Property Week Global Interactive

Who are the world's top 10 entrepreneurs?

07|05|10

Aditi Shah speaks to US giant Sam Zell, and profiles Daniel Grollo, Ben Ashkenazy and Kushal Pal Singh, who are among the cross-border property world's biggest buccaneers

Alexander Otto

The chief executive of Europe's biggest shopping centre developer, ECE, claims the phrase "location, location, location" was the most important thing he inherited from his father, next to the family business.

So it was no surprise when, in the depths of recession, Otto spent $1.1bn on 30m shares in US retail group Developers Diversified Realty (DDR), which owns 800 shopping centres worldwide totalling 157m sq ft. ECE's empire covers 37.6m sq ft in 116 shopping centres, and is valued at €12bn ($15.9bn).

He is also considering a $688m fund launch to buy retail assets in Europe.

Despite the downturn, Otto also opened the 549,000 sq ft Serdika shopping centre in Sofia, Bulgaria, and secured €111m ($147m) in funding for a €190m ($252m) shopping mall in Poland.

Peers say Otto's friendly demeanour belie a tough boardroom persona.

Over the next year, Otto, who is also Urban Land Institute's European chairman, will open 21 shopping centres.

Enrique Banuelos de Castro

When analysts were still predicting doom last year, the 44-year-old Spaniard was scooping up property developers in Sao Paulo.

His company, Veremonte Participacoes, has invested nearly 500m reais ($283m) acquiring Brazilian developers. These have been merged to create Agre, the country's fifth-largest developer.

Banuelos is taking a risk on an exciting property market.

Borja Sierra, executive managing director at Savill's New York office, who advises Banuelos, says the Spaniard has one motto: "If there is a need, there is a business."

The steelworker's son started Astroc in 1985, at the age of 19. By 2005 it was worth $1bn, but the collapse of Astroc's shares in 2007 led to his departure.

Banuelos' critics will be watching to see whether history repeats itself, after his net worth fell from $7.7bn in 2007 to $1.5bn in 2010, according to Forbes.

Ben Ashkenazy

When the chairman and chief executive of Ashkenazy Acquisition Corporation bought New York's former Knickerbocker hotel in March for $180m, he paid $120m less than distressed seller Istithmar had in 2006.

Ashkenazy rescued the site from Danske Bank after Istithmar struggled to repay its debts. He offered to put down $10m in cash.

The 41-year-old has bought real estate since he was 17 and set up Ashkenazy in 1987. His property empire, including New York's Barneys store, is worth $5bn.

Renowned for making complex acquisitions and turnaround investments, peers say Ashkenazy's secret to success is the equity partner/operating partner model that he has used with the Carlyle Group, among others.

He operates from a modest office on Manhattan's Fifth Avenue. A New Yorker by birth, Ashkenazy never misses his Saturday visit to the synagogue. He relaxes in Miami, on board his yacht.

Daniel Grollo

Like the landmark skyscrapers developed by Grocon in Australia, chief executive Daniel Grollo sets himself high targets.

While the rest of the property industry has focused on surviving recession, the 40-year-old Italian has been planning a $933m Australian REIT launch.

Grollo wants to expand internationally and is eyeing the Big Apple. In September, his wife and two children moved to New York, so that he could capitalise on buying opportunities and oversee the company's Asia and Middle East operations.

But the prize deal has to be the A$800m ($741m) purchase of the half-finished tower on 163 Castlereagh Street in Sydney last month – Australia's biggest property transaction since the recession. Grollo bought the tower from local developer John Boyd with funding from ANZ bank. It will be ANZ's new headquarters and LaSalle Investment Management is also lined up to take space.

Sam Zell

The sale of Equity Office Properties (EOP), the US's largest office REIT, to Blackstone Group for $39bn in 2007 secured Zell's place in business history. By selling EOP, Zell had called the top of the market – prices in the US have since tumbled by more than 50%.

The 68-year-old University of Michigan graduate started his career by managing apartment buildings throughout south-east Michigan.

He graduated to owning a portfolio of publicly held companies, including giant homebuilders Xinyuan in China, Gafisa in Brazil and Homex in Mexico.

He also holds Brazil's biggest retail chain, BR Malls, and in December acquired an 8.5% stake in Brazilian Finance & Real Estate, a private real estate finance company based in Sao Paulo.

Zell's family fled from Poland before the Nazi invasion in 1939. They made their way from Japan to Seattle, finally settling in New York.

Winning through a recession: Sam Zell tells us his survival secrets

What has it taken to survive this recession?

The survivors are those that are under- or unleveraged. In every period of storm, like this one, you have people that have the staying power, which comes with having conviction in the assets that you own. Just because people's perception of values has changed, doesn't mean the real value of your assets has changed.

