

## 13. Keeping it in the family

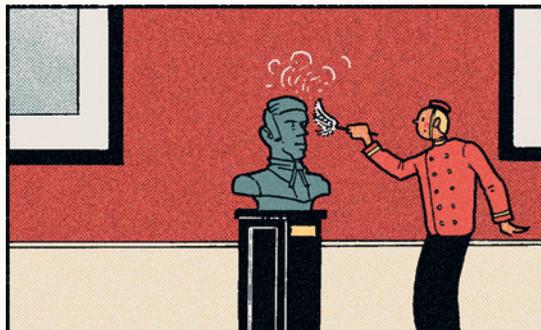
by James Chambers

Every Sunday, The Peninsula's Cantonese restaurant Spring Moon serves dim sum to Hong Kongers. This iconic hotel on the Kowloon side of the harbour has a special place in the social fabric of the city regardless of which famous heads and heads of state are resting in the 300-odd rooms upstairs. But the Peninsula (*see page 77*) is a family hotel in more ways than one.

Founded in 1928 by Lawrence and Horace Kadoorie, Mizrahi Jewish brothers born in Hong Kong to immigrant parents, it is to this day majority-owned by the same family. Sir Michael Kadoorie, current chairman of The Peninsula's holding company, has fond memories of growing up in the hotel as a child in the 1950s and is grooming his children to take over the business.

Few pre-war hotels have remained under the stewardship of the same family for so long and grown into internationally renowned brands. The modern Peninsula is part of a global hospitality chain, with locations from Beijing to Beverly Hills.

The first mention of the Hong Kong hotel in the company archive is a 1924 entry in a large ledger. It is entered under land assets with a book value of HK\$385,000 (€39,600). Today, its value has surpassed HK\$12bn (€1.2bn). It is little surprise that such a place is headquartered in Hong Kong, where family-owned property companies dominate the business landscape.



However, family ownership doesn't always endure. The original Hilton opened in Dallas at the same time as the original Peninsula. The 14-storey building, also a horseshoe shape, lasted little more than a decade under Conrad Hilton's ownership before being sold and renamed.

Hilton profited from the Texas oil boom, suffered during the depression, then prospered as the first international hotel chain that catered to the US's postwar leisure market. Today there are more than 500 Hiltons operating in more than 85 countries but Hilton's son Barron sold the final family stake in 2007 to a private equity group.

The Marriotts and the Pritzkers – owners of Hyatt Hotels Corporation – are two other great US hotel families that followed in Hilton's footsteps. Both got their start in hotels in 1957 and almost 60 years later the two companies grappled over the Starwood stable of brands, which includes the St Regis and W Hotels. Marriott won, spending \$13.6bn in 2016 to become the world's largest hotel operator.

The JW Marriott brand stands as a legacy to the founder John Willard Marriott Sr, who died in 1985. But not every founder of a global hotel chain is immortalised in neon lights. Two are still actively involved in the business and chose not to commercialise: Isadore Sharp of Four Seasons and Robert Kuok of Shangri-La.

Sharp began in his father's Toronto construction firm while Kuok was a major commodities trader. Launched within a decade of each other, the Four Seasons and Shangri-La have grown into five-star hotel groups with more than 100 properties apiece. But in that time the two founders have seen their shareholdings reverse. Sharp's stake has been reduced to 5 per cent as billionaire Bill Gates and Saudi prince Alwaleed bin Talal have come on board. Kuok started with a 10 per cent stake before taking control and passing management to his children.

The Malaysian businessman, now in Hong Kong, has talked about the family business continuing. Shangri-La's most recent brand, the Kerry, opened its first Hong Kong hotel in 2017 on the Kowloon harbour. But it will take several generations – ideally under the steady stewardship of a family with the long term in mind – for it to become a hospitality landmark like the Peninsula, just 2km along the water.

**About the writer:** James Chambers loves Spring Moon and is Monocle's Hong Kong bureau chief.



## 14. In praise of pop-ups

by Gregor Wöltje

Take a look around your city and you'll spy temporary cafés, temporary cinemas and temporary shops – few spaces are truly permanent. Even those establishments that have been around for a long time may suddenly host the prefix “pop-up”. And why not? Although there's plenty to be said for continuity in cities, these pop-ups make the most of gaps between rents in which spaces, parks and corners might otherwise sit empty.

Pop-ups aren't new. They started when artists were looking for temporary studios or exhibition spaces (Andy Warhol's Factory in New York springs to mind) but today they're home to a plethora of marketing campaigns for everything from ateliers to kitchens. It stands to reason that an empty space can be put to better use, even if only temporarily.

Now for a confession: I enjoy sleeping in unusual places. When I was a child I moved my bed into my wardrobe, I slept outside under a construction of deckchairs and I always, perhaps unusually, dreamed of overnighting in a vault. In 2017 I came fairly close to fulfilling that dream when we opened a two-year, pop-up hotel in a one-time bank building in Munich. The building was stuck in limbo, caught up in a court dispute, so I thought, “Why not make use of it while we can?”

When embarking on the concept of the temporary Lovelace hotel, our research revealed few short-term spaces from which to draw inspiration or ideas. Those that did exist were mostly mobile structures and our idea was more in keeping with a grand hotel than a “glamping” experience. We remodelled the top three floors of the listed building into 30 guest rooms but also left scope for spaces that could be used for gigs and exhibitions, or simply in which to sink a drink. We included a coffee shop, a rooftop bar and spaces for live music, exhibitions, temporary shops, workspaces, film screenings and more.

We quickly learned why there were so few intrepid pop-up hoteliers before us: the amount of work and money that needs to be invested seemed unreasonably high and the short shelf-life meant there was only a finite amount of time to recoup it. It was a risk but a worthwhile one.

So what does it take to turn a bank into a happening hotel for a fleeting 18-month stint? Here's what I learned.

1. **Bring your own money:** Banks don't like to finance pop-up projects, plus you will be more thrifty with your own funds.
2. **Be time-conscious:** It's more important to get the place up and running so that you can test and refine it using real people than it is to plan to the finest detail before launch.
3. **Stay away from built-in fixtures:** Flexible furniture allows flexible use. Our hotel rooms can be used as makeshift bars, concert venues and showrooms.
4. **Write your own story:** Just being a pop-up doesn't get the job done. What makes your place unique? Invite the locals and turn it into a place for fun. Make room for events and culture and invest in a regular programme.
5. **Think of it like a song:** The hotel brings the basic melody, the rhythm. The guests join in, improvising with the staff and the locals, until one day it's all over. All the encores are done, the lights go up and the show moves to the next venue.

**About the writer:** Gregor Wöltje is a Munich-based entrepreneur and co-founder of the Lovelace.