

luxury briefing.

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spa Queen
Marcia Kilgore

Art & Retail

The *financial outlook* for
luxury in 2008

luxury. services

SOHO HOUSE

Private members' club group Soho House has been acquired by billionaire Richard Caring. Founded by Nick Jones in the late 1990s, Soho House will join a portfolio of top-end establishments, including Le Caprice, The Ivy and Annabel's, which Caring has been putting together. The price of £105m includes a £130m credit facility from HBOS to allow global expansion plans to be fully realised. Jones has increased his own stake and remains as Chief Executive. The fast-growing Cowshed spa brand is also part of the acquisition.

Work is under way on sites in Los Angeles, Chicago and Miami, and will commence in Berlin shortly; other locations, such as Istanbul, Tokyo and Shanghai, are in the pipeline. There is also a new venture for London – the Soho Bed & Brasserie in Dean Street, the company's own take on B&B.

CAPELLA HOTELS

Capella Hotels has announced plans to open new properties in the US, Singapore, Germany, Mexico and Ireland. The business was set up by former Ritz-Carlton MD Horst Schulze last year, and launched with Capella Castlemartyr Resort in Cork, Ireland and Capella Velden in Austria.

The next to open will be Breidenbacher Hof in Dusseldorf, due this spring; this will be followed by a second Irish property, Capella Dunboy Castle, in Castletownbere,

also County Cork.

Capella Hotels aims to set itself apart from other hotels through its service offering and attention to detail – features of Capella Castlemartyr include horse and carriage rides on the estate and dogs that the guests can walk. The properties have teams of Private Assistants, each assigned to a guest before and during a stay.

MOMA TOWER

Plans are under way for a new 350-metre, 75-storey skyscraper alongside New York's Museum of Modern Art on West 53rd Street. The tower has been designed by Jean Nouvel who was commissioned by real estate firm Hines. As well as providing additional storage and exhibition space for MOMA, and retail units, it is also proposed that the tower will house a luxury hotel and 120 serviced condominiums. The radical design will be shaped like a spike with the main structural elements around the exterior of the shape.

ZAGAT

The Zagat brand is up for sale. The founding family has hired Goldman Sachs to put the company on the market. The Zagat Survey was started in 1979 by Tim and Nina Zagat as a hobby, using New York restaurant reviews given by friends. It was printed and delivered to bookstores by the couple as they could not find a publisher.

Since then the company has grown to provide reviews of restaurants, hotels, spas, golf courses and nightlife in over 100 countries in multiple languages, sold 5.5 million guides in 2007 and has 1.5 million registered website users. Zagat has also been commissioned by a number of other companies (including Disney) to produce guides, and has arrangements with Facebook, Google and other organisations, to provide content for sites. There are already a number of external investors, following the sale of a third of the company in 2000.

BAR BOULUD

Daniel Boulud is bringing his take on nose-to-tail eating to New York. The chef has just launched Bar Boulud opposite Lincoln Center in partnership with Paris charcutier Gilles Vérot and serving cuts and meats not always associated with high-end Manhattan restaurants. Dishes will include rabbit rillettes, tongue terrines, a variety of sausages and a head-to-toe pork dish using cuts from ears to feet. The 2,200 sq ft restaurant has 100 covers in the main dining area as well as a mezzanine level with further seating and three private dining rooms. The interior has been designed by Thomas Schlessler.

Gilles Vérot is a third-generation charcutier and one of the most respected in Paris. His shop in St-Germain is used by many top French chefs including Hélène Darroze and Pierre Hermé. Vérot will travel between Paris and New York and has installed his head charcutier from Paris to work at Bar Boulud full time. Further down the line there are plans for a second Bar Boulud-style partnership between the two.

THE BOUNDARY PROJECT

The Boundary Project, located on Shoreditch's Boundary Street in the east end of London, is the latest launch from Sir Terence Conran. A boutique hotel and restaurant, it will open in April and is a collaboration between Conran and his wife Vicki, with Peter Prescott. On completion, the Victorian warehouse space will house a restaurant, 17 rooms and a rooftop garden bar and grill. Also part of the project, the Albion food store, bakery and 'caff' will be located on the ground floor, offering snacks and British produce.

Conran & Partners is also working on the redevelopment of Greenwich Pier, which will include new restaurants and a cruise terminal. The project is due for completion in time for the 2012 London Olympic Games.

