

Receivership Case Examples

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Portfolio of rented residences – landlord and tenants colluding to obtain housing benefit, actual rental income substantially below expectations. Regularisation of agreements, some possession obtained. Portfolio sold, debt repaid.

Caravan park – Income not covering company outgoings. Receivers terminated company directors paid involvement, cleared site of occupiers to reduce outgoings, obtained planning consent for industrial development and sold the site recovering a substantial part of the debt.

Development of 15 flats partly finished - but roof structure faulty, borrower runs out of funds - Receivers complete the development after designing a roof solution and sell the flats. Most of debt repaid.

Large house with squatter - Borrower unable to cope with abusive occupier. Receivers obtain possession, with some difficulty, and sell the property. The full debt is repaid and the surplus paid to the owner/borrower.

Long leasehold apartment in residential block being repossessed by freeholder for non payment of ground rent and service charge – Receivers negotiate a delay in payments without the need to go to court, allowing an orderly sale.

Industrial property with materials causing a fire hazard - Receivers clear the premises, secure it and sell. Full debt recovered.

House owner-occupied by the borrower who refused to contact with lender. Appointment of Receiver induces a re-mortgage by the owner which repays the debt. Receiver resigns without having to sell the property.

Insurers unwilling to insure a property - leaving the lender exposed to potential losses. Receiver's specially arranged insurance policy allows immediate cover until property quickly sold.

Apartment block with many tenants and common areas - block requires management. Angry tenants refusing to pay back rents. Tenants addressed and common areas put right. Rents collected until freehold sold as an investment.

Borrower incapable of dealing with property – being in prison. Inland Revenue attempting to take control for tax and VAT defaults, excluding charge holder. Receivers pursue planning consents and negotiate with buyers, keeping all interested parties advised.

Licensed premises – reported illegal activities, violent threats made, trading income diverted by borrower and not used to reduce debt. Receivers obtain possession and sell, recovering full debt.

Second charge holder – first charge holder declines to take action because his debt very fully covered, leaving second charge holder vulnerable from eroding net proceeds. LPA Receiver takes control for the second charge holder, sells property, pays first charge holder and then second charge holder, recovering the majority of the debt.