

Winckworth
Sherwood



Regeneration and Home Building



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These are extremely challenging times in regeneration and home building. Sales of new and existing homes have plummeted due to the credit crunch and restricted mortgage market, and with the downturn in house prices and in the economy generally a global recession appears imminent.

Acting for home builders, housing associations and local authorities, our experience is that the terms of major regeneration and joint venture projects and of smaller deals are being renegotiated, both before and after exchange. Most home builders are holding back from new land acquisitions, unless back to back with sales to housing associations, and are endeavouring to increase sales of affordable housing on existing sites. Housing associations are cautious as they are more adversely affected than in previous downturns when shared ownership was not so much a part of their business.

However, with the Government's endeavours to restart liquidity in the mortgage market and further reductions in interest rates, a brighter picture should emerge. The underlying demand for homes and the impetus for regeneration, led by government agencies charged with delivering housing targets, and, in London, necessitated by the Olympics and a continued under supply of housing, must mean that regeneration and development will revive, albeit with key stakeholders tailoring their requirements to meet market conditions.

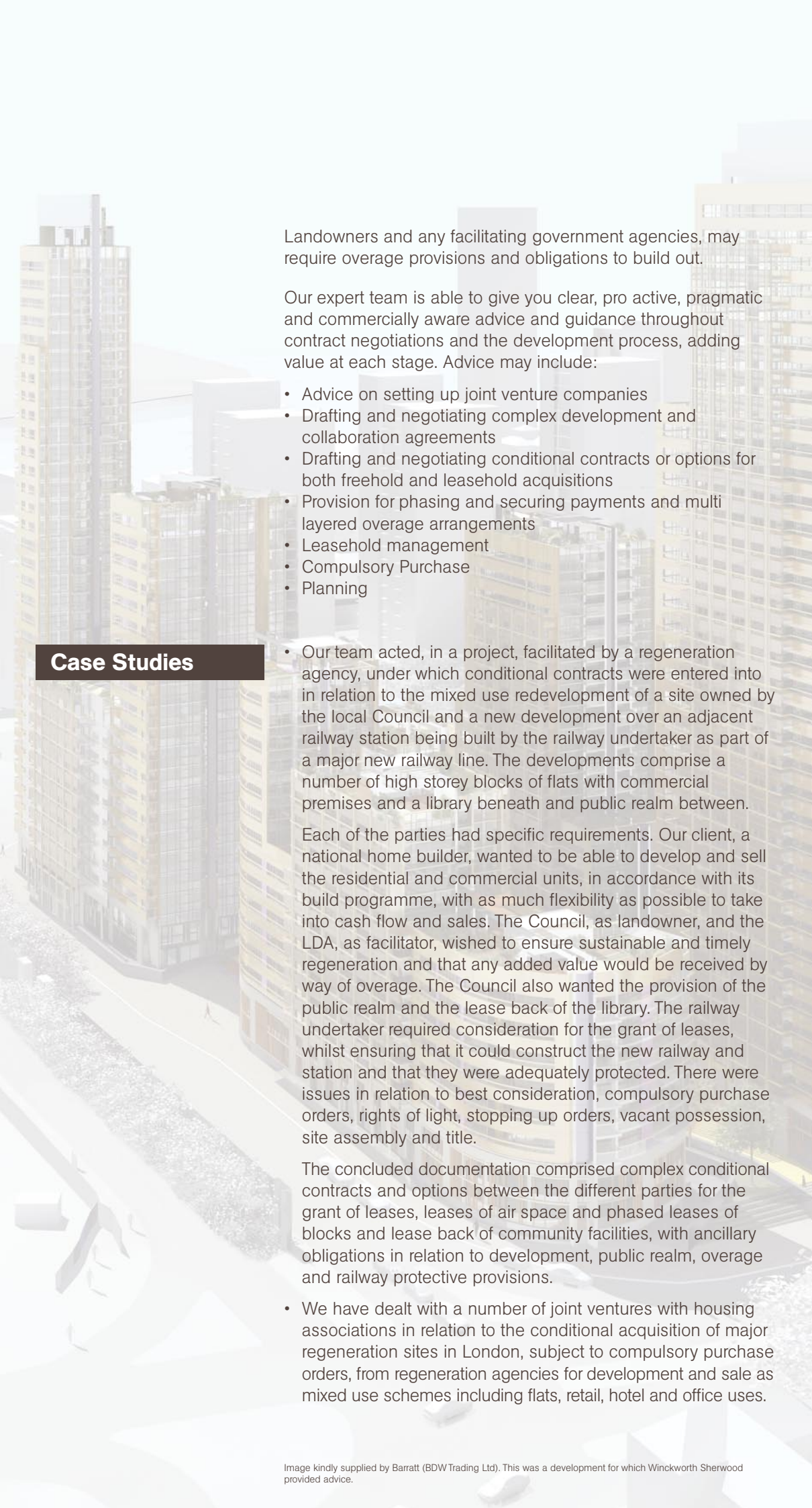
What we do

We act for the full range of stakeholders involved in mixed use development, including national home builders, housing associations, local authorities, other public (or not for profit) bodies and companies that acquire freehold reversions and manage long leasehold estates.

