

Deloitte Real Estate Advisory & Consulting – Our services lines

01 Strategy & Operations

- Real Estate strategic advisory
- (Re)development consultancy, feasibility studies and financial modelling

02 Corporate Real Estate & Workplace Advisory

- Translation of business strategies/operating models in real estate strategies
- Portfolio, HQ definition, network and footprint optimization
- Definition and implementation of new ways of working
- Lease advisory and Management: renegotiation, lease audit, tax assessment
- Facility management & procurement, survey, audit and benchmark advisory
- Smart Building Systems
- PMO: execution of a move, follow-up of the construction works, etc.

03 Valuation

- Recurring portfolio valuations
- One-off valuations
- Underlying value of a (re)development projects
- Financial modelling and optimize a developer's margin
- Valuation in support to audit, transaction services and tax

04 Real Estate Transactions & Mergers and Acquisitions

- Investment advisory and transaction support
- Financial, Legal, Tax & Technical DD
- M&A
- Debt and equity advisory
- Sale & lease back advisory and structuring

05 Sustainability

- Building certification New Construction
- Building certification In-Use
- Commissioning – Recommissioning
- Estimating Energy Consumption



Deloitte Real Estate Advisory & Consulting

01. Strategy & Operations

We assist the **public sector** and **corporate clients** in the real estate industry in **defining and executing** their business **strategy** (expansion, diversification, integration, cost-optimization, etc.).

We count on our deep expertise of the entire **real estate value chain** and vast understanding of the real estate market places to provide cutting edge insights and recommendations to our clients. We are the most real estate focused advisory firm and are uniquely positioned to support real estate players in defining and achieving pragmatic strategies.

Our combined knowledge of **financial, tax, accounting and commercial** matters of real estate allows us to provide comprehensive strategic advice on the management/development of real estate assets of corporate and public entities.

Our role is to assist owner/occupiers to get the most out of their real estate by defining with them the **positioning of the assets alongside its life cycle** and, consequently, assisting them to define a strategy to lease, refurbish, redevelop, manage or finance their real estate assets. Those analyses can lead to lease negotiation, sale & lease back, relocation, Public Private Partnerships (PPPs) or other strategies depending on the type of real estate/infrastructure, the defined strategy for the asset, the ownership, the need for financing, etc.

Deloitte Real Estate Advisory & Consulting

02. Corporate Real Estate & Workplace Advisory

Our expertise enables our clients to make informed commercial decisions about their real estate portfolio they own. Deloitte's wider experience across all industries and markets further enhances the property advice we offer, empowering our clients to make an informed real estate decision.

Deloitte's combined technical and commercial experience helps you addressing complex issues such as **cost optimization** and **value creation** from your real estate.

Whether you are active in the public or private sector, an office occupier, a retailer or an industrial organization, a large or small corporate, our team will support you to **address key business challenges** such as: what is the best location for my business? How can I make use of my property to attract talent and customers that will sustain future growth? What are the innovations in workplace management? How can I reduce my real estate costs? Should I buy or lease my real estate?

We help clients strategically **reconfigure their portfolios** by disposing of surplus assets and acquiring new space; we support them ensuring they have the right processes and people in place to manage their properties; and we help them source the optimal supply chain to maintain their assets.

We assist clients in evaluating their **facilities** and **procurement** performance: survey, audits, benchmarks, recommendations and call for tender (including terms & conditions)

We also develop and implement **Systems & Apps** to facilitate user needs (hoteling, parking, catering and all other services available in buildings)

We assist our clients in **lease negotiations**, where we: define the optimal type of contract (lease), identify the key parameters to be negotiated, draft a typical lease contract with its provisions, calculate the facial and economic rent, prepare a memorandum of post-lease signature obligations for both parties.

We prepare the **space program of requirements**: capacity, type and use of the building(s), detailed specifications, reference projects, parking areas, etc.

In the context of a new headquarters and change management, we support our clients with **PMO expertise** by: Listing all possible improvements in space allocation, evaluate the possible consequences whether financial, organizational and operational, supporting decision process. Once principle decision is made, following-up the procurement process, assisting the ordering process of the fit-out works, establishing the project timeline and the project budget, tracking deadlines, control deliverables, assisting the client until the delivery of the building etc.

Deloitte Real Estate Advisory & Consulting

03. Valuation

In real estate, any strategic decision starts with, and is supported by, the valuation of the underlying asset(s) or project(s). Utilizing a combination of internationally **recognized valuation methods**, comparable market evidence, assessment of relevant valuation issues and **experienced judgement**, valuing property is at the core of our daily business.

Deloitte is able to offer a unique **combination of real estate valuation expertise and business expertise**. We can deliver both straightforward portfolio valuations as well as integrated valuation solutions tailored to our clients' needs and this in situations such as:

- transactions and investment analysis
- litigation, arbitration, expert determination and disputes
- portfolio analysis
- financial and regulatory reporting (including purchase price allocation and impairment studies)
- and submission to, and negotiations with, the tax authorities.

Valuation can be a controversial and complex subject. It requires **in-depth understanding** of the **market**, the asset, financial and non-financial information, as well as factors such as the legal and regulatory environment.

We also provide financial modelling services, e.g. optimize a developer's margin during the lifecycle of a development project

Since valuation advice needs the right blend of analysis, experience and professional judgment, Deloitte's valuation specialists have extensive experience of valuing real estate SPV's, real estate developers, businesses, assets and intangible assets in a variety of commercial and contentious contexts. Our commercial perspective is supported by **technical rigour**, in addition to the insights and experience gained from performing numerous assignments every year.

We also frequently provide **assistance to our Audit, IFRS and Corporate Finance** teams in reviewing existing valuation reports or in providing expertise in valuing the clients' assets.

Typical cases include valuation of real estate assets in the context of **mergers and acquisitions, annual valuation** of real estate assets in the context of regulatory reporting, etc.

Deloitte Real Estate Advisory & Consulting

04. Real Estate Transactions

We assist our clients (corporate owners, funds, developers, builders and contractors) on all corporate finance topics: **acquisition** or **disposal** of real estate assets (single asset or a property portfolio, comprising office space, industrial, retail or any other type of asset), acquisition or disposal of real estate special purpose vehicles, **merger and acquisition** among real estate players (funds, developers, builders and contractors), **IPOs** and **MBOs** in the real estate industry, etc.

The general **transaction process** is structured as follows:

- Prepare the market documents (NDA, Teaser, Information Memorandum)
- Data room documentation
- Define the list of potential investors and contact candidates for a LOI
- Analyze indicative offers and assess candidates' ability to honor their offer
- Analyze final offers and draft motivated remarks and comments
- Facilitate the due diligence processes
- Assist the client in the preparation of the SPA/sales agreement, negotiate, finalize the terms and proceed to the signing of the SPA/sales agreement.

Next to the typical M&A advisory, we also assist our real estate clients in achieving an **optimal financing structure** through a phased approach: conduct a high-level sounding with the potential lenders and prepare a full-scope Financing Memorandum (FM), prepare the financing request and send it, together with the FM, to the potential lenders, assist with the communication between our client and the lenders regarding the main features of the financing request and process, prepare management presentations and assist with the communication between the company and lenders, assist in the definition of the optimal financing structure and with the final negotiations on terms and conditions and finalize the term sheets and follow-up until closing.

We provide expertise and assist in **structuring** and **executing 'sale and lease back'** operations on all or parts of our clients' real estate portfolios: analyze the current and future state real estate portfolio of the company and identify the different viable sale and lease back scenarios & the type of lease. Assess the scenarios from a financial/accounting, fiscal and operational point of view.



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