

LPA Direct

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Appointment Signals Investment at Nelson Industrial Park

Profile Park, a 150,000 square foot mixed use commercial site on Junction Street in Nelson has been placed in the hands of Law of Property Act (LPA) receivers LPA Direct.

LPA Direct has been appointed to collect the rents at the property and improve performance of the asset by that is split into multiple commercial units and has several tenants.

“The site is only around one third let at present, and we have been appointed to arrest the accumulating loan arrears as well as increasing the rental income of the buildings and its value over the coming months,” said Tony Armitage of LPA Direct.

“We are confident that with some work on the empty buildings and a concerted effort marketing the space we will be able to bring new business and employment to the site that has a variety of commercial uses and is well positioned close to key routes,” he added.

The use of LPA receiverships - a 90 year old legal device that has been out of favour for decades - has rocketed over the past year as property values have fallen and mortgage and loan arrears have climbed.

Lenders are now increasingly looking at the Law of Property Act as a route to secure income from a property asset where the debt is not being serviced, as a way to avoid calling in loans and selling assets in a still downbeat commercial property market.

“Under an LPA appointment the legal title of the asset remains with the owner, but we provide a management facility to ensure rental incomes are used to pay interest and repay loans, as well as improving the performance and value of the asset,” explains Simon Padgett of LPA Direct.

“In many cases the use of LPA benefits both the lender and the borrower, and ensures that the owner doesn’t have to sell up at the worst possible time to recoup their investment and equity,” he added.

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