Our lawyers have a wealth of specialist experience in dealing with urban regeneration, and are unique in acting in both the public and private led development schemes, dealing with major strategic and complex mixed use development transactions.

We understand that the stakeholders in these projects require quick responses, pragmatic advice and timely delivery from their lawyers and that each has its own concerns and aspirations. Because we act for both the private and public sector we understand competing commercial objectives and motivations. We approach and lead negotiations accordingly, whilst ensuring that our clients are protected.

Home builders and housing associations require contracts that enable them to control planning and development, to dispose of affordable housing up front, to deal satisfactorily with commercial elements and, ultimately, to have unimpeded sales, followed (for home builders) by disposal of any reversions. They need flexibility to adjust production and sales to market conditions. As we handle sales for both home builders and housing associations, we are always mindful of the need to sell new homes without any delays arising. In addition to Grant considerations, housing associations will have concerns about future management and service charges.



Landowners and any facilitating government agencies, may require overage provisions and obligations to build out.

Our expert team is able to give you clear, pro active, pragmatic and commercially aware advice and guidance throughout contract negotiations and the development process, adding value at each stage. Advice may include:

- Advice on setting up joint venture companies
- Drafting and negotiating complex development and collaboration agreements
- Drafting and negotiating conditional contracts or options for both freehold and leasehold acquisitions
- Provision for phasing and securing payments and multi layered overage arrangements
- Leasehold management
- Compulsory Purchase
- Planning

Case Studies

- Our team acted, in a project, facilitated by a regeneration agency, under which conditional contracts were entered into in relation to the mixed use redevelopment of a site owned by the local Council and a new development over an adjacent railway station being built by the railway undertaker as part of a major new railway line. The developments comprise a number of high storey blocks of flats with commercial premises and a library beneath and public realm between.

Each of the parties had specific requirements. Our client, a national home builder, wanted to be able to develop and sell the residential and commercial units, in accordance with its build programme, with as much flexibility as possible to take into cash flow and sales. The Council, as landowner, and the LDA, as facilitator, wished to ensure sustainable and timely regeneration and that any added value would be received by way of overage. The Council also wanted the provision of the public realm and the lease back of the library. The railway undertaker required consideration for the grant of leases, whilst ensuring that it could construct the new railway and station and that they were adequately protected. There were issues in relation to best consideration, compulsory purchase orders, rights of light, stopping up orders, vacant possession, site assembly and title.

The concluded documentation comprised complex conditional contracts and options between the different parties for the grant of leases, leases of air space and phased leases of blocks and lease back of community facilities, with ancillary obligations in relation to development, public realm, overage and railway protective provisions.

- We have dealt with a number of joint ventures with housing associations in relation to the conditional acquisition of major regeneration sites in London, subject to compulsory purchase orders, from regeneration agencies for development and sale as mixed use schemes including flats, retail, hotel and office uses.

Who we act for

We act for a range of private and public sector clients, most recently national house builders such as Barratt (trading as BDW Trading Limited), Bellway, Redrow, RSLs such as Dominion, Genesis, Southern, Thames Valley, Hanover, local authorities including Thurrock, Hertfordshire County Council and Lewisham.

How we can help

We are able to provide you with pro-active advice and pragmatic legal solutions including initial advice on legal structure, financing and heads of terms or tenders, through to the preparation and negotiation of the full array of contractual documentation required for exchange, completion and the ongoing sale and management of projects.

Contacts



Roger Fitton
Partner
E rfitton@wslaw.co.uk



Jane Sewell
Partner
E jsewell@wslaw.co.uk



Francesco Ferrari
Partner
E fferrari@wslaw.co.uk

We have a large team of experts in regeneration and home building. For a full list of all lawyers and their relevant specialist experience please go the Real Estate sector page on our website **www.wslaw.co.uk**

Winckworth Sherwood is a highly individual law firm, committed to providing a relevant, competitive and professional service. Our diversity is our strength and our lawyers often have deep personal investment in our clients' sectors. We are at the forefront of the private and public sector interface and our collaborative approach enables us to adapt to our clients' individual needs, providing them with pragmatic solutions to a whole range of requirements.

T 020 7593 5000
www.wslaw.co.uk