

Property / Hong Kong & China

## Distressed property investor Platinum Estates focuses on Spain

Husband and wife team Harry and Roshni Mohinani made a winning bet on Hong Kong property during Sars and have since moved to London and now Spain where prices are low

**Topic | Property investment**



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Roshni Mohinani, the chairman of Platinum Estates, has a vision to build the boutique three-year-old family office into a global company, having set up three offices in Hong Kong, London and Madrid.

A university graduate in journalism, she has good intuition when it comes to assets. She spearheads the team and works on projects closely with her husband and company chief executive Harry Mohinani.

With extensive research from local teams, Harry moves quickly to secure core assets in prime locations by building close relationships with banks.

"When I like something, I'll tell him to get it fast. Women are like that," Roshni said. "When we were investing in London, I often pushed him and asked him everyday, 'Is it done? Is it done?'"

The couple have three children, aged 22, 17 and 8 years, and the family lives in Hong Kong.

How does the recent stock market meltdown affect your fundraising and strategy?

Our investors are looking into long-term opportunities. These big companies [some from mainland China] have to invest and many of them look to invest overseas now.

The Chinese government supports them to go abroad. With the stock market meltdown, they are looking more aggressively because they are scared that the yuan may get devalued further.

You have timed investments very well, setting up in Hong Kong in 2003 and going to London in 2009 and now in Spain. With the focus in Spain now, what is the strategy for Hong Kong and London?

At the moment, we are not increasing investment in Hong Kong. The main interest is in Spain. We do have one or two people looking into London.

Hong Kong's home prices did not go down in the past two years but have trended up. Is now a good time to sell?

Yes. It is a good time to sell, definitely. Home prices are very high at the moment and the investment return will not be very high. You know who pushed the property prices up in the past two years? The mainland investors. They are buying at the peak. But for the general people on the street, homes are not affordable.

Have you already sold a lot of your assets in Hong Kong?

Yes. We bought a lot during Sars. That was when we got into the business. We have already exited. We are always looking, but would like to wait for the market to correct. We are a distressed asset investor, not a boom-market investor.

How about London? A lot of Chinese investors are still going there.

A lot of them, especially big companies, are really leaning towards selling. There are no big buyers now. You know in 2011, 2012 and even 2013, they were buying a lot and making a lot of noise. Now it is more in Spain, mainly Madrid and Barcelona. There are a few who still believe in opportunities in London rather than any other European cities.

I would compare now with two years ago when we first entered Spain. People thought we were crazy - even the banks thought we didn't know what we were doing. It's a risk to get into something uncertain because you don't know whether the market is going to pick up or not. But within six months, we started to read in newspapers that this company and that company are investing in Spain. Not only Chinese, but Blackstone, KKR and everybody else.

Chinese company Wanda is also investing heavily in Spain, not only in property. Are you concerned that prices will be pushed up soon?

We are not threatened because we are quite secure. We get distressed assets and the assets we have are not available to everybody. We have a strong team in Spain. Our investment director there is very knowledgeable. Instead, some big investors may feel a bit threatened by us, because some of the assets we have acquired were the deals they were looking at. But we somehow beat them. We had a big investor from China coming to our office two weeks ago. When they were looking at the pictures on the [office] wall [of all the assets bought in the past few years], they said: "Oh, so you bought this [in Spain], because we wanted to buy it too."

We are very quick at making decisions. When we want it, we go and get it. We can make a decision before the other bidders send out the memo for a meeting.

How do you make a decision that now is the time to invest in Spain, instead of waiting for two more years?

During Sars, everybody wore masks and nobody shook hands when we said hello. Remember the famous words of Warren Buffett - "be greedy when others are fearful" - and there was fear all over Hong Kong. So we started to buy. We exited Hong Kong in 2008, more or less. Then we waited for the next opportunity. But the window [during the global financial crisis] was very short. [We] looked at the map and said, "People lost trillions of dollars. There must be an opportunity to make money. Forget Hong Kong." We went to London and studied the market. After brainstorming, and if you have an open mind, it is an easy decision to invest in London. So we started a small office and built a relationship with RBS and Lloyds. And we started to buy.

For Spain, it just happened. [Harry] was going to Spain for another business and looked at the market. [We] talked to bankers and investors. But it was very hard to convince them at that time.

When we started in London in 2009, it was us and two or three other bidders. By the end of 2012, the space became very crowded. If you wanted to buy a building, there were 15 or 17 bidders. So [we] did a market study about Spain. We are looking to exit London. Now is a good time. We are selling some of our hotels.

Now where does the Spanish market stand? Are you still increasing investments there?

We see more bidders now. But Spain is totally different from London. London was distressed, but it was distressed to a limit. It is a global city, so every investor from every part of the world is there. In Spain, prices in central Madrid were comparable to prices in Hong Kong during Sars. So the room for upside is much bigger.

We have a few new investors from mainland China. They have seen what we have bought and how far our development has come. We are approached by big companies which want to buy assets from us.

Do you see opportunities in Asia now? It seems a lot of investors are going to Japan.

We haven't looked into it. But we have people who have approached us and asked us to look into it. Right now we are very busy with Spain. We don't want to lose focus. There will be opportunities elsewhere, but we believe we can do the same or even better with the right focus.

Japan crashed in the 1980s and it has not come back yet. But you [also] have the language barrier. It's a bet.

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