



*cutting through complexity*

BUILDING, CONSTRUCTION & REAL ESTATE

# KPMG's Global Real Estate Network

Our services along the  
real estate value chain

KPMG International



# Performance for your success

Real estate has developed into a substantial international asset class for investors. Nowadays, capital is global and many investors and fund managers are active worldwide. By contrast, real estate is a local business and subject to country-specific rules, regulations and taxes.

Well-founded expertise and local market knowledge, combined with cross-border experience are the reasons why more and more investors are looking to KPMG's specialists for advice. Our member companies advise clients on the financial aspects of ownership and questions about real estate development.

We provide our clients independent consulting on the local, national and international levels. Our clients are listed and private real estate companies, indirect investment vehicles, users of the real estate as well as federal, state and local public organizations.

Our specialists from the fields of accounting, taxes, appraisal, financing, corporate finance and transaction services can accompany you effectively along the investment lifecycle.

We aim to provide you with a tailored service of the highest standard. We are focused on our objective of building trusted relationships and delivering quality output through experienced project teams that can support you anywhere in the world.

## KPMG's global real estate practice is a network of experienced professionals based in member firms around the world.

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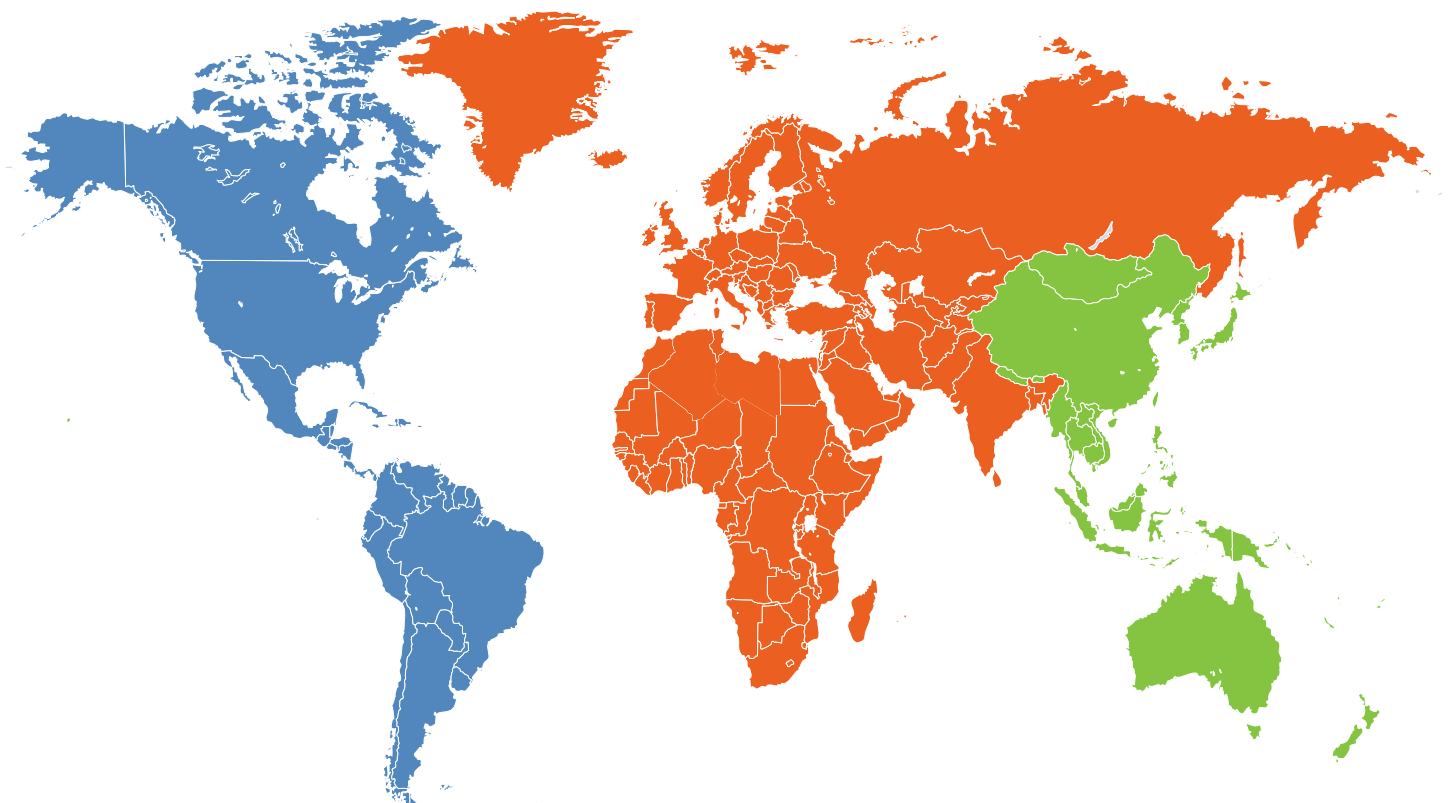
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# Sector issues

