

## Fosun International Limited : Former United States Treasury Secretary John...

01/07/2014 | 09:05am US/Eastern

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Former United States Treasury Secretary John Snow and China's largest diversified conglomerate Fosun are planning a UK real estate spree after closing their first deal in the City of London.

Speaking to Estates Gazette at an event to mark their first acquisition, the £64.5m purchase of Lloyds Chambers, E1, Snow said he hoped to bring the Chinese and US partners in the consortium together again for further deals.

"This was a great first deal for us. It's a good price, it's got good prospects and is with good partners," he said.

"I have confidence in this market, albeit you have got to be selective and pick your target well.

"But London is a magnet for talented, successful, wealthy people for a variety of reasons so I think this tremendous project could be the first of many."

Snow was introduced to the deal by consortium leaders Mike Ryan, chairman of Silverfin Developments, and Anacott Capital founder James Lapushner.

He introduced Fosun to Ryan and Lapushner in his capacity as a special adviser to the company.

Alain Chang, Fosun International managing director and vice-president of its property holding company, told EG the 193,450 sq ft Lloyds Chambers was at the smaller end of the company's deal criteria.

On the same day Fosun exchanged on the Lloyds Chambers deal it was successful in bidding for the \$725m Chase Manhattan Plaza in New York.

"We are interested in commercial properties with redevelopment or repositioning potential and, at least for the moment, we are not looking for core," he said.

"We don't have a hard target but if we see the deals that meet our criteria they could be very big – they could be going into the billions because we can syndicate and bring in partners."

Real estate represents around \$12bn of Fosun's roughly \$30bn of assets under management, according to Chang.

The company is a major player in the Chinese leisure and hospitality sectors and Chang said it was actively looking for opportunities to enter the UK market.

"For the London market we would like to invest in more assets but if there is a platform we would be interested as well," he said. "It could be a real estate asset management platform, it could be a public vehicle with a portfolio of assets, or it could be an operating brand because we are also interested in hospitality."

The consortium is assessing its options for the future of Lloyds Chambers, which lies close to Aldgate on the eastern City fringe at 1 Portsoken Street.

The building has around five years left on its leases and offers the potential for refurbishment, conversion to alternate uses or wholesale redevelopment.

Chang said the 8.75% yield on the deal fit the higher returns the company is seeking.

"This one was really interesting and unique and the location is up and coming," he said. "There's a lot of new development in this area and the City is putting more investment into it and improving the infrastructure, so we think values will go up."

[jack.sidders@estatesgazette.com](mailto:jack.sidders@estatesgazette.com)