



ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ



Decision CPC: 11/2019

Case Number 8.13.019.04

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

**Notification of a concentration concerning the acquisition of the share capital
of Aphrodite Hills resort Ltd and Aphrodite Springs Public Ltd by Invel Real
Estate Management Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mr. Aristos Aristidou Palouzas,	Member
Mr. Panayiotis Oustas,	Member
Mr Polinikis-Panagiotis Charalambides	Member

Date of decision: 1/3/2019

SUMMARY OF THE DECISION

On 21/1/2019, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Invel Real Estate Management Limited (hereinafter the “Invel”), 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”) and it concerns the acquisition by Invel of the share capital of NBG Pangaea Real Estate Investment Company (hereinafter the “Pangaea”), via Invel Real Estate Partners Two Limited (hereinafter the “IREP2”) and Invel Real Estate Partners Three Limited (hereinafter the “IREP3”). The share capital of Aphrodite Hills Resort Limited (hereinafter the “AHRL”) and Aphrodite Springs Public Limited (hereinafter the “ASPL”) will be acquired by Pangaea. Therefore, Invel will solely control AHRL and ASPL via its shareholding of Pangaea.

Invel, is a company duly registered under the laws of Jersey of Channel Islands. The said company, which is the controlling entity of the Invel Group, primarily focuses on investment opportunities in the European real estate markets by offering investors the ability to co-invest on a transaction-by-transaction basis.

Pangaea is a company, duly registered under the laws of Greece. The said company is active in the market of real estate investment and in the management and operation of real estate throughout Greece, Italy, Cyprus, Bulgaria and Romania.

IREP2 and IREP3 were established in 2018 to act as co-investment vehicles for the Invel group.

AHRL and ASPL (“the target entities”) are duly registered under the laws of the Republic of Cyprus. AHRL is active in the development of resorts and recreational areas, and in the management and operation of hotel accommodation. ASPL is active in the development of golf and other related constructions and the development of real estate, including the division of land into building plots.

The transaction is based on a binding offer letter dated 28/12/2018 which demonstrates the parties’ intention in good faith to conclude an agreement for the acquisition of AHRL and ASPL by Pangaea. Further, the transaction is based on a Shareholders Agreement dated 30/12/2013 between National Bank of Greece, Invel Real Estate (Netherlands) II BV, Invel Real Estate Partners Greece LP and NBG Pangaea REIC, as currently in force, with Addendums dated 18/08/2015 and 04/01/2019.

The proposed concentration takes place by stages, within a period of time not exceeding four (4) years, and which results in the acquisition of the control of an undertaking from another, according to section 8 of the Law.

Taking into account the above mentioned facts, the Commission concluded that the transaction in question constitutes a concentration within the meaning of section 6(1) (a)(ii) and section 8 of the Law because it will result in a change of control on a permanent basis of the Target entities which will be obtained by Invel through Pangaea.

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 transaction was of major importance under the Law.

The Commission, for the purposes of evaluating this concentration, defined the relevant product/service market as the market for 1) the operation and management of five (5*) and four (4*) Star Hotels and Hotel Apartments First Class and Deluxe Category 2) the real estate rental market which can be subdivided into: i) the real estate rental market for commercial purposes and ii) the real estate rental market for residential purposes 3) the provision of consultancy services as regards the hotels management.

For the purposes of the present case, the geographic market for the relevant market 1) was defined as local, i.e. the district of Paphos. The geographic market for the relevant market 2) was defined as that of Limassol as regards the activities of Pangaea and Paphos district as regards the activities of AHRL.

The geographic market for the relevant market 3) was defined as that of the Republic of Cyprus.

In the present case, according to the information in the notification there is no horizontal overlap between the activities of Pangaea and AHRL in the rental estate rental market for commercial use, since the Pangaea operates in Limassol district, while the AHRL operates in the Paphos district.

There is a vertical overlap between the activities of Invel and AHRL in the market of the provision of consultancy services as regards the management of hotels since Invel provides such services to AHRL. However, the market share of the undertakings concerned is less than 25%, a threshold which is set by the Law in order for a market to constitute an affected market.

Considering the above, the Commission concludes that there is no affected market based on Annex I 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 based on Annex I of the Law and therefore the concentration does not raise serious doubts as to its compatibility with the operation of 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 competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition