



HOT PROPERTY

The Tower of London, a retail park in Spain, gas mains and the Channel Tunnel, The Daily Telegraph, and Malaysian Airlines.

Finding the connection might seem like the commercial equivalent of a Trivial Pursuit question, but actually there's nothing coincidental or tangential about the link.



Chris Shipley, senior partner, Downs

TO GET AN IMMEDIATE impression of the size of the Xanadu retail park in Madrid, think of a scheme larger than Bluewater. But it was an English law firm that was appointed by the Spanish development company working with American partners. And we're not talking about the City office of an international law firm either. Downs are based in Dorking, Surrey. Nor would it be their only commercial claim to fame by any means.

Andrew Shearer works for Parcelatoria de Gonzalo Chacon Inmobiliaria SA, the land-owning company in Spain whose chairman had been using Downs Solicitors back in the UK. "With American partners we were looking to develop a shopping and leisure complex in Madrid," he explains. "We didn't want to use either American or Spanish law and settled on English law. So that was how Downs came into the project. They were out here with us on the project in Spain, but all the agreements

Downs worked on were under English law. During the work the powers of information retention demonstrated by Mike Debens at Downs were formidable. I signed the original heads of terms about five years ago and that was a mere eleven pages. After 134 drafts the final document reached more than 800 pages.

"Our partner's lawyers seemed to bill them by the word, but Downs didn't charge like a City firm and were more than capable of holding their own against one of the world's leading law firms. No problem there. We never felt outgunned. There was never any feeling at all that we had an inferior firm. If we asked them a question they come back immediately with the answer. Mike was incredibly tenacious and got on with things with the minimum help from us. We had total confidence in him as a lawyer. He sees problems coming and is prepared for them. Of course we would be happy to work with Downs on any similar project."

For the Telegraph Group, publishers of The Daily Telegraph, The Sunday Telegraph, and The Spectator, Downs have been taking an enterprising role. "They're working on commercial contracts in areas where we use our brand names and introduce readers to third-party companies which provide appropriate services," explains Ian Pilsworth, company solicitor and assistant company secretary. "It's an interesting area of law, because the areas of general insurance need to comply with regulatory bodies, so the contracts aren't just drawn up on a 'you will, we will' basis.

"In-house lawyers are here for immediate response, not contract drafting, and that means we have to be reliant on outside law firms. By reliant I mean that when I get the document from James Bracher at Downs, he knows what we are trying to gain from it, he knows the pinch points, and I can go straight into negotiations with the third party. His work is

precise, obviously, and Downs charge rather less than a City firm, but he has a nice way of drafting what could be complex documents more simply than otherwise might be the case.

"The qualities I look for in legal advice haven't changed in thirty years. It goes back to that basic premise that there has to be an understanding between client and lawyer and that both have rights. The former has to provide decent instructions, and the latter has to do the work well and within the timescale required. I also expect a sensible price without having to query an invoice.

"I also want my work to be done by specific individuals. I don't want a team set up for me, with the lead partner seeing his role as taking the client out for lunch occasionally. I want to be able to deal with the person actually doing the work, because that's how relationships are built."

Or how chemistry is formulated, as Bob Hill, scheme director at Historical Royal Palaces would put it. "We were in dispute with some street traders in Tower Hill on the approaches to the Tower of London," he recalls, "and as it moved towards litigation, the local authority involved put forward a particular QC with a track-record in this type of case. The QC in question suggested that we approach Downs to make the introduction. At the time we were looking to move the day-to-day property work out of the City, and we added Downs to the list of firms to consider.

"We appointed them because of the people. A law firm can demonstrate experience and resource, but whether the client is going to benefit from those attributes depends on the relationship. I wouldn't say responsiveness

is a given. A lot of law firms will respond, but I need an effective response, something I can feel confident about.

“I wouldn’t say that you can’t have a partner-client working arrangement with a City firm, in other words the partner doing the work rather than delegating, but the argument that expertise can only be found in the City is not a belief I share. What I expect from the law firm out of the City is the right input at considerably less cost. If we accept that competence levels are equable, then it comes down to chemistry and price.”

For Mohammed Ajaz, commercial solicitor at Transco plc, an important trait of a law firm has to be an understanding of the culture of the client’s business. “I don’t expect Downs or any law firm we work with to have in-depth knowledge of how our transportation system works,” he says, “but they have to know our precedents, what we’ve agreed in terms of amendments to documents in the past, because we haven’t the time to deal with mundane enquiries from the lawyers we use.”

Issues relating to the Channel Tunnel rail link are an example of the work Downs have been doing for Transco. The law firm has also recruited Stephanie Tilley, Transco’s senior property solicitor.

“One of the problems with commercial property work is that there isn’t usually a court deadline to work to,” says Ajaz, “but time is always of the essence, and we need a commitment from the law firm so we don’t have to chase and put up with delays. In-house lawyers know how long it takes to produce a document, so that kind of excuse wouldn’t be acceptable.”

