

# From getting a golden handshake by a real estate magnate to financing a construction project on Møn worth DKK 1bn

**John Bengt Møller has worked with some of the most daring and colourful individuals in the real estate industry. Møller, a Dane residing abroad, assured EjendomsWatch that he is able to finance a new holiday park on the Danish island of Møn, despite the fact that he walked out on a major purchase agreement in March.**

Who's John Bengt Møller?

The 59-year-old businessman has lived a quiet life beyond Denmark's borders and the media spotlight and has - as he tells it - amassed a fortune through real estate development and investments around the world.

Now, Møller has launched a holiday home project on the island of Møn with a DKK 1bn budget. In so doing, the expat Dane is returning to his native country - figuratively speaking, at least. In an e-mail response to EjendomsWatch, he articulated it thusly:

"I'm certainly very fond of Denmark, but my wife is from Spain and has no attachment to Denmark. That's also why I have no plans to return," wrote Møller.

## **A Funen native with an eye for the world beyond Denmark**

John Bengt Møller was born in 1960 in the city of Ringe on the Danish island of Funen and raised in Nyborg. He graduated with a degree in economics from Copenhagen Business

School and began his career at the Industrialization Fund for Developing Countries (IFU) in 1980.

“In the old days, we referred to it as ‘the Coffee Fund’. Essentially, the VAT charged by the Danish government on imported coffee would be funneled back to developing countries to do some good,” explained Møller.

## **“I was given a really, really big cheque and five minutes to leave the office”**

JOHN BENGT MØLLER, REAL ESTATE DEVELOPER

"The title of my position there was ‘Investment Officer’, which sounded quite fancy. In reality, though, I was just the person taking the minutes at all the meetings with the investors who had business dealings in the developing countries, with IFU as their investment and business partner, while I also carried out minor assignments for IFU’s section heads,” said Møller.

However, Møller had higher ambitions for himself, and so in late 1983, the 23-year-old Dane left IFU and moved to Ecuador, working with a number of Danish companies.

### **Acquired a South American division from a bankrupt company**

During his time in Ecuador, Møller received an offer to head the South America division for the construction company Flexplan in early 1984. Flexplan was owned by the colourful real estate magnate Jørgen Olsen.

Thanks to a number of risky construction projects that failed to pan out, Olsen would first be blamed for dragging the bank Kronebanken into bankruptcy and, several years later, Roskilde Bank. However, Møller has a more flattering recollection of the man.

“[He was] a great businessman with a visionary and skillful approach to business and who was well underway with some interesting projects in Denmark and Africa,” he said.



Jørgen "Flexplan" Olsen's bold construction projects contributed to Kronebanken announcing in December 1984 that they were in dire straits. The bank had outstanding loans and guarantees with the Flexplan Group amounting to over DKK 600 million. Photo: Lars Hansen/Ritzau Scanpix

When the Flexplan Group later ran into financial problems, Møller eyed an opportunity to acquire the South American division from the insolvent estate, after which he sold all the contracts to a US-based company.

"I earned a pretty penny on that, and ever since then I've worked with real estate and finance," said Møller.

### **Fired by real estate magnate**

In 1985, Møller was contacted by yet another colourful real estate magnate by the name of Kay Wilhelmsen, who became a national celebrity in 1982 when he declared bankruptcy and left the banks Privatbanken and Provinsbanken with a total loss of DKK 200 million on their books. Together, they started Kay Wilhelmsen Overseas A/S in 1986, and Møller bought one third of the company's shares.

"Kay Wilhelmsen Overseas was a tremendous success. We built office properties around Liverpool Street Station as well as in Aldgate and made a lot of money," said Møller.

Liquidity, however, eventually became an issue for the Wilhelmsen Group. According to Møller, it was because Wilhelmsen wanted to invest in Gibraltar, believing that it would become the next global finance hub following the handover of Hong Kong to China.

"However, I couldn't see any future at all in which Gibraltar, with its infrastructure and opposition from Spain, would ever be able to serve as a finance hub," said Møller.



Wilhelmsen was accused of fraud by cheque when he went bankrupt in 1982. However, the court withdrew the case against him in 1986. Photo: Jacob Maarbjerg/Ritzau Scanpix

Their disagreements led to Møller, who at the time was head of the British division of Kay Wilhelmsen, suggesting to buy out his partner. That proposal was not well-received back in Denmark, however.

“It resulted in my dismissal as CEO. So I was given a really, really big cheque and five minutes to leave the office,” said Møller.

“It was 16 October 1989, and I’d just turned 29 three days before. I went from being a very successful individual having a great time constructing fun buildings in the UK to suddenly being in a situation where I had a lot of money, but no job.”

### **Giant deal fell through**

Since then, Møller has worked with a number of international companies in, for example, Germany and the UK. He founded the holding company Great Global Holdings, GGH, based in London, through which he has been involved with real estate development and financing all over the world, Møller told EjendomsWatch.

At the end of 2019, he entered into a GBP 38 million **purchasing agreement** for the real estate consultancy Lambert Smith Hampton, LSH, which has 39 offices in the UK and Ireland and roughly 1,300 employees.

But in **March**, the seller - Countrywide, one of the biggest real estate firms in the UK - announced that the deal had been dropped because “Mr. Møller failed to complete the transaction” after postponing the deadline more than once. Countrywide also stated that it was “contemplating its legal options to pursue Mr. Møller for damages and costs.”

The news agency **Reuters** quoted Møller as saying that “the delay is a result of several regulatory compliance challenges, which are outside our control” and that he still wished to complete the deal.

### **New circumstances due to Covid-19**

However, Møller told EjendomsWatch that the reason for the delay was the global Covid-19 pandemic, which meant that the “calculation upon which the acquisition was based has changed significantly from the deal we originally signed in November 2019.”

“Initially, the plan behind the acquisition of LSH was to modernise the existing business processes and get the company listed within the next five years, and unfortunately, those plans are no longer realistic due to Covid-19,” said Møller.

## **“The company (...) is contemplating its legal options to pursue Mr. Møller for damages and costs arising from continued delay of completion”**

### COUNTRYWIDE STATEMENT ON THE FAILED SALE OF LSH

“To us, other aspects of LSH remain an immensely interesting business, and GGH is still willing to acquire the group provided that the terms reflect the current economic situation,” he added.

He also rejected the notion that Countrywide had any intentions of pursuing a case against him due to the failed deal.

“Because both parties agree that the circumstances of the acquisition of LSH have completely changed, I can’t see what the background for such legal action would be. Nor has any suit been filed,” said Møller.

### **Able to finance a Møn project**

Møller therefore also rejected the notion that the reason the deal did not go through was because he was unable to secure financing for the acquisition. He noted that deals of this nature are not started up or entered into without proof of funds, meaning that the buyer must be able to prove that they have the money.

“It’s a firm requirement prior to entering deals of that magnitude, as the costs for due diligence can obviously end up being very significant if the deal falls through,” said Møller.

Therefore, he stressed, there would be no issues with financing the holiday park project on Møn - a billion-kroner endeavour - written about by EjendomsWatch earlier on Friday and which he is developing in partnership with the architectural firm Schmidt Hammer Lassen and consulting engineering company Niras.

“LSH is one of Europe’s biggest transactors, administrators and developers of commercial real estate, a sector which was hit particularly hard - and will continue to be hit particularly hard - by Covid-19, as many people will now prefer working from home. Møns Klint Feriepark is an entirely different matter, and as said, we are perfectly able to finance the project ourselves,” said Møller.