

LPA Receiverships the facts from Scanlans

Scanlans Consultant Surveyors is the first choice for LPA Receivership

LPA Receivership Property specialist Scanlans Consultant Surveyors is amongst the top practices in the UK providing expert LPA Receiver work. When lenders, investors and mortgagees find that the borrower is unable to service the cost of their borrowing commitments, the LPA Receivership route should be seriously considered.

What is a LPA Receivership?

What are the benefits to a lender in instructing a LPA Receiver?

Why should Scanlans be your first choice?

This fact sheet answers these questions.

LPA Receivership - the process explained

A Law of Property Act (LPA) Receivership is where a LPA Property Receiver is appointed by lenders to enable them to recover loans secured against a property in England and Wales where the primary security is land or buildings. Lenders wanting to recover loans from failed property deals and developments are increasingly recognising that choosing a LPA Receiver to undertake recovery action will maximise their returns. The Conveyancing and Law of Property Act covers premises in Northern Ireland.

Lenders nearly always benefit from appointing a LPA Receiver, who is a chartered surveyor, rather than an accountant when the sole asset is property. This is because it is vital to the lender that the management functions of the building carry on satisfactorily during receivership, that rents continue to be collected, the property secured and any necessary actions can be taken to maintain and enhance the value of the security. Scanlans have a broad range of in-house professional disciplines and experience such as property management and building surveying. We also have NHBC accreditation, knowledge of compliance and access to specialist insurance.

LPA Receivership is usually a more effective method of dealing with recovery of investment than repossession or sale by auction by the lender as a mortgagee in possession.

Who benefits from instructing an LPA Receiver

Scanlans carry out LPA Receivership work for lenders with properties including individual and multiple residential buy-to-let premises, part built developments (which Scanlans can take to completion then market), vacant and investment commercial properties and development land. Our clients include high street banks, building societies providers of specialist development finance and buy-to-let lenders, private companies, or anyone who has an interest in a property registered with the Land Registry.

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Instructing a LPA Receiver - the benefits to you

An LPA Receiver combines the dual role of accountant/insolvency practitioner with valuer/estate agent. This means a variety of methods can be used to maximise return for the lender. These include:

Flexibility:

Where the property is tenanted, the appointment of a LPA Receiver often encourages the borrower to make sufficient payment to the bank to reduce arrears. Therefore, receivership activity can be put on hold, but the lender has the assurance that the receivership appointment is still valid and can be reactivated immediately if the borrower falls back into default.

Responsibility:

The LPA Receiver is able to take over management of the property. This includes ensuring compliance with appropriate legislation particularly for tenanted properties. Responsibility for dealing with tenants and arranging for the property to be sold - either immediately if vacant, or at the end of the current tenancy.

Maintaining value:

On a trading property the LPA Receiver can, if appropriate, arrange a leaseback to the occupying company to allow them to continue trading and so maintain the value of the property as a trading business rather than as a vacant property with a closed business.

Completing development:

The LPA Receiver can help lenders by building out a part completed development where the borrower is co-operative but has severe cash flow problems. This can either involve re-engaging the original builder on the lender's behalf, or project managing the entire build programme with a new construction team.

Publicity:

If the borrower wants to make an issue out of any grievance, any adverse publicity is directed against the receiver rather than the lender.

Management information:

Scanlans can provide lenders with a secure and live web portal with details and progress reports on the properties on which the lender has appointed us.

Scanlan's flexible and all-encompassing approach means there need be no "fire sale" of an empty building, or partially completed development. A distressed sale like that can often result in a heavily discounted price and an increased shortfall on the debt.

Who we are - meet the Scanlans team

Scanlans has continuously taken LPA appointments for more than 30 years. Our team comprises six members of NARA Association of Property and Fixed Charge Receivers four of whom also hold RICS Registered Property Receiver qualifications.

Scanlans LPA Receivers can deal with virtually every issue arising during the course of a receivership (including valuation, property management, building surveyor, quantity surveyor, landlord and tenant issues, planning and valuation issues).

Our specialist Receivers operate out of Scanlan's offices in Manchester, London, Birmingham, Leeds and Cardiff. This ensures you have convenient access to your specialist LPA Receiver wherever you are based. Through an Association with a firm of Chartered Surveyors in Belfast, we can also cover properties in Northern Ireland.

www.scanlansconsultantsurveyors.com

LPA Receivership - the next step

Contact us now to learn whether a LPA Receivership will answer your needs

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