



Decision CPC: 16/2021

Case Number: 08.05.001.021.003

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW  
No. 83(I)/2014**

**Notification of a concentration concerning the acquisition of joint control of  
Parklane Hotels by Invel Real Estate Partners Three Ltd, Prodea Real  
Investment Company SA and Papabull Investments Ltd, via Vibrana Holdings  
Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karydis,	Member
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polynikis-Panagiotis Charalambides	Member

Date of Decision: 29<sup>th</sup> of March 2021

**SUMMARY OF THE DECISION**

On 18/1/2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received from the companies Invel Real Estate Three Limited (hereinafter the “IREP3”), Prodea Real Estate Investment Company S.A (hereinafter the “Prodea”) and Papabull Investments Limited (hereinafter the “Papabull”), a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The notification concerns a concentration, according to which, Prodea (former NBG Pangaea Real Estate Investment Company), IREP3 and Papabull, will acquire the share capital of Parklane Hotels Limited (hereinafter "Parklane").

Companies participating at this merger are the following:

1. IREP3 which is a company duly registered in accordance with the laws of Channel Islands. The company acts as a co-investment body for the Invel Group. The affiliated company of the IREP3 group based in Cyprus is Invel Real Estate Management (Cyprus) Limited (hereinafter the "IREM Cyprus").

Invel Real Estate Management Limited (hereinafter the "IREM") is also a member of Invel Group with main operations the decision-making processes for the investment management and asset management of the Invel group.

Based on a past concentration, the Commission declared on 1/3/19 the acquisition of the share capital of Aphrodite Hills Resort Ltd and Aphrodite Springs Public Ltd by Pangaea compatible with the market(Case Number: 8.13.019.04). In the said transaction, IREP3 would have sole control of the Target Enterprises (Aphrodite Hills Resort Limited and Aphrodite Springs Public Limited) after acquiring control of Pangaea. According to the participants, agreement was not fully completed, ending up, Pangaea having the sole control of Aphrodite Hills Hotel (5\*).

Additionally, on another concertation performed Commission on the 23/3/2019, declared the notification by which IREP3, through Vibrana, would acquire the share capital of Cyprus Tourism Development Public Company Limited as being compatible with the market.

2. H Flowpulse which is a company duly registered in accordance with the laws of Cyprus Republic. Flowpulse is a subsidiary of IREP3 and has a share capital in Vibrana. It was noted that according to the notification file number 08.05.001.021.004, IREP3 via Flowpulse, Papabull and Prodea will have joint control of Vibrana.
3. Prodea (formerly known as NBG Pangaea Real Estate Investment Company) is a company duly registered in accordance with the laws of Hellenic Republic and also listed in Athens Stock Exchange Market.

Prodea and its subsidiaries invest in the real estate market and actively manage and operate real estate agencies in Greece, Italy, Cyprus, Bulgaria and Romania. Currently, Prodea has also share capital on The Cyprus Tourism Development Public Company Ltd (via Vibrana).

Based on the concentration case number 08.05.001.021.004, The Cyprus Tourism Development Public Company Ltd will be jointly controlled by Prodea, Papabull and IREP3 (via Flowpulse). The Cyprus Tourism Development Public Company Ltd owns and operates the five star (5\*) hotel The Landmark Nicosia Hotel (hereinafter "Landmark") in Nicosia.

Prodea through various subsidiaries have income from:

- Landmark (5\*) in Nicosia,
  - Aphrodite Hills Hotel (5\*) in Paphos,
  - Althea Hotel (4\*) in Protaras
  - Other rental income from renting offices in Larnaca, Limassol, Nicosia and Paphos and from renting retail stores in Limassol, Nicosia and Paphos.
4. Papabull which is a company duly registered in accordance with the laws of Cyprus Republic. Company's activities are in the field of real estate investment and hospitality.
  5. Vibrana which is a company duly registered in accordance with the laws of Cyprus Republic. Vibrana shareholders are Prodea and IREP3 via Flowpulse Limited. Vibrana holds a certain share capital of Cyprus Tourism Development Company Limited and has no other operations.

Based on concentration with case number 08.05.001.021.004, Prodea (former NBG Pangaea Real Estate Investment Company) will sell to Papabull her market share of Vibrana. Additionally, IREP3 (via Flowpulse) will acquire veto rights in decisions of strategic importance.

Based on that, Prodea, IREP3 (via Flowpulse) and Papabull will hold on joint control the Vibrana, who acquires the share capital of Cyprus Tourism Development Public Company Limited.

