

The High-Stakes World of Commercial Property Deals

[Nick Coffey]

Hello and welcome to this episode of TW Law Talk from Taylor Walton Solicitors, I'm Nick Coffey, helping to explore the legal issues which matter to you. Joining me today here in Taylor Walton's offices in St Albans are two people whose collaborative work over the years has given them both unrivalled experience in the ups and the downs of commercial property. It's a work relationship and friendship which speaks of the importance of good lawyers having good clients and good clients having good lawyers.

You're both nodding, this is a good start. James Khakpour-Smith is a partner in the commercial property department at Taylor Walton. James, hello.

And Frixos Kaimakamis is a Chartered Surveyor with over 20 years of professional experience. Frixos is a director of Atlas, a boutique property firm based in London offering a comprehensive range of property services to family offices, high net worth individuals, property companies and private landlords.

Frixos, thanks for taking the time out to join us for this.

I think in the course of this discussion we'll get a clear sense of both of your stories, of your successes, of your challenges and of how you both see the future as well, picking up some invaluable professional insight along the way. Frixos, your journey into property is an interesting story.

[Frixos Kaimakamis]

Yes, well it depends who you ask how interesting it is. It started off with me being a student who finished his undergrad and didn't really want to leave Bristol, so I thought, I know what I'll do. I'm going to do a Master's in property.

It wasn't totally random. My dad and his three brothers are residential developers and had been for years, so property is something I've always felt quite comfortable around. You know, holidays from 16 onwards involved me labouring on building sites to get some money to go on holiday so I was always quite comfortable around it. But I found residential property fundamentally a little bit boring, without trying to disparage my residential colleagues, and I took more of an interest in commercial property, so once I'd finished my undergrad I then applied to the various, you know, big surveying houses in the West End and that was the beginning of it.

[Nick Coffey]

James, do you remember the first time that Frixos came to you?

[James Khakpour-Smith]

I do. Ironically actually it was about a residential property. Frixos and I had done lots of commercial work over the years, financing, development, the management of the

properties through landlord and tenant work, the sales, refinancing but this particular matter was a residential lease extension. It had a peculiar angle to it because it was part of a sale and Frixos needed some help to deal with a problem that he hadn't encountered and had problems with other solicitors in dealing with, so that was the matter.

[Nick Coffey]

Are we able to say what this problem was that you hadn't been able to resolve elsewhere?

[Frixos Kaimakamis]

Honestly, I can't remember. It was so long ago now. I mean the first thing I picked up when I joined the family business, which is Atlas, after a few years working as a surveyor in the West End, and as serendipity would have it I had approached another solicitor on it and he clearly wasn't interested in it and he just fobbed me off.

He said "oh you should speak to this guy James". So, I called up James out the blue and I said look you don't know me, but I've basically been fobbed off to you by somebody else and we just worked really well together and here we are after 16 or 17 years working together. I wonder how the other solicitor is feeling because he's given away a lot of business. And missed the opportunity to be on this podcast which is brilliant.

[Nick Coffey]

James what does working well together look like as a lawyer and as a client?

[James Khakpour-Smith]

I think from a lawyer's perspective first and foremost it is to listen to the client's needs to find out what they want from any given instruction they send to you and then to think the best way to be able to realise that want, through the transaction. I think as a solicitor we are here to facilitate the client's business and just to make sure that that's done within a legal framework rather than creating problems for them. And for the client it is to, is to listen to what you say and to communicate what they want and to have a good relationship and rapport, and to work hard for one another to achieve the shared goals.

[Nick Coffey]

Does it ever, for want of a better phrase, kick off between the two of you? So you're clearly good friends, you clearly trust each other, you trust your knowledge, you trust your expertise and you trust your experience, but do you ever have moments where it can actually be quite tough between client and lawyer because James may not be saying what you want to hear or Frixos may not be explaining something in a way that you need him to? And you're both nodding so I'll let you think about how far you want to go on that answer.

[Frixos Kaimakamis]

No, we've never had fisticuffs, no angry words exchanged. I'm probably quite a frustrating person to work with because I just want everything done yesterday and I just can't for the life of me understand why things take as long as they do, and James's job is obviously to protect our position and our clients' position and to make sure that we've done everything thoroughly. But that thoroughness you know it kind of clashes with my "let's get on with it this is straightforward" approach and it's not actually that straightforward because I'm not a lawyer.