Outside the UK Conran & Partners is working with Park Hotels on a new property in Calcutta, having worked with the boutique hotel group since 2001 on projects in Bangalore and Delhi.

Kitted out

The island of St Kitts is to build on its reputation as a destination for the yacht set following the recent unveiling of plans for a new marina and hospitality concept on the south-east peninsula, due for completion in 2010. The marina is to be developed by **Mandarin Oriental Group**, along with **Auberge Resorts, Firesky Ventures** and **Kiawah Development Partners**. When completed it will occupy over 300 acres of water surface with 40 to 60 yacht slips and a heliport. Mandarin Oriental and Auberge are both to launch five-star hotels, while **Newfound** (see right) has already started work on the Ocean's Edge Resort at nearby Frigate Bay which has 185 villas due for completion in 2009. There will also be a Tom Fazio golf course, marina village, restaurants, retail and residential villas. Location scouts from other major hotel brands have also been investigating the island.

Arrrr, me hearties

As clients increasingly choose to holiday with their families hotels are coming up with innovative packages to attract them. One such possibility is the Pirate Package provided by **Discovery at Marigot Bay** in St Lucia. Armed with plastic swords and eye patches – presumably just the children – the family is sailed around the island on pirate ship the Brig Unicorn, which was used in the *Pirates of the Caribbean* movies, before being dropped off to climb or drive up the Grand Piton volcano.

NEWFOUND PROPERTY INT'L

Young property and resort company Newfound Property International will this summer release the first issue of plots at Pinneys Estate on the Caribbean island of Nevis. Located on a former sugar plantation, Pinneys Estate will initially have 35 villas dotted over the 380-acre site as well as a luxury hotel which will provide services for the development. The resort is being developed to have the lowest possible impact on the area and will be largely staffed by Nevisians. Newfound Founder Brian Dobbin told *Luxury Briefing*, "Nevis is like Humber, the location of our Humber Valley Resort in Canada, in so far as the local people are naturally very welcoming, warm and charming. This means that staffing properties with a Nevisian workforce will make the experience even more special for guests." Dominated by a rainforest-covered volcano, Nevis is still relatively undeveloped, and it is thought that the island's government will put a moratorium on development once the Newfound Pinney's Estate development is completed.

Newfound was founded in 1996 and floated on AIM in September 2006. It currently also has a resort in Newfoundland and is currently seeking a suitable location for a development in Ireland.

HOTEL DU VIN

Hotel du Vin, owned by Malmaison Group, is to address the golf market with the acquisition of a property in St Andrews. The group has bought The Golf Hotel, a 22-room sea-front property with a restaurant and bar in the Scottish university and golfing town. The hotel is now to be refurbished, due for completion in 2009.

Hotel du Vin is also to unveil new properties in Edinburgh, Newcastle and Poole in Dorset during 2008. These follow the recent openings in York, Cheltenham and Cambridge. In Brighton, the Hotel du Vin has acquired the adjacent Sussex Arts Club, which will be used to prototype the brand's Pub du Vin concept, serving real ales, wine and pub food. Fourteen bedrooms will be added.

PALAZZINA GRASSI

The Design Hotels consortium is bringing a new property into the fold. Due to open in March, Palazzina Grassi is a new project in the San Marco area of Venice, overlooking the Grand Canal. Housed behind a 15th-century facade, the hotel is entirely contemporary with designer furniture and artworks throughout, representing the designer Susann-Kathrin Scharfen-Quellmann's modern reinterpretation of the original design of the Palazzina. The result is a fusion of classical and contemporary, juxtaposing bold oranges against cool

Luxury Indicator

'Enhanced' technology

With the worldwide mobile phone market escalating at an estimated 10-year CAGR of 27.9%, cellular handsets have emerged as the quintessential accessory item over the past decade. Now a mass consumption item, several companies, including fashion houses, have addressed the needs of consumers seeking exclusivity by developing high-end handsets made with luxurious materials, including diamonds, emeralds, gold, rubies, sapphires, titanium... even 200-year-old wood.

As one of the first luxury-branded mobile phones, UK-based Vertu, a subsidiary of Nokia, introduced its Signature handset in 2002. Handmade from stainless steel and gold, it attracted substantial attention from both consumers and the media. After just one year and due to much demand, Vertu handsets launched at exclusive retail locations, including Harrods of London and Barneys New York. Although Vertu's products are thoroughly engineered, the company's success encouraged others such as GoldVish, Gresso, Mobiado, and VIPN to introduce more superficially lavish handsets, including the VIPN Black Diamond Smartphone priced at \$300,000 and the GoldVish Le Million phone with 18-carat white gold and 120-carats worth of diamonds priced at \$1.45m, making it the most exclusive phone in the world. On a less extravagant scale, fashion designers Dolce & Gabbana, Prada and now Giorgio Armani have been looped in with some of the world's largest cellular phone manufacturers to create designer phones over the past year. These collaborations have benefited both parties, enabling designers to reinforce their lifestyle concepts with namesake luxury handsets, while generating margin, enhancing licensing revenue and helping mobile phone companies bolster their brand image.

Inspired by the remarkable success of the high-end handset market, companies have begun to add the Midas touch to other categories within the consumer technology sector. Last year, German-based Minox gained substantial media coverage when it introduced the DC 1011 Carat, a 24-carat gold-plated digital camera with 10 0.3-carat diamonds surrounding the lens, priced at \$2,400. In October 2007, US-based Computer Choppers introduced a 24-carat, gold-plated MacBook Pro with a three-carat, diamond-encrusted Apple logo, priced at approximately \$8,000. Surprised by the demand, the company sold out of the customised laptop for the 2007 holiday season. Given the success of high-end handsets, cameras, and computers, no doubt it won't be long before gold-plated and diamond-studded flat-panel TVs, DVD players and other appliances grace the living rooms of 'luxury' connoisseurs.

Supplied by Telsey Advisory Group

whites, combining classical columns and minimalist structures. Palazzina Grassi has 28 rooms and four apart-suites.

GORDON RAMSAY

The Gordon Ramsay machine continues to move forwards, with the celebrity chef's first Los Angeles restaurant due to open in 2009. It will be located in The London LA hotel, west coast outpost of The London NYC, the New York hotel where Ramsay opened his first US space. Ramsay also has an operation at the Boca Raton Resort in Florida, Cielo by Angela Hartnett.

QUINTESSENTIALLY

Premium concierge business Quintessentially has been expanding its portfolio of services, and has now established Quintessentially Communications to act as a PR agency and publicist for brands and individuals. Founded in 2000, the company has offices in 36 cities (with 12 more in the pipeline). In addition to the core concierge business, there is also Quintessentially Publishing (eg Reserve and Pure), Wine, Qube (online

community), Gifts (shopping service), Driven (chauffeur service), Events (event management), Estates (property search), Art (art advisory service), Escape (travel and experience) and Finance, which includes the company's own 'Beyond Black' credit card.

NAPKIN

Napkin London is a new creative and branding agency founded by Tom Dobbie, Fabrice Paget and John Cameron. Their collective experience includes photographic work for De Beers, Stephen Webster and Dom Perignon, creative management for Cartier, founding the Richemont Creative Academy and branding projects for Halifax, Tesco and Rolls-Royce. Tom Dobbie told *Luxury Briefing*, "Brands who know us personally from our previous work are starting to get in touch to ask us to sort out the mess that more mainstream agencies have made of their communications campaigns – agencies that don't specialise don't always understand the psychology of the luxury consumer, which I believe that with our experience we are very well-placed to do."

luxury briefing.

Last June, we drew your attention to the cracks that we felt were starting to appear in the luxury firmament – weaker sales (especially in the US), difficulties in leathersgoods and currency problems both with the dollar and yen. The last few months have been jittery and as we go to press the markets are in a very fragile state: the general uncertainty will provide a challenging environment for luxury businesses in 2008.

We start the New Year with an illuminating interview with Marcia Kilgore, the founder of Bliss Spa, which was bought by LVMH and subsequently acquired by Starwood Hotels. A ball of energy and ideas, Marcia also gives her forthright opinions on the state of the beauty and wellbeing marketplace.

This month we are also addressing the white-hot topic of the ever-increasing crossover between art and retail. As luxury brands realise that they need to deepen their offer, art is providing a new level of connection with customers.

Whatever challenges lie ahead, we wish you a prosperous 2008.

James Ogilvy
Publisher

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