

Cedar looks to grow as Dubai investors go global

By Matthew Garrahan in London

As a leading figure in the international hotel industry, Ramsey Mankarious sees a lot of hotel developments. But even he is surprised by the pace of change in Dubai, where he is attending the Arabian Hotel Investment Conference.

"There are literally hundreds of buildings being built here and 36 new hotels coming up," he says.

Mr Mankarious is chief executive of Cedar Capital Partners, a relatively new firm that aims to broker and structure luxury hotel deals for wealthy individuals and institutional investors. With Dubai hotel investors starting to look beyond the region and into Europe, Cedar is hopeful of winning new business.

The firm has had a busy few months. At the end of last year it brought together Kingdom Holdings, the investment vehicle of Prince Alwaleed bin Talal, Bank of

Scotland, a division of HBOS, and Fairmont Hotels to form FHR European Ventures, a \$1.5bn investment fund for luxury hotel projects. It then acquired the Monte Carlo Grand hotel in Monaco for FHR and followed the deal with the £200m-£230m (\$378m-\$435m) acquisition of the Savoy Hotel in London for Prince Alwaleed, the Saudi royal.

As an ex-Kingdom employee, Mr Mankarious has close links to Prince Alwaleed. "The first job I had at Cedar was acquiring the Savoy... I knew he wanted it." But he is also working with other hotel groups and wealthy individuals, with Cedar recently buying a 50 per cent stake in Hotel des Bergues in Geneva for Ananda Krishnan, one of the richest men in Malaysia.

Of his recent deals, the creation of FHR is likely to have the biggest impact on the hotel industry. Unlike other property ventures it is focused solely on hotels, and

at \$1.5bn is the largest hotel-specific investment fund in the world.

"The investors [in FHR] don't want to invest in any other real estate," says Mr Mankarious. "Hotels achieve the best returns in real estate, but they also have the highest risks."

Fairmont's participation in the fund has raised its profile in Europe, where it is relatively unknown. It has taken on the management of the Savoy "and has two partners in a fund of \$1.5bn... any management company would bend over backwards for a deal like that".

In an industry that is slowly recovering from a protracted trading slump and not short of pessimists, Mr Mankarious is bullish. "Things have bottomed out and have started to pick up, so we think this is a really good time to invest. It's a good time to be investing but the challenge is finding the right investments."