

# Solution spotlight

## Sale and lease back of real estate



At a time when key decision makers may have cash-flow concerns, one type of asset that businesses may not be optimally leveraging is their real estate. Many businesses across the GCC own, rather than lease, their premises. This may be an appropriate time to release some of that value.

We the sale and lease back of real estate assets can help businesses to:

- Reallocate capital without the need for debt financing
- Improve liquidity
- Improve debt-equity leverage ratios
- Improve performance and investment metrics

Leading practice when determining whether this is the right time to sell and lease back real estate includes studying market data for property-backed financing structures; assessing investor appetite; and structuring products in a way that accurately reflects property value.

Our management consulting team, working with senior professionals from other Keypoint service lines, can help determine investor expectations in terms of expected returns based on current market conditions, as well as deal terms, tenure, profit rates, liquidity and options.

When structuring a sale and lease back transaction, our teams consider:

- Investors' rights
- The ability to lease back sold property on a long-term basis
- Regulatory requirements
- Tenant mix and rental strength
- Operating and maintenance costs
- Market appetite
- Buy-back options
- Post-transaction separation and integration
- International valuation standards

Releasing value from property requires genuine expertise across a variety of areas. Keypoint, as an independent professional services firm with deep knowledge of, and experience in, finance structuring, is well-placed to advise key decision makers on the most appropriate options for sale and lease back transactions.



**Develop**  
cash in/outflows  
scenarios



**Determine**  
valuation



**Assess**  
buyer's proposition



**Identify**  
buyer



**Complete**  
transaction

Our team identify potential amounts that can be raised, recommend terms and highlight various legal structures that can be offered to investors. We can also advise on capital and fund allocation. For more information, please contact us.



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