

“We believe in the strength of the British economy”

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The three Chermoni brothers believe in revenue yielding property, in Israel and in the United Kingdom, with the emphasis on the United Kingdom – there, together with businessman Jacob Engel, they own more than twenty properties, and, as far as they are concerned, they are going to stay there for the long haul.

The brothers, sons of businessman Hezi Chermoni (Chairman of the family business, together with his wife, Zophy), refuse to get excited by the jolts and jerks in the British Isles’ local market, and believe that, given time, the Brexit crisis will be solved, and the British economy will come out of it, stronger. So, now, of all times, is the ideal time for property investments in London, the capital, and the satellite towns that encircle it.



Photo: Alex Pergmant

Ronen Chermoni

Age and family status: 46, married with four children

Lives: Savyon

Education: BA in business administration

Noam Chermoni

Age and family status: 41, married with four children

Lives: Savyon

Education: BA in business administration

Gilad Chermoni

Age and family status: 34, married with two children

Lives: Savyon

Education: First and second degrees in law, from the Herzliya Interdisciplinary Centre

The inspiration for the property activity comes from the father, Hezi Chermoni, who founded Ronogil Investments Ltd. Almost twenty years ago (the company name, if anyone is wondering, is built from the beginnings of the brothers' names). The power in managing the joint business has been divided very neatly, between the brothers : Noam is the CFO, in charge of all the company's financial activity, including the management of the portfolio of debentures and more complex debt instruments, which are managed in a responsible fashion with a policy of diverting the company's excess liquidity to property activity. Ronen, the eldest, is in charge of the property activity in London, and Gilad is in charge of the property investment in Israel.

Ronen, the eldest brother says: "The company, Z. C. Ronogil Investments Ltd., is a family company, founded in 2002 and active since 2007. We started our activity in India, where we were concentrated until about 2010. We started off by representing companies in the field of military communications, but we quite quickly moved into the world of property. We moved into a number of positions with deals that combined commercial and residential property. However, when the crises of 2008 – 2009 began, we slowly decided to get out of the market. From 2010, we decided to concentrate on investment in revenue yielding property in Israel, and, at the same time, we looked for another geographical area, in the world, where we could concentrate on the property market, after we leave Asia. At first, we thought of New York, but we came to the conclusion that the market, there was too big. In the end, we decided to focus on England, and since 2012 we're there, together with our partner, Jacob Engel, who was also a partner in our property activity in Asia".

250 million pounds of property

The relative geographical proximity to Israel was a key point, of great importance, in the decision to invest in the U.K. Additional factors were an independent currency, the language and the English law, especially in light of the fact that the local legal system favours property owners and the system of rental buildings is friendly to tenants.

"Our initial investments were outside London. When we found attractive returns of 8 – 9% in satellite cities such as Liverpool, Newcastle, Manchester and Leeds. The investments were in properties with long-term rentals of over ten years, with tenants graded 5A, such as banks and insurance companies. The tenants were entirely responsible for the management of the buildings, based on a contract and "Full Repairing Insurance", says Ronen.

"Our betterment comes to light in the increase of rental prices and upgrading of the tenants by organised processes of market analysis" adds the youngest brother, Gilad. "In time, we

had our finger on the pulse and identified the right time to go into London itself”.

Today, seven years after starting out in the U.K., Z. C. Ronogil’s British property portfolio stands at two hundred and fifty million pounds (in conjunction with the investor, Jacob Engel), where approximately 50% of the portfolio is property outside London and 50% inside the capital. The majority are office blocks, but there is also a data centre and, also, a number of retail properties in neighbourhood centres, which the brothers describe as “Internet proof, not vulnerable to the on-line market: restaurants, beauty parlours, gymnasia, yoga clubs –providers of services which the residents consume, irrespective of technological developments”.

Today, the company’s activity concentrates on locating buildings for investment, in London itself, which they can upgrade and maximise the revenue. Furthermore, the brothers add, 2018 was a record year for investment in England, through making the most of the political reality.

The magic is embedded in the family atmosphere

Z.C. Ronogil is a private company, which, as has already been said, invests most of its money in cooperation with Jacob Engel, but, recently has also invested together with the Shamrock Fund and Harbor Funds. Contrary to other formal organisations that operate with members of the board of directors that come from different backgrounds, the company’s magic is embedded in the family atmosphere, that allows the three brothers and their parents to gather around one table and to discuss possible investment and purchases, freely and informally.

In the words of Noam, “Together, we make sure that each one of us has his own area of responsibility, but strategic decisions are, of course, taken together”. There is one place where the business does not go: Family dinners on Friday night; then, the family gets together in full force, with their partners and children.



The first to join the family business was the eldest son, Ronen, who was recruited for the task, by his father, Chezi. In his footsteps followed the other two brothers.” The secret in preserving a family business is found in our professional ability to take joint decisions, but also to focus on areas to us, and not to get side-tracked into one-off deals in geographic regions in which we have no control or knowledge”, says Ronen and goes on: “The advantage that our company has over the competition lies in our liquidity, in the speed and the efficiency with which the business is run, and our good commercial connections that have been made in the markets in which we work. The next stage is to increase the size of our business with transactions that gradually grow in size and become riskier”.

Against all expectations, an opportunity to invest now

As stated, the Chermoni brothers are great believers in the British economy, despite its current stormy period. “Other people look at Brexit with apprehension. From where we are standing, we do not see the paralysis that others describe, but the opposite – we have identified a buyer’s market, with the opportunity to invest now, and realisation in the region of 4% after the market will have calmed down and stabilised, with a view of five or more years”, they say.

In their opinion, “In any event there will be stability, both if Brexit is cancelled and, also, with the realisation of the appraisal that there will be a compromise with a Soft Brexit. True, in the next two to three years the unrest will continue, but after Brexit, with new trade agreements and the restoration of stability, the market will return to normal, Sterling will go up, and the U.K. will return to distinguishing itself as a strong economy”. Noam: “In our opinion, the U.K. is better off without the European Union. For example, you can see, today, that Europe’s central bank, by itself, is holding the debts of France and Italy. At the end of

the day, we can see England as a super-power, not as a little island that can be ignored. In my view, for managing our cash-flow, and the risks facing us, our property activity is vitally important and is an integral part”.

Gilad, the youngest brother, clarifies: “We are in a marathon, not a sprint. All our activity is characterised by maintaining high liquidity, in order to allow us to act quickly when we identify an opportunity. In both markets, it is very important to us to identify the right opportunities, which will prove themselves in the long run. Financially, we are very resistant, and so, we intend to take advantage of Brexit to find more investment opportunities. Moreover, in Israel we currently have investments in a number of properties and intend to make more purchases, to the value of NIS 200,000,000”.