[Nick Coffey]

And also, James you're dealing in deals which could be worth several million pounds.

[James Khakpour-Smith]

Absolutely we've had many of those that have been over the tens, twenty millions, but I think just to touch on the point you raised there, we've had challenging and honest discussions but never fallen out. Frixos is brilliant, he sees the big picture, he sees the end goal and that's what he's brilliant at - he's got a great reputation for it and I'm here really to guide him in achieving that and maybe looking at the details, and be his insurance policy so that he can get there.

[Nick Coffey]

And make him feel that any great ideas you have were originally his, is that a good strategy?

[James Khakpour-Smith]

That's exactly it!

[Nick Coffey]

Frixos let's talk about your family business, Atlas, because obviously family businesses, they're grounded in history, they're grounded in tradition, and they're grounded perhaps in, in old practices. You really transformed your family business into a modern, leading professional property investment company. How did you do that, and James what was your role in that process as well?

[Frixos Kaimakamis]

Firstly, I can't take all the credit. The business is now run in conjunction with my brother and my cousin who has got the same name as me bizarrely. So, there's two Frixos in the, in the firm which causes all sorts of confusion but the three of us have got different backgrounds and very different approaches. We're actually very different people but we grew up together, we're very close. And touching on the theme of whether James and I have ever fallen out, the three of us have never fallen out. We've had a lot of support from our family and it's very difficult starting a business from a standing start whereas to walk into an established business, whilst it comes with its challenges, does give you a head start.

My dad and his three brothers were very good developers, very savvy property investors but what they are not, is tech savvy. So, when I joined in 2008, years after the internet had become ubiquitous, they were managing a portfolio of a hundred and fifty residential tenants on paper. I mean individual paper ledgers per tenant. I don't think we even needed partitions in the office, the files were doing the job for us, and I'd come from a big firm in the West End which about three years earlier had gone fully paperless. So that was the first objective - let's make this business digital.

[Nick Coffey]

Was there friction from the generation behind you because they would have had their way of doing it as you've so articulately described, and you're coming in, you know this modern newfangled son wanting to, wanting to go digital.

[Frixos Kaimakamis]

That's a whole separate podcast! We have had our moments disagreements whatever you, whatever you want to call it but no, by and large the support was there from the previous generation and actually you do need someone to kind of rein you in a little bit because especially, you know I was 26/27 years old, you know I thought I knew the answer to everything and I look back on it and only now do I realise how little I actually knew, so it was a collaborative approach.

[Nick Coffey]

Yeah, and was there an element perhaps of compliance that you needed to bring in and perhaps that's where James's role comes in as well, as our lawyer - because obviously laws change, situations change, processes change, theories change, and you need to be fully compliant and legally compliant.

[Frixos Kaimakamis]

I would say compliance is the key word. An outfit that had started in the late 80s early 90s, it hadn't quite fully kept up and you really needed that legal input and that legal direction both in terms of how to handle transactions, how to navigate when things go wrong. They invariably go wrong. At the time we were managing 150 tenants, now we're managing a thousand, so a day doesn't go by where something comes at you that you haven't really encountered before and you need to have trusted consultants. I would say James is my go-to call. I mean tragically enough I know his number inside out and I don't know my wife's number.

[Nick Coffey]

James, I wonder whether this actually speaks of a part of your role that we underestimate and that's a certain sensitivity maybe even a certain level of psychology because you've got Frixos here, he's part of a strong family unit, they've got a strong business they've got a certain way of doing things. And of course, you are a lawyer and when you're navigating their processes you have to be sensitive to the culture, the traditions, the ways of doing things and moving your clients through gently and slowly to a new place does require sensitivity.

[James Khakpour-Smith]

Yeah, I can really identify with that. Frixos' parents set the business up and I've got lots of respect for them and how they did that. And they got results and things done. I'll give you an example - Frixos's cousin. One time we had to get a transaction done his dad drove all the way up from St. Albans, up to our offices in Luton. I jumped in the back of the car, and I remember whizzing around the streets to take a document to a party to sign. Now that got the result done but that's obviously as you scale the business up, it's not an approach you can take, so it's understanding and working with the different characters in the business to help achieve their ends but in a different way.

Even now, Frixos mentioned his brother and cousin, so his cousin is a brilliant detail man, very orderly organised, and does the finances which is perfect. But that's a different character set to what Frixos has got, who maybe goes out and agrees to deals and then Frixos's brother is a bit of in-between, so they work perfectly. They've got different characteristics which one needs to be mindful of, and I work with all three of them in the

financing, the deal-doing and in the planning. It's about understanding their mindset so we can communicate and reach the ends that we're, we're looking for.

[Nick Coffey]

I'm glad you use the word character there. I've got members of my family, I think you know them Frixos, who are in the property industry, and they are characters! This is quite a colourful industry where you do have to have a certain resilience, a certain strength and a certain belief in what you're doing, because you're going to come across people who have very, very strong views.

[Frixos Kaimakamis]

The thing that I love about property the most are the people in it. I mean you do, I'm sure every industry has its characters but especially the visible facade of property (excuse the pun) i.e. the agency side, the deal brokers, the asset managers - they are a certain personality type, they're certainly not shrinking violets. So, you do end up with this very colourful industry. And then you throw in the legal side, the accountancy side and they tend to be a bit more measured, shall we say, compared to the wrecking balls that can be agents and asset managers.

[Nick Coffey]

So take us behind the scenes of some of those colourful moments, those colourful deals, you know, those deals that, for example, get turned around in a single day, or negotiations which are running into two or three o'clock in the morning with, I was going to say alcohol, but probably coffee, knowing you this morning, Frix. Take us behind some of those deals that you both have worked on.

[Frixos Kaimakamis]

So, the one that sticks to mind, and I doubt I'm ever going to forget it. I was offered a property on a Monday morning. I went and inspected it Monday afternoon.

On Tuesday, we were to-ing and fro-ing with our client as to, you know, what offer we should make, you know, if we wanted to buy it. And there was a lot of interest in the property. And I knew the selling agent very well.

And so, we agreed it. So, on, I think it was a Wednesday, we got it agreed in the end. And the sales memo/heads of terms were issued on the Thursday morning.

So, I called up James and I said, James, right, got this deal agreed. This is the property; this is the amount that we've agreed it at. One small problem.

We've got to get this done by close of play Friday. So, I think we had not, it wasn't even 48 hours. It was that kind of timeframe.

And I could already hear James's eyes rolling in the back of his head. He was, it was another typical deal thrown at him where he just had to cancel everything else and get on with it.

[Nick Coffey]

Did you roll your eyes out loud, James? Is that what happened?

[James Khakpour-Smith]

Well, there was some, “you mean this week, you mean tomorrow?” questions thrown at him and talk of search results coming in, various things that we had to think about for sure.

[Frixos Kaimakamis]

But I said to him, I said, look, we've got the searches. It's a single tenant. There's only one lease.

It's really straightforward. It never is. And then I told him the other curve ball, which was, I was about to jump on a plane.

Well, I was going to say a plane, but it wasn't, it was a train and a car, then a plane, then a boat to get to the Scilly Isles. Cause we'd had a family holiday booked with my wife and her family. So, you can imagine James was not happy with me.

And he, you know, when you're trying to get, when you're at that point where you're trying to get a property exchange, you need constant lines of communication because there are always a list of items that you've either got to take a view on, or you've got to push back on, or they're red lines that you can't necessarily cross as part of the transaction. So, he couldn't really communicate with me for most of the day because I was traveling down to the Scilly Isles on that Friday. I eventually get to our cottage on, I forget which island it was in the Scilly isles.

And I've got no reception. It's probably 5.36 PM. James is in funds to exchange, but we just, we had I's to dot and T's to cross.

And my phone was just dead. I mean, there was no reception. It wasn't a case of, “I've got poor reception”.

There was NO reception.

[Nick Coffey]

What's going on in your head at that moment?

[Frixos Kaimakamis]

Panic. I didn't know what I was going to do. There was no landline in the house.

And then I thought, hold on, let me try my wife's phone. She's on a different network. No reception.

So, I'm walking around the field trying to find a high spot to get some reception. And eventually my wife's phone comes to life, and I get a couple of bars. So, I call James's phone and I know he's in the office because he's waiting for me to call him.

