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Breaking Travel News Interview: Cheval Residences

Over the past three decades Cheval Residences has established its position as the undisputed leader in the provision of luxury serviced-apartments in London.

Here Breaking Travel News sits down with director George Westwell - pictured - to discuss the future of the brand, the new Cheval Three Quays and why the London 2012 Olympic Games may not be the bonanza the accommodation sector his hoping for.

Breaking Travel News: Could we start with a brief run through of the Cheval Residences offering, for those who are perhaps unaware of your brand and the sector you operate in?

George Westwell: There are six different properties under the Cheval Residences banner, offering a total of 283 apartments in London.

Probably the key attraction at each one is the location; with the majority situated in Kensington & Chelsea. Each is its own prime residential location. There is also one in the City and a new property, Cheval Three Quays, scheduled to open in 2013, by the Tower of London.

The offering varies slightly within these properties. This is a conscious decision on our part, to differentiate our locations, so we avoid that group feeling. It also allows the properties to compete against each other.

We employ different designers for each one, so we are able to offer a different feel. There are some which are contemporary, other which have a more traditional design. There are also differences in size of the properties - for example, the smallest apartment we offer is 38 square metres, ranging up to 350 square metres. Prices also range from £900 per week right up to £6,000 per week. So we are able to cater for a wide range of budgets. The buyer has a large range of accommodation on offer within each location.

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114a Cromwell Road, London SW7 4ES | T +44 (0)20 7341 7010 | F +44 (0)20 7341 7050 | info@chevalresidences.com | www.chevalresidences.com

Cheval Residences Limited, a company registered in England no. 3291389 | Registered office: Tower Bridge House, St. Katharine's Way, London E1W 1DD | VAT no. 774197296



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Breaking Travel News: The properties are, however, linked by a new logo - designed by Chris Mitchell of BAFTA and Guinness fame - which I believe came on stream in 2009?

GW: The company is now coming up to 30-years old. Each time we have evolved, through the addition of a new property for example, each residence has had its own name. The word 'Cheval' was never incorporated into the property name. Each also had an individual logo, making us more of a collection.

What we wanted to do, as we moved into new markets, was unify our identity. Before this, if you cut through any of our employees they would have Cheval running through them. But if you took our team and put them in a room with 40 clients, each would come out with a different message.

This is something we worked on, developing a brand - outside of merely the physical development - with our employees. We have developed brand standards, values; a lot of internal work that means when we go out to the markets and communicate by whatever method, we have a tone of voice, some common phraseology and more focus.

We now talk as a group - rather than as a collection of six properties.

Part of this has been technical also. We have a new website in development. A brief has gone out and we hope to have that up by September. It will offer a limited booking service - but we are hoping to maintain the personal touch.

Outside of this we have also established a relationship with House of Kooser in the United States. As we look at how we market ourselves, being a small company, with a small brand, it can be very expensive to try and market yourself. We have looked at ways of generating global coverage - the iPhone App and website, for example - which give us global coverage for an economical price.

In the United States we have signed an exclusive representation deal with House of Kooser. We are now the only apartment company they represent in London - and as you can imagine is a phenomenal market.

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We have had some strong interest here, and they seem to be talking to the right people also.

Breaking Travel News: Long-stay residential apartments in London can be a competitive sector. How do Cheval differentiate themselves from competitors?

GW: There are things we do differently. We have on site management, which is unique to us. We have 24 hour concierge cover on site. We also have 24 hour maintenance cover; not always on site, but always available.

The levels of staffing we have - particularly in housekeeping and concierge - are much higher because of the quality of service expected by our guests.

Even within the top-end segment in which we operate, we are focused at the upper reaches of that.

There are differences in the physical attributes of the building, but commonality in terms of quality of service and experience we seek to deliver.

A lot of our guests - be it admirals of industry, individuals of high net worth, or people from the entertainment industry - do recognise this. But we also attract people slightly lower down the spectrum, businessmen and so forth, people working on projects in London, who need a place to stay.



Three Quays is set to open August 2013.

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Breaking Travel News: Talk me through the development of the new property at Tower of London - Cheval Three Quays - there have been some unexpected delays with the ground work?

GW: The new property is scheduled to open in 2013 - August 26th to be precise. We are very close to getting on site now, but yes, there have been some unexpected archaeological discoveries on the sight we have meant for some delays. We are hoping to get in on August 8th at present.

