

Key Considerations Before Assigning Construction Contract Rights

Before seeking legal advice on an assignment, it is helpful to gather the relevant documents and consider the following points.

-  **The Contract Being Assigned**
Providing a complete copy of the relevant building contract, appointment, warranty or other agreement allows your solicitor to identify the rights available and any restrictions on assignment.
-  **The Rights You Need to Transfer**
Clarifying which contractual rights need to pass to the incoming party helps determine the appropriate scope of the assignment and whether any rights should remain with the original contracting party.
-  **The Reason for the Assignment**
Understanding whether the assignment relates to a sale, acquisition, funding arrangement, restructuring or another transaction helps ensure the documentation reflects the wider commercial objective.
-  **Contractual Restrictions**
Many construction documents place conditions or limits on assignment, so it is important to establish whether consent is required or whether the contract restricts the number or type of assignments permitted.
-  **Consent Requirements**
Where another party's consent is needed, this should be identified early so that it does not delay completion of the wider transaction.

Notice Requirements

The relevant contract may require notice of an assignment to be given in a particular form or to a specified party, making it important to check and follow the contractual procedure.

The Effective Date

Knowing when the transfer needs to take effect allows the assignment documentation to be coordinated with the completion of a sale, funding transaction or other project milestone.

Ongoing Contractual Obligations

If the intention is to transfer responsibility for future performance as well as contractual rights, an assignment alone may not achieve the required outcome and a novation or alternative arrangement may need to be considered.



Chester Office
Knights Court
1 Weaver Street
Chester, Cheshire
CH1 2BQ
01244 354 800



Liverpool Office
3rd Floor
No. 4 St Paul's Square
Liverpool
L3 9SJ
0151 321 0000