



Top US developers riff on future of Chinese investment, President-elect Trump

“One man with a big mouth does not change our values”: Peebles at TRD’s Shanghai forum

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From left: Sharif El-Gamal, Gil Dezer, Stan Gale Jr., Shang Dai, Scott Alper, Ziel Fel and Stuart Elliott

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President-elect Donald Trump spent a good chunk of his campaign bashing China and promised to reset the United States' relationship with the country if he came to power. But many of his fellow developers, gathered in Shanghai for *The Real Deal's* annual showcase, said that despite his heated rhetoric, Trump is a pragmatist who understands the importance of Chinese investment, particularly in real estate.

"The reality is that our president-elect's platform is absolutely pro-business and anti-regulation," said [HFZ Capital Group's](#)  [Ziel Feldman](#), who added that the industry had been waiting for the last eight years to have "friendly local governments backed by a friendly federal government."

[Don Peebles](#), head of the [Peebles Corporation](#), said Trump would be a boon for the real estate capital markets. Cities like Miami and New York are facing a tight construction financing landscape, and part of what's causing it is heavy regulation, he said. Trump would deregulate the financial sector and encourage foreign investment from China and elsewhere, Peebles predicted.

"I can assure you that the EB-5 program will be extended for a longer period of time," he said, and his [optimism on the popular immigrant visa program](#) was shared by [Scott Alper](#), president of [Witkoff](#).

The developers riffed on the impact of the election during a wide-ranging panel at *TRD's* second annual U.S. Real Estate Showcase and Forum in China, taking place at the Jing An Shangri-La in Shanghai. *TRD's* editor-in-chief Stuart Elliott, who served as moderator, asked the developers about the changing nature of Chinese investment in U.S. real estate.

Shang Dai, CEO of [Kuafu Properties](#), which is backed by Chinese private equity, said he was encouraging [Chinese investors to participate in the mezzanine lending space](#) — an area in which New York developers have ramped up their activity as they see it as a way to get in on the action at a lower risk than an equity investment.

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“Right now, come in to lend money,” Dai, whose projects include the Manhattan View at MiMA condominium conversion at 460 West 42nd Street. “You will either become the hero,” or become the owner at a discount if the project goes south. “Either way, you will sleep well at night,” he said.

Dai said the first wave of Chinese investors, even though they spent massive sums in markets such as New York and Los Angeles, had really just been testing the waters.

“In the first run, they just want to come out in one piece,” he said. “As long as they’re still alive, they’re going to go along with you for the next round.” [Chinese investors have become more realistic](#) about their expected investment returns, he said, now targeting returns of between 10 and 15 percent.



The crowd at The Real Deal's second U.S. Real Estate Showcase and Forum in Shanghai

Gil Dezer of Dezer Development said he was encouraged by the long view Chinese investors take in the U.S. market.

“Any time you have patient money that’s willing to wait, that’s a good sign,” he said. Gale International’s Stan Gale, Jr. spoke of how the Chinese were making bets on

emerging neighborhoods, [such as Downtown Los Angeles](#). Greenland Group, for example, is building the \$1 billion Metropolis mixed-use project next to the 110 Freeway.

Taking place less than two weeks after [the U.S. election](#), the conversation inevitably kept turning back to Trump. Dai joked that his team suggested putting in an RFP to build Trump's infamous border wall.

"Kuafu has the knowledge and heritage of building the Great Wall," he quipped.

[Soho Properties](#) head [Sharif El-Gamal](#) reminded the audience of Trump's reality TV associations, saying the president-elect was simply being dramatic when he talked about rewriting trade agreements with Asia.

A lot of what was said was "really nonsensical, unrealistic," he said. "We have checks and balances in our country."

Peebles, who is mulling a run for New York City mayor, said that Trump's inflammatory comments on immigration "do not reflect the values of our nation."

"We are better because of immigration, we are better because of foreign capital," Peebles said. "If Donald Trump continues to articulate these views, the U.S. Congress will put the brakes on him. One man, and one man with a big mouth, does not change our values."

Tags: [don peebles](#), [Donald Trump](#), [TRD Shanghai](#)

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