

First interview: London's 'Mr Monopoly'

By Louisa Clarence-Smith | Investment/finance | Offices | Residential | 10-01-2018 | 10:51



For more than a decade, the investment agent known in the industry as “Mr Monopoly” has been quietly piecing together some of London and the UK’s most creative deals from a quiet corner of Mayfair, in the company of his Pomeranian dog, Mr Fluffy.

Jonathan Harris, the self-styled “king of the off-market deal”, has operated Harris Associates out of the spotlight since 2002 and transacted £2.5bn since 2012.

But Harris is now being forced “into the light” by his two young partners, Daniel Cohen (his nephew and former Richard Susskind & Co associate director) and Simon Perlmutter (former Hoffman Partners director), a childhood friends who want to raise the profile of the agency, which is based at the Howard de Walden Estate’s [1 Duchess Street, W1](#).

This week, the agency has added a new member to its investment team: former CBRE apprentice Sammy Kingston, founder of the Apprentice Network, which aims to give early career surveyors the opportunity to meet others through networking events.

Harris says they will also be looking at hiring more staff in 2018, when they have more than £150m of sales coming out in the first quarter.

“Being under the radar has been a conscious decision of mine; to do deals quietly behind closed doors,” says Harris, who was a senior partner at Allsop in the capital markets team for around 20 years before he left in 2002 to set up his own business.

“That’s been a strength, but I suppose it’s a weakness as well, because only people who are in the industry know what we do.”

Recent transactions have included the £97m acquisition of the City's Butterfly building at [1 Portsoken Street, E1](#), on behalf of the low-profile New York-based investor Abraham Schwartz.

The 193,450 sq ft building, with consent for the 400,000 sq ft SPAARC architecture-designed Butterfly building, was [acquired in December from a joint venture](#) between Chinese conglomerate Fosun, former US secretary of the treasury John Snow, chairman of Silverfin Development Mike Ryan, and James Lapushner, the former head of Morgan Stanley Real Estate's investing business in Germany and the founder of Anacott Capital.

Characteristically, Harris sourced the deal himself, making the connection with the owners through his relationship with Mike Ryan.

Cohen and Perlmutter are staying true to Harris's creativity when sourcing deals, but are introducing a new way of doing business – sourcing deals and contacts on Twitter and Instagram.

"Social media platforms can bring in clientele and deals from everywhere," Cohen says. "We actually completed a deal this year where we found a vendor through Twitter, tweeted him, he responded back, we were at his building within two hours and we agreed a deal a week later."

The pair are also out regularly canvassing buildings around the country in person, as Harris has taught them. "It's like an old-school approach with a modern twist," says Cohen.

"I think that's what clients like," adds Perlmutter. "The enthusiasm, the drive, to actually go out and get our hands dirty and dig out opportunities that other people just won't do; and spend the day walking around parts of London, canvassing buildings and digging up those opportunities."

Around 80% of the deals completed by the agency are off market, with the team trying to agree a deal before a marketing campaign gets under way.

We actually completed a deal this year where we found a vendor through Twitter, tweeted him, he responded back, we were at his building within two hours and we agreed a deal a week later

Clients for which the firm has completed off-market deals have included BlackRock, Standard Life, Hermes Property Unit Trust and Scottish Widows.

The agency is not sector-specific or London-focused, although it does the majority of its deals in the capital.

Harris says it is currently looking at an opportunity in Manchester and has recently acquired assets in Dunstable and Windsor. It is more acquisition-led than sales-led by ration of around 60:40, but Harris says that is levelling out.

The team specialises in identifying pockets of undervalued fringe areas of London.

"We have been able to identify different areas, key areas, where the rents are still less than £30 per sq ft, which is affordable for start-up companies that can't be in Shoreditch, Farringdon, at £70 per sq ft," says Perlmutter.

"Slowly they have been moving out and we have tried to focus on areas such as Haggerston and Dalston, where there are still good opportunities for clients to make money, rather than just preserve wealth."

The team says Brexit and SDLT changes to residential have created new opportunities for UK commercial property and it hopes to offer the on-the-ground service to overseas buyers.

"We are seeing a renaissance in the commercial investment field," says Harris. "We have never been busier than since the Brexit vote. The volatility also provides opportunity."

As much as Cohen and Perlmutter want to shake things up, they are keen to learn from Harris's key piece of advice: "It's all about reputation".

"I would say we are the [property] equivalent of Amanda Staveley. She gets deals done, it's quiet. She may get mentioned in the press, but she does her deals because she knows people and that's exactly what we do."

Cohen and Perlmutter are building their own network among their peers. "We are young guys, we have created a great network of friends of a similar age to us who are buying properties and we are finding them deals," says Cohen.

"If you look at our email addresses it's 'harris pi' and people always go, what's pi? Property investment? And we always say 'private investigator'. Because we find out a little snippet of information and we grow that information and we turn it into an opportunity."

Transaction record (2017 examples)

- [1 Portsoken Street, E1](#) Advised low-profile New York-based investor Abraham Schwartz on £97m acquisition of 193,450 sq ft building with consent for the 400,000 sq ft "Butterfly building"
- **Mill Street Estate, SE1** Warehouse acquired for Northhill for £19.5m from Westbrook
- **194 Westbourne Grove, W11** Notting Hill retail asset acquired for £8.5m for a private overseas investor from Enstar Capital
- **49-65 South End Road, Hampstead NW3** Retail parade in Hampstead sold for Dorrington to DTZ Investment Management for £9.25m
- **1-2 Cranwood Street, EC1** advised CBRE Global Investors on the sale of the former school at Hertford House and Napier House to LBS Properties for around £25m

Quick-fire questions

Preferred place to do deals?

Harris: Cecconi's, W1

Cohen and Perlmutter: The Cavendish, W1, Joe & Juice ("We're a bit more health-conscious), or illy Caffé on Regent Street. "You go to illy at 3pm on a Wednesday, you will know half the people in there, it's like a mini MIPIM," says Cohen

Favourite building in London?

Harris: 24 Old Burlington Street by Burlington Arcade, W1. "It is got a beautiful steeple and a hidden organ in the roof. It is just an absolute hidden gem."

Cohen: 1 Sekforde Street, Clerkenwell, EC1

Perlmutter: Time Life Building, New Bond Street, W1