



ST MICHAELS, FALMOUTH GAINS BACKING FROM NEW PARTNERSHIPS FOR £50 MILLION TRANSFORMATION



September 2018 – St Michaels Falmouth transforms into a luxury resort, having secured a £50 million investment from CBRE Global Investors, BH Group and Acorn Property Group. The multi-million pound investment is taking place over two phases, at the end of which St Michaels will become one of the largest privately developed regeneration schemes in Cornwall, and the south west's preeminent resort hotel.

Nigel Carpenter, owner and chairman of St Michaels secured global investment to turn St Michaels from a Cornish boutique hotel into a leading luxury resort. This is the first and largest investment of its kind in Cornwall.

Phase One

The first phase of the development was completed in August and in September 2018, St Michaels reveals the results of the first stage of the investment.

The BH Group used an innovative funding structure to back the phase one redevelopment works to the hotel and spa with its partners CBRE Global Investors, one of the world's largest real estate asset management companies. Managing director of BH Group James Houlson stated: "When we and our investors saw what was planned for the regeneration of the area and the overall vision, we were really keen to invest. What has been created is truly stunning and we are delighted with the finished product".

The investment transforms St Michaels, Falmouth into a new-for-the-UK beach resort. Located overlooking Gyllyngvase beach, a Blue Flag beach, the £20 million development includes a 7,500 sq ft spa, state-of-the-art 13,000 sq ft health club facility, 32 additional bedrooms in a new Beach House wing, a new Arrival Lounge and two new restaurants: the health-focused Garden Kitchen and 2 AA rosette Brasserie on the Bay.

Phase Two

The second phase of the development is due to commence in early autumn 2018 and includes an iconic new building for Falmouth, The Liner. This £30 million development by Acorn, comprises 53 self-catering, sea-facing apartments and penthouses for contemporary coastal living, a restaurant and bar, and a village deli.

Nigel Carpenter, chairman of St Michaels, commented: "We are very excited about moving ahead with such

ST MICHAELS, FALMOUTH

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a significant development for the south west and look forward to working with the expert team at Acorn Property Group.”

St Michaels, Falmouth Ownership

As part of the deal orchestrated by JLL and Stephen Page, the freehold of St Michaels Hotel and Spa was purchased by CBRE Global Investors in December 2017, on behalf of one of its pension fund clients. CBRE Global Investors, the global real asset investment management firm with \$104.2 billion assets under management as of March 31, 2018, has granted a 150-year lease to a new company formed to own and operate the resort – St Michaels, Falmouth. The new company is a partnership between founder and chairman Nigel Carpenter and James Houlston, main shareholder of the BH group, which has development and trading interests in hotels principally using pension fund monies.

Nigel Carpenter says: “We are tremendously excited about unveiling the new-look St Michaels; a new destination resort on the south coast of Cornwall with a world-class spa and health club as well as The Beach House with 32 new contemporary bedrooms, an enhanced arrival experience and new restaurants: the Garden Kitchen and Brasserie on the Bay.

“We started building in early 2016 and have now completed the main hotel and central resort works, giving us the opportunity to launch the resort and reveal what we have been working on. The team and I are immensely proud to have achieved blue-chip investment for the business, which is testament to the rising importance of domestic tourism in the UK. It is great for Falmouth and for Cornwall”.

James Houlston of BH Group commented “We are delighted to be investing in this project. This was an intricate deal, expertly managed by JLL. The transformation of St Michaels builds on its enviable track record as a leading light in the hotel sector in the south west. I look forward to working with Nigel for the next exciting chapter in this hotel’s history.”

A boost for Cornwall

The transformation of St Michaels Falmouth has also boosted the local economy, employing over 200 local artisans and craftsman in its creation, as well as creating 50 further full-time job. The resort expects to recruit another 40 members of staff over the next five years. All this is set against a back drop in a boom in domestic tourism and the south west being named the most popular holiday destination in the UK.

For further information on St Michaels, please visit www.stmichaelshotel.co.uk.

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Press Office

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NOTES TO EDITORS

About St Michaels, Falmouth

St Michaels is a 4-star resort overlooking Falmouth’s Gyllyngvase beach, relaunched in September 2018. The resort features 84 bedrooms, a world-class spa, unrivalled health club, two restaurants – including the health-focused Garden Kitchen and 2 AA rosette Brasserie on the Bay – and bar. With additional events space for



weddings, celebrations and corporate meetings, including a secluded wine vault, and tropical private gardens leading to the beach, it is set to become the south west's preeminent resort hotel.

About BH Group

James Houlston is a professional chartered surveyor and successful property developer, based in Yorkshire. Managing director of BH Group, he manages a growing portfolio of hotel interests in the UK, principally using pension fund monies to acquire and develop hotels, using a unique funding model. BH has recently opened the Hampton by Hilton in Blackpool and will open the new 187-bed Hotel Indigo Manchester in the heart of the city, next to Victoria station, in October 2018.

About CBRE Investors

CBRE Global Investors is a global real asset investment management firm with \$104.2 billion in assets under management as of March 31, 2018. The firm sponsors investment programs across the risk/return spectrum for investors worldwide.

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