



Integrated Real Estate Services

Greece

kpmg.com/gr



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Introduction

The Greek real estate market has rebounded strongly from the economic crisis of the last decade and the more recent challenges posed by the global COVID-19 pandemic. We have witnessed significant activity in the real estate development and investment markets from both major international and local investors. There has also been significant occupier activity as companies across all sectors demand more and better-quality space. Activity in the residential market has been also strong, with increased demand from local and, in particular, foreign buyers.

However, the Greek real estate market is not isolated from global trends; it is influenced by shifts in the international landscape. Several key factors are shaping the industry, and both corporate occupiers and real estate investors should remain aware of these trends to make informed decisions.



Sustainability and ESG: The growing global emphasis on sustainability and ESG practices is reshaping the real estate sector. Investors and occupiers must embrace sustainable strategies, such as energy efficiency, green building certifications, and responsible property management, to align with evolving market and regulatory demands and gain access to funding on favourable terms.



Technology and Innovation: The digital revolution is transforming the way real estate operates. Technology-driven advancements, such as smart buildings, Internet of Things (IoT) integration, and data analytics, are enhancing efficiency, improving tenant experiences, and driving investment decisions. Embracing these innovations can yield substantial competitive advantages.



Flexible Workspaces: The rise of remote and flexible work arrangements has led to a shift in office space requirements. With the demand for hybrid work environments, companies are seeking flexible, adaptable spaces that foster collaboration and support a distributed workforce. Real estate players must adapt to this paradigm shift by offering versatile solutions that cater to evolving work dynamics.



Alternative Real Estate Asset Classes: These have gained prominence among investors seeking diversification, income generation, and exposure to emerging trends. For example, demographic shifts, such as an aging population and the rise of millennials, have created demand for specialized real estate, including healthcare facilities, senior living communities, and co-living spaces, whilst the rise of e-commerce has driven the demand for logistics and distribution centers. Moreover, the increasing reliance on data and connectivity has propelled investments in data centers and telecommunications infrastructure.

Our real estate team comprises highly experienced and accredited real estate professionals that can help clients make informed and added-value decisions on real estate issues. By combining the capabilities and expertise of the entire KPMG team we can offer seamless end-to-end services to incorporate legal, tax, ESG and deal advisory advice to cover the entire needs of real estate owners, investors and users.

A modern office interior featuring a large, slanted glass wall with a blue-tinted frame. A man in a light blue shirt and dark tie is walking from left to right in the foreground, slightly blurred. The floor is polished and reflects the light. A yellow light strip runs along the base of the glass wall. In the background, there are several turnstiles and a white wall. The text "Our Services" is overlaid in a blue, sans-serif font on a semi-transparent white rectangular background.

Our Services

Real Estate Valuation & Appraisal Services (1/2)

We provide a range of services to a wide variety of players in the real estate and hospitality markets, such as investors and developers, banks, servicers, hotel companies, corporate occupiers and public sector entities.

Indicative Offerings

Accredited Valuations

- RICS accredited valuations for financial reporting, funding, acquisitions, sales, and leasing decisions.
- Thorough assessment of market data, property condition, and economic trends, adhering to local and international valuation standards.
- Ensuring transparency and accuracy for stakeholders such as investors, lenders, and corporate clients, supporting critical transactions and financial reporting.

Investment Appraisals

- Evaluation of the financial viability of real estate investments to help clients make informed decisions on acquisitions, developments, or disposals.
- Analysis of cash flows, risk factors, market trends, and potential returns (e.g. IRR, NPV, ROI, ROE MoIC).

Feasibility Studies

- Detailed analysis of market conditions.
- Financial projections.
- Regulatory factors and development risks.
- Evaluation of project viability and optimal design and layout.

Market Research & Benchmarking

- In-depth market research and comparative analysis of real estate assets.
- Benchmarking against industry standards and market peers.
- Extensive market knowledge and robust internal database, employing specialized BI tools to gather, analyze, and present critical information.

Real Estate Valuation & Appraisal Services (2/2)

We provide a range of services to a wide variety of players in the real estate and hospitality markets, such as investors and developers, banks, servicers, hotel companies, corporate occupiers and public sector entities.

