



Goldman Sachs agrees £875m funding for Olympia London

Deutsche Finance and Yoo pick US bank as finance partner for fully funded £1.3bn development



Image of planned development. Source: Yoo Capital

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Deutsche Finance International and Yoo Capital have agreed a £875m development loan facility with Goldman Sachs Merchant Banking Division, to part finance the development to redevelop Olympia London into what it says will be a world-leading cultural destination.

Following the loan agreement and with the addition of equity backing already in place from German institutional investors Bayerische Versorgungskammer and

Versicherungskammer Bayern Group, the £1.3bn Olympia regeneration project is now fully funded.

[CoStar News](#) revealed that Yoo and Deutsche Finance had lined up a single finance partner for up to £900m in October and caught up with the development team to talk to them about the project.

With the main construction contract expected to be awarded imminently, initial construction work on the Olympia project, which is designed by Heatherwick Studio and SPPARC architects, is due to begin this quarter. The masterplan will see the full redevelopment of the 14-acre site, including the existing exhibition halls, with 1.3m sq ft of additional commercial space being created.

With an ambition to create a "cultural hub in west London and transform Olympia into a round-the-clock leisure and entertainment destination", Yoo and Deutsche said the development plan also includes a four-screen arthouse cinema, a 1,400-seat performing arts theatre, a 4,100-capacity music venue, a "jazz club style" restaurant and venue, shops, cafés, two hotels and 2.5 acres of public space, including pedestrianised squares and a sky garden.

The historic façades of the exhibition centre, on Olympia Way, will also be restored and spaces, such as the historic Pillar Hall, will be opened to the public.

UK consultancy Pell Frischmann is providing lead structural engineering services across the development. Cushman & Wakefield and CBRE have been appointed as joint agents on the office segment of the development which is reported to have co-working giant WeWork as an anchor tenant taking 200,000 sq ft.

In a statement on the current leasing position, Yoo and Deutsche Finance International, said: "We're in the early stages of this project and, naturally, are talking to some of the leading names in business – from tech giants to media brands – about taking office space in what will become a world-leading cultural hub."

The site, in Kensington, West London, was built in 1886 as the National Agricultural Hall, according to the designs of architect Henry Edward Coe. It hosts more than 220 exhibitions

and events each year, including the ‘Olympia Horse Show’ and ‘Stylist Live’. These events will continue to be held during development.

The developers have said the development will create 3,000 construction jobs over the next five years, and 5,400 jobs across the local area upon completion.

John Hitchcox, Chairman of Yoo Capital, said in a statement: “This is a boost for London and a clear indication of investor confidence in this transformative project to regenerate an iconic landmark. We’re moving into a pivotal year for the redevelopment, and with the finances of the exhibition business, investors as well as local community stakeholders now safeguarded, we can look forward to delivering a destination that showcases London at its very best, with culture and creativity right at its core.”

Gavin Neilan, Co-Founder and Co-Managing Partner at DFI, commented: “To have secured a commitment of this level from Goldman Sachs is a compelling endorsement of the Olympia project, and indeed of the long term outlook for London as a global tourist and business destination. We are very grateful for the ongoing support of all our funding partners and, with the development now fully funded, we have a solid foundation to move forward with our plans to transform this iconic location and unlock Olympia’s enormous potential.”

Chris Semones, Managing Director at Goldman Sachs Merchant Banking Division, said: “The history, heritage and location of this development, and the clear potential it holds, present a compelling investment case and we are very pleased to be partnering with DFI and Yoo Capital to support what will be one of the most exciting projects in London over the coming years. This transaction continues our strategy for Real Estate Credit Partners III to originate large loans to hold against high quality projects with excellent sponsorship.”

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