

Collas Crill's Guernsey and BVI offices close complex £75m property portfolio sale

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Collas Crill acted as Guernsey and BVI counsel to Cubic Property Fund Limited in the sale of a property portfolio, with an asset value of approximately £75,000,000, to Pacific Place Investments Ltd.

Cubic, which is listed on The International Stock Exchange, has a gross asset value of £152,000,000 and is administered by Cannon Asset Management Limited in Guernsey.

The sale was structured as a share sale of the majority shareholding in Don Holdings Limited, the parent company, to the underlying property holding SPV companies, comprising a mix of Guernsey and BVI companies.

The sale completed as a two-stage process with the shares of the SPVs first sold to Don, to create a single unified group under the sole ownership of Don. The second stage was to sell the group to the buyer, via the sale of shares in Don.

A number of the SPV's existing financing arrangements, with separate global banking groups and accompanying security packages, were discharged on completion and replaced with those of a single lender.

The Collas Crill Guernsey team of group partner Paul Wilkes, senior associate Alex Wickens and associate Annabel Bishop advised Cubic on all aspects of the sale process, including the negotiation of stage one and two of the share purchase agreements. The Guernsey team and senior associate Richard Doyle from the Collas Crill BVI office also advised Cubic on the termination of the existing finance arrangements.

Gateley Plc acted for the buyer in respect of the sale and new finance arrangements. Burges Salmon in BVI acted for the single lender. Directors, John Rivers-Moore and Arthur Evans, of Cannon and Cubic board members, Richard van Vliet and Michael Fienberg, were also involved in the deal.

A separate Collas Crill team of senior associate Tristan Ozanne and associate Ben Le Page, acting with information barriers in place, acted for an existing lender to one of the property holding SPV companies on the termination of its finance arrangements and the release of its security package. Their counterparts were Ogier in Jersey.

Donald Millar, senior associate of the then Collas Crill UK Real Estate team was also engaged by the incoming lender to report on the property due diligence in relation to part of the portfolio, and liaised with various legal teams acting for the deal counterparties.

Alex Wickens commented: "This was a complex transaction with a lot of moving parts, involving a number of interested parties, operating over multiple jurisdictions. As well as the buyer and seller, there were existing lenders, a new lender and each of those parties' lawyers to manage. Thankfully, this was one of those transactions where all sides and their respective counsels worked together to ensure that the sale completed before the New Year."

Donald Millar said: "We were delighted to be involved in the commercial real estate aspects of what was a cross-border cross-discipline behemoth of a transaction."

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John Rivers-Moore added: "Liaising with lawyers on four different islands was just about as complex as the legal documents themselves! The advice received in relation to the sale and security agreements and the re-domiciling process from a single contact in Collas Crill helped the directors to make progress through many of these complexities. The directors of Cubic and Cannon are delighted in the outcome of the deal and also that it finally closed on 24 December 2018."

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