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AS PRINCE WILLIAM ANNOUNCES HIS INTENTION TO BE A 'HANDS-ON DAD' WE PROFILE LONDON'S NEW FATHERING TRIBES **SAM LEITH** PAGES 22 & 23

# THE £3bn EMBASSY SELL-OFF BONANZA

COUNTRIES 'SITTING ON GOLD MINE' OF SUPER-PRIME LONDON RESIDENCES

**Jonathan Pryn**  
Consumer Business Editor

A SELL-OFF of central London embassies will create £3 billion of super-prime homes in the most exclusive streets in the capital.

Twenty diplomatic missions and residences have been prepared for sale in the last six months. More are in the pipeline as foreign governments realise they are "sitting on a gold mine".

Almost all the diplomatic properties are being earmarked for conversion into apartments to meet the demand from wealthy buyers, mainly foreign, in areas such as Kensington, Belgravia and Holland Park. The former European Council of Foreign

Relations building on Old Queen Street near St James's Park was sold this week to developer Galliard Homes for £21.5 million. The eight-storey building will be converted into 35 apartments that could be worth £100 million.

Galliard sales director David Galman said: "These diplomatic buildings were built to impress so they tend to have grand facades, opulent foyers and spacious interiors which are ideal for conversion into large luxurious homes."

The developer has already converted the former Montserrat embassy on Portland Place, Marylebone, into flats. Other embassies expected to be relocated

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## THE BRITISH TOURIST WHO LOST A FOOT IN NEW YORK TAXI CRASH

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News

# Cashing in on a property 'gold mine'

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include those of Nepal, Greece, Lithuania, Tajikistan, Kosovo, Turkmenistan, Gambia and Kazakhstan. Peter Wetherell, managing director of Mayfair agents Wetherell, said: "We recently sold the former Brazilian embassy on Grosvenor Square for £40 million, and this has heightened awareness in the diplomatic community that the missions are sitting on a property gold mine."

London's top estate agents are also queuing up to handle the sale of Canadian High Commission, known as Macdonald House, at 1-3 Grosvenor Square in Mayfair. The seven-storey block was first put on the market in 1999 at £50 million. It is now expected to fetch at least £175 million and could be worth more than £500 million as flats.

The trend was kickstarted by the US government, which is moving its mission from Grosvenor Square to a new £600 million site in Nine Elms

'Dating to the Victorian era, grand embassies used to be an important visual representation of country'

**Venetia van Kuffeler, The Diplomat**

in 2017. The current embassy building has been sold to Qatar Diar – the property development arm of the Qatari royal family – for an estimated £500 million. The 225,000 sq ft building could be worth as much as £1 billion when developed.

The Dutch embassy has indicated that it will follow suit and sell its 25,000 sq ft block on Hyde Park Gate near the Royal Albert Hall and move to Nine Elms. The Chinese are expected to move out of their huge building on Portland Place in Marylebone and move to Nine Elms though this has not been confirmed.

Kensington Palace Gardens – known as the "boulevard of billionaires" – has 16 buildings used as embassies or ambassadors' residences. According to research by Wetherell and The Diplomat magazine at least five are being considered for sale and could have a combined value of £500 million.

The Nepalese government has said its embassy on the street – where Lakshmi Mittal and Tamara Eccle-



stone have homes – will be sold because it is too expensive to maintain. Several Victorian villas on the street have gone through an "embassy to residence" conversion including 9a Palace Green, formerly the Philippines embassy, which was sold to Mr Mittal for his daughter Vanisha for £70 million in 2008.

Steel tycoon Mr Mittal owns numbers 18 and 19 Kensington Palace Gardens, once the Egyptian Embassy and part of the Russian Embassy, but



Luxury living: Lakshmi Mittal bought the Philippines embassy building in Kensington Palace Gardens for his daughter Vanisha, left, in 2008. The street is pictured above

## Admiralty Arch hotel plan gets go-ahead

**Mira Bar-Hillel**

ADMIRALTY Arch will be turned into a prestige hotel, flats and a private members' club after Westminster city council gave development plans the go-ahead.

Prime Investors Capital will convert the Arch into a 100-room five-star hotel along with the flats. The company leased the building in October last year for 99 years, raising £60 million for the Treasury.

Cabinet Office Minister Francis Maude said today: "This will breathe new life into Admiralty



**Landmark:** Admiralty Arch will now be turned into a 100-bedroom five-star hotel

Arch, transforming it from unsuitable office space into a publicly accessible landmark everyone can admire and enjoy. Historical and architecturally significant buildings like the Arch shouldn't be sitting empty in the Government's estate

costing £900,000 a year to run. "The Arch, one of London's most recognisable landmarks, will be renovated in keeping with architect Sir Aston Webb's original drawings from around 1910 "to restore it to its former glory."

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