Robert G Leary, Chief Executive Officer

Mr Aziz D Syriani, Chair of the Corporate Board

The Olayan Group

14 December 2017

Dear Mr Leary and Mr Syriani

**The Earl’s Court scheme, London, United Kingdom**

We are writing to you because we understand that you might be considering purchasing real estate interests pertaining to the Earl’s Court property development from Capital & Counties Properties PLC (Capco).

We represent the residents of the West Kensington and Gibbs Green council estates, situated in West London, United Kingdom. Unfortunately, our 760 homes are the subject of a Conditional Land Sale Agreement (CLSA), the resident guarantees for which were never implemented, between our landlord, the London Borough of Hammersmith & Fulham (LBHF), and Capco, a contract which envisages the demolition of our homes against the formally expressed wishes of 80% of our 2,000 strong community.

We don’t know whether Capco, or indeed any third parties who might be involved in brokering a deal, have told you this, but since 2009, we have been fighting a high-profile campaign against the inclusion of our homes in Capco’s controversial Earl’s Court redevelopment: <https://westkengibbsgreen.wordpress.com/>

Our campaign to defend our homes and preserve our community has become ever more deeply entrenched as Capco’s undeliverable project has faltered against a backdrop of deteriorating political, market and tax conditions, while a leading member of one of its development partners has been convicted of corruption:

* The two most relevant public authorities, our landlord and the Mayor of London, are now controlled by Labour Party politicians unsympathetic to Capco’s scheme;
* There is an over-supply of prime inner London new-build apartment accommodation;
* The UK Government’s policy to leave the European Union is the cause of chronic economic and political uncertainty that has stymied the inner London property market;
* Increases to Stamp Duty Land Tax and its extension to second homes have further weakened housing demand; and
* The imprisonment in Hong Kong for bribery and corruption of Thomas Kwok, a high-ranking member of the Kwok Family Interests, Capco’s development partner for Lillie Square, has been the subject of considerable world-wide publicity*.*

Consequently, Capco has found it immensely difficult to maintain sales at Lillie Square of even one apartment per week, a rate at which it would take well over a century to complete the wider scheme. Across the UK development sector, the scheme is widely regarded as a lame duck. Since Easter 2017, Capco has been cleaning up the site in preparation for exiting the development. (See <https://westkengibbsgreen.wordpress.com/2017/09/21/oh-what-a-tangled-web-developer-pulls-back-from-demolition-of-empress-place-and-lillie-road/)>

The Deutsche Bank Market Research report on Capco, dated 15 June 2016, which correctly projected Capco’s share price collapse to its current value, its sale of Olympia, and its move towards exiting the scheme, predicted a 20% fall in Earl’s Court property prices, noting: *“We do not see any value in the CLSA land (currently not on the company’s balance sheet) in a falling property price scenario”*.

In a letter dated 6 November 2017, the Leader of LBHF informed us that: *“Capco’s latest proposal is to develop a new masterplan for the Earl’s Court scheme. If that gets planning permission, we would see the two estates return to council control”*. On 8 November, Capco announced to the London Stock Exchange: *“An enhanced masterplan would seek to deliver an increased number of homes across all tenures throughout the wider Earls Court Opportunity Area, and could involve LBHF taking the lead on future plans for the West Kensington and Gibbs Green Estates.”*

Deutsche Bank’s analyst saw *“political risks associated with achieving a materially value enhancing higher density planning approval for Earl’s Court”.* In our view, the even greater risk to the Earl’s Court scheme, as currently configured, is the tremendous impediment to its implementation that our community is determined to persist in causing so long as our homes continue to be included. We have the motivation, the resolve, and the wherewithal to exploit every legal avenue and orchestrate wide-ranging publicity to resist dispossession and forcible removal from our homes.

Our campaign is highly staffed and well-resourced, financed by several major UK charities. It is supported by senior professionals across the UK development and legal sectors. Over the past nine years we have established a committed following far beyond the estates, in the specialist and wider media, among politicians, opinion-formers and decision-makers locally and nationally.

Our battle is widely perceived as a cause célèbre, held up as a David and Goliath struggle where the poor and dispossessed are pitted against the rich and powerful. This has attracted photographers, filmmakers and even a playwright, all keen to document our iconic fight in the cultural and moral context where right must triumph over might.

Given caveat emptor, we appreciate you may wish to inspect the estates and meet some of the residents the scheme envisages would be forcibly removed from their homes, should the estates be redeveloped. That way you can gauge for yourself the advisability of taking on this project so long as it incorporates the estates. In the meantime, you are welcome to review the photo archive and media coverage pages of our website.

We are proud of the vision we have for our estates, which is to free ourselves from the yoke of threatened demolition and displacement, and to realise our dream of transferring our homes into community ownership so that we can determine our own future, guaranteeing security and independence for our community. We are happy to share with you the steps we have taken to exercise our legal right to achieve this goal.

I would be most grateful if you could confirm to me by return that you have received this letter. I trust, also, that you will share it with the Members of your Board, should they have been involved in this matter.

Otherwise, please do not hesitate to contact me should you require further information or should you wish to arrange a visit to our estates.

Yours sincerely



**Keith Drew**

**Chair**