



Patron Capital steps into the Olympic circle

REAL ESTATE

Buy-out group plan for London hotels

By Daniel Thomas,
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Patron Capital, the European private equity group, has bought two flagship hotel developments overlooking the 2012 Olympic Park from Westfield, the Australian property company.

Patron, which owns businesses in the UK such as Powerleague, the five-a-side football centre operator, anticipates strong demand from tourist and business visitors to the area even after the Olympic games finish given the wider scale of the development in the area. The two hotels are near the centre of Westfield's large retail and leisure development, which opens in September and will become the gateway to the Olympic Park.

Patron has agreed to acquire from Westfield the long-term leasehold right and subsequently enter into a turnkey development agreement for the delivery of the two hotels in Stratford, east London.

The deal, which is expected to be announced in Australia on Monday, is

understood to reflect a price of close to £50m. There will be a total of 350 hotel rooms as well as restaurants and conference facilities.

The two hotels will be branded as Holiday Inn and Staybridge Suites, and will open before the Olympic Games. Holiday Inn is a sponsor of the London 2012 Olympic Games. The hotels will be operated by a Patron partnership, under a franchise agreement with Intercontinental Hotels Group.

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The Westfield Stratford City development comprises 1.9m sq ft of retail and leisure, 1.1m sq ft of offices and homes and community facilities. The first office development, the 130,000 sq ft Stratford Place which opens before the Olympic Games, is near the new hotels.

Patron said that the hotels, which sit on the route into the Olympic Park, were suited to both

leisure and business guests also given proximity to the new International Station at Stratford.

Josh Wyatt, director of hospitality at Patron Capital, said: "The project represents a prime opportunity to own and operate a large scale hotel scheme in London. East London is set to become a major new centre for business and retail, which should receive global attention in 2012."

John Burton, director of Westfield Stratford City, said: "By introducing a new concept to London, the hotels will complement the next generation of retail, dining, leisure, office, entertainment and residential space we are developing at Stratford."

Patron Capital is an investment fund manager representing about €1.7bn (£1.4bn) of capital across several funds and related partnerships, with investments including Generator Hostels and Manchester Arena Complex.

Investors represent a variety of universities, major institutions, private foundations, and wealthy individuals located throughout North America and Europe. To date, the funds have a consolidated investment performance of 52 per cent internal rate of return.