## Uncertainties remain

The real estate sector has put the low point of the financial and economic crisis behind them and is profiting from the positive general economic trend in the last months. However, the financial crisis has transformed itself into a sovereign debt crisis which in turn is creating turbulence in the stock markets and currency systems. Future developments are very uncertain and this reflects on the real estate markets. The community of states decided in the course of the financial and economic crisis to further regulate the financial sector. This directly impacts on part of the real estate industry, for instance the funds sector, and indirectly affects others. The challenges associated with this affect the financing, rental and transaction markets differently, however.

## The financing markets

As a result of the increasing demands of government regulators on the financial sector, the decision-making processes of the banks and insurance companies are changing. Credit decisions are being made in a different manner. The banks' information needs are increasing. The number of banks financing large-volume transactions has decreased significantly. The financing markets will continue to be troubled by high uncertainty for the foreseeable future and will therefore remain the decisive factor for the further development of the entire real estate sector.

KPMG can aid you in preparing for the effects of regulations, especially in the funds segment, or in answering questions for new or follow-up financing. Initial public offerings are becoming more attractive as a means of financing, due to the fact that they provide new sources of equity. KPMG supports you here with its special knowledge.

## The rental markets

The general economic improvement since 2010 has resulted in greater demand for new rental space in the commercial segment. Rents are increasing in many cities and segments, but good and very good locations and furnishings are preferred.

Sustainability in terms of lower operating costs is taking on greater importance. In the residential segment major cities in particular are displaying an increase in new leases. At the same time, construction continues to lag behind the need for replacement.

KPMG can support you in tax, legal\*, real estate or financial management questions. This is true for real estate managers as well as owners and tenants.

## The transaction markets

Hardly any transactions take place without loans. As long as the credit markets remain bottlenecked, major transactions will remain the exception. Residential and commercial real estate have been the subject of considerable demand of late; the size of portfolios is increasing again. The confidence in the transaction markets is increasing.

We assist you in conducting the purchase or sales process and structure the fiscal and legal\* aspects. Careful, quick and reliable, accompanied by profound knowledge of the market – the reasons that speak for KPMG.

## Management of real estate portfolios

Quick availability of information and documents relevant for decisions provides the basis for an efficient management of real estate portfolios.

Our services as auditors or consultants for your company generate the necessary trust. KPMG can also support you in questions of structure and process organizations and contribute to improving the structures and processes in your company.

*“Think of KPMG's global real estate network as an additional resource that is designed to be available to you whenever and wherever you need it.”*

\* Legal services are provided by KPMG Rechtsanwaltsgesellschaft mbH.

# One-stop services for real estate

Real estate investments have developed as a class of assets benchmarked to international capital market standards. By contrast, the long-term value of real estate is largely influenced by regional market factors, legal and tax rules and regulations.

