement which could destroy any development value that the site may have.

“Other important factors include planning documentation, the original construction team and due diligence. It is essential that the buyer seeks advice and ensures that safeguards are put in place in the purchase contract to cover a whole host of issues that could well make the difference between success and failure.

ENDS

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