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Prime Minister

ST GEORGE'S HOSPITAL, HYDE PARK CORNER

I am pleased to be able to report that, despite their recent announcement of withdrawal from negotiations, we have now reached agreement with the Grosvenor Estate over the sale of St George's Hospital, Hyde Park Corner. They will be paying us a downpayment of £6.1 million in the near future with a formula being used to determine the size of any further payment once the development has been completed. This formula, which depends on the eventual cost of the development and the rental achieved by it, is of the form we have been urging on Grosvenor for some time. We will be announcing the settlement tomorrow in a low-key manner and in terms agreed with Grosvenor.

COMPTROLLER

A handwritten signature in dark ink, consisting of a large, stylized 'P' followed by a smaller, less distinct mark.

22 October 1984

## DHSS AGREES SALE OF ST GEORGE'S HOSPITAL TO GROSVENOR ESTATE

The DHSS has agreed terms with the Grosvenor Estate for the sale of its freehold interest in the now disused St George's Hospital, Hyde Park Corner.

This will involve the sale of approximately an acre of land including Nos 1-9 Knightsbridge and about 50 per cent of the buildings fronting Hyde Park Corner for an initial payment of £6.1 million, to be followed by a further payment linked to the rental achieved upon completion of the proposed 135,000 sq ft redevelopment scheme.

The Grosvenor Estate already own the remaining freehold interest in the site.

Richard Ellis represented the DHSS and Gerald Eve represented Grosvenor Estates the successful completion of which frees one of London's most prestigious commercial property locations for a redevelopment scheme which will retain some of the important architectural features of the existing building, whilst providing a new lease of life for the site as a whole.