

Property / Hong Kong & China

Timing is key to success for Hong Kong family office Platinum Estates

Topic | Property investment



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For Hong Kong-based family office Platinum Estates, which invests in distressed real estate assets, timing is everything.

The company's chief executive, Harry Mohinani, started investing in 2003 when property prices in the city plunged 70 per cent in the wake of Sars.

Later, joined by his wife and the company's chairman, Roshni, the couple entered the London market in 2009 and expanded to Spain in 2013.

Mohinani exited the Hong Kong market in 2008, with 37 per cent gross return on HK\$1.1 billion of investment in the city's commercial, residential and hotel properties.

The Mohinanis are now in talks to sell portfolios in London, including to some mainland Chinese buyers, but will keep adding investments in Spain.

They operate a fund, Safe Guard Platinum Real Estate Fund, out of Singapore to professionalise their investment process and structure.

"London is at its peak and Hong Kong at its super peak," Mohinani said.

But property prices in Spain still had room to grow, although the market was a lot more crowded than two years ago with major global buyers flocking in, he said.

Platinum Estates will soon close two five-star hotel deals, worth €100 million (HK\$864.5 million) and €70 million, respectively, backed by investors from mainland China. One is a development project.

Spain is leading the euro zone out of recession, with the economy expected to grow 3.18 per cent this year, accelerating from last year's 1.39 per cent, which ended negative growth seen in the previous three years.

The country had a bumper summer season, with tourist arrivals reaching 8.8 million in July and nearly 38 million in the first seven months - both record highs. The tourism sector makes up about 11 per cent of the national economic output.

Apart from British and French beach-goers, visitor numbers from China, Japan, South Korea and the United States also grew.

Chinese property-to-film conglomerate Wanda Group last year bought the historic 25-storey Edificio Espana building in Madrid for €265 million and plans to invest more.

But the group, controlled by Wang Jianlin, is now at the centre of a political debate over its plan to demolish the skyscraper, which goes against the local council's requirement to keep the building's facade and side walls intact.

"Wanda should work with us," said Mohinani, whose company has an experienced team to refurbish most of five acquired projects in Madrid and Barcelona, while retaining the original facade and internal architectural features.

For example, it is converting Madrid's historic General Oraa office structure, built in 1923, into 12 luxury apartments of 350 to 600 square metres in size. The completion of the project is scheduled for July next year.

Platinum Estates has invested more than €165 million and committed €80 million to add value to its five assets in Spain.

Typically, the company will coinvest in every deal. It believes the recovering economy and booming tourism sector will provide great real estate investment opportunities in Spain.

The Mohinanis are tight-lipped on where their next investment destination will be, but did share the tip that there are opportunities in Singapore's residential market in the next six to 12 months due to a weaker currency and rising supply as prices have already fallen.

"We are looking at a new place. But we don't want to disclose now, otherwise all the big sharks will go there before us," Roshni Mohinani said. "Our business is all about timing and getting the right deals."

In [C-Suite \[1\]](#), the Mohinanis share how they make investment decisions

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