

Hotel wars, below from left: Sir Rocco Forte owns Brown's, Prince Alwaleed has shares in The Savoy and the Sultan of Brunei owns The Dorchester



The room boom

London is in the middle of a hotel-building frenzy. But will there be enough guests to go round? **Dominic Midgley** checks out the competition

London hasn't seen anything like it since 1905. On 2 February of that year, the *Daily Express* ran the headline: 'London a city of hotels - metropolis becoming the pleasure resort of the world - demand for luxury hotels.' The article continued: 'At the moment there are six first-class hotels either being built or about to be built in London. Each of them will be a palace of luxury. The new Ritz is rising on the site of the old Walsingham House. The Piccadilly will occupy the site of the St James's Hotel. A new Gaiety Hotel has risen from the ashes of the old one; and close by there will be a London Waldorf-Astoria.'

A little over a century later, history is repeating itself as the capital's grand hotels enter a new golden age. Following a three-year, £200

million makeover, The Savoy will reopen its doors on 10 October. It will be the first of a series of extravagant launches over the coming months. The Four Seasons on Park Lane will reopen following a refurbishment costing £125 million. It will be joined early next year by the new 300-room Corinthia, currently taking shape in Whitehall on a budget of £270 million put up by the Malta-based Corinthia hotel group and its partners, the Libyan Foreign Investment Company and Nakheel Hotels of Dubai. These, plus last year's £70 million revamp of The Connaught and the new Diane von Furstenberg-designed suites at Claridge's, and two other launches, the £200 million W Hotel on Leicester Square and The Dorchester Collection's 45 Park Lane, mean that £1 billion will have been spent by London's grandest hotels in less than three years.

That sets the scene for an unprecedented turf war for the favours of the exotic princelings, Hollywood royalty and plutocratic businessmen who can afford to pay the stratospheric rates charged for these 'palaces of luxury'. It's a battle that pits some of the world's richest men against each other, except the weapons here are £10,000-a-night duplex suites with private elevators and complimentary chauffeured Rolls-Royces.

So we see the billionaire Barclay brothers (owners of The Ritz) vying with the fabulously rich Saudi Prince Alwaleed bin Talal (a major shareholder in The Savoy) and hotelier Sir Rocco Forte (Brown's) up against the Sultan of Brunei (The Dorchester). While the Goring family, owners of The Goring in Belgravia, have spent several millions over the past five years, working with David Linley and Nina



Left: artist's impression of the W Hotel on Leicester Square which is due to open next February

Campbell, and upgrading 20 bedrooms and the Royal Suite. 'It's the only five-star family-owned hotel in London that has been run by the same family for 100 years,' boasts the designer in charge of the revamp, Russell Sage. 'Going to The Goring is like going to Gosford Park.'

Some owners are more hands-on than others. While Prince Alwaleed is happy to leave the day-to-day running of The Savoy to the Fairmont group, the Barclay brothers are renowned for taking a very personal interest in their flagship. When a new general manager was required for The Ritz, it was Sir David and Sir Frederick who promoted the restaurant manager Stephen Boxall to run the show. Sir Rocco, who as the son of the Forte chain founder the late Lord Forte has hotel management in his genes, spends up to 300 days a year on the road at one or other of the hotels in The Rocco Forte Collection, the five-star chain he set up after losing a £3.9 billion takeover battle for his father's empire to Granada in 1995. His attention to detail is legendary. One observer recalls: 'If flowers are about to wilt or an ornate mirror is smeared, Sir Rocco will be there to call for a new bouquet or summon a chambermaid with Windolene.' As Sir Rocco says: 'This is a detail business and I like to think that I can spot a problem before it arises.' When a sleep coach complained about the hotel's mattresses, Sir Rocco promptly ordered one of the make he recommended and road-tested it at home.

