




Crain's Manchester Business

12:00 am, January 11, 2010

Lawyer's surrender call to drinks chain administrators
KPMG asked to give up First Quench leases so owners can rent again

By CRAIN'S STAFF REPORTER

 [Homepage](#) |  [E-mail this article](#) |  [Print](#)

A Manchester-based solicitor has complained that the administrators of First Quench Retailing are taking too long to return empty properties to landlords.

Avi Barr, who is acting for the owners of four closed down Thresher stores, asked KPMG to surrender the leases so that his clients could get access and try to rent them out again.

Two months later he is still waiting for action from the administrators, who last week had about 1,000 properties on their books.

"If they were commercial people, which you would expect them to be, they would realise that we are offering them a far better deal than they would otherwise get," said Barr.

"My clients are willing to wipe off the arrears and even discuss paying a premium in one case, but we have been unable to make any progress. I don't think KPMG are being deliberately obstructive, I think they- are just struggling at the size of the task."

The administrators, who were appointed in October, had disposed of about 90 of the 1,200 First Quench stores by the end of 2009. They said interest had been high, but many interested parties had struggled to raise finance.

Barr said KPMG would now be better cutting its losses and surrendering the leases rather than holding on and hoping to sell them in parcels to another retailer.

"I don't believe there are many people in the market to buy them en bloc," he said, pointing out that there were many unwanted units on the market following the collapse of First Quench and other retailers such as Wine Cellar.

He pointed out that even if KPMG secured a premium of £10,000 from a new lessee, this would only cover about two months of unpaid rent.

Ian Corfield, joint administrator of First Quench, told Crain's in a statement: "We have written to all landlords to let them know of the timetable of the administration of First Quench Retailing Ltd and how this affects them.

"We have engaged Christie & Co to undertake a marketing exercise for the leases, with acceptable offers pursued with all due speed both to maximise return to creditors and to minimise disruption and rent void periods for landlords as far as possible.

"The administrators will, where relevant, facilitate the return of any properties to landlords where there is no prospect of a sale which would benefit creditors overall."

Lower cost

Barr runs Leases for Landlords, which he set up a year ago after leaving Cobbetts.



Only about 90 First Quench Retailing stores had been disposed of by the end of 2009

Advertisement

It operates as a department within Read Roper and Read Solicitors, based in St Mary's Parsonage, and is based on his concept of doing lease-related work for landlords at a lower cost than the big firms by using bespoke software and a web portal which enables clients to track progress.

"People don't want to call you up all the time because they think the meter is running," he said.

"The legal market has changed. You can't do low value work for premium prices anymore.

"The big firms have not been able to adapt to what their clients needed."

In its first year, Leases for Landlords has gone from zero to 86 clients, including two plcs, four members of the Estates Gazette Top 150 property companies and a North West local authority, which switched work on leases at a 20-unit industrial estate from a larger firm.

© 2010 Crain Communications Inc.

Use of editorial content without permission is strictly prohibited. All rights Reserved