And I ring him, no answer, ring him, no answer, ring him, no answer. And I know that he's waiting for my call, but I'm calling him from my wife's number. So eventually on the sixth, seventh, maybe eighth attempt, I just get this very angry voice.

James was like, what? Why do you keep calling? I said, James, James, it's me.

It's me. He said, where are you? And I said, doesn't matter where I am.

I'm standing in the middle of a field. So, we had the conversation we had to have. I gave him the instructions and he gave me the feedback that we needed.

And I said to him, I'll call you back in about an hour. Once you've managed to process all this and hopefully, we can get the property exchanged. So, I leave the field of no reception or minimal reception.

And we went to a pub, which is where we went to have dinner with my wife, her sister, husband, kids. There's obviously no reception in there. And I spot a pay phone behind the bar.

And I said to the guys, look, does that work? And he said, yes. And I said, can you change this fiver and give me some, some coins?

And he said, do you want to just use the phone in the back of the pub's office? And I said, that's very kind of you. So, he takes me, leads me to the office behind the bar.

And I'm sitting in this, in this pub's office on the Scilly isles, pint in hand, calling James from a random landline now. And he said, now where are you? And I said, I'm in the office in a pub.

The property was worth just over 4 million pounds. And we'd agreed it at a very keen deal, but the deal was, it has to get done by Friday.

So, I called up James and we said, right, we're ready to go. Let's get this exchanged. So, I was like, I'll be standing by this phone, just call this phone back as and when you're ready.

And he calls me back and he said, you're not going to believe this. I said, go on. He said, the solicitor for the seller has gone home for the day, even though his instructions are to stay in the office and exchange.

He's left the file with a junior and the junior doesn't feel comfortable exchanging and signing on behalf of the seller because she doesn't have the seller's signature. And we can't get in touch with the senior partner to waive it through. I was like, are you kidding me?

I've basically spent the last, well, sorry, not I, we have spent the last 48 hours moving heaven and earth to get this property exchanged because our deadline was Friday evening. So, I said, right, we're going to do this tomorrow. And James said, he kind of thought about it and he said, yeah, there's no reason why we can't do this tomorrow.

There's no law that says we can't exchange on a Saturday. So, all we've got to do is get the senior partner into the office on a Saturday. So, I called up the selling agent and I said, look, this is what's happened.

This is unacceptable. You know, we've moved heaven and earth. Your seller's solicitor is holding our exchange funds.

I demand that we get this exchanged. And to James's huge credit, he dragged that solicitor back to the office on the Saturday morning and we got it exchanged. I think I remember I was walking around with Scilly hours at 10 AM on a Saturday and we got it exchanged.

[Nick Coffey]

Dragged James? What was the tactic used to get that lawyer back into his office?

[James Khakpour-Smith]

Well, it was implicit reference to the fact that the context of the matter was in a contract race in itself. And his client would be very happy if we got to that finish line and then they weren't there to finish it through exactly.

[Nick Coffey]

Do you know what I can see? I can see the difference in your personalities. I think that's obvious, you know, Frix, you're very, you know, high octane and you love the excitement of the deal.

But I wonder, James, whether also for, as the lawyer, the one who has to keep quite calm, hold the line, you know, make sure that everything is in order. I wonder whether for you there is also that buzz of the deal. Because talking to a number of your colleagues for this series, it strikes me that the area of expertise that you're in has more of a finishing line than perhaps for many of your colleagues.

So, if you think about, I don't know, family law, for example, obviously the finishing line is the divorce, but it can take a long time to get to that point. Employment, it may be a tribunal, but with you, you're constantly in these deals and representing your clients and representing their best interests because they've got a lot of money at stake here. Do you get a buzz out of that?

[James Khakpour-Smith]

I absolutely do. And my team around me would tell you, I am measured in the work that I do because I have to be in my thought process. But I get excited when I get that call from Frix to tell me that he's got another property and to hear his excitement, I'll often ask him, what does it mean for you?

What are you going to get out of it? What are you going to achieve? And I own that, and I'll do my level best to make sure that I get him over the line so that he can realise his vision because I know that his vision will work out.

One of the most fun times I think I can remember working is a transaction that we had where I got a similar call from Frix, this great deal contract to raise, but we've got a day and a half to do this. There's a pattern emerging!

[Nick Coffey]

I was going to say, I'm spotting a slight theme.