Part of the planning process meant we had to allow the archaeological people to move into the site in order to explore it. They have a good understanding of what they expect to find and anticipated it would take two-to-three months to excavate. When they got in though they found a Roman wall buried in the clay and a dry dock. Of course this has taken time.

To counter this we have placed extra archaeologists on site, paid there overtime, and gave them an extra three months. We should start to see some progress now though. Piling will begin in August with the building beginning to rise out of the ground in the second quarter of 2012.

Take a look at the [website](#) for the latest developments.

Breaking Travel News: How are you finding the market at present?

GW: Trading continues to be incredible for us at present. I know we talk of recessions around the world, but in our sector, well industry as a whole in London, conditions are storming at the moment.

Of our six properties, four of them are at 100 per cent capacity, while the other two are at 98 per cent for most of the summer. We just have no capacity at this time. We will certainly welcome the new development when it comes on stream.

Our existing markets - the United States and Middle East, for example - remain strong. One thing we have noticed is new markets developing. Brazil for example; we have seen an increase in business and enquires.

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Not so much from China or India, but certainly Brazil. Both business and leisure travellers are venturing to London.

Technology really has come into its own here. We have an [iPhone App](#) which has allowed us to fill in some of the missing pieces. August is perhaps one of our slower months, so we placed a discount offer on our App, and received a number of enquiries through this medium.

We will shortly be adding something to the App which makes it virtually unique in the market place. It will add tremendous value before, during and even after a stay with us.

In the near future we will also move into the tablet market.



Cheval Residences have won a reputation for luxury in London

Breaking Travel News: How about the 2012 London Olympic Games next year? Business travel provider Higgs Robinson argue nearly 70 per cent of the hotel rooms in London will be occupied by LOCOG itself, with very few available to consumers.

Do you see this as a potential advantage to long-stay accommodation providers such as yourselves?

GW: This is a difficult area for the sector. We have looked at what happened in Sydney and Beijing pre- and post-Olympics. Obviously a lot of people know the Olympics will be happening, so you have the argument many people who might perhaps have visited will stay away from a particular location.

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These people may not come at all, or they might come post-Olympics.

So it appears we will have this mass of visitors coming in for five or six weeks around August next year - for the Olympics and subsequently Paralympics - which is likely to be disruptive.

We have taken a decision not to involve ourselves with LOCOG. None of our property is linked officially at all with them. We believe it is more important to maintain relationships with our clients who come every year during the summer period. That will remain our focus.

Obviously there are people who have booked with us for the Olympic period. We have accommodated them where we believe we have the capacity to do so.

The Games will likely leave a great legacy for London. But it is important to remember we do not have a great infra - structure here for transportation and the event could be a damp squib. On an annualised basis, you might see guests avoiding the city before the games, a spike during, and then a gap afterwards.

At present I am keeping an open mind.

Breaking Travel News: How about the deal with Reside International, which I believe you acquired in 2008? How has this allowed Cheval Residences to grow?

GW: When we bought Reside International three years ago we were looking to offer accommodation to those who might previously have slipped past us.

At certain times of the year - and July is a prime example - there could be customers who want to stay in a Cheval property but cannot. This could be because we are full, we do not have the right kind of apartment available, the wrong location or budget.

We hit a brick wall with this problem; all we can do is pass you on to a competitor or an external agency. Reside allows us to overcome this. It compliments our business and allows us to provide a better service to our customers. It is essentially our in-house agency. It was a fledgling company at the time and they have grown with us.

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They make apartment bookings for clients who have been frustrated elsewhere for the reasons outline before. They in their own right earn commission, but only about a third of it with Cheval.

The key though is the maintenance of the relationship with the customer. When they want the next booking, which may not even be in London, they will return to Reside. We see a lot of this happening now, it really is growing.

Breaking Travel News: Are there any further acquisitions planned?

We are always looking to grow, although there is nothing defined at present. We are looking to move into new areas of business though; outside of owning and operating, which is what we have always done.

We are in essence a property company - we own and operate all of our residences. All our assets are owned freehold and we discharge those assets in trading terms - offering residences, commercial, or retail spaces.

So, yes, with the right opportunity we would look to buy. We do look at properties, predominantly in London. But we are also in discussion with a number of parties about forming an operating agreement. A third party may seek to build a property, want it to be operated as serviced apartments, but lack the in-house skills to do this effectively.

We would effectively run it for them; brand it as Cheval, operate it as Cheval and taking a lump sum of money for doing so.

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