

# Merger and real estate



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## Real Estate team

We can advise you on the full life cycle of your property assets, including supporting you on development projects and funding, as well as buying, selling and landlord and tenant matters.

We'll solve disputes. We also handle planning and tax issues, as well as insolvency and receivership.

If you're a charity, we'll also make sure you understand your responsibilities and how charity law affects your property plans.

To assist our clients to navigate the coronavirus crisis, we're offering fixed fee packaged services to help.

[Covid-19 fixed fee packages](#)

As Lawrence has pointed out in his article on page 9, planning and organisation are important for a successful merger.

One aspect of this is to identify, at the outset, any real estate implications that are likely to be involved.

### What?

It is important to know what properties the merging charities own and occupy, and on what basis. Everything from commercial to residential – from a freehold building to a desk licence – is relevant. Unexpected property issues – such as a forgotten basement storage licence – could lead to increased costs or delays.

### Why?

You will need to consider whether, going forward, all the properties of both charities are required or whether some are surplus to requirements. This is a chance to ensure the properties are working in the most cost-effective and manageable way for the merged entity and its future strategies.

You also need to understand any potential liabilities associated with the property, and the mechanism for any property transfers.

## How?

It is essential that you undertake proper due diligence of all the properties involved:

- Investigate titles – to establish ownership, the extent of the properties and what rights and restrictions the properties may be subject to, such as a right of way.
- Undertake property searches such as a local authority search, local land charges register search, drainage and water search, environmental and flooding search and chancel repair search.
- Raise enquiries with the other property-owning charity – to obtain information that would not be revealed by the title investigation and the searches.
- Carry out property surveys – to ensure that the properties are in a good state and condition, and all the services and utilities are in working order.
- Check to see whether there are any grants or loans and check all the detailed terms of any grant or loan. For example, are the properties charged, is consent required to any disposition or are there any claw-back provisions?
- Where leasehold properties are involved, review the leases and other ancillary documents to establish the extent of the tenant's responsibilities for the property,

the length of the term, and existence of any break rights. If a leasehold property is no longer required or is to be transferred to the merged charity, you should check the provisions on assignment and underletting to see whether these are permitted and whether landlord's consent is required.

## Who?

You will need professional advice from the outset, including advice on the disposal requirements of the Charities Act 2011, from surveyors to accountants to solicitors.

## How can we help?

Bates Wells is here to help you. Please get in touch with Amanda Gray, or any member of our Real Estate team, who would be happy to assist you further.



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