[James Khakpour-Smith]

Absolutely. Well, this particular deal was in the time when it was very much a case where properties were selling off the shelves very quickly. It was a seller market.

And if you didn't perform quickly, then you lost the transaction.

[Nick Coffey]

And plenty of people, I suspect, also quite keen to trip you up if they can.

[James Khakpour-Smith]

Yeah, exactly. So, this particular matter, we took the call from Frix. It was a very complicated transaction, lots of occupational leases and things like that.

We had to exchange by the Friday, and we got the instruction midway through Wednesday. So employed various members of the team to check everything out. We had a few problems, and it just wasn't going to get done.

So, we called and attended negotiations. We went down to the central London offices of the seller's solicitors and Frix and I negotiated the documents over the table late at night. I think we managed to get exchanged and beat the other parties to the property probably about 10.30 at night. Well, we just about snuck in a pint when we were finished.

[Frixos Kaimakamis]

They were ringing last orders as we walked into the pub.

[James Khakpour-Smith]

We did. But honestly, to see Frix' face and how happy he was, he's an impressive guy on property. So, to help him achieve something that's made him happy is a great buzz.

[Frixos Kaimakamis]

We had another firm of solicitors that we used to use regularly before James and I started working together. And we barely use them now simply because that level of service didn't exist.

[Nick Coffey]

COVID was an interesting period for you, James, wasn't it? And you had to really adjust the way you worked.

[James Khakpour-Smith]

Yeah, luckily, just before COVID, our firm had instigated a programme of upscaling their IT infrastructure. So, we were prepared to go remote and work remotely. But the biggest thing for me was the challenges my clients were facing.

Almost overnight, certain clients that dealt in office buildings in central London, for example, found that their whole business model was under challenge. And it was working with them, like Frix said, to communicate with them, to find out what issues they were facing and to share some of that with them generally. So that might be having a conversation around fees at the time.

[Nick Coffey]

So, you reduced fees?

[James Khakpour-Smith]

I did for a member on various, not because I was asked to, but I wanted to show that I was sharing some of that difficulty.

[Frixos Kaimakamis]

Did you?

[James Khakpour-Smith]

I'm going to check that. Frix will tell you.

[Frixos Kaimakamis]

Back into the notes. Yes, check with the other Frix. He'll know.

[James Khakpour-Smith]

In fact, I remember a conversation with Frix during COVID. And I remember him saying that he was looking out the window in his offices in central London. It was desolate.

And that really struck home to me. And I think you have to be with your clients through the bad times as well as the good times. We had many transactions where we had to re-gear leases, internalise into compromise agreements.

And sometimes it's just being a sounding board, a commercial sounding board for your clients, as well as doing the technical legal things. And I think we did that together.

[Nick Coffey]

The sense I get in all of this, Frix, you're clearly a family man. You're in a family business. Your wider team, your A-team becomes part of the firm, becomes part of the family.

[Frixos Kaimakamis]

Absolutely. Yeah, of course. I mean, you spend more time at work than you do at home.

So, your work family, you naturally grow very close to. And we've gone from being, you know, my dad has three brothers and a secretary to having a team of 25 across two offices. And like I said earlier on, it's not just the people that are in the office, it's that broader ecosystem that we work with, and we rely on.

We lent heavily on that during COVID. I mean, it was, I know some people enjoyed it. They enjoyed the free time that lockdown gave them.

For me, it was probably, if not probably, definitely the toughest period of my life. I mean, if you consider that property is a product.

[Nick Coffey]

And it's people as well.

[Frixos Kaimakamis]

But your tenants are your customers. And all of a sudden, your customers aren't allowed to use that product, i.e. they can't use their office, they can't use the shops, the restaurants. The residential side was okay because all of a sudden, they were living in their product, and they weren't allowed to leave that product.

So, we had an easier ride with the residential tenants that we managed. But on the commercial side, I mean, the right word for it is panic. Nobody knew, you know, the ground just broke away from you very quickly.

And also, from how to run a business, you know, what do you do with all the staff? I mean, from our side, fine, we're a property management firm, so you need the staff regardless. I was very grateful for the fact that we weren't working with paper ledgers anymore.

We were digitised.

[Nick Coffey]

How do you send those out?

