

AN UPDATE ON

Fairmont SOUTHAMPTON

After three years of pandemic-related setbacks, Westend Properties Limited is thrilled to announce that renovations on the iconic Fairmont Southampton are moving forward and construction is due to begin in the next quarter.

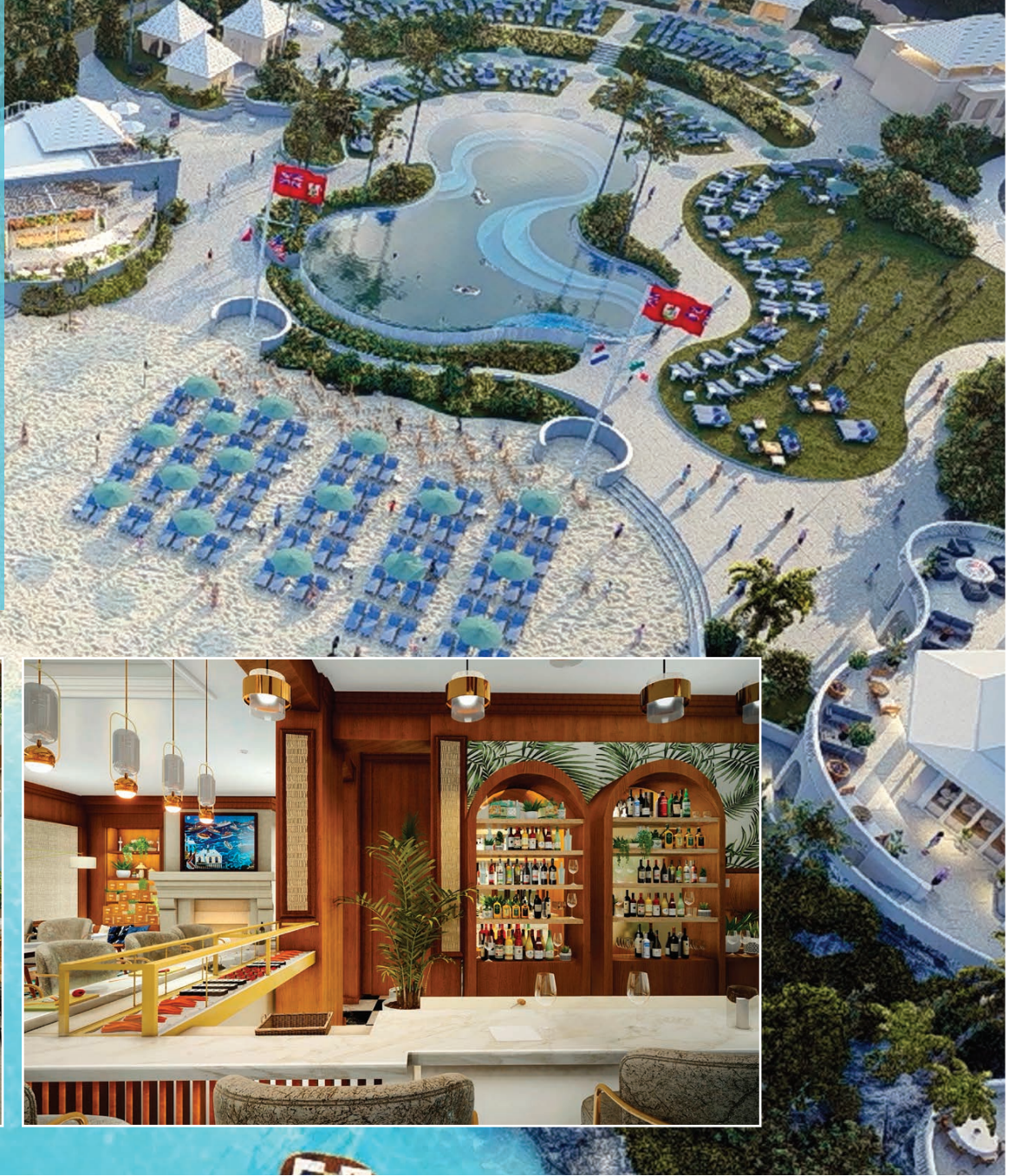
The road to this announcement has taken many twists and turns, but through the journey, the company's commitment to this project and to transforming the hotel into a luxury resort that will benefit visitors and residents alike, has never wavered. We are very excited to get started and would like to take this opportunity to share some details about the undertaking.

Hotel property renovations to begin

Our first priority will be to renovate the hotel. It's important to note that the existing building is not going to be torn down, but it will be upgraded. As previously announced, the hotel will continue to feature 593 guestrooms and they will all be completely refurbished and modernized with the latest technology. The existing restaurants and bars will also be updated. The 18-hole golf course will remain, with some minor reconfiguration, and there will be additional venues and amenities, such as a reimagined Beach Club and a new outdoor events lawn. As the only hotel on the island with the guestroom and meeting room capacity to host very large conferences and conventions, its reopening is sure to once again draw visitors from around the globe. It's worth noting that the Fairmont Southampton is responsible for 25% to 30% of airlift to the island.

