Final round bids in for £350m Old War Office
By James Buckley - Friday, November 28, 2014 13:46

Some of the world’s wealthiest property magnates – including Asia’s richest man and the investor at the centre of one of Germany’s largest real estate insolvencies – make up the six parties to have submitted final round bids yesterday for the iconic Old War Office. CoStar News runs you through them.

As competition ramps up for what has become one of the most sought after sales in London’s West End this year, bids have sailed over the anticipated £300m price point, with the expectation that the successful bidder will have to pay closer to £350m in order to secure the deal.

Six investors and consortia are still in the running. CoStar News can reveal that they are:

- **Li Ka-Shin**, an 86-year old Hong Kong business magnate who, according to the Bloomberg Billionaires Index, is the richest person in Asia with a net worth of $31.9bn. He is chairman of Hutchison Whampoa and Cheung Kong Holdings, through which he is the world’s biggest operator of container terminals and the world’s largest health and beauty retailer.
- **Hinduja Group**, an Indian family business which has submitted a bid fronted by Mumbai-based property developer *Lodha Group*, which last year bought the Canadian High Commission's MacDonald House in Grosvenor Square in London’s West End for £306m. Hinduja Group, which is now headquartered in London, has become one of the largest diversified groups in the world. In 2014, Srichand and Gopichand Hinduja emerged as the richest men in the UK with a net wealth of about $20bn.
- **Cevdet Caner**, an Austrian entrepreneur of Turkish origin who made a fortune in the property market before becoming embroiled in Germany’s biggest real estate insolvency in 15 years, has also bid fronted by *Triangle Asset Management*. Caner is understood to have formed a part of the consortium that bought the Holborn Links Estate. Last April, CoStar News revealed that *Blackstone had divested 6,900 German multi-family units*, Cevdet Caner’s Level One’s former assets bought out of administration more than 18 months ago.
- A joint venture between James Lapushner’s *Anacott Capital*, *Silverfin Development* chairman Mike Ryan, USA Treasury Secretary *John Snow*, and Chinese investor *Fosun*. The consortium bought Lloyds Chambers last October for £64.5m, before receiving bids to buy it earlier this year for around £100m.
- **Robert Ng**, the chairman of Hong Kong development conglomerate Sino Group, and the eldest son of Ng Teng Fong, a Singaporean real estate billionaire. The pair were listed as the 30th richest people in the world before Teng Fong’s death in 2010. Robert and younger son, Philip, spearhead the family’s Hong Kong and Singapore businesses respectively.
- A major Hong Kong developer advised by DTZ, which is thought to have had a hand in developing around 300m sq ft in Asia with its sights firmly set on London for its debut acquisition.

All parties are expected to be either teaming up with hotel operators given the likely mix of uses the building will adopt, or have in-house hospitality capabilities.

Separately, Stanhope has been approached by two investors about establishing joint venture partnerships to bring forward a bid. Christian Candy’s CPC Group and a European fund manager advised by JLL were not successful in their bids.

It is thought that around 25 bids were submitted in total.

**GVA begun the formal marketing of the Old War Office at 57 Whitehall, in September.**

The successful bidder is likely to consider a mixture of uses in the building incorporating a high end
hotel, residential and retail.

The sale of the historic Ministry of Defence building being sold by the Defence Infrastructure Organisation (DIO) is anticipated to save the Government around £8m in costs.

The 430,000 sq ft Old War Office trapezium shaped building, which completed in 1906, is arranged over seven floors.

The MOD will move out of the Old War Office Building and transfer operations into MOD’s Main Building. The project reflects a wider government policy of reducing costs of the London estate.

The Old War Office sale comes as the DIO steps up its programme of UK-wide land disposals, set to create up to 35,000 new homes by May 2015, and comes hard on the heels of similar announcements from other public bodies looking to divest themselves of high-value assets, including the Met Police’s announcement that it intends to make New Scotland Yard available to developers.

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