[Frixos Kaimakamis]

Yeah, exactly. And I remain eternally grateful to our ops guy in the office who about 10 days earlier had said to me, Frix, we've got to get ready for this, you know, for lockdown, it might happen, and for working from home. And I said to him, listen, London stayed open during the blitz.

They are not shutting London down because of a potential virus. About a week later, when the penny finally dropped, that actually, that was the direction that we were hurtling towards. I called him up and I said, you know what I said to you last week?

Forget that, we need to get ready for lockdown. And he said, don't worry, I completely ignored you, and everyone is ready to go. So, I remain truly grateful to him for that.

And then we just had to figure out how to run a business completely remotely, how to manage property remotely, and how to try and convince commercial tenants who couldn't use the product to continue paying their rent, because without the rent, you can't pay the bank. And if you don't pay the bank, then you've got a problem.

[Nick Coffey]

And hearing you both talk about that period, the challenges of COVID, which I mean, it feels like a lifetime ago, but also feels like it was only yesterday, perhaps is the moment to finish off by looking at what comes next, because we are in quite an unstable world. COVID helped get you ready to face those challenges, perhaps built your resilience. What do you see coming next, Frix?

And for you, James, you know, where does that leave you as a lawyer?

[Frixos Kaimakamis]

Well, I think property's generally and historically regarded as a slow, steady, stable industry. But I think stability is something that we're probably going to have to get used to living without, going forward. We had a very good stable run between, you know, the financial crash up until, okay, we had Brexit in the middle, but by and large, there was stability, you could see the horizon quite clearly.

Whereas now we've all become quite accustomed to shocks. I mean, COVID was, I mean, the fifth anniversary of it's coming up in the next two or three months. But from there

followed the war in Ukraine and interest rate hikes and once in a generation inflation, the whole list trust debacle.

And you look back and you think, God, how can there be that many shocks in such a tight timeframe?

[Nick Coffey]

Probably because there were so many shocks in such a short timeframe.

[Frixos Kaimakamis]

Precisely. Yeah. And actually, we've survived.

I think we've, and when I say we, I don't mean ourselves. I mean, as an industry, we have survived. And this old industry has had to adapt rapidly to these changes.

And when I look back on it and I look at myself and our team and our company, our business, our tenants, it's taught us a real lesson in resilience. And humility.

It's been a humbling five years, that's for sure.

[Nick Coffey]

Because you never know what's around the corner.

[Frixos Kaimakamis]

Yeah, that's right.

[Nick Coffey]

And for you, James, as a lawyer, I wonder whether it just comes down to being nimble, being alert and watching how things change for your clients and how the world changes around you.

[James Khakpour-Smith]

Yeah, I agree with that. It's important to carry on listening to the client, to understand what their situation is and what their needs are and what they want to achieve. But also, to be open to being flexible, given the challenging circumstances and changes that face us now.

And to keep on working hard, keep researching, keep up-to-date with the law and pre-empt situations for the client, as well as reacting with them and offering the best service that we can.

[Nick Coffey]

You've both been brilliant. I've got one last request for you. Next time it's sort of 22.50 and you're in a pub in St Albans and you're trying to get that four or five million pound deal over the line.

Could you give me a call? Because I'd quite like to be there at that moment, just out of curiosity to see what happens, see how the two of you play out, because I've got a little sense of what it might be. But I suspect it's quite good fun.

[Frixos Kaimakamis]

It is fun, yeah. And there's a sense of release. You've done it.

That pressure's been building up. The two best words that I can hear from James is, we've exchanged.

[Nick Coffey]

And you're done. And so are we. It's been lovely to hear both of your stories and two great personalities from the commercial property field.

Frixos, anyone that wants to find you, what's the best way to do so?

[Frixos Kaimakamis]

You can head straight to our website, which is atlasproperty.london, or email me on fdk@atlasproperty.london.

[Nick Coffey]

And James, taylorwalton.co.uk for the website. And your email address?

[James Khakpour-Smith]

Is my name, so james.khakpour-smith at taylorwalton.co.uk. That's K-H -A-K-P-O-U-R.

[Nick Coffey]

Thanks to both of you. If you've enjoyed this episode, please do follow this series. That way you'll be notified of all future episodes.

Until the next time, from me, Nick Coffey, James and Frixos, it's goodbye.

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