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PRINCE OF PANACHE

By Jimbo Gulle | Photos by Cris Legaspi

**As one of Asia's
top luxury
connoisseurs,
it's Alexander
Shlaen's
business to
know what
a true luxury
lifestyle really
means**

"'LIFESTYLE' IS A VERY ABUSED WORD," Alexander Karolik Shlaen tells PowerPlay inside the boardroom of an up-and-coming real estate company in Makati City, and he has every right to say so.

Having spent over two decades catering to HNWI's (high net worth individuals) across Asia while representing some of the most prestigious brands in the world, Shlaen has definitely earned the right to be known as Singapore's top luxury connoisseur.

Plus, he's no mere middleman. Shlaen is founder and managing director of Panache Management, which he put up nearly 20 years ago in Hong Kong. It's a company that exclusively represents Aston Martin Interiors, Tonino Lamborghini Casa, and Formitalia design lines in Asia.

Panache is also involved in real estate related investment projects with a focus on branded luxury projects, as well as providing luxury interiors and accessories for exclusive homes, villas, hotels, offices, private jets and super yachts. To that end Shlaen tours the world representing Singaporean investors and looking for great properties to buy into.

Shlaen honed his nose for the high life by spending a decade in Japan starting in 1990 and mastering the "East meets West" style of business management. There, he was a member on the top management teams of the Japan-Central Asia Business Association under Japan's former Prime Minister, Toshiki Kaifu.





Shlaen also served on the board of directors of Brinks Japan, the joint venture between Nissho Iwai Corp. -- at that time the sixth largest company in the world -- and Brinks Inc., a Fortune 500 American company traded on the New York Stock Exchange. He was also a personal advisor to the managing director of Kanebo Corp., a consultant to NED (Nippon Enterprise Development, at the time the world's largest venture capital company, based in Tokyo), and many others.

In recent years, Shlaen has also chaired the judging panel of the luxury regional Southeast Asia Property Awards (SEAPA), which includes evaluating and awarding some of the top property developments in the Philippines.

He also serves on the property panel at the Russia Singapore Business Forum, has written the "Luxury Expert" column in Property Report South East Asia magazine for the past four years, and is published and is appearing in various regional media and TV on luxury topics.

To top it all off, Shlaen is an economist with an MBA from the Kellogg School of Management in Northwestern University and the Hong Kong University of Science and Technology (HKUST), touted as the number one management program in the world by Financial Times and BusinessWeek.

DEFINING THE HIGH END

With such a sparkling resume, what is Shlaen, who has Russian roots and can trace his ancestry to the Central European landlords and wine traders of the 1800s, doing in the Philippines? Looking for properties to invest in, of course.

He came to the country in September to see for himself the Primavera Residences development in Cagayan de Oro City upon the invitation of his friend, Architect Romolo Nati, the chief executive of Italpinas Euroasian Design and Eco-Development Corp. (*We featured Nati and the Italpinas President, Atty. Jose D. Leviste III, in our Issue 2 – Editor*)

Like many others, Shlaen was impressed by Primavera's modern eco-friendly condominium concept despite being located in a secondary city like Cagayan de Oro. It's a move, perhaps a trend, which he and his Singaporean clients would put money into.

"The reality is that Primavera is of exceptional quality, and the strategy (of building condos in the Philippines' secondary cities) is worth looking into for investors," he says.

But in general, the regional luxury brands "serve a very narrow market, which is controlled by three to four major conglomerates that are all about luxury and lifestyle," Shlaen says. "We (at Panache) basically deal in bespoke, artisanal designs that can be found in the interiors of private homes, jets and yachts."

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Indeed, nothing is truly high-end luxury until, for example, a client asks a company to embellish a Segway – the two-wheeled electric vehicle – with Lamborghini colors, or a woman who refuses to buy swimsuits unless they're priced between US\$400 (P18,000) to \$1500 (P67,500), Shlaen says.

That's why for the brands Panache represents, Shlaen works closely with developers and real estate companies to deliver the luxury experience his clients look for. "Again, it's very sensitive, and there are very few of them," he adds. How rare are these clients? They're the ones most likely to plunk \$30 million on a property in Singapore or Hong Kong, or a \$10 million retreat in Phuket, Thailand.

But Shlaen knows all about taking care of high-end clients' needs. For eight years in Japan, he worked for a company that was into "risk management and the physical movement of valuables" that could be anything from jewelry to priceless works of art, although Shlaen didn't specify. In another job he worked for a Japanese company communicating with foreign companies that were keen on entering the high-end market of the Land of the Rising Sun.

"It was from those years that I built my credibility and contacts, and helped me move to Hong Kong in 2001 after I formed Panache," he says.

SEEING THE TRENDS

When Shlaen relocated again, to Singapore – which he calls the "Manhattan of Asia" – he embellished his credibility by predicting that the Lion City's property market would make a "V-shaped recovery" and boom after the global financial crisis, against the advice of many so-called experts.

He believed in Singapore's high upside and proved to be spot on with his predictions, which he published in the regional property magazines. That's when he was hailed as a "luxury expert" and got regular interviews from Channel News Asia, apart from regular invites to discussions on the real estate and investment industries in Singapore and around the region.

"There are only a few good investment companies and wealthy houses watching the (Asian) region, and I'm doing my own investments as well, I'm not just a middleman," Shlaen explains. "I take the point of view of the experts, not the 'socialites' in Singapore and Hong Kong."

Making his second visit to Manila this year, he has a feeling that the Philippines is the up-and-coming player in Southeast Asia. "Your country has been known as always a laggard, but the ascent is real, and there is opportunity in the secondary cities with upside (for investors)," Shlaen says.

He thinks the Philippines is still "way over-centralized" with the focus on Metro Manila, but even a slight change to government policies would create "enormous upside in investments" and investors possibly earning in double-digit percentages.

For comparison, "in Singapore, a 3% return is OK" because the Lion City is "very attractive with its big money and stability," notes Shlaen. "Singapore

and Hong Kong have strong regulatory measures that make sure their economies do not overheat."

There is an opportunity for the Philippines, however, to pick up some of the investment outflows from Singapore and Hong Kong, especially in the property markets. "All will love the property market, as in general more people in Asia have more money (to spend)," Shlaen says.

High net worth individuals have been looking for "trophy properties" in the Philippines – some have been reported to buy whole islands for \$25 million, for instance – but for this market to expand, Shlaen says a lot of the issues in the

country have to be resolved, like power and electricity, water supply and good roads and infrastructure.

"The logistics and infrastructure are still missing" in the Philippines, says Shlaen, which is why the HNWI have preferred to invest in, say, Indonesia and Thailand, where they could hop on a plane from Singapore and Thailand "and be at their \$24-million villa in Phuket in two hours, like Jackie Chan does."

Still, the surge of investments into the Philippines is a good sign. "It's a chance for the country to get some real foreign investors, and any positive views about the country should go viral," he says. "Our duties as investors is to filter the information, connoisseur investors like myself."

At the end of it all, Shlaen says luxury investors look for "everything good and authentic," and that investors in general "look at things differently." They look for personal inspiration, quality with value, and superior quality control, or else "they don't pay a penny extra" for their purchases. So says Alexander Karolik Shlaen, the Prince of Panache. ■