Hotel Valuations and Feasibility/Repositioning Studies

Our extensive knowledge of the Greek hospitality market and our comprehensive database of comparable hotels enable us to deliver top-tier feasibility studies and hotel valuations for various purposes. We possess expertise across the hospitality spectrum, from city hotels and beach resorts to integrated projects that include residences.

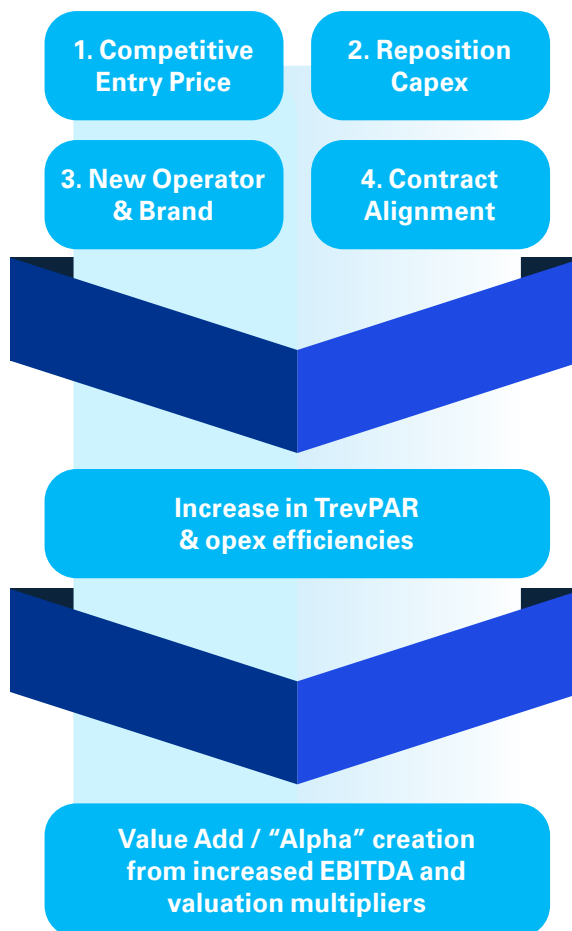
Hotel Financial Assessments

- Comprehensive evaluations of financial performance, market position, and growth potential.
- Key metrics: occupancy, ADR, RevPAR, and operating expenses.
- Valuations consider market trends, competition, and location dynamics.
- Reliable valuation methods (income capitalization, sales comparison) for acquisitions, refinancing, and portfolio management.
- Fair value valuations to comply with IFRS standards.

Feasibility Studies & Advisory

- Expert guidance on hotel investments, development, and repositioning.
- In-depth market analysis and recommendations on optimal hotel type, room mix, amenities, and branding.
- Forecasts on ADR, occupancy, sales velocity, and rental pool options for integrated resorts.
- Comprehensive KPI calculations: project IRR, developer profit, Equity IRR, ROI, and ROE.

Hotel Repositioning to Add Value



Real Estate Transactions (1/2)



Real Estate Transactions (2/2)

Indicative Structured Sale Process



Corporate Real Estate (1/4)

All private and public sector corporations occupy owned or leased offices, warehouses, production facilities, retail stores etc. in the course of their day-to-day business. In light of major challenges such as flexible workspaces, technology and innovation, cost inflation, rising financing costs and ESG practices, it is necessary to have in place an overall strategy for the cost-effective management of these assets, helping organizations optimize their real estate portfolios to align with business goals. Such strategies can help reduce costs, create liquidity for the core business, and increase work productivity.



1. Among the key corporate strategy drivers are the race to net zero, digitalization and the future of work.
2. CRE plays a crucial role in delivering on a company's corporate strategy objectives.
3. The CRE function is elevating its strategic importance and should be prepared to respond quickly to keep pace with business change.
4. Those companies that integrate both CRE and business strategies are expected to deliver greater value in the short and long term.

Corporate Real Estate (2/4)

Indicative Offerings



Real Estate & Portfolio Strategy

- Space and Function Requirements: Personnel analysis leading to optimization of space used/ identification of excess space/non-operational real estate which can be monetized.
- Real Estate Cost and Investment Requirement Analysis: Main cost drivers, opex/capex and scope for efficiencies.
- Portfolio Analysis: To determine e.g. market value of owned space, rents paid Vs market rents.
- Introduction of KPIs: Technology-based Business Intelligence Solutions for ongoing monitoring.



