

MULTI- ASSET SALE STRATEGY SUCCESS

In January 2020, Hilco Valuation Services and Hilco Global Real Estate Advisory were engaged by FRP Advisory on behalf of Smiths (Harlow) Ltd to provide valuations and associated strategic advice in respect of the freehold real estate and machinery and equipment of the Company.

Following the Administration of the Company, the business and the majority of the machinery and equipment assets of the Company were sold to a third party with that third party taking a 6 month licence of the Company's freehold Real Estate pending a move to nearby alternative premises.

Following the sale of the business and assets, Hilco were then instructed to implement the marketing of the freehold property, which comprised a 45,000 sq ft older manufacturing premises in an established commercial area of Harlow. Hilco Global Real Estate Advisory's work streams then consisted of the following:

- Develop a marketing strategy for the freehold property on the basis of a sale with vacant possession with completion upon expiry of the 6 month licence.
- Appointment of a joint Harlow based commercial agent and implementation of marketing strategy commencing June 2020.
- Invitation for offers and subject implementation of 'best and final' offer scenario.
- Following final offers with two bidders in competition, the Administrators and their solicitors, we developed and implemented a contract race. Competing bidders were invited to set their own offer price subject to a minimum price and return signed contracts with 10% deposit by a given date for an immediate exchange of contracts.
- The strategy resulted in exchange of contracts at circa 20% higher than the initial offers received.
- Post exchange of contracts it became apparent the purchasers of the business and assets needed to remain in occupation longer than the 6 month licence so negotiations were undertaken with both the licensee and the purchaser of the property to extend the licence period beyond the long stop date of 6 months and allow an earlier completion of the sale of the freehold than anticipated to the benefit of the Administration.

Throughout the entire process we liaised closely with the Administrators and their legal team, developing and implementing strategic advice to overcome difficulties and provide solutions.

"This was an assignment which had commenced pre-COVID with the sale of the business and the property to two separate parties post-COVID. With the challenging and changing circumstances and greater than expected interest in the property, Jon/Hilco were able to quickly adapt the property sale strategy when it became apparent that this was needed. This change in strategy and its subsequent execution resulted in realisations well above what had been expected."

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