

Real Estate/Construction Deal Sheet (February 2017)

Please see below for a small selection of the more notable transactions, recent and historic undertaken by the team.

Recent Transactions

LARGE SCALE DEVELOPMENTS

Options to acquire Development Site (and an example where we have added value)

A long-standing developer client was in competition with another developer to acquire a development site in South West London, comprising a block of flats, in the process of being 'optioned up' by the various flat owners in favour of the other developer. Our client was so keen to buy the site that he was prepared to contract to buy all the flats in the block unconditionally, albeit for a slightly lower price.

We advised our client, who was in contact with one of the flat owners, to offer on one of the flats for the full price and to exchange unconditionally. The client was able to secure a deal to buy one of the flats and we exchanged this within 24 hours. As a consequence, the other developer withdrew from the transaction and the remaining lessees in the block agreed to option their flats to our client, since they had no other options. Our client subsequently received planning permission for a residential development and then exercised the options to obtain the leases and freehold which was owned by the lessees. It has turned out to be a great deal for the client who is very grateful for our idea which helped secure the site.

Purchase of multi-let building in Soho (and an example where we have added value)

We acted for a long-standing client on an unconditional purchase of a multi-let building for circa £12 million. The building contained 6 tenants; 5 of which were commercial tenants with security of tenure under the Landlord and Tenant Act 1954 and the other was an assured tenant with security under the Housing Act 1988.

The client's main strategy was to acquire vacant possession of the building, so it could be redeveloped as high value residential flats. Our client had to satisfy its lenders that it would be able to achieve vacant possession within a short timeframe commensurate with the term of the senior funding.



The purchase was subject to multiple tranches of funding from different lenders including senior finance and mezzanine funding and getting all parties comfortable with their security, sub-ordination and risk profiles on the transaction. There were a number of challenges with the transaction and we were able to add value by finding a way to force the seller to agree to extend the completion date.

Acquisition development site near Elephant and Castle and subsequent re-development

Acting for long standing clients in the purchase of a site near the Elephant & Castle. The transaction had a number of facets to it including s106 Agreement negotiations, refinancing, purchasing airspace from Network Rail (including complex overage provisions), preparation of the professional appointments and disposal of the commercial units, affordable units and private residential apartments to the end-users in the completed 22 storey block.

Purchase and subsequent sale of development site on the Thames near the Houses of Parliament

Acting for a client in the purchase of a residential development site. This comprised a freehold site and a lease of a ransom strip in front of it, for a term of 175 years, which permitted a right of access and to lay and use services under it. There was no statutory right to renew the lease.

Our client proposed to build a block of flats on the freehold site. The lease, on the face of it, meant that the development only had a life of 175 years, unless the freeholder of the ransom strip agreed an extension of the lease in the future. Our client agreed with the seller a substantial reduction in the price to take account of this defect. However, we provided advice that the rights of access and passage of services over the ransom strip could be preserved permanently and that on a future renewal of leases of flats to be granted in the new redevelopment, under the Leasehold Reform Housing and Urban Development Act 1993, it would be possible to contend that the rights of access and passage of services over the leasehold strip are appurtenances of the "flat" and that such rights can be continued into a new tenancy.

We subsequently handled the sale of the undeveloped site at a significant profit and were able to resolve a rights of light issue, which arose prior to the sale by investigating various titles and discovering that the Land Registry had incorrectly noted certain rights/prohibitions on the titles.

INVESTMENT ACQUISITIONS AND DISPOSALS WORK

PRS deal of the year – Resi award

Advising Long Harbour on the purchase of Athena Court, Stratford for in excess of £30m and the subsequent sale of the property rebranded as 'One Eighty' to Aberdeen Property trusts for £60m.

We assisted Long Harbour with procuring a New Homes Warranty for the building and remedial works which needed to be carried out.

The transaction was voted 'PRS deal of the year' at the RESI awards 2016, with the judges praising the deal for its 'gutsy initial purchase and bold acquisition'.

Letting and Sale of the Sugar Building

Amsprop recently redeveloped and renamed this building - The Sugar Building - at 5 Cheapside London EC2. The redevelopment turned a tired building into a prime office location within a stone's throw of St Pauls. We were instructed on the letting of the whole building to a service office provider. The client received an offer to buy the building for nearly £80m at the same time and on our advice we completed the lease and ancillary documents and exchanged the Sale Contract simultaneously.