Construction of Phase One of the SDO will not begin until well after the hotel renovations have commenced. These units will provide an additional 195 guest rooms to the hotel's existing 593 rooms, which is approximately a 30% increase in room capacity.

[Click to see renderings of the hotel renovation](#)



SDO application

Residents may remember that the hotel's previous owners applied for and were granted a Special Development Order (SDO) in 2009. An SDO from the Government of Bermuda's Planning Department is required when a proposed development doesn't fall within regular planning guidelines. As detailed in the plans that were submitted at the time, the SDO was for 130 fractional tourism and residential units. Though it was never executed, that SDO is still in effect.

2009 PROPOSED MASTER PLAN – Phasing Plan



2023 PROPOSED MASTER PLAN – Phasing Plan



To that end, a new SDO application is in the process of being submitted. The footprint is not substantially different from the SDO that was granted in 2009, but there is a proposed increase in the number of villas as well as in the height of some of the residential and tourism units. It is estimated that the projected build will only take up an additional 34 acres of the entire 100-acre property; 62% of the existing recreational and green space will remain. Once the SDO is approved, we can begin the design and pre-construction stage of the project. Currently, we anticipate the development will be executed in three phases; the ultimate timing will be based on the market demand for comparable real estate and will be over a longer duration, estimated at 15-20 years.

Incorporating these residential and tourism units will not only contribute to the building of the amenities that are a critical part of this project, but will also attract both local and foreign buyers, resulting in a greater economic spend for the community, including increased year-round business for local service providers.

In Phase One, villa owners will have the opportunity to include their property in the hotel rental programme. Construction of Phase One will not begin until well after the hotel renovations have commenced. These units will provide an additional 195 guest rooms to the hotel's existing 593 rooms, which is approximately a 30% increase in room capacity.

Economic benefits

The renovation of the Fairmont Southampton, combined with the addition of the new units, will result in a tremendous economic benefit to Bermuda:

As the largest hotel on the island, when the Fairmont Southampton's renovated rooms are reopened, it will assist in reigniting our tourism industry post-pandemic and bring more visitors to Bermuda.

The revamped facilities will also play a key role in redefining the island's merits and profile as a well known resort destination internationally and attract more conference and convention business traffic to the island. This will be particularly beneficial through the traditionally quieter winter months.

The new units will help bring more benefits to the local community as they will attract foreign buyers and those looking for a second home.

As the numbers to the right demonstrate, this SDO will have a significant and positive effect on Bermuda's economy, both during and after the construction, thanks to an increased need for local businesses and service providers who will reap an estimated 55% of the wider economic impact of the development.

SDO Economic Benefits

\$312.9
million

IMPACT OF CONSTRUCTION OF UNITS ON GDP

\$846.0
million

IMPACT OF UNITS ON GDP OVER 20 YEARS

\$7.9 million to \$51.8 million
IMPACT OF UNITS ON GDP PER YEAR

\$462.2
million (55%)

AMOUNT OF IMPACT FLOWING TO LOCAL BUSINESSES

\$383.8
million (45%)

AMOUNT OF IMPACT FLOWING TO HOTEL

Source: PWC

Environmental considerations

We are aware that some Bermudians may be concerned about the environmental consequences that the proposed development could have on the Fairmont Southampton property and surrounding area.

We share those concerns.

We want to reassure Bermudians that Westend Properties is committed to minimizing the environmental impact that the renovation of the hotel and construction of the proposed residential and tourism units might have. We understand the importance of balancing the often-competing interests of progress and progress. That's why we are proceeding with this project in a very intentional way. We have engaged expert consultants to conduct a comprehensive environmental impact assessment and intend to take the resulting recommendations into consideration when finalizing the construction plans. We will take all reasonable steps to maintain the overall "environment" while undertaking this project.

About Gencom and Westend Properties Limited

Westend Properties Limited is an affiliate of Gencom, an industry-leading hospitality real estate investment and development firm based in Miami. The Gencom affiliate acquired Westend Properties in 2019 in connection with the purchase of the Fairmont Southampton. In addition to building a reputation for successfully delivering on its development projects, Gencom is an innovator, partnering with leading luxury hospitality brands to co-develop and construct some of the first luxury condo-hotel rental models which have become ubiquitous in the hospitality industry today. The company has emerged as a leader through its development and ownership of Ritz-Carlton, Four Seasons and Rosewood properties around the world.

Gencom also has a track record of success in Bermuda. Several years ago, a Gencom-affiliated investment group purchased the very distressed Rosewood hotel and Tucker's Point Club and completed a major \$25 - million renovation of the two properties. The project was executed on time and with notable results, bringing the hotel out of receivership and creating many new opportunities for Bermudians and Bermuda's tourism industry.

WESTEND PROPERTIES LIMITED