

Candy and Candy

Sweetening London's Top Property Deal

By: Claire Quinn

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The headlines scream SPENDING CUTS, the politicians espouse AUSTERITY, and consumer confidence has TANKED. But while the man/woman in the street is tightening their belts and cutting back on luxuries, London's glitziest property moguls are rubbing their hands.

That's because the Candy Brothers, Christian and Nick, have just turned over sales of £62m since January in the biggest recession since the Wall Street Crash. They've redefined luxury at the One Hyde Park development and taken opulence to a whole new level.

The only problem is, the newspapers exclaim, the sales receipts fall far short of the developers' hyped asking prices - and the revelation is sending property journoes and business commentators alike into a tailspin.

The apartments were widely touted as costing from £6.5m for a one bedroom starter home, up to £140m for a penthouse stack on the top three floors. The actual exchange prices according to Land Registry figures show that one sixth floor property sold for £22m, with another on the sixth floor making £21.6m, while another has gone for £14.85m. Finally, one buyer bagged a second floor flat for £3.8m – a steal when you consider the asking price was almost double that amount.

The buyers are still shrouded in mystery since

three of the apartments have been bought through offshore trusts. According to The Guardian newspaper, a couple from Surrey in their 40s bought the £21.6m crash pad, but little is known of their identities which has further fuelled speculation.

The burning issue here is money – Candy and Candy borrowed £1.1bn from the aptly named Eurohyp Bank to finance their dream development. The question on everyone's lips is whether or not they will be able to repay the loan. Parts of the press seem determined to wipe the smiles from the Candys' faces. A tough call, as it happens, since the Candy brothers are the sternest pairing since the Kray twins. But then that's probably down to the fact that away from the bubbly TV shows, property development is a very serious business...

They maybe high-flyers now, but the brothers set out from humble beginnings. They borrowed £6,000 from their grandmother to do up their first property, in 1995 - a £120,000 one-bedroom flat in London's Earls Court. They were both still in their early-twenties and negative equity was still haunting London's property market after the late 1980s boom and subsequent bust.

Still, the Candys turned a £50k profit in a very tough market. Easy to see then how they caught

the developing bug - but who could have predicted how successful they would eventually become?

A decade later, they own a global portfolio worth a reputed £9 billion – including swathes of London's most prestigious real estate – and with square footage selling for £6,000 per foot at One Hyde Park – the most expensive real estate ever in the world's most valuable markets.

They grew up in the Surrey commuter belt, where their father ran an art studio and media production firm; their mother was a drama teacher. Nick, 18 months older than his brother, studied human geography at Reading and went into advertising. Meanwhile, Christian studied business management at King's College London, before joining Merrill Lynch.

After the continuing success of their first few ventures, the brothers quit their jobs to focus solely on property development - initially specialising in slick bachelor pads. Their genius lay in identifying London's rising stock - this was fast becoming the city where everyone wanted to live.

As the 1990s drew to a close the Capital was awash with money - Middle Eastern royalty, Russian oligarchs, cash-rich Chinese entrepreneurs, and billionaire tax exiles; the property



market had discovered Luxe – and this world needed to be filled with beautiful and expensive things.

We're not just talking sumptuous décor, acres of marble, and state-of-the-art gadgets – the Candy aesthetic encompasses swimming pools that turn into ballrooms, fur fridges, Bond movie security: iris-recognition systems in the lifts, panic rooms and bullet-proof glass. It's a far cry from a lowly bachelor pad in Earls Court.

At the height of the market in 2006, the Candys are renowned for overpaying for sites to secure the deal. Perhaps it's this perceived flashiness that irks their detractors? Or possibly it's the politics of envy – the £11m Candyscape yacht, the houses around the world, the Ferraris, Bentleys, and Rollers?

