

Mega-Rich on a Global Hunt to Collect Prize Property Assets

The Woolworth Building's Pinnacle Penthouse' in Manhattan plans to sell for US\$110 million – about what you could spend on a house on Mount Nicholson on The Peak in Hong Kong

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Built in 1912 with a classic, extravagant facade, the Woolworth Building's "Pinnacle Penthouse" in New York's Manhattan – which Alchemy Properties plans to sell for US\$110 million (HK\$858 million) – has drawn strong market attention since first being listed in September.

The 9,710-square-feet of elegance consists of five storeys and a private observatory – for the same price you could have bought a slightly smaller house at 9,455 sq ft, House 6 at Mount Nicholson on The Peak in Hong Kong, which sold for HK\$830 million (US\$106.37 million).

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“It’s inexpensive compared with Hong Kong properties in terms of location, history, size, uniqueness, architecture, design and style,” insists Binoche Chan, chief operating officer at List Sotheby’s International Realty, recently launched in Hong Kong.

Some “sophisticated buyers” have been “collecting unique properties to appreciate their quality and fineness”, she added.

American celebrities, or those from other places who “got rich early” and parked their money everywhere in the world, are the most popular buyers, thus avoiding local market fluctuations and capital restrictions put in place.



Chan said these consider such properties as holiday homes and come from a variety of backgrounds.

“They have become interested in more “sophisticated” properties than ever before. They love castles, vineyards and even farms, right around the world.”

Total wealth of US\$30 million or more, generally classifies a person as a so-called ultra-high-net-worth individual.

Anyone interested in buying these types of property need to contact the agencies who will then carry out a vetting process on them, and require them to sign non-disclosure agreements, before arranging a private viewing.

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This trend of collecting extravagant residential property is likely to be sustained in future, she said.

“With massive wealth behind them, these people are less affected by market crises. They also have professionals taking care of their wealth. These types of rare properties usually have a buffer in value against market fluctuations because they are limited in supply,” Chan said, despite governments around the world starting to exercise varying degrees of restriction on capital inflow and property buying.

“Our clients are sophisticated buyers who got rich early and have parked their money everywhere a long time ago. The buyers who still have their money locked in China are ‘second-tier’ buyers who just got rich and are not our main target,” she said.

“Of course, we will still keep help clients with such problems with mortgage arrangements, financial restructuring and advise the market suitable for investments.”

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