

**Don't hit the wall:**

**How to deal with (and prevent) default in real estate projects**

**AIJA Congress in Prague, 26-30 August 2014**

**Working Session Insolvency & Real Estate Commissions**

**Avoid paying twice the price –  
How to deal with subcontractors' claims**

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## **Avoid paying twice the price – How to deal with subcontractors' claims**

### **Statutory charge**

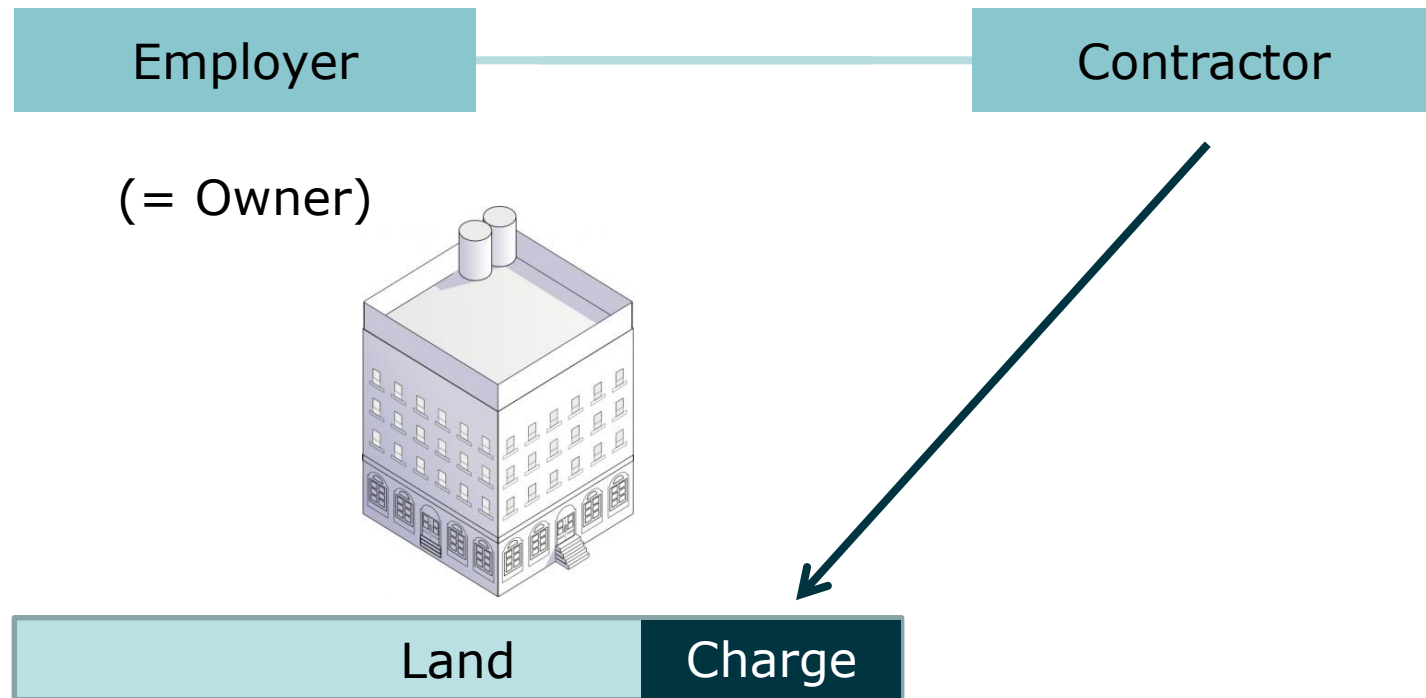
#### **(Hypothèque légale des artisans et entrepreneurs)**

Secures claims of tradesmen and building contractors

- who have supplied labour and materials, or labour alone
- for construction or other works
- whether the debtor is owner of the property or not

