

Satinder Garcha ventures into hotels

New business will sprout from three assets in Singapore, one in Chile

By KAPLANA RASHIWALA [SINGAPORE] Satinder Garcha – best known for developing luxury landed homes on Sentosa Cove and Good Class Bungalows – is venturing into the high-end boutique hotels business.

This new enterprise will germinate from four properties he has clinched over the past two and a half years – the old City Hotel in a historic part of Santiago, Chile, and three others in Singapore: Berjaya Hotel in Duxton Road, Murray Terrace, and a row of six shophouses in Syed Alwi Road.

Garcha Hotels is the hotel management company he has minted, which will be separate from ownership of the assets which he controls.

Describing his decision to enter the hotels arena as a natural extension of his property development business, the 41-year-old said: "We've built a lot of beautiful buildings. But now we can run them in beautiful ways too. I look forward to creating a brand where we can add our soft skills to obviously the physical buildings."

He has no specific expansion targets, saying this will be driven by acquisitions. "The common thread running through all Garcha Hotels is passion for genuine old-world hospitality, cultural authenticity, aesthetics and a service-driven experience," says Mr Garcha when asked about the group's mission statement.

Like other hotel management companies, Garcha Hotels could in future manage hotels independently



Next change: Berjaya Hotel, which Mr Garcha recently bought for \$50m, will be renamed The Duxton on Aug 6 and refurbished next year before reopening as Blakes Singapore.

for third parties (without owning them). But for now, "we've got our hands full" with these four projects in fairly early stages.

In Santiago, he plans to restore the old City Hotel – described as a "grand dame" in its heydays – to its former glory. The property is located in the centre of Santiago in an area steeped in history. Work is scheduled to start later this year and Greystone Park – the proposed new name for the hotel – is slated to open its doors in early 2015. Mr Garcha declines to say how much he paid for the property, which he picked up in late 2010, but reveals that he could pump a further US\$40 million into this project.

Rates at the hotel's 64

suites (ranging from around 40-60 sq m) are expected to be US\$500-1,000 per night.

Berjaya Hotel, which Mr Garcha bought recently for \$50 million, will be renamed The Duxton on Aug 6 and continue running before it is temporarily shut probably in the second quarter of next year for a revamp. Works are likely to last around three to four months.

"We're going to change the style, flooring and furniture but the basic structure will be retained," explains Mr Garcha.

The revamp will see the existing 49 rooms and suites being retained. On completion of works, the hotel will begin trading as Blakes Singapore, styled af-

ter the famous Blakes in South Kensington, London. The latter was started in the late 1970s as one of the earliest luxury boutique hotels in the world by Anouska Hempel, a former actress turned hotelier and interior designer.

Offering a combination of luxury and discretion, Blakes Singapore will have the highest price point of the group's Singapore hotels, with room rates of \$500-plus per night, says Mr Garcha.

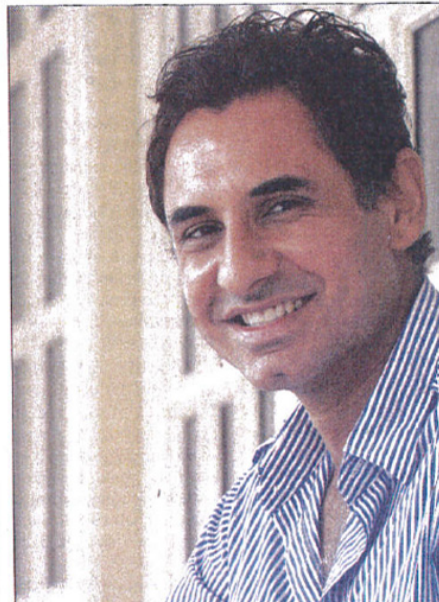
The group has roped in London-based Anouska Hempel Designs for Blakes Singapore and the Chile hotel.

For the Syed Alwi and Murray Terrace projects (internal architecture, concept and ID), Garcha Hotels has

engaged star French architect and decorator Jacques Garcia – who led the restoration efforts for the legendary Mamounia hotel in Marrakech, Morocco. He also designed the NoMad Hotel in New York and Hotels Costes in Paris.

"The commonality with all the hotels we're doing here in the boutique hotel space is that we're taking it to a different level in terms of design and getting world-class people like Jacques Garcia and Anouska Hempel," says Mr Garcha.

The Syed Alwi Road hotel – situated between Little India and Kampong Glam – will be positioned as an art-themed hotel proposed to be named The Vagabond. Works are scheduled



Differentiating factor: Summing up the themes for his three proposed Singapore hotels, Mr Garcha quips: "The differentiation is Syed Alwi will be 'arty', The Murray will be 'party' and Blakes is like 'snotty'". PHOTOS: ARTHUR LEE

to start in August, with the hotel's opening planned by end-2014. Having paid \$23 million for the six adjoining shophouses last year, Mr Garcha expects to spend a further sum of about \$12 million transforming the space into a hotel. It will have 36 rooms over the second and third levels in addition to four live-in-studios in the attic for artists-in-residence. The ground level space of about 8,000 sq ft will feature a Parisian-themed cafe/bar that will roast its own coffee beans on one end, and a restaurant serving Tapas-format Indian street food on the other. The space in between will be a flexible area that can be configured for various uses including art open-

ings, fashion shows and movie screenings.

