

## **JOINT VENTURE DEVELOPERS GROSVENOR AND THE HONGKONG AND SHANGHAI HOTELS, LIMITED (HSH) CHANGE THE STRUCTURE OF THEIR PARTNERSHIP TO DELIVER THE PENINSULA LONDON**

### **[SIMULTANEOUS RELEASE IN LONDON AND HONG KONG]**

**26 July 2016, London;** joint venture developers Grosvenor and The Hongkong and Shanghai Hotels, Limited (HSH) have agreed heads of terms to change the structure of their 50:50 joint venture partnership to a pure landlord and tenant relationship to deliver the development (which includes The Peninsula London hotel) at 1-5 Grosvenor Place, Hyde Park Corner, Belgravia in central London.

Grosvenor and HSH have mutually agreed on a revised approach to deliver The Peninsula London, with HSH assuming 100% ownership and full responsibility for all project activity, while Grosvenor continues its role as freeholder of the site.

The new structure allows HSH to have full responsibility for the development of the hotel and residential apartments, ensuring the highest levels of quality and brand consistent with its ten highly acclaimed Peninsula Hotels around the world. Grosvenor's role as freeholder of the site will secure a long-term, sustainable rental income from the hotel and release value early from the project to reinvest into its London estate development programme and support its wider development aspirations.

- Instead of a 50-50 joint venture partnership, HSH will assume 100% ownership of the project.
- Grosvenor will remain the freeholder and the landlord.
- Grosvenor will secure a long-term, sustainable rental income from the hotel and release value early from the project
- HSH will have full responsibility and control for The Peninsula London project and will be entitled to 100% of the proceeds from the future sales of the residential units in the project and the profits of the hotel.

**Clement Kwok, Managing Director and Chief Executive Officer of The Hongkong and Shanghai Hotels, Limited said:**

“This reflects our commitment to the long-term, as well as our firm belief in the future potential of The Peninsula London. We are pleased to have worked with Grosvenor and our consultants to achieve planning for this project. As an owner-operator, we are experienced in delivering exceptionally high quality assets that become legends in their time. We are excited to move ahead with the next phase of development, which we believe will ultimately benefit London’s tourism industry as well as provide enhanced services and attractions for the local community.”

**Peter Vernon, Chief Executive Officer at Grosvenor Britain & Ireland said:**

“I very much look forward to seeing the hotel flourish and thrive within the existing communities of Belgravia. The project team has achieved great success in designing and securing planning for a new London landmark that will bring investment and employment to this part of the West End.

“The agreement reached with our partner enables us to secure long term income from this world class hotel at the gateway to Belgravia, stimulate an exciting place-making opportunity by replacing out-of-date buildings with outstanding world class architecture and release value early from the project. This will enable Grosvenor to reinvest into our London estate to ensure it remains a great place to live, work and visit as well as support our wider development aspirations.”

The partners secured planning permission in December 2015 to replace the existing 1950s and 1960s offices with a high-quality hotel and residential apartments designed by British-based Hopkins Architects.

HSH aims to start construction in summer 2017, with completion due in 2021. Research by Volterra suggests the scheme will support over 2,000 jobs and deliver up to £60m to the London economy annually.

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Computer generated images of the proposed building are available on request.

## **Background on the development**

The new development will replace the existing 1950s and 1960s offices with a high-quality hotel and residential apartments designed by British-based Hopkins Architects. In addition to circa 190 guestrooms and a spa, The Peninsula London hotel will include shops, bars, restaurants and a ballroom. The design is inspired by the area's heritage, befitting one of London's most celebrated addresses. A grand pedestrian entrance on Grosvenor Place will be accessed from a colonnade linking through the Lobby to a 'Palazzo-style' courtyard, approximately 30 x 30 metres in size, which offers the facility for off-road vehicular access and concealed drop-off from Grosvenor Crescent.

Plans also include 24-28 residential apartments with their own leisure and spa facilities and separate entrance on Halkin Street. Separately, 23 intermediate affordable homes will be built nearby on Grosvenor's London estate, adding to the housing supply and diversity of the area.

Plans also include improved public spaces in Grosvenor Place, Halkin Street and Grosvenor Crescent, with wider footpaths and new trees planted along Halkin Street and Grosvenor Crescent. Working alongside Westminster City Council and TfL, the scheme also hopes to improve pedestrian access across Grosvenor Crescent and Grosvenor Place. The improved public areas are designed by BDP, a major international practice of architects, designers and engineers.

### **For more information please contact:**

Naomi Curtis, Head of Media Relations, Grosvenor Britain & Ireland: 020 7312 6479 / [naomi.curtis@grosvenor.com](mailto:naomi.curtis@grosvenor.com)

Lynne Mulholland, Director, Corporate Affairs, The Hongkong and Shanghai Hotels, Limited

T: +852 28407152 or +852 67188219 / [lynnemulholland@peninsula.com](mailto:lynnemulholland@peninsula.com)

### **About Grosvenor Britain & Ireland**

Grosvenor Britain & Ireland creates and manages high-quality neighbourhoods across the UK and Ireland. The company's diverse property development, management and investment portfolio includes Grosvenor's London estate, comprising 300 acres of Mayfair and Belgravia, in which it has a £1bn planned investment programme. Other developments include elsewhere in London, Oxford, Cambridge, Edinburgh and Southampton. As at 31 December 2015, Grosvenor Britain & Ireland had £5.7bn of assets under management.

Grosvenor Britain & Ireland is part of Grosvenor Group, a privately owned property group active in some of the world's most dynamic cities.

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### **About The Hongkong and Shanghai Hotels, Limited**

Incorporated in 1866 and listed on the Hong Kong Stock Exchange (00045), The Hongkong and Shanghai Hotels, Limited is the holding company of a Group which is engaged in the ownership, development, and management of prestigious hotels and

commercial and residential properties in key locations in Asia, the United States and Europe, as well as the provision of tourism and leisure, club management and other services. The Peninsula Hotels portfolio comprises The Peninsula Hong Kong, The Peninsula Shanghai, The Peninsula Beijing, The Peninsula Tokyo, The Peninsula Bangkok, The Peninsula Manila, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, and The Peninsula Paris. Projects under development include The Peninsula London, The Peninsula Istanbul and The Peninsula Yangon. The property portfolio of the Group includes The Repulse Bay Complex, The Peak Tower and St. John's Building in Hong Kong; The Landmark in Ho Chi Minh City, Vietnam; 1-5 Grosvenor Place in London, UK, and 21 avenue Kléber in Paris, France. The clubs and services portfolio of the Group includes The Peak Tram in Hong Kong; Thai Country Club in Bangkok, Thailand; Quail Lodge & Golf Club in Carmel, California; Peninsula Clubs and Consultancy Services, Peninsula Merchandising, and Tai Pan Laundry in Hong Kong.

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