

Newsletter



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Real Estate Investment Companies Reforming the Legal Framework

Recently enacted Law 5193/2025 has introduced a comprehensive restructuring of the legal framework governing Real Estate Investment Société Anonyme Companies (REIC), bringing both substantial reforms and more targeted adjustments.



Investment Scope

The investment scope for REIC companies has been broadly defined to include the exploitation of real estate for any residential, commercial or industrial purposes. The companies are explicitly permitted to invest in renewable energy production and storage facilities, as well as data centers. They may invest in and operate renewable energy systems, such as photovoltaic units, across their properties. These systems are intended solely to cover the energy consumption needs of the company's group and the property users, helping reduce energy costs and the group's overall carbon footprint.

Capital Requirements

A central element of the reform lies in the expanded share capital requirements of REIC companies. The minimum share capital has been significantly increased to €40 million (previously at €25 million), aiming to ensure that only sufficiently capitalized entities operate in the sector. This requirement also applies when an existing société anonyme seeks to convert into an REIC company. Notably, it must be maintained continuously throughout operation with respect to the company's minimum equity.

Related Party Transactions

The reform also brings important changes to the rules governing transactions with related parties. The former general prohibition has been replaced by a framework modeled after Law 4548/2018. Under the new rules, REIC companies are permitted to engage in transactions with related parties, provided that such transactions receive proper corporate approval and are published under the procedure set out in Article 101 of Law 4548/2018. The resolution approving the transaction must also be disclosed to the Hellenic Capital Market Commission (HCMC).



The definition of related parties has been narrowed: it now includes shareholders holding at least 10% of the company's share capital (previously at 5%), while third-degree relatives of board members and executives are no longer considered related parties.

Transparency

Increased transparency standards are another key component:

- Board presidents, executive board members and managing directors are required to submit asset declarations.
- Every REIC company must publish core corporate documents on its website, including remuneration policy, investment strategy and a summary of internal operating regulations.
- Any transaction with related parties, along with the corresponding property valuation report, must be publicly disclosed, ensuring accountability.

Investment and exposure limits

The following limits apply to real estate investments:

- Any individual property acquisition may not exceed one-third of the group's total investments.
- Total properties under usufruct or bare ownership of the REIC are capped at 20% of the group's total investments.
- Capital expenditures (capex) for real estate development are limited to 40% of the group's total investments in real estate.
- The permitted deviation from the independent appraised value has been broadened: REIC may now proceed with acquisitions at a price up to 15% above, and disposals at a price up to 15% below the appraised valuation, marking a shift from the previous 5% threshold.

Supervision

The HCMC maintains its expanded supervisory powers and continues to exercise close oversight. Administrative fines for violations may now reach up to €3 million and in any case up to 3% of the company's total annual turnover. These enforcement tools provide the Commission with more effective means to uphold the integrity of the REIC sector.

This legislative update aims to enhance market transparency, increase investment flexibility, tighten capital requirements and strengthen overall trust and sustainability in Greece's real estate investment sector.



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