What have been the best investment opportunities over the last 18 months?

Opportunities in property have been limited to the discounting of debt. There has been very little in the way of new transactions and the value of equity has diminished. So buying distressed debt has been the best investment.

In a panic, valuations become ridiculous because people's perceptions of price change and this creates opportunities. Any property that was traded at this time would have been at ridiculous prices and the seller would have made a fortune.

The US REIT market has increased in value by 25% over the last 13 months. The truth is that it has not been an increase in values but just a correction of people's perceptions about value.

Why did you decide to sell Equity Office Properties to the Blackstone Group in 2007 for $39bn?

I did not have a crystal ball when I did the deal. I am a value investor and I thought the valuation of EOP was beyond my imagination to reconcile with, so I decided to sell it.

Where do future opportunities lie, particularly in the US?

I believe there will be good core opportunities for institutional investors that will come in to loot equity holders. Institutional investors will be in a position to provide capital, reduce debt and reshape the balance sheet of companies.

These investors will get good values and yields appropriate to core real estate, but we will not see a repetition of the values before past recessions.

Which global markets provide future opportunities?

Brazil has created an excellent opportunity for great investment. Its people have a vibrant lifestyle, it's a self-sufficient community and it has an executive working class. Its left-wing party is good for the country. We are one of the largest real estate investors in Brazil. We own BR Malls – the largest mall operator in the country – which is operating at 100% occupancy.

Wu Yajun

She may be China's richest woman, with a net worth of $3.9bn, but Wu Yajun still works 12-hour days. The 46-year-old chief executive of Longfor Properties, one of China's largest residential developers, is busy with plans to form a $1.5bn trust with Ping An Insurance Company to develop properties.

Wu set up Longfor in 1994 with $1.5m. Today the company has a 211m sq ft land bank and is worth $5.9bn. The multiplier of her wealth was the company's $912.3m initial public offering in November, which boosted her value from $1.8bn to $3.9bn, and attracted cornerstone investors such as Singapore's Temasek Holdings.

Wu learned about the property industry as editor of a Shanghai-based business publication in the late-1980s. Her success, say peers, lies in the diversity of her developments, which range from ordinary homes to high-end apartments and villas.

Yitzhak Tshuva

Although he drives a beaten-up Cadillac, Tshuva's plans are not so modest. The chief of the Delek Group in Israel is on a mission to develop the "Valley of Peace," a 170 km canal from the Red Sea to the Dead Sea that will prevent the depleted salt lake from drying up.

The 61-year-old owns several assets in the US, including a plot on the Las Vegas Strip, where he wants to build a $5bn Plaza hotel. He paid $675m for New York's Plaza hotel in 2004, refurbishing it and building 181 flats that sold for $1.4bn.

The father of five, who grew up with 10 family members in a one-bedroom apartment in Netanya after emigrating from Libya in 1948, is now worth $2.1bn, according to Forbes.

Capitalising on the construction boom in the 1970s, Tshuva built low-income neighbourhoods in Israel. In 1998, he joined the country's business elite after taking over Delek from the Recanati family's IDB Holding Corporation.

Zhang Xin and Pan Shiyi

Soho China's listing on the Hong Kong stock exchange in 2007 was Asia's largest commercial real estate flotation, raising $1.9bn.

For founders Pan Shiyi and his wife, Zhang Xin, it was the culmination of building the company from scratch. Now Beijing's biggest property developer, Soho has 20m sq ft of developments.

Last year Soho invested $1.55bn in property, up 65% on 2008. The company's net profit of $483.5m was eight times higher than in 2008.

Zhang's Cambridge education and years at ING Barings and Goldman Sachs belie her early life as a migrant from Burma, living in Hong Kong's slums and working in a factory.

While Pan looks after the finance and operations, Zhang's marketing vision has pioneered integrated working and living spaces, which they sell to investors and small and medium-sized enterprises.

Kushal Pal Singh

As the founder of India's largest listed property company, DLF, former army officer Kushal Pal Singh sits in an envious position.

With a local catchment of more than 1 billion people who need homes, DLF has exploited several opportunities within India that have helped it grow from a Delhi-based developer into a national company.

It popularised the development of townships and mixed-use schemes, and has 432m sq ft of planned projects.

This year, the 78-year-old has resurrected plans to list a property trust on Singapore's stock exchange that will help it raise $1.5bn. The initiative was shelved in 2008 because of the global financial crisis.

DLF has appointed Goldman Sachs to find a buyer for its 97% stake in luxury hotel chain Aman Resorts for $600m, after buying it for $400m in 2007.

Singh is an avid golfer and rider, and has homes in India and London.