"Am I an artist in hiding? No. Actually I got very inspired by the concept of the Swatch Art Peace Hotel in Shanghai, which I visited early last year."

"It struck me as a great environment to be with artists and I thought something like that could add a lot to the Singapore art scene."

The Vagabond's 36 rooms – which will average around 22-24 sq metres – are likely to be priced from \$250 to \$400 a night. Its four live-in studios will be larger at around 35-40 sq m, free for artists' stay. "They need not necessarily have to be painters; they could be sculptors, digital artists, etc." "We'll have

some sort of director of programming whose job will be to make sure every week, there'll be something going on like an opening, event or talk by an artist, a demonstration, a screening, etc."

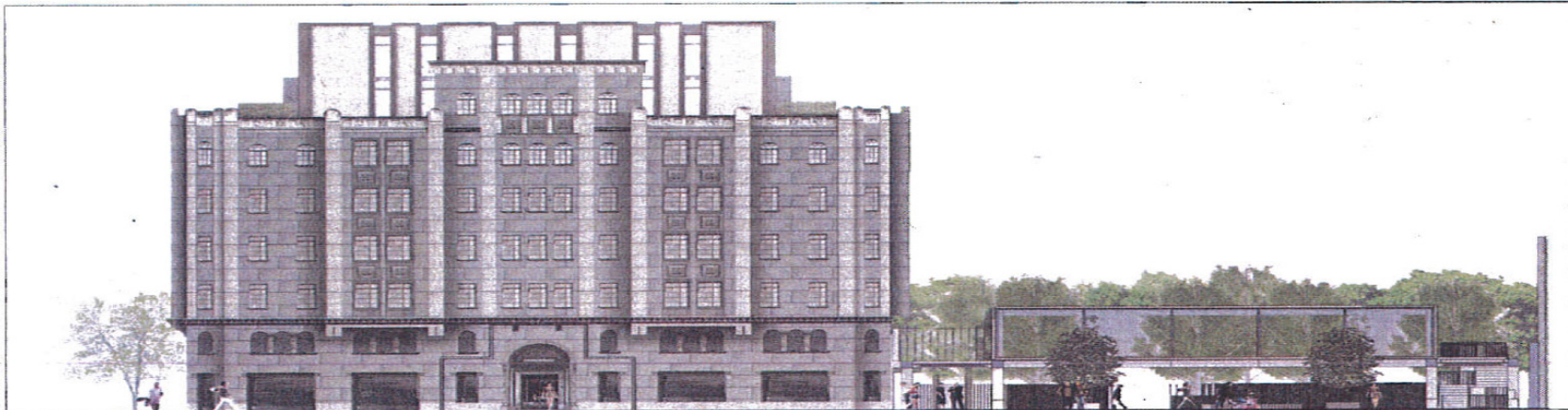
Mr Garcha is expecting a high proportion of leisure travellers at The Vagabond – "people who want to explore Singapore, what they call "deep-divers", people who want to stay in more ethnic areas, walk around and check out the original cultural scene".

Plans for Murray Terrace are furthest away as there are ongoing leases for the office tenants. "No dates have been fixed. We have applied (to Urban Redevelopment Authority) for a change of use to hotel." Subject to receiving this approval and after existing leases expire in 2015, the group will consider starting works to transform the building into The Murray, a 160-room hotel. To be positioned as a "party" hotel, the proposed scheme envisages an open-air pool being carved at the rear on ground level; this will be the centre of a live social scene, complementing a high-end lounge, restaurants and bars, says Mr Garcha.

He reckons he may invest around \$35 million into this project on top of the \$75 million he paid for the property last year. Rooms sizes (including suites) typically will range from 25-40 sq m and he hopes to charge \$350 to \$600/700 per night for them.

Summing up the themes for his three proposed Singapore hotels, Mr Garcha says: "The differentiation is Syed Alwi will be "arty", The Murray will be "party" and Blakes is like "snotty".

► **Historic Santiago building** – where it all started, page 28



Upscale: The old City Hotel located in the Chilean capital will be spruced up at a total cost of US\$40m and is likely to be renamed Greystone Park. PHOTO: ANOUSKA HEMPEL DESIGN 2013

Historic Santiago building – where it all started

By **KALPANA RASHIWALA** (SINGAPORE) Recounting the origin of his hotel venture in December 2010, Satinder Garcha says: "Funnily enough, it started in Santiago. I happened to be in Argentina playing polo. Never been to Chile, but I took a one-and-a-half hour flight to Santiago."