The KPMG team consists of specialists for auditing, accounting, taxes, legal\*, appraisal, financing, transaction, process and cost-optimization consulting as well as restructuring. Our specialists support you effectively in handling the complex requirements which exist along the entire added-value chain of a property.

Here is an overview of our most important services.

## **Real estate sales (including portfolios and companies)**

- Financial, tax, property and legal\* vendor due diligence
- Vendor assistance
- Valuation for sellers
- Sale-and-lease-back advice\*
- Sell-side M&A advice and drafting of contracts\*
- Advice in initial public offerings
- REIT-structuring
- Tax optimization for exits

## **Optimization of portfolios and processes**

- Advice in financial, tax and legal\* reorganization and restructuring
- Cost management support
- Portfolio analysis and benchmarking
- Tax optimization
- Process optimization
- Portfolio optimization
- Preparation of asset management and property management contracts\*
- Financial modeling support

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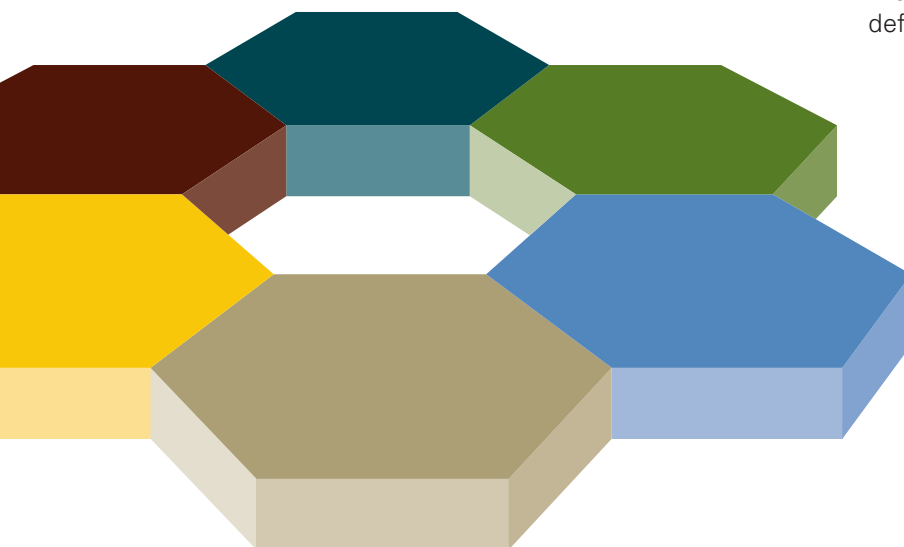


### Financing and procurement of capital

- Conception and advice for open and closed funds
- Advice for procurement of equity or obtaining credit
- Financial, tax and legal\* advice and structuring for acquisition financing and refinancing

### Analysis of real estate strategy and project development

- Real estate strategy advice
- Location consulting
- Tax structuring of projects
- Advice in corporate law\*
- Advice in establishing joint ventures\*
- Construction and project development services
- Advice in zoning and building law\*
- Preparation of standard form contracts and default tests\*



### Acquiring real estate (including portfolios and companies)

- Buy-side M&A advice and contracting\*
- Financial, tax, property and legal\* due diligence
- Valuation for buyers
- Purchase price allocation
- Support in "going private"

### Reporting on compliance and results

- Audit of financial statements
- Coordination of global property assessments
- Appraisal according to Art. 68 II and 70 II InvG
- Certification according to Art. 5 InvStG
- Preparation of domestic and foreign tax returns, support in tax audits
- Support in transformation into IFRS
- Audit according to compliance standards of the German Real Estate industry
- Audit according to REIT-G
- Assessment according to Global Investment Performance Standards (GIPS)
- Assessment according to Investors in Non-listed Real Estate Vehicles (INREV) standards
- Quick scan of tenant reliability
- Assessment of risk management systems
- AIFMD/KAGB conversion projects





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