Indeed, certain sectors of the press could barely contain their glee over the news that the brothers had been exposed to the 2008 collapse of Icelandic bank Kaupthing. Like many entrepreneurs, Candy and Candy were forced to

restructure during the financial crisis, losing control over a site in Beverley Hills, Chelsea Bar and another on the Middlesex Hospital site.

The brothers also divested their stake in the 12.8 acre Chelsea Barracks site. Candy and Candy along with investment group Qatari Diar paid almost £1 billion for the plot when it was sold by the Ministry of Defence in 2007 at the apex of the property boom.

Clearly concerned, Nick Candy said at the time: "We are never looking to sell anything. However if Qatari Diar approached us and said they want to buy our equity, of course, we are friends with Qatar and I would do whatever they want me to do."

"I am not going to tell you nothing is going

to change for ever and ever but up until we get planning, the agreement between Qatari Diar and CPC Group [the Candys' company] nothing will change."

Of course, news of their demise was greatly exaggerated, and the company appears to be in rude health today. Last year the brothers reportedly made an astonishing profit of £190m from a 17,500 sq foot penthouse in Monaco. They paid just £10m for the property after a tragic fire. Meanwhile, it was recently reported that Christian Candy was bidding to secure a gold mine in the Philippines. Solomon Capital is the brothers' private equity arm which has invested in Metals Exploration with gold and copper interests in the Pacific.

But has their Midas touch held out with One Hyde Park? A spokeswoman for Candy & Candy said that deals on 50 apartments have now been completed with Land Registry details yet to be filed. With the bulk of the apartments now sold, it leaves just 30 left to go.

An ever bullish – and smiling - Nick Candy explained to the Daily Telegraph that £900m of the £1.1bn Eurohypo loan has already been repaid. "The balance will be paid by the end of the month." ■

Edenarc 1800

Own a Home in Paradise

In a real ode to history, the inspiration for the interior decoration has come from the House of Savoie's way of life in the times of dukes and kings. It gives off a colourful, warm atmosphere combining tradition and modernity through a successful mix of olden-day techniques and present-day materials.

It took the House of Savoie eight centuries to build its kingdom across the mountains. Now you in turn can realize your Alpine dream in the footsteps of those lords - in the heart of Paradiski, one of Europe's biggest ski areas.

Ideally located in the heart of Paradiski, Edenarc 1800 is strategically situated at the crossroads of Europe's most beautiful ski resorts. Its 425 km of runs are served by an impressive network of lifts, including the famous Vanoise Express cable car that links the two huge resorts of Les Arcs and La Plagne. The two glaciers with peaks soaring above 3000 meters offer skiing from 3250 down to 1250 meters altitude.

Stunning 360° views

Edenarc 1800 is currently the only resort in the Alps that is ski in/ski out in the winter and right beside an 18-hole golf course in summer. This type of opportunity is getting scarcer and over and above its ideal location in the heart of the Paradiski area, the resort is set apart by its position overlooking the Haute Tarentaise valley, Mont Blanc and the surrounding mountains.

The leisure area of over 700 m² with an indoor and an outdoor swimming pool, Jacuzzi, steam

room and fitness room will be Edenarc's beating heart, a place where all ages come together. With its 4 star services and its retail areas (bar-restaurant, ski school, ski shop) the resort is a place of privilege just above and connected to Arc 1800.

Edenarc 1800 is classed as a 4 star tourism residence. You can therefore benefit from this tax regime, claim the VAT, get the rental return and have weeks of personal occupancy in your apartment. The commercial lease contract on the 1 and 2 bed apartments is running over 9 years and can be renewed if the owner so wishes. The 3 and 4 bed top floor duplex apartments are also available for classic ownership for those who prefer to keep the apartment private.

Architecture and interior design

The residences are designed in a contemporary Savoie architecture with a combination of wood, stone, and picture windows to take in the sun and the panoramic views. The high standard apartments are fully furnished, decorated and equipped. The top floors have open fire places, high ceilings, up to 4 meters and the huge windows give plenty of daylight into all apartments. The north facing apartments have a direct view over the Mont



01. Hiver village.

Blanc and the surrounding mountains.

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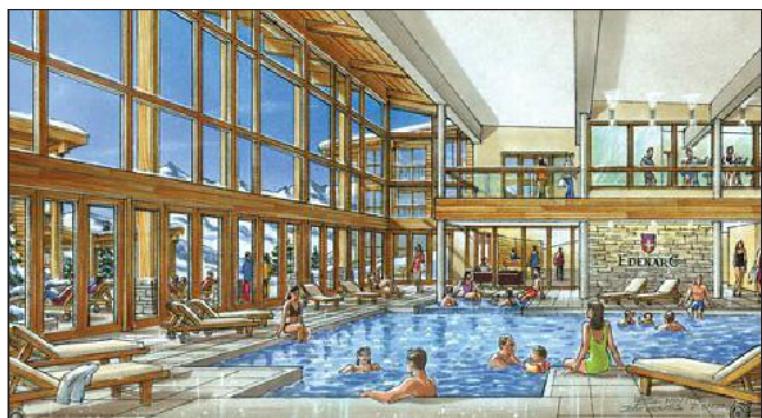
Each apartment comes with a parking space under the residence, a cellar and a ski locker and the prices are starting at 220 000€ for a 1 bed, 274 000€ for a 2 bed, 491 000€ for a 3 bed and 629 000€ for a 4 bed.



02. Golfleger.



03. Edenarc mountain view.



04. Indoor Pool.



05. Surrounding mountains.



06. Bike riding in the mountains.

Odalys Vacances

This 4 star resort with its 252 apartments and the 40 suites hotel will be managed by Odalys Vacances, one of the top resort hotel operators in France. Created in 1998, the company became a major player in the sector of tourist accommodation over a mere ten year period with more than 100 000 beds in France and on the Mediterranean coast – in Corsica, Spain, Sardinia, Italy and Croatia. Odalys will offer you not only the numerous services expected in a 4 star tourism residence but also others besides. If you need to relax your bathrobe is hanging on your bedroom door as well-being is a priority at Edenarc, so you can visit the sauna, steam room, Jacuzzi and swimming pool whenever you want. To enable you to stay in touch with the outside world, the apartments are equipped with a flat-screen TV with a selection of French and foreign channels, a telephone and free WIFI connection.

Sotarbat 360

Sotarbat 360 was created by two colourful characters: Luigi Iogna and Robert Jérôme. Luigi Logna was born in Italy but has lived in Bourg Saint Maurice for over 45 years. The Sotarbat stamp is on developments throughout the Tarentaise valley. Robert Jérôme, an architect and promoter from Quebec, came to Bourg Saint Maurice in 2000. He established Intrawest group in Europe and developed the renowned tourist village Arc 1950. Together with his associates at 360 VOX he is working on projects worldwide. The association of two companies that are passionate about mountain real estate brings together a range of skills that are essential for luxury real estate developments: master planning, real estate development, service and retail integration, construction and connections with tourism residence operators. ■



07. Winter west view.

Need to know

If the client buys an apartment in phase I (we have two 1 beds, ten 2 beds and two 3 beds left) the apartment will be delivered already in December this year, ready for next ski season.

We will launch phase II within a month and delivery of the seventy 1 to 4 bed apartments is scheduled to December 2012. A webcam has been put up on the site and you can follow the progress of the construction on our website.

Construction: the foundations and a part of the underground P-spaces were done before the winter and the construction has just been taken up again.

Getting to Edenarc is easy.

By train: From London the Eurostar train takes you directly to Bourg Saint Maurice at the foot of the mountain.

By plane: Fly to Geneva, Lyon and Chambery airports.

By car: motorway all the way to Albertville, then dual carriage way to Moutiers. The funicular will take you up the mountain in 7 minutes, where free shuttles are waiting to bring you to your destination.



08. Edenarc.



09. Winter Swimming pool.