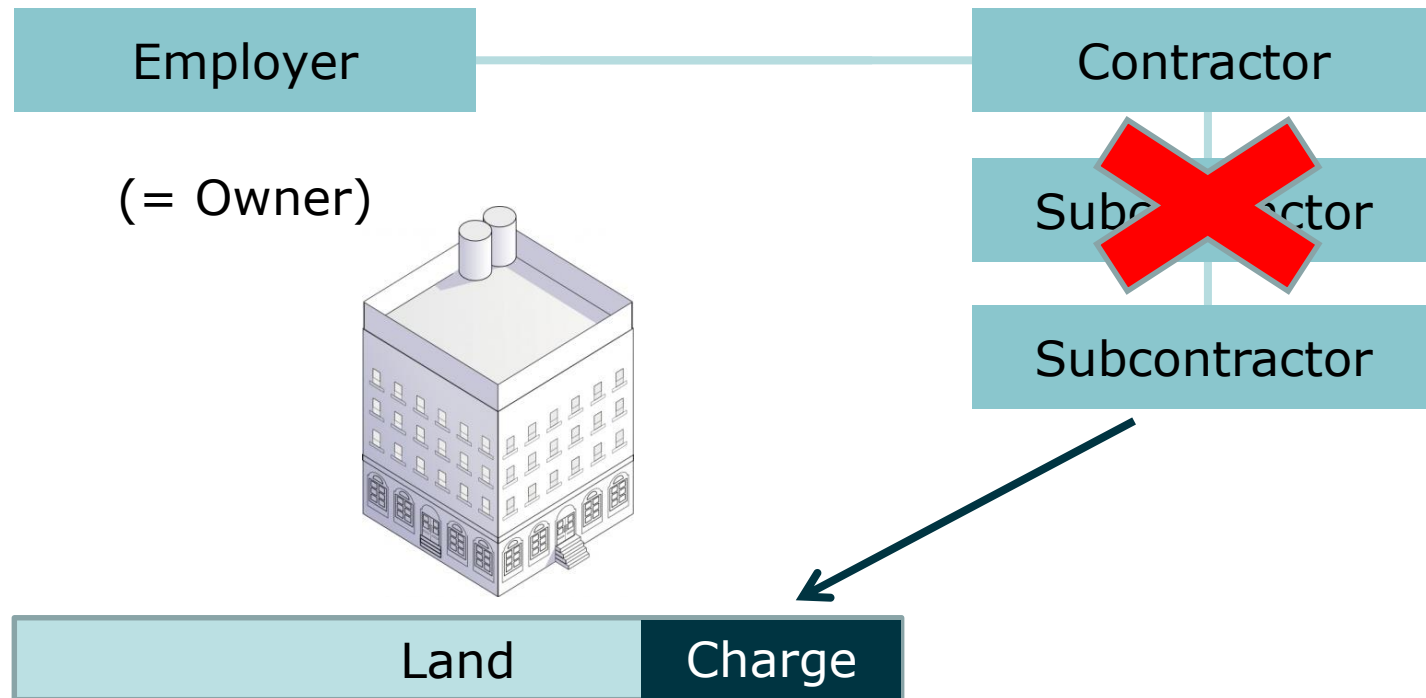
# Avoid paying twice the price – How to deal with subcontractors' claims

## Statutory charge



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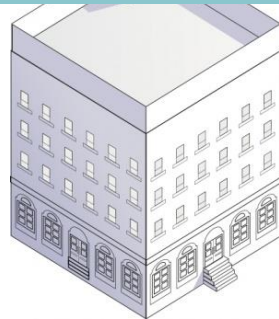
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Statutory charge

Sales Agreement

## Lesson N° 2:

**Monitor your payments, or you risk paying twice!**



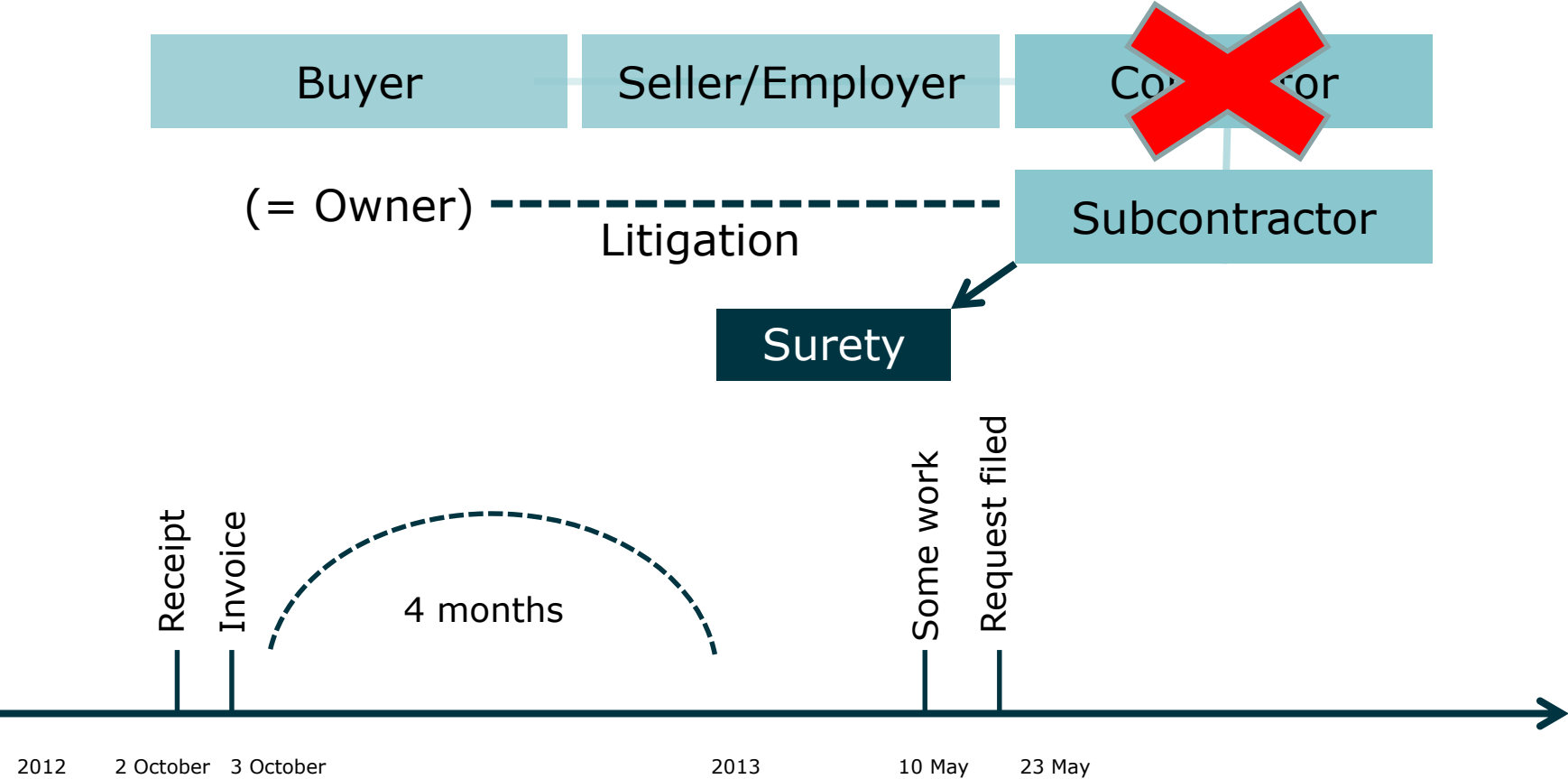
Subcontractor

Land

Charge

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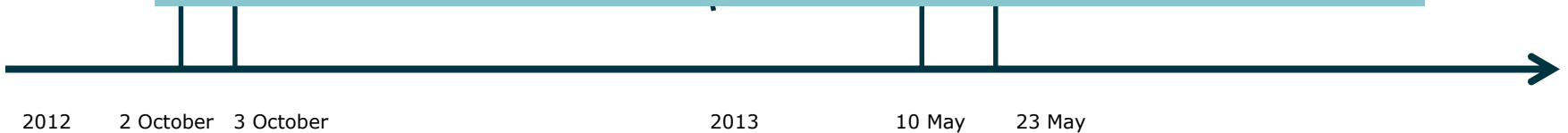
### Lesson N° 2:

#### Monitor your payments!

- ✓ Do not pay the full amount to the contractor
- ✓ Payment schedule
- ✓ Retainer

#### Most importantly: Make sure subcontractors have been paid!

- ✓ Contractual clauses: obligation to pay + to lift charges
- ✓ Project management



# KELLERHALS.

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