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Business

Russians' new club venture that may have tunnel vision

Peter Bill



ON PROPERTY

MEMBERS of White's will be interested to know their 233-year-old clubhouse at 37-38 St James's Street may once have been linked by a secret tunnel to a far-less-esteemed establishment. This delicious possibility was revealed to Luca Del Bono, 38, an utterly charming Anglo-Italian, who is buying 50 St James for his anonymous Russian partners.

This week Westminster council approved plans allowing Del Bono to convert the 185-year-old building opposite White's into a members' club, spa, 14-bed hotel, plus a couple of public restaurants. William Croxford built the place in 1827 and used it as an illegal gaming den for 40 years. A den with a built-in escape route.

The Russians are paying about £75 million for 50 St James, which was a legal gaming house between 1999 and 2009, before closing. But senior members of White's will remember it as the Devonshire Club, which closed in 1976 after 108 years. Conversion back to a club will start after the Olympics, when the deal completes.

Financier Sir Mark Weinberg and Del Bono's friend, Tom Parker Bowles, have joined the nascent club's committee. Meanwhile Del Bono inhabits the top floor of the grand and empty



Great escape?
Tom Parker Bowles has joined the committee of the club, which will be opposite White's, pictured



spaces, using his time to refine the plans and seek other freehold real estate in Mayfair and Knightsbridge for his Russian backers.

No, he won't say who they are. But he

does say they are rich enough to have tried to buy Harrods, before the Qataris paid £1.5 billion 18 months ago. So the £25 million conversion cost should be no problem. Meanwhile Del Bono is

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making them feel at home by opening a Russian restaurant, Mari Vanna, in Knightsbridge.

This son of an Italian hotelier has been working his way towards property for 15 years via the hospitality sector, acting as an adviser to W Hotels and London clubs like Annabel's, George and Morton's. In 2000 he helped found Quintessentially, a service that tends to the multifarious needs of the rich.

Property proper began two years ago with the setting-up of Del Bono & Partners. Since then, various restaurants and bars have been bought on behalf of investors. But 50 St James is the big one. At the last moment, as contracts were about to be exchanged the previous owner let Del Bono into a secret.

In the basement of 50 St James a tunnel was found, which the seller swore led to White's.

A legal nightmare loomed if anyone found out. So, the entrance was secretly bricked up. Nothing has been said to this day. This might not be so fanciful as it sounds.

A history of the Devonshire Club, published in 1919, discloses that, "tradition has it that from this cockpit a bolt-hole existed with an exit into an adjacent and convenient spot". Where more convenient that White's? Perhaps one brave member could totter downstairs and check?

Hines has high hopes of new tenants at Cannon Street

US developer Hines will next week announce that the top floor of its eight-storey, 400,000 square foot development over Cannon Street station have been let - fingers crossed.

The deal with an unnamed financial institution is not quite sealed. Two further floors to a single tenant may also be let. There is nervousness in the City agency community, as no big deals have been signed for ages. This has sparked rumours of a rift between Hines and its Russian partners.

Kirill Pisarev and Yuri Zhukov, who founded developer PIK, invested £110 million in the £400 million scheme in early 2008. Somebody else is running PIK these days, but Pisarev and Zhukov still have an interest in Cannon Place. As does German bank HSH Nordbank, which gave

£300 million in 2008 to finance construction.

Since then refinancings have altered the levels of debt and required Hines and the Russians to put up more equity.

But HSH is apparently not concerned about the current mortgage on Cannon Street. Neither, apparently, is Hines. Project director Mark Swetman came over as pretty relaxed when asked to comment.

"I can confirm that we are in negotiations with several parties to take up to three of the eight floors at Cannon Place," he said.

"Securing these occupiers would be great news for Cannon Place and for Hines. These lettings would also be a great fillip for the City, which has mostly endured downbeat news recently." Indeed Mark, indeed.



Investment:
Kirill Pisarev

Swedes rush in where Barratt fears to tread...

SWEDISH builder Skanska held a party at the Design Museum this week to celebrate a drive to build thousands of new homes in Britain. The £11 billion business has £400 million to spend on land and has just chosen six firms of architects to design the units.

Swedish store Ikea plans a £500 million housing drive, starting with 1200 new homes in Stratford, East London. Isn't it nice to see how well the Scandinavians have anticipated David Cameron's call on Monday to double the number of new homes in Britain to 200,000?

Just as well. For the PM can't count on Barratt and Taylor Wimpey. Both suffered near-death experiences in 2008, brought on by over-expansion. Neither is about to repeat the experience. "Maximizing value remains a higher priority than volume growth," says Taylor Wimpey.

Barratt's reaction to the launch of state guarantees for 95% mortgages was limited to a wheeze to boost its

sales database. "We are taking immediate action so customers can pre-register on our website." Can't they do that already?

■ ABOUT 120 of 2700 UK staff at property agent Jones Lang LaSalle face the axe. A £200 million summer takeover of smaller rival King Sturge left overlaps. But there's brighter news too. The former King Sturge residential sales team, led by Peter Murray, is doing well for JLL. About 2000 flats worth £1.5 billion have been sold off-plan in the first 10 months of this year, half of them in Hong Kong, Singapore and Malaysia. How will the world's second-largest agent benefit from these efforts? Nobody wants to say. But sales commission of 1.75% to 2% is perfectly normal - somewhere between £26 million and £30 million.

Peter Bill's archive
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Fuller's ready to enjoy some Games pride

Simon English

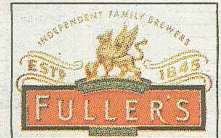
HAS Michael Turner got one of the best brands going when it comes to using the London Olympics to drive business?

The Fuller, Smith & Turner chairman certainly thinks so. "It's called London Pride," he deadpans, presenting strong half-year results this morning.

The beer and Fuller's well-looked-after pubs ought to do roaring trade during the games. They aren't doing too badly even now.

Sales are up 6% to £128 million, leading to a 5% rise in profits to £16.5 million. That allows Turner to lift the interim dividend 6% to 5.05p.

Fuller's missed out on a takeover deal earlier this year, seeing the



Capital Pub Company go to rival Greene King.

Turner said today that in general he preferred to pick up individual pubs rather than whole companies, and that there were more and more of the right sorts of properties becoming available.

"We have been able to find far more of the pubs we would want," he said.

Probe into Ryanair stake suspended

THE competition investigation into Ryanair's 30% stake in rival Irish carrier Aer Lingus was today suspended to allow the budget carrier to appeal against the probe.

The Office of Fair Trading started to challenge whether Ryanair's stake gave it "material influence" over the airline last October. But that was more than four years after the budget airline bought shares in Aer Lingus, and Ryanair successfully argued in the Court of Appeal that the OFT no longer had jurisdiction over the deal.

Judges ordered a stay of the OFT investigation until the Court of Appeal rules on the "out of time" issue, after a full hearing scheduled for next year.

Warhammer is a Workshop winner

FANTASY and futuristic wargames retailer Games Workshop today said that royalties it has earned in the last six months are significantly higher than it made a year ago.

Most of these come from its best-selling brands Warhammer and Warhammer 40000. The company added that its main core trading was performing in line with expectations.

The shares today rose by 7.5p to 412.5p.