



A developers closing down of a failed construction project can lead to severe consequences, New York Real Estate Journal

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Developers often create separate entities (usually limited liability companies) to own the land upon which a project is located in order to protect assets of their main corporate entities in the event that a particular project fails or sustains significant financial losses. A common practice of developers in cases of a project gone bad is to simply walk away from the project, and the debts incurred by project-specific entity. Some developers will go as far as to place the entity into bankruptcy.