

REAL ESTATE AND CONSTRUCTION

CORPORATE GOVERNANCE IN CROSS-BORDER REAL ESTATE FUND STRUCTURES

Managing risk in a changed environment

THE COLLECTIVE IMPACT OF THE TIGHTENED CONDITIONS IN CREDIT MARKETS, GOVERNMENT BUDGET DEFICITS AND TAX DECISIONS (SUCH AS THAT OF THE FIRST-TIER TRIBUNAL LAERSTATE BV v HMRC) HAS PROMPTED REAL ESTATE FUNDS TO RE-EXAMINE THE STABILITY AND DURABILITY OF THEIR INVESTMENT STRUCTURES.

Cross-border real estate platforms for real estate investment have varying degrees of complexity. However, at their core they may deploy a 'master' holding company (or other entity) together with a number of underlying asset owning entities. In addition, the investment structure could also include financing and 'feeder' entities whose aim will be to optimise cash flows and assist in maximising investor returns.

Whilst the original 'raison d'être' for adopting a particular investment structure and approach will have been well documented (and rigorously tested) it is likely that, over time, and with subsequent legislative changes the investment structure may have become less responsive to meeting the project's commercial objectives. In addition, it is possible that the operational procedures and policies in relation to specific entities within the structure could be updated to reflect current 'best practice'.

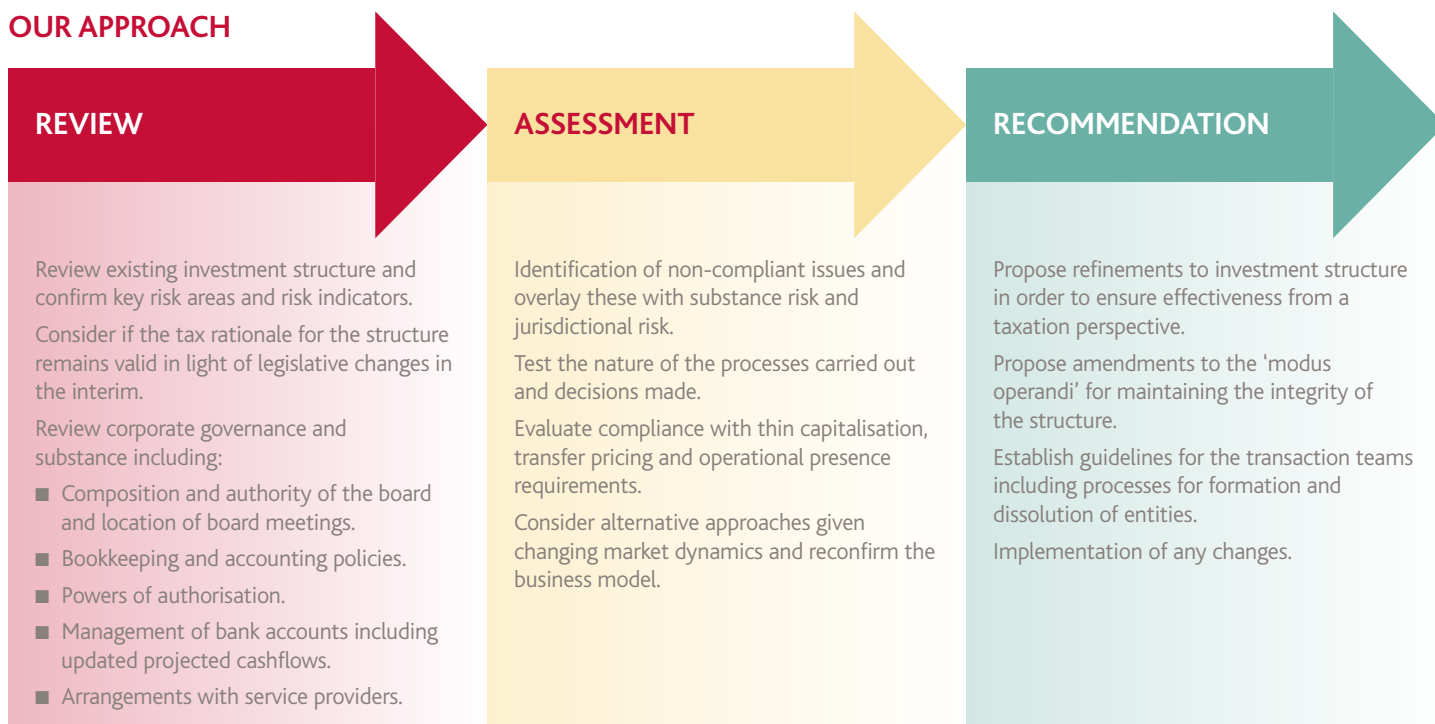
Our dedicated multi-disciplinary team of real estate specialists has extensive experience of examining investment structures with a view to confirming that they are able to deliver specific commercial results and have appropriate corporate governance procedures in place.



CLIENT BENEFITS

- Maximisation of project cash flows given a changed business environment.
- Assurance that the policies and procedures followed reflect current 'best practice' and are appropriate.
- Confirmation that the investment structure and approach remain valid, and are as robust as possible against HMRC challenge.

OUR APPROACH



PROVEN EXPERIENCE

You will benefit from our breadth of knowledge and experience, both in the UK and internationally through our network of more than 1,000 offices worldwide, in establishing and maintaining complex multi-jurisdictional real estate funds.

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