

Image not found or type unknown



Published in: Romania Real Estate (**FROM-LINK--><!--END-OF-FROM-LINK-->**)

Written by: Dan Borbely (**END-OF-PDF-->**)
Article link: [pdf/en/articles/Foreign_Investors_on_the](/web/pdf/en/articles/Foreign_Investors_on_the_Local_Market.pdf)

Publisher: [Eurisko](http://www.eurisko.ro/#) (**END-OF-PUBLISHER--><!--END-OF-FILE-LIST-->**)

A recent research made by a reputable international consultancy company shows that Romania is at present the most profitable destination for investments on the real estate market. The review maintains that, during the last 10 years, the prices in the real estate field will increase over four times the present price. Under these circumstances it goes without saying that more and more foreign investors are attracted to major real estate transactions. An essential success condition is for such investors to know the local "environment", even if the important players that invest hundreds of millions euros in real estate projects impose legal practices in the countries that have experience in the field. Therefore, by the "infusion" applied by the foreign investors, the perception of the legal professionals as regards the true meaning of a real estate transaction has begun to change little by little and part of such investors try to put into practice concepts such as legal due diligence, escrow agreements, intra-group financing and so on. Let us presume that a foreign investor contemplates to acquire complex of outlets and offices spaces. The owner of the project is a multinational company which develops the respective complex by the intermediary of a company incorporated especially for this purpose (named in practice "vehicle company"). Because the vendor is a vehicle company, the investor always has to extend the due diligence to issues related to the corporate matters of such company. Besides the normal investments related to the selling company, special attention has to be given to the approvals of the transaction by the managing bodies of the vendor, and the investor has to find out if there is any decision issued by the extraordinary general meeting of shareholders of the company involved in the transaction as vendor. **Read the entire article in the PDF file attached.**