Workplace Strategy

- Strategic Space Planning: Aligns workspace design and layout with business goals, optimizing for productivity, employee satisfaction, and space utilization.
- Workforce and Space Analysis: Uses data analytics to assess employee needs, utilization patterns, and space performance to support real estate decisions.
- Future of Work Strategy: Develops tailored solutions to support hybrid working models, flexible workspaces, and technology integration.
- Change Management Support: Helps manage the transition process for employees, ensuring smooth adoption of new workspace designs and practices.



Data Management & Digitalization

- Property Register and Database: Gather, cleanse, validate, digitize and migrate real estate-related documentation and data sources to a centralized Data Management System (DMS).
- Electronic Real Estate Management System: Develop and configure a system (e.g. SAP® based or other) to incorporate the organization's specific real estate management processes, workflows, and reporting requirements and integrate with other modules such as accounting, IFRS 16, project management, planned maintenance, DMS, GIS, and Auto-CAD, to enable data exchange and process integration.

Corporate Real Estate (3/4)

Indicative Offerings



Target Operating Model for Real Estate Management

- Assessment of current processes, defining future-state operations, and implementing efficient governance structures, according to KPMG's 6-layer methodology:
 - Processes
 - Technology
 - People
 - Data and Reporting
 - Governance & Controls
 - Service delivery model
- The result is a streamlined, cost-effective real estate function that supports growth, enhances decision-making, and improves operational agility across the organization.



ESG Readiness

- Assessment of properties for energy efficiency, carbon emissions, and environmental impact.
- Evaluation of social factors like tenant wellbeing and community engagement.
- Assessment of governance structures, ensuring compliance with evolving ESG regulations and standards.
- By conducting ESG due diligence, assessing the feasibility of and implementing green building strategies, and enhancing corporate sustainability reporting, we help clients improve asset value, reduce operational risks, and meet investor and stakeholder expectations for responsible real estate management.



Real Estate Spin-Off / Sale-and-Leaseback Advisory & Execution

- Assessment of the impact of selling operational real estate assets either as a portfolio or individually in terms of liquidity, P&L / Balance Sheet impact, operational considerations.
- Assistance in undertaking all steps in finding a suitable buyer, structuring a transaction and negotiating a successful sale.

Corporate Real Estate (4/4)

The Potential Benefits of Sale & Leaseback / Real Estate Spin-off

In recent years, many large companies, both listed and unlisted, across Europe and Greece, have conducted transactions involving real estate assets. A sale and leaseback transaction entails a company selling self-occupied properties (e.g., shops, offices, warehouses) to an investor, either individually or as a portfolio, and then leasing them back on a long-term basis. In some instances, the seller may retain the right (call option) to repurchase key assets at a future date. The motives for such transactions can vary:



A sale and leaseback transaction is often paired with the spin-off of some or all real estate assets. The entity holding these properties can be sold to investors or turned into a REIC and listed on the Stock Exchange, which offers tax benefits like income tax exemption.

However, several factors need to be evaluated before proceeding, including financing costs, the advantages of leasing versus owning, market conditions, and the overall financial, accounting (e.g., IFRS 16), and tax implications for the company.

Funding Solutions

We offer advice and guide our clients through all the necessary stages of a funding process, such as the documentation (e.g. application files for RRF or Enterprise Greece), business plans (development and reviewing), assessment of the project's targets (sustainability, financial viability, impact on Greek economy) and supporting in negotiations with funders. Depending on individual circumstances the options might include:

Recovery Resilience Fund (RRF) Loans

The Recovery and Resilience Fund addresses pandemic impacts, fostering sustainable, resilient European economies for green and digital transitions.

EU Funding Programs - ESPA

A solution that is planned to support, among others, innovation, digital transformation, improvement of the tourist ecosystem, green development and environmental sustainability.

Bank Loan

A traditional bank loan provides clients with borrowed funds for personal or business needs, requiring regular repayments with interest. It offers immediate capital with structured terms for repayment over time.

Strategic Investments

Strategic Investments enhance the economy by promoting employment, sustainability, innovation, competitiveness, and efficient resource use.

Development Law Incentives

Development Law 4887/2022 offers 13 aid schemes to encourage private investments through tax incentives, grants, and subsidies for digital and green transitions in Greece.

Credit Funds

A credit fund pools capital to provide loans or credit to borrowers, typically focusing on specific sectors or types of loans, aiming for returns through interest payments.

Real Estate Tax Services

KPMG delivers comprehensive tax advisory services, ensuring clients remain compliant and strategically positioned. We conduct detailed due diligence to mitigate tax risks, offer support for mergers and business re-organizations, and provide expert guidance throughout these complex processes. Additionally, we assist clients with seamless tax audit support, managing documentation and responses to achieve positive resolutions and maintain compliance with regulatory standards. In summary, our services cover the following areas:



Corporate Tax:

Our team assists in all the range of corporate tax matters including corporate real estate, acquisitions, project financing, diagnostic reviews, due diligence and review of contracts from a tax point of view.



International Tax:

We provide advisory services regarding tax implications from incoming and outgoing investments and cross border transactions. We also advise on tax implications on investments in Greek Groups, and any cashflows applicable to double tax entries in the EU (European Tax Law) as well as third countries.



Transfer Pricing:

We provide advisory services for transfer pricing planning, corporate structures, issues in transfer pricing and Advance Pricing Agreements, among other services in transfer pricing.



Indirect Taxes and Real Estate:

Our team provides VAT advice on domestic and international transactions and restructuring, optimization of VAT, and offers services to ensure tax compliance throughout the life cycle of a property.



Tax Audit and Litigation Support:

We support and assist during the entire tax audit process and negotiation processes, whilst also preparing documentation and formulating agreements during a tax litigation process.



Global Mobility Services:

Our team provides advisory for executive payment schemes and personal tax issues. We also provide assistance with tax compliance services and social security services.

Real Estate Legal Services

CPA Law is the independent member firm of the KPMG network in Greece and works close together with KPMG's experts in Greece. With our excellent knowledge of the market combined with our extensive experience in transactions and our legal project management capabilities in complex projects, we provide to our clients end-to-end legal support with a holistic approach.

Our legal real estate services cover all phases of the real estate project life-cycle and include:



Sales, Purchases and Concessions:

We provide comprehensive legal support for property acquisitions, dispositions, MOUs, and participation in tender and auction processes. Our services include strategic guidance, negotiation, and drafting of lease and concession agreements to ensure client interests are protected and aligned with regulations.



Legal Due Diligence:

Our team conducts thorough due diligence, reviewing contracts, ownership titles, report on legalization issues and planning authorities, and other pertinent materials to identify risks, ensure compliance and apply mitigation measures.



Expansion, Construction and Management:

We prepare and oversee construction-related contracts, ensuring they meet project specifications, timelines, and financial parameters.



Regulatory and Government Relations:

Our firm advises on licenses and permits, land use, archeological findings, characterization of forest land, and provides representation before Cadastral Offices, Urban planning authorities, Government councils and other authorities or organizations.



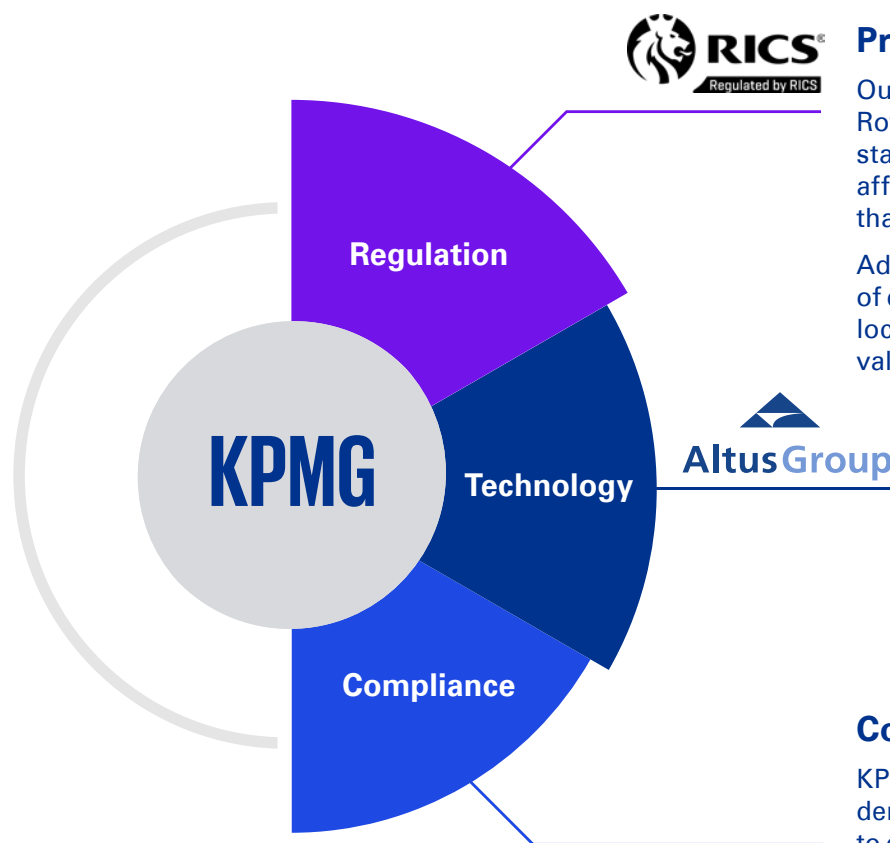
Litigation:

We assist in property related litigation, from disputes about servitudes of passage, property borders, property occupation, polluting emissions to disputes with municipalities and town planning contributions in land or cash.



Our Qualifications

Certifications and Standards



Professional Accreditation

Our real estate division operates under the stringent regulatory framework of the Royal Institution of Chartered Surveyors (RICS), adhering to the highest professional standards as part of the Valuer Registration Scheme (registration number 900164). This affiliation underscores our commitment to delivering credible, independent valuations that meet globally recognized benchmarks.

Additionally, we are officially registered with the Greek Ministry of Finance's registry of certified valuers (registration number 135), further ensuring our compliance with local regulations and reinforcing our reputation for excellence and reliability in the valuation sector.

Enhancing Valuations Through Technology

We leverage industry-leading, globally recognized software solutions such as Argus Enterprise® and Argus Developer® to enhance the precision, efficiency, and reliability of our appraisal services. By utilizing these advanced tools, we are able to streamline our processes while maintaining high-quality and highly accurate valuations. These technologies empower us to consistently deliver comprehensive and dependable results, tailored to meet the evolving needs of our clients.

Commitment to Standards via ISO Certification

KPMG is proud to uphold the highest standards of quality and operational excellence, as demonstrated by our multiple ISO certifications. These certifications reflect our dedication to continuous improvement and adherence to internationally recognized best practices, ensuring that we consistently deliver reliable and superior services to our clients:

- Information Security Management (ISO 27001:2013),
- Quality Management Systems (ISO 9001:2015),
- Environmental Management Systems (ISO 14001:2015),
- Security and Resilience (ISO 22301:2019),
- Anti-bribery management systems (ISO 37001:2016),
- IT Service Management (ISO 20000-1:2018),
- Security Techniques: GDPR (ISO 27701:2019) and
- Information security, cybersecurity and privacy protection (ISO 27005:2022)

Your Contact at KPMG



Kenny Evangelou

Partner, Deal Advisory, Real Estate

KPMG in Greece

T +30 60 62 100

M +6944 834 256

E kennyevangelou@kpmg.gr

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

KPMG

ATHENS

44, Syngrou Avenue
117 42 Athens, Greece
Tel: +30 210 6062100
Fax: +30 210 6062111

THESSALONIKI

Aghias Anastasias & Laertou, Philippos
Business Center
P.O. BOX 8405, 57001, Themi
Tel: +30 2310 55 09 96
Fax: +30 2310 54 36 70

e-mail: info@kpmg.gr
kpmg.com/gr

kpmg.com/socialmedia



General Electronic Commercial Registry 003467701000

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