"We were shown this property which I thought the price was reasonable for what it was. And don't forget we were coming out of the (global) crisis. We bought it the same day."

Mr Garcha was describing how he clinched the old City Hotel property, which was built in the 1930s and has been described as a "grand dame" in its heyday. "This was like a hotbed where all the politicians used to hang out, the judges, lawyers, top business people. But over the years, it has deteriorated, so we're going to take it back to its old glory."

The property is located in the centre of Santiago in an area steeped in history – next to the Cathedral de Santiago and the Archbishop's Palace. It is also a stone's throw from the Plaza de Armas, old Congress Building and the Museum of Pre-Columbian Art. The Justice Ministry and Presidential Palace are a short distance away.

While Mr Garcha declines to say how much he paid for the freehold hotel from the family that had originally owned the property from the 1930s, he reveals that he expects to inject around US\$40 million to spruce up the asset.

Standing on the site of

about 20,000 sq ft are two existing five-storey buildings, which will be restored and extended upwards by two levels. The scheme also envisages construction on empty land at the rear of the site, going down to three basement levels – to house a 350-person ballroom, conference facilities, a theatre, spa, gym, and back-of-house functions.

On the mezzanine level of this rear site, there will be two elevated sections – a private-dining area (an extension of a signature restaurant housed in one of the two existing buildings) and a high-end bar. The rest of the grounds will be a landscaped garden area.

"In the summer, the garden will be a venue for events like wedding receptions, complementing the cathedral next door," says Mr Garcha.

This vacant land at the rear has been undergoing excavation by archaeologists for the past year, given the site's location in a historically sensitive area, said Mr Garcha. "Fortunately, they didn't find any serious ruins... one of the risks was that if they made any significant discovery, development work could be frozen for years as they would have to then excavate and investigate further."

Adjacent to this vacant land at the back of the hotel is a small public park for which the authorities have granted Garcha Hotels a long-term lease.

This will allow the group to create a new hotel entrance instead of the current street drop-off. With

access to this park area, "they have now allowed us to have a proper entrance and exit sequence – like a drive-in, drop-off and drive-out."

Mr Garcha highlights this to illustrate the widespread political support this project has received in Santiago as it will help rejuvenate the locale.

"I think we're finally going to start construction this August and be done by the end of next year, in time to open beginning 2015". Garcha Hotels has engaged London-based Anouska

short-term outlook for the Singapore tourism sector, Mr Garcha is taking a long-term position. "I don't think there's that much competition in the space we're coming in – the five-star boutique hotel space."

For now, hotels will become his "main core active business and everything else is essentially passive investments".

The string of luxury landed homes he has developed in Singapore under his Elevation Developments banner provide a steady

the real estate sphere, he reveals.

Born in New Delhi, Mr Garcha made his first fortune in Silicon Valley as co-founder of people.com, which he sold in 2000 at the height of the dotcom bubble. He moved to Singapore and started Elevation Development.

Asked to describe his business philosophy, the Singapore citizen says: "Firstly, I don't want to do anything in countries with no proper rule of law. Life is too short."

"But the key is to find – I won't say under-priced – but find value in "decent" countries, and then act upon it fast. Don't waste time, especially in real estate."

In addition to a portfolio of landed homes in Singapore, Mr Garcha owns a string of polo ponies around the world. Playing polo helps him with business. "If you have something else in life which you're quite passionate about, it gives you time to reflect and helps you to think clearer because if you are too immersed in something, you need to take a step back."

"And I think polo provides that sense of balance. So say I am in Argentina for six weeks and I'm playing a season there, by the time I come back I am very refreshed and have new ideas and see the world from a different perspective. It's a very competitive type of sport, polo. Also teaches you some lessons – there's strategy, there's fitness, balance."

"I think it provides great balance to business and definitely helps I think at least for me."

'Say I am in Argentina for six weeks playing a season (of polo), by the time I come back I am very refreshed and have new ideas and see the world from a different perspective.'

– Mr Garcha

Hempel Design for this project – for architecture (relating to the new-build components), concept and interior design.

Greystone Park – the name Mr Garcha has in mind for the hotel – will have 64 suites sized between 40 and 60 sq m which are likely to be priced at US\$500-1,000 per night, said Mr Garcha.

Besides the Santiago property, Mr Garcha has acquired three others in Singapore for his newly minted hotel business.

Despite the softer

stream of rental income. Earlier this year, Elevation completed The Green Collection – comprising 20 strata townhouses – on Sentosa Cove. A quarter of these have been leased. "It's turned out beautiful actually. Japanese landscape architect Masuno Shunmyo has done a wonderful job; definitely brought out the investment value. I can say it's one of the nicer projects on Sentosa Cove."

Outside Singapore, the 41-year-old is also invested in publicly traded companies and other private investments which are not in