Excuses shouldn’t be in any

service provider’s vocabulary, according to Peter Reade, property director of Ashtead Plant Hire, a UK subsidiary of Ashtead Group plc. From his Manchester office he instructs Downs on sub-leases and assignments all over the country. Manchester was also the location for work that Downs completed for Malaysian Airlines, as well as a lease renewal of offices in London’s West end and alterations to lounge facilities at Heathrow Airport.

Of course, lower cost is one of the main reasons for using an ‘out-of-town’ firm, but according to Nigel Pinn, group operations director at Alpha Plus Group, that can’t be the only consideration. “Downs were very helpful when we needed to extricate ourselves from a property in Manchester. They quickly managed to turn a dispute between two landlords over the lease to our advantage.”

And Richard Eshelby, director of Latchmere Properties, is very clear where value has to be

added. “Without wishing to be unkind to the average lawyer” he says, “intelligent chimpanzees could do the simplistic conveyance stuff, but as soon as there is a complication you need somebody very much better than the average solicitor. And if things go wrong, you need a good litigator. Chris Millar at Downs is very thorough, very careful; you sense he’s going to be able to win for you.”

Martin Harvey, director of Rodd Properties, concedes that he could possibly pay less for conveyancing, but doesn’t think that’s the point. “It would mean just getting bog standard conveyancing and I want advice which is going to get me the right deal,” he explains.

“Sometimes I’m calling Mike Debens at Downs during the course of a day on a lot of different things, often within five minutes of each other. So from experience I can say he’s always responsive and can jump from one issue to another. If I am negotiating with someone

who is being a bit tough he sits down with me and we decide what we will let them have and what we can’t. He spots any potential dangers and pitfalls in leases, stuff that might seem OK now, but could be a problem in the future. It’s worked out so far because I haven’t had any need to use their litigation services.

“We aren’t a big development company but neither are we small players and I have found dealing with other law firms that they take their time in coming back to us in comparison with Downs.

Having an understanding of the client’s objectives as well as the legal technicalities enables that to happen. “We have worked with Downs for a good fifteen years,” says Hugh St Pier, director of development company St Pier Ltd. “Obviously they’ve grown substantially in that time, but their understanding of how we work and what we want seems to stretch right through the firm, which makes for good continuity.

Chris Millar, head of litigation, Downs





Mike Debens, commercial property partner, Downs

They are also happy to do things our way. For example, when we are buying we like to send the money direct to the vendor, I see little point in going through solicitors all the time and they understand that.

“Generally Downs only bill us at the end of a job instead of monthly, and they are quite prepared to be sensible on fees. They know we have a goal very much in mind with each project. We talk it through and if we agree it’s achievable but it doesn’t happen, they don’t turn round and say ‘sorry, we lost that one but here’s a massive bill anyway’.”

“I like their approachability, their passion for knowing their clients and their enthusiasm to get the deal through,” says Gwyn Price, director, commercial banking, Royal Bank of Scotland. “The commitment Downs have made to embrace technology means that communication isn’t an issue. In terms of my organisation we are keen, where possible, to give

work to the appropriate local professionals, with the stress on the word appropriate. And the qualities I have outlined are what make Downs appropriate.”

Certainly Surrey County Council thought so when they decided to let Downs bid for their work. “We now have a call-off contract with Downs,” explains Joanna Mortimer, responsible for the legal (property) work at the local authority, “which means that when we have too much work on the property side I have the ability to put work out to them. We have agreed up-front fees for most of the work. The contract was put out to tender in July 2003 and four law firms were successful. Downs was one of the four and the only one based in Surrey, and most of the work they carry out for us is commercial conveyancing and landlord and tenant matters.

“I have worked mainly with one particular assistant who has always been very responsive even when engaged on other

matters when I call and Mike Debens is the same. You can always ring them up and get a helpful and positive answer. But then we are quite demanding at Surrey; that’s what we expect and what we get! But I would also make the point that Downs are good communicators and keep us informed all the time. In fact they chase me more than I chase them.

“It’s always useful to be able to talk through things with Mike and get some commercial perspective on the matter. He recently gave me some very good ideas on a forward planning issue – not something he charged for. Downs have never let me down and that’s what you want from a firm of solicitors.”

It’s a point taken up by Kieron D’Arcy, formerly a consultant with Countryside plc and now development director of Living Space, a division of Express Park Group, “One of the key things we liked at Countryside about Downs was their forthright and direct

manner,” he says. “One particular project had been going on for around five years with another law firm. At the eleventh hour we made the decision to switch to Downs, and they had to pick up a very complex legal conveyance freehold situation very quickly. They immediately established an overview and homed in on the areas where they saw there could be potential issues that needed to be addressed at the earliest opportunity if completion was to be achieved by the deadline. Very quickly identified they identified issues which hadn’t been spotted previously.

“Another thing that would make me want to use the Downs team again is because they understand that in property development there are many different routes available to achieve the end result. Being commercially proactive the Downs team seem always able to identify the most appropriate route to take.”



Downs appraisal researched and written by
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Design – BJ Design 01243 377114
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Press Photos 07703 124412
Content ©2004 Larry Dillner, Publisher

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