Retail Portfolio Acquisition

Acquisition of 40+ retail units across the country from a pension fund. We acted on the acquisition of the assets, undertaking due diligence on title and the occupational leases. A wider portfolio is currently being put together following additional 'bolt on' acquisitions



Residential Portfolio Acquisitions

We acted for a Real Estate Fund in its purchase of a portfolio of nearly 400 residential houses and flats, circa 15 commercial properties and in excess of 100 ground rents in the South East. Almost half of the properties were unregistered. We completed the purchase and financing within 1 month of being instructed

LANDLORD AND TENANT WORK

Letting of building for Hospital Use

Acting for long standing high profile clients in negotiating and completing a highly complex agreement for lease and lease of an office building, intended for use as part of a well known Central London private hospital, at an annual rent in excess of £2m. The new lease was for 25 years, with an option for the tenant to renew for a further 25 years. An associated agreement allowed the tenant to link the building to a neighbouring hospital. At the end of the term the tenant is to deliver up the building with vacant possession and back to office use (from a planning perspective) and to pay compensation to the landlord if it fails to do so.

Acting for a major firm of Accountants on a Pre-let

Our team advised the client on its negotiations for a new lease, pre-let agreement for lease and licence to alter of circa 25,500 sq ft of office space in a new office building under construction in the centre of Leeds. The transaction is key to the client as it wants to relocate its workforce under one roof.

ENERGY WORK

Purchase of Solar Farm

Acting for a German company in connection with the purchase of an 8MW solar farm in West Sussex. Also negotiating on the client's behalf the energy, procurement and construction (EPC) agreement (which included operation and maintenance arrangements). This was the client's first significant investment in the UK solar market and it involved complex planning, regulatory and grid connection issues.



Advice in respect to EPC Sub-Contract arrangements

On-going advice to one of the the world's largest solar companies, Conergy, who specialize in the design, finance, build and operation of solar energy systems. Advice has been given on their EPC sub-contract arrangements with their design and construction supply chain, in relation to five

photovoltaic solar power projects in the UK. These transactions enable the client to deliver various projects across the country in a time efficient manner and allow us the opportunity to showcase our experience in the renewable energy field.

BANKING WORK

Power Station

Advising a lender on the £15m financing of a part-decommissioned power station including undertaking a review of the finance documents, due diligence on all relevant documents, monitoring conditions precedent and subsequent to drawdown and reporting to the bank.

Financing assets to fund a development

Acting for a long standing property client in the financing of parts of its residential property portfolio with Lloyds Bank to enable it to fund the development of another site in South East London with planning permission for 70 residential units. The team collaborated with Kingsley Napley's banking colleagues to enable the deal to be completed swiftly and for the development to commence. Our construction team subsequently advised the client on construction procurement.

LEGACY TRANSACTIONS:

Acquisition for a Sovereign Wealth Fund

Acting for a Sovereign Wealth Fund on an acquisition from Land Securities of an investment property in Oxford Street consisting of a mixture of retail and offices for £155 million The Real Estate team, led by Paul Harbour, completed the transaction within a very tight timeframe. The transaction was the biggest deal in the West end at the time (being 2009).

Acting for US Law firm

Acted for a US law firm on the lease of an entirely new 25,000 sq ft (2,300 sq m) office building located in Mayfair commanding £2m in rent per year. Adjacent to the Dorchester Hotel and

overlooking Hyde Park, the building was referred to in the press as “the World’s costliest office” such is the quality of the building and its location.

Acquisition of an MoD airfield

Acted for the purchaser in the acquisition of an 1100 acre former MoD airfield at Alconbury Cambridgeshire subject to 90 – 100 commercial tenancies and with a long term residential development opportunity. This was a highly complex, time pressured, sophisticated and difficult transaction.

West End letting

Handling the letting of three buildings in Central London comprising circa 70,000 sq ft at a rent of circa £2m per annum to an international Advertising Agency. The agreements for lease contained obligations on the part of the Landlord to carry out major works to the buildings whilst the tenant remained in occupation. It also involved handling the appointments of the professional team and provision of warranties from the professional team and trade contractors in favour of the tenant and funder.