

Case Study: Real Estate Portfolio Refinancing



First Title Insurance plc partners with DWF LLP to provide a due diligence solution combining efficiency and protection for a major UK Bank.



By definition, the due diligence process for any commercial real estate transaction can be complex and lengthy. The challenges are exacerbated when the process involves multiple properties across a mixed portfolio.

UK Law firm, DWF LLP, managed the legal due diligence process in the refinancing of a mixed portfolio of 230 commercial and residential properties on behalf of a major UK bank. They overcame these challenges whilst meeting their client's expectations on transaction costs and timescales by putting in place an innovative solution involving bespoke insurance provided by First Title Insurance plc (FTI).

By employing a sampling approach to the due diligence FTI enabled DWF to avoid the time-consuming process of reviewing every title document. The FTI underwriting team analysed an agreed sample of DWF reviewed property titles.

They then provided a 'good title and security wrapper' around every one of the properties within the portfolio protecting the bank from any known and unknown title risks as well as protecting the validity, priority and enforceability of their security.

Ultimately this meant DWF provided their bank client with a streamlined, cost effective solution to, in turn, offer their new customer in the refinancing of their property portfolio.

Luke Hopkins, Senior Associate at DWF LLP, said: "Working in a professional and commercial partnership with FTI added a new dimension to this transaction.

Using First Title's Mortgage Lenders Protection Policy across this portfolio enabled us to present an effective, robust solution to our client with significant time and cost savings as well as no additional exposure to risk. FTI's speed of response and the flexible approach they took were first class."

Typically mixed real estate portfolio transactions can become protracted, impeded by resource and cost constraints, putting pressure on all parties involved and in some cases resulting in the failure to complete the deal.

However, the approach adopted by DWF and FTI bypassed these issues and delivered substantial benefits for all parties involved.

The breadth of skills and experience within FTI's underwriting team played a key role in structuring an effective solution and their first-hand knowledge of the commercial lenders approach to risk management is vital in providing a product such as the Mortgage Lenders Protection Policy (MLPP).

The principal parties involved in this transaction clearly benefited from a successful outcome.

Their gain also serves as a helpful example of developing effective risk management solutions for the refinance, sale and purchase of secured real estate portfolios in this challenging climate.

DWF LLP is one of the fastest growing law firms in the UK. It offers a full range of services to both businesses and private clients with teams specialising on all aspects of law.

It has 1,800 people based throughout the UK and has an international reach through its relationships with law firms around the globe.

For further information on how FTI can assist you with its range of specialist cover and policies, please contact:

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