The chips in the high-stakes game of poker that is the grand hotel market are the right guests such as Brad Pitt (Claridge's), Mariah Carey (The Dorchester), George Clooney (The Lanesborough), and Madonna (Mandarin Oriental), politicians such as Bill Clinton (The Ritz) and Arnold Schwarzenegger (The Lanesborough) and the captains of industry whose companies are prepared to pay top dollar. These are the customers who have the budget and inclination to take palatial – and profitable – suites, which are the hardest things

to shift when the world is still struggling to shake off the credit crunch. But they are also extremely demanding.

This is why suites are being ratcheted up to a new level of decadence. At The Dorchester, guests who take a top suite are offered a choice of a chauffeur-driven Rolls-Royce, Bentley or Jaguar – on the house. The £7,000-a-night Infinity Suite at The Langham not only has an infinity bath but a private entrance at street level and state-of-the-art security. In addition to its private elevator, the £10,000-a-night Royal Suite at the Corinthia will boast a 250sq m terrace with a view that takes in the London Eye, the Gherkin and St Paul's. And if you stay in a top suite at The Lanesborough, they will provide you with business cards bearing your suite's private number.

In the world of professional pampering, nothing is left to chance. The marble used in the Corinthia's bathrooms not only comes from Carrara, the same Italian quarry that supplied Michelangelo, but the hotel has a man on site who monitors the veining of the slabs sent to London to ensure that it is consistent.

Service is vital, too, and nothing is too much trouble. When the concierge at the Mandarin Oriental discovered that the wrong guest's luggage had been loaded on to a private jet recently, he got a message to the pilot who promptly turned the plane round. At The Lanesborough, when one guest objected to the round doorknobs on his suite, they were removed and replaced with lever-style handles.

It's an exacting and competitive world and yet international billionaires still battle for the ownership of London's prestige hotels. The bizarre tale of the unemployed lorry driver who was found guilty at Southwark Crown Court of attempting to pass himself off as a middleman for the Barclay brothers in a bid to sell The Ritz for £250 million illustrates that, despite the recession, five-star hotels have not lost their value. The price offered was £170 million more than the Barclays paid 15 years ago, but

nobody thought this extortionate.

Reports of The Ritz scam came shortly after news was leaked that the Qatar Investment Authority was one of six bidders looking to acquire the Grosvenor House Hotel on Park Lane. The Qataris are also said to be interested in taking a third share in The Savoy – despite the fact that its restoration is running 18 months late and £100 million over budget.

But why the recent pell-mell rate of expansion and refurbishment? Some attribute it to the Olympics. Sage, who is also designing Gordon Ramsay's revamped Savoy Grill, cites the current economic climate: 'A downturn is a good time for all this activity.' Originally built as an Edwardian restaurant, the Grill went on to become the most famous restaurant of the

1920s and 1930s and Sage's refit will include turtleshell, mohair, velvet, and antique mirrors. 'At virtually every table you can say Elizabeth Taylor sat here or Marilyn Monroe. We've kept all the furniture and reupholstered the same dining chairs where Winston Churchill sat. Money can't buy that.'

An estimated 18,000 new hotel rooms are set to become available between now and the summer of 2012, but the prospect of a three-week bonanza in two years' time does not explain the scale of this investment. Hotels typically refurbish their rooms every eight to ten years and a spate of renovations coinciding with a large number of launches creates a potential oversupply problem. As a result, websites are being translated into Mandarin, Cantonese and Arabic as hotels target new growth regions. At meetings of a little-known group called the West One Club there is talk of little else. Membership is restricted to 25 of the most clubbable West End general managers, who meet for lunch on the first Tuesday of each month to discuss issues of common interest.

It's because of the relationships nurtured at events such as this that if The Ritz runs out of anything from lobster to children's cots, it can always rely on Brown's or The Lanesborough to send some over to help it out of a scrape – and vice versa. But this bohemian relationship will come under strain as never before as London's five-star market enters its most competitive phase in living memory.

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New rooms with a view, from top: 45 Park Lane; the refurbished Four Seasons on Park Lane; the Corinthia's restaurant which will be run by chef Massimo Riccioli

