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NEWS

ANALYSIS

MARKETS

PROFESSIONAL

L&G science park investment **p4** Mark Carne interview **p26** Cambridge supply shortage **p37** Business rates rule change **p47**
InterContinental London deal **p5** Warsaw rising **p30** Bond Street redevelopment **p38** Brexit and rent reviews **p49**

King-size offer for top London hotel

■ A Saudi royal family member is formalising a £1bn bid for Grosvenor House plus two New York City hotels

BY RICHARD WILLIAMS

A member of the Saudi royal family is lining up a sensational £1bn bid to buy the landmark Grosvenor House hotel in London's Mayfair along with two New York hotels from India's Sahara Group.

A consortium made up of the family office of the royal family member and 3 Associates is close to formalising the all-equity offer, which values the Park Lane hotel (pictured) at £600m - making it the biggest single hotel deal ever in the UK.

It is also sounding out Sahara over deals for the New York Plaza hotel, formerly owned by US presidential hopeful Donald Trump, and The Dream Hotel, also in New York City, at £240m and £160m respectively.

The sale of Grosvenor House, which boasts 420 rooms, 74 suites, 27 meeting rooms and one of the largest five-star ballrooms in Europe, has been touted for more than a year after Sahara Grosvenor House Hospitality, a subsidiary of Sahara, was placed into administration.

Sahara's billionaire founder Subrata Roy is contemplating the sale of the three prized hotel assets in part to pay a £1bn bail bond placed on him by the Indian Supreme Court.

Roy has been in jail for just over two years charged with contempt of court after he failed to return more than 370bn rupees (£3.8bn) to investors who were sold illegal bonds - a charge he denies.

Earlier this year, it was revealed that Sahara



ARCHIMAGE/ALAMY

was close to doing a deal with the state of Qatar for Grosvenor House, but it is understood the deal collapsed.

The Saudi royal family member and 3 Associates have engaged Knight Frank to facilitate the bid and are preparing a formal offer through the Supreme Court in India, which is administering the sale of Sahara assets to pay investors back.

It is thought the consortium has agreed a deal in principle with a well-known New York family to sell on the New York Plaza and The Dream Hotel if it is successful with the purchase.

Sahara bought Grosvenor House, operated by Marriott International, in 2010 for £470m

in what was the largest London hotel deal on record, although it fell short of the £600m-£700m price tag that was being talked about at the time.

The Saudis are not the only party interested in acquiring the hotel. The billionaire Reuben brothers, David and Simon, took over the senior debt on Grosvenor House from the Bank of China last year with a view to taking ownership of the hotel.

Last year, British property developer and financier Kane Capital Partners and US investment bank Madison Capital Holding separately submitted applications in the Supreme Court to buy the properties in London and New York but they were rebuffed by Sahara.