6. Parklane Hotels Limited which is the owner and manager of the mixed tourism development consisting of (a) Parklane, a Luxury Collection Resort & Spa (5\*), in Limassol (hereinafter the "Parklane Hotel") and (b) the residential complex known as the Park Tower consisting of twenty (20) housing units (hereinafter referred to as "Park Tower").

Based on an Agreement, Invel Cyprus, Prodea, IREP3 and Papabull agreed with Parklane and its existing Shareholders to acquire, directly or indirectly, Parklane's issued share capital.

The Commission, considering the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6 (1)(a)(ii) of the Law, since it leads to a permanent change of control Parklane via Vibrana.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance falling within the scope of the Law.

The Commission, having taken into account all the elements of the administrative file as well as relevant case law, concluded that, for the purposes of evaluating this concentration, the relevant product market and geographic market are:

- I. Management and operation of five (5\*) star hotels in Paphos, Nicosia and Limassol.
- II. Sub-market of rental real estate for commercial purposes to all Cyprus districts.
- III. Sub-market of rental real estate for residential use in Paphos and Limassol districts.
- IV. Real estate consulting services with a geographical market in the territory of the Republic of Cyprus.

Management and operation of five (5\*) star hotels in Paphos, Nicosia and Limassol.

As far the management and operation of five (5\*) star hotels in Paphos, Nicosia and Limassol, the companies submit that there is no horizontal overlap between the activities of Prodea, Papabull and Parklane due to the fact that the participants do not operate in the same district in the relevant market but in different areas.

The participants submit that there is only one possible vertical relationship between the activities of IREP3 and Parklane from the consulting services provided by IREM Cyprus to IREM in relation to hotels. However, according to the notification data, Invel's market share from its activity is estimated to be below [0-5] %.

Prodea's market share in the management and operation of five star hotels in Paphos area is [5-10]%, Landmark is the only five star hotel in Nicosia and Parklane's market share in Limassol is [5-10]%.

The Commission, taking into account all the above-mentioned facts, as well as the fact that the geographical market in which the companies participating in the management and operation of five-star (5 \*) hotels is different (Parklane operates in Limassol, Papabull and Prodea in Nicosia and Prodea in Paphos), concludes that in the present merger there is no horizontal or neighbor relation regarding the activities of the participants in this merger.

As far as the vertical relationship is concerned, this is not an affected market under Annex I as the market shares of the participants are below the 25% threshold set by the Law.

Sub-market of rental real estate for commercial purposes to all Cyprus districts & Real estate consulting services with a geographical market in the territory of the Republic of Cyprus.

As far for the sub-market of rental real estate for commercial purposes and real estate consulting services it seems to be a horizontal relationship in the rental of real estate for commercial purposes in the region of Limassol but based on the notification data, Parklane's market share for rental real estate for commercial use in Limassol and throughout Cyprus is [0-5]%. Prodea's market share from the rental of commercial real estate in Limassol is also [0-5] %. Based on that there is no affected market under Annex I of the Law in the commercial real estate rental sub-market as the combined share of the participants is below the 15%.

The participants submit that there is only one possible vertical relationship between the activities of IREP3 and Parklane from the consulting services provided by IREM Cyprus to IREM in relation to real estate. However, according to the notification data, Invel's market share from its activity is estimated to be below [0-5] %.

Sub-market of rental real estate for residential use to all Cyprus districts & Real estate consulting services with a geographical market in the territory of the Republic of Cyprus.

As far for the sub-market of rental real estate for residential use, Commission, taking into consideration that the geographic market in which the companies participating in the residential real estate sub-market are different, concludes that in the present merger there is no horizontal or even neighbor relation to the activities of the participants in this merger.

The participants submit that there is only one possible vertical relationship between the activities of IREP3 and Parklane from the consulting services provided by IREM Cyprus to IREM in relation to real estate. However, according to the notification data, Invel's market share from its activity is estimated to be below [0-5] %.

According to the provisions of the Law, and more precisely Articles 20 and 21, the criteria on the basis of which a concentration is declared compatible or incompatible with the requirements of the competitive market concerns the significant obstruction of effective competition in the Republic or in a significant part of it, especially as a result of establishing or strengthening a dominant position in the affected markets.

Considering the above, the Commission concludes that there is no affected market based on Annex I of the Law. Furthermore, there are no other markets which the notified concentration may have a significant impact.

As can be seen from the above, the relevant market shares of the participating companies do not exceed the limit set by the Law for the existence of an affected market.

In addition, the Commission concluded that there are no other markets where the notified concentration is likely to have a significant impact, under the provisions of the Law.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition