

HOSPITALITY

Platinum Estates building W Hotel in southern Spain

€170 million project in Marbella of Indian textile magnate Harry Mohinani due to open in 2021

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Hong Kong family office Platinum Estates has announced its third luxury hotel project in Spain as part of a strategy to tap the surge in Chinese tourists to the country.

The five-star hotel, under the W Hotel brand that is managed by Marriott International, is scheduled to open in 2021 on a beachfront in the southern resort town of Marbella.

Platinum Estates acquired the 170,000 square metre plot of land at the end of 2015 in order to develop it into a luxury resort, with a 200 bedroom hotel and around 100 residences comprising apartments and villas. The land cost was €50 million (HK\$421.8 million) and construction is expected to cost about €120 million.

The boutique real estate investment firm led by Indian textile

magnate Harry Mohinani has been focused on purchasing distressed real estate assets and adding value to them.

It has had its sights firmly set on Spain since 2013.

"Marbella is like the central bay of Spain. There hasn't been a new five star hotel built in the last 15 years [so] the market is crying out for something new," Mohinani said. "There is a gap and we would like to fill the gap."

Besides Marbella, the family also owns residential and hotel assets in Madrid and Barcelona, including Hotel Asturias Madrid, which will be converted into another W Hotel set to open in 2019.

Since 2013, Spain's economy has been on an upswing, Mohinani said. He said the beachfront land in Marbella was unique as it took one year to buy the separate plots from five different owners.

"There are always opportunities. If you look hard enough you'll

find a window ... like this opportunity which didn't exist but was created by us assembling the land," he said.

A record 75.3 million tourists visited Spain last year, marking a 10 per cent surge from 2015, official data shows. Each foreign tourist spent an average of €1,023, up 3.75 per cent from 2015.

Mohinani said his firm is bullish on the hotel market outlook in Spain given the current high occupancy rate and rapid growth in numbers of tourists from China.

During the week-long Lunar New Year holiday this year Chinese outbound travel to Spain grew 88.7 per cent year on year, making the European country the top destination in terms of overseas tourist growth.

Meanwhile, Mohinani said Platinum Estates was ready to sell its hotel assets in Britain.

"Brexit didn't really have an impact on the hotel market in London and the market is still doing very well," he said. Rather, it was a good time to exit after acquiring properties there in 2010 after the financial crisis, he said.



Harry Mohinani with chairman Roshni Mohinani of Platinum Estates, which aims to bring something new to Spain. Photo: Edward Wong