

Buyer power

British purchasers will decide the future of construction firm

By Nuria Pérez and Dave Jones

CHIEFS from troubled Orihuela construction giant San José have been touring the UK to drum up support from hundreds of buyers to construct a delayed golf and housing resort.

Representatives of the firm Herrada del Tollo, which comes under the San José group umbrella, organised meetings in Southampton, Dublin, Manchester, Birmingham and London earlier this month.

Herrada del Tollo (HdT) is currently being run by administrators after group president José Rodríguez Murcia declared voluntary suspension of payments in May, 2008.

The representatives spoke to off-plan buyers who invested in the Santa Ana del Monte resort in Jumilla.

A spokesman for Santa Ana buyers' group SARC said they had 'explained the settlement agreement, the options that purchasers will have if HdT comes out of administration and what it would mean if HdT is liquidated'.

San José financial director Almudena Rodríguez told CBNews this week the company was in the hands of its creditors.

"If 51% of them agree with the settlement agreement, the company would survive but if they do not agree it would be liquidated by the court," she told CBNews.

The purchasers have been given two weeks to submit their decision to the company but the court must verify the signatures.

"We will know what is happening with the company in about one month," Sra Rodríguez added.

"We are trying to reach all customers via phone and email to explain the situation, their options and to find out their decision, as many of them were unable to attend the meetings in the UK.

"Those purchasers who wish to terminate the sales contract would be paid in about four or five years because the company would have to sell assets to get cash."

Sra Rodríguez added that in

her opinion the liquidation of the company would be the worst solution for all parties.

"We do not have enough assets to sell to get the cash that we need to return all the money," she admitted.

If the agreement gets the final go-ahead then the golf resort faces changes.

It has been divided into three new phases.

Only phase 1 - including 1,200 properties, a nine-hole golf course, shopping area and green areas - would be built and it would take about three years to complete.

"The company owns the land and we would save money and time, as we would not have to pay for expropriating additional land and many adminis-

trative procedures would be avoided," Sra Rodríguez explained.

"Clients who purchased on phase 2 would be moved into phase 1, as the future of phase 2 and 3 would depend on how the credit crunch and the economic situation of the company developed."

She added that the agreement had been supervised and had the go-ahead from administrators appointed by the court.

The company is negotiating with several banks to get bank guarantees for the purchasers, she added.

"Those clients who had no bank guarantee would be given one," she added.

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