

# Chinese company contracts to buy more property in West Oahu

Pacific Business News Aug 29, 2016

China Oceanwide Holdings Ltd., a Chinese company that has already spent nearly \$300 million on West Oahu properties in less than six months, is buying about 26 more acres in the area for \$280 million.

The Hong Kong-based company, which is headed by one of China's richest individuals, recently entered into a contract with the [James Campbell Co.](#) to buy Kapolei West, its planned 516-acre master-planned golf course resort community in West Oahu that would connect the City of Kapolei with the 642-acre [Ko Olina Resort](#) in West Oahu for \$98 million, as first reported by Pacific Business News.

Late last year, China Oceanwide also purchased two oceanfront lots at the Ko Olina Resort for nearly \$200 million where it plans to build two towers — one a hotel and the other a condominium. The final cost of the project is expected to top \$1 billion.

Along with its purchase of these two vacant parcels, China Oceanwide is buying three more parcels, giving it control of the last remaining undeveloped parcels at Ko Olina Resort. The companies selling these properties are affiliated with Hawaii developer [Jeff Stone](#), president of The Resort Group, the master developer of Ko Olina Resort.

China Oceanwide revealed its latest purchase in a public filing with The Stock Exchange of Hong Kong about two weeks ago. The sale is projected to close on Sept. 15 and possibly involves bringing the Atlantis Resorts, a global luxury resort brand that specializes in entertainment-destination resorts, to Ko Olina Resort.

PBN broke the news that Atlantis Resorts is finalizing a deal to open its first resort in the United States in Hawaii at the West Oahu master-planned resort community. The Atlantis Resort would join Four Seasons Hotels & Resorts' first hotel on Oahu at the Ko Olina Resort, which recently replaced the JW Marriott Ihilani Resort & Spa.

China Oceanwide's deal with The Resort Group involves paying about \$11.8 million more, bringing the total purchase amount to about \$291.8 million, if it doesn't choose to go with the Atlantis brand. The company has until Dec. 31 to decide whether to go with Atlantis.

Atlantis Resorts, which operates properties in the Bahamas and Dubai, also has plans to unveil two more projects in 2017 — The Royal Atlantis Resort & Residences, Dubai and Atlantis Sanya in Hainan, China.

The deal also includes two tenant leases on the parcels, including a wedding operation, which expire in December and in April 2017 that will not be renewed.

In its regulatory filing submitted earlier this month to the Hong Kong stock exchange, China Oceanwide said this acquisition “conforms to the group’s internationalization-development strategy and represents an excellent opportunity for the group to expand its overseas real estate-development segment.”

According to a survey conducted by China Oceanwide, Hawaii ranks third in the United States in terms of stability of long-term property investment.

“The properties are well-located in [Ko Olina Resort](#) and Marina on Oahu, which is the main economic and cultural hub in Hawaii and are located nearby the properties to be acquired by the group in November 2015 and February 2016, which can create additional benefits and branding value to the properties,” China Oceanwide said.

Chinese demand for Hawaii real estate has certainly intensified over the past year: Chinese investors have spent more than \$1 billion acquiring thousands of acres of high-profile Hawaii properties.

Hong Kong-based Qinghua International Holdings Ltd., which purchased several properties near Ala Moana Center in Honolulu about a year ago for a total of about \$21 million, recently acquired a 10-story downtown office building, the Tissue Genesis Tower, for \$12 million from Pacific Office Properties Trust, as first reported by PBN.

Qinghua International is also looking into possibly building a residential project that would be part of transit-oriented development in Honolulu.

About two years ago, China-based Reignwood International partnered with The Resort Group, the master developer of Ko Olina Resort, to buy 1,103 acres of Princeville at Hanalei on Kauai’s North Shore for \$343 million, as first reported by PBN.

There are three main reasons why Hawaii should expect to see more real estate investments by the Chinese: the loosening of visa restrictions, increased airlift and the emergence of the middle and upper classes in China.

“I believe we will anticipate more investment here — especially for large prime development sites and premier commercial real estate holdings,” Mike Hamasu, research and consulting director for Colliers International Hawaii, previously told PBN. “Investment brokerages are quickly targeting these Chinese investment entities for additional investment opportunities.”