



CHARACTER BUILDERS

The era of the grand London hotel with the owner's name above the door has long gone. Today's investors are often publicity-shy figures. But behind the silence are some colourful characters who have achieved success and wealth against all the odds. *Christian Sylt* reports

ILLUSTRATION BY JO MURPHY

◀ Today her son Asif looks after the hotels because, she explains, "I'm too old to work full-time now." Not that she needs to: her hard work has given her a fortune of £50m.

BAKIR COLA

One of London's most low-key owner-operators, Bakir Cola is a 62-year-old Kurd who came to the UK when Saddam Hussein took power in his native Iraq. His family business, Cola Holdings, owns the luxurious Westbury – the only hotel on Bond Street – the Kensington Close hotel and Kingsway Hall just off the Strand.

Cola is known for being a tough negotiator who is affable when you get to know him. "He is a straightforward guy. Knows what he wants and goes for it," says Charles Human, managing director of HVS Investment Services. Cola's success with hotels has been augmented by his skills at developing and trading property. "Buy cheap and sell at the right time" seems to have been his motto.

In 1999 Cola bought the 68-bedroom De Vere Park hotel, only to sell it two years later. He also built both Kingsway Hall and Harrington Hall, which he owned until April this year when it was sold to NH Hoteles for £49.6m. And to maximise value, he even redeveloped parts of his Kensington hotel into luxury flats after buying it from InterContinental Hotels Group for £70m in 2002.

He is still an active force in the industry, although his son Azad has also taken a director's role in the

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family company. Cola has been on the lookout for new properties – talks to buy the May Fair InterContinental in 2003 led to nothing when the hotel was snapped up by Radisson Edwardian. He has made his money, with £50m in the bank, and his shrewd management style gives Cola Holdings great margins: in 2004 it made a profit of £20.4m on sales of £39.8m.

RAMSEY MANKARIOUS

One of the hotel investment industry's brightest rising stars is 36-year-old Ramsey Mankarious, chief executive of Cedar Capital. Like César Ritz, whom Edward VIII famously described as "hotelier to kings and king of hoteliers", Mankarious made his name through royalty. His conquests include Paris's palatial George V and Geneva's oldest hotel, the Hotel des Bergues, which he bought for the world's fifth richest man, Prince Alwaleed bin Talal. Since setting up Cedar late last year, he has added Monaco's Grand hotel and London's Savoy to that list.

Mankarious's slick executive appearance reflects his formal training, first at HVS International, the hotel valuation and consulting firm, and, from 1995, as Alwaleed's



LONDON HOTEL OWNERSHIP

Hotel	Owner	Operator
Savoy	Prince Al-Waleed/HBOS	Fairmont
Claridge's	Quinlan Private	Maybourne Hotel Group
Ritz	Barclay brothers	Independent (marketing tie-up with Ritz-Carlton)
Waldorf	Royal Bank of Scotland	Hilton Group
Grosvenor House	Royal Bank of Scotland	Marriott (to be branded JW Marriott from mid-2007)
Dorchester	Sultan of Brunei	Dorchester Group
Metropolitan	BS Ong	Como Hotels and Resorts
Westbury	Cola family	Independent
Connaught	Quinlan Private	Maybourne Hotel Group
Berkeley	Quinlan Private	Maybourne Hotel Group
Mandarin Oriental	Mandarin Oriental	Mandarin Oriental
Langham	Great Eagle Holding	Langham International (Great Eagle's management company)
Lanesborough	Abu Dhabi Investment Authority and others	St Regis Hotels
Cumberland	Royal Bank of Scotland	Guoman Hotels (division of Thistle)
Great Eastern	Conran Holdings	Independent
Goring	Goring family	Independent
Royal Garden	Goodwood Group of Hotels	Independent

NB. Independent means that the hotel is operated independently by an entity set up by the owners. In the case of both owners and operators they may have set up a corporate entity with a different name to that shown.

Source: Melvin Gold Consulting

head of Europe, Middle East and African acquisitions. He speaks in American-accented rapid-fire bursts, similar to those of his mentor Alwaleed, a Saudi renowned for his international approach.

Mankarious has been a hospitality devotee from day one, having received his BA in hotel and restaurant management from the University of Michigan. He owes his swift success to hard graft but also has a lot to thank Alwaleed for.

During his job interview, Alwaleed was keeping a close eye on a bank of eight televisions while answering phone calls and doing timed stretches. It rubbed off. "The funniest thing is that I became that way too," says Mankarious. "For my birthday my wife got me another TV, so in my office I had two TVs and a computer screen, and when I worked at home I'd have both of them on and my computer screen." Not that he spends much time in the office.

With Alwaleed owning shares in companies across the world he only



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Ramsey Mankarious

sleeps five hours a night and his staff must follow suit. “You usually go home between 12 and two in the morning but you get used to it,” admits Mankarious.

The perks of the job give him unparalleled contacts, as Alwaleed’s personal friends include George Bush, Bill Clinton, the Sultan of Brunei, Four Seasons chief executive Isadore Sharp, Bill Gates and Rupert Murdoch.

But Alwaleed’s whirlwind world tours were punishing. “One trip, I went to East Africa and we did 13 cities – nine countries in nine days. Every day we’d get up early and have normal meetings and every day we’d stay up until three or four in the morning,” says Mankarious.

Last year Mankarious took stock and established Cedar to broaden his horizons. He explains: “Let’s say the prince doesn’t want to invest in the three-star sector and I find investors who do. Everyone wins. Being independent is beneficial for the prince and beneficial for me.” Testimony to this was Mankarious’s

formation last year of the world’s biggest hotel acquisition fund, worth \$1.5b (£854m), with Alwaleed, the Bank of Scotland (BOS) and Canadian chain Fairmont as investors.

Fairmont had a portfolio of luxury properties but lacked any in Europe, so it uses the fund to finance its Continental expansion. Mankarious had long-standing contacts with BOS and, as he says, “I knew what BOS wanted, and believed Fairmont and Kingdom [Alwaleed’s hotel investment vehicle] would be the perfect partners.” Alwaleed and Fairmont each provide a quarter of its equity, with BOS providing the remainder as well as debt financing.

Mankarious says that the fund will acquire about eight hotels each worth about \$200m (£114m), and the investors may increase the equity if necessary. Properties in key European gateway cities such as Paris, Rome and Madrid are currently under consideration.

Cedar Capital is investing £30m

in the Savoy. “London is probably the best hotel market in the world,” says Mankarious. “The biggest threat to a hotel is new supply, but in London you have an extremely high barrier of entry, so very little new supply comes in. Secondly, it has a fantastic mix of business travellers, leisure travellers and group travellers. And you’ve got a great labour force, which is more flexible compared to France. So as an owner, a UK hotel is more profitable, apple for apple, than a hotel in Paris.”

Despite his unique track record, Mankarious says his success can be emulated. “My tip for raising capital is: you’ve got to know what you’re good at and stick to it. The people who are giving me money today I have known for the last 10 years. If your objective is to run a restaurant or a hotel, start building a relationship with people you think are going to have the money.” But don’t expect it to be overnight, he says. “It took me 10 years of knowing people to get me where I am. It’s not short-term this business.”