

# Hotel site plea for council aid

By Colin Donald

**T**HE director of Union Street Properties, which owns the ground floor of Glasgow's Egyptian Halls, has repeated his plea for city authorities to "talk to us and collaborate" to save the deteriorating landmark from becoming a ward of the taxpayer.

Derek Souter, the Dundee-based businessman who, along with co-directors, has invested £6.5 million in the 1873 Alexander "Greek" Thomson building since 1998, said publication of USP's accounts in November would show insufficient progress to convince accountants the company is a going concern. That would force it into liquidation and compel Glasgow City Council to rescue the A-listed building at a cost of about £9.7m to the city, he said.

The ground-floor shop units' commercial value has declined by more than 70% since the global financial crisis, while maintenance costs have increased four-fold as the fabric has crumbled. The former warehouse, which contains many of the celebrated Scottish architect's original features, has not been occupied for 33 years.



Souter's other company, Union Street Investments (USI), owns the four upper floors of the building which have been earmarked for development as a 134-bedroom, four-star hotel under a 2010 agreement with Longrose Buccleuch and Accor Hotels. The proposed hotel, under the MGallery brand, would be intended to "kickstart" a wider regeneration of the down-at-heel street next to Central Station.

Souter, who will soon invest a further £25,000 in essential maintenance, said: "The council and the Scottish Government have told me to find a commercial solution since mid-2010, but there is no commercial solution for USP unless its deficit is bridged. We need a collaborative venture to get it down from its current £11.1m to £3.2m."

**The A-listed Glasgow Egyptian Halls building could become public liability**

**Photograph: Edward Jones**

Souter maintains a collaborative rescue of the ground floor would allow the hotel development, rates revenue from which would rapidly cover the costs of a public investment.

"Historic Scotland has already pledged £1.65m, which is a great start, but we need a proper discussion on how to progress the plan collaboratively, otherwise the liquidator will just hand the ground floor to the taxpayer."

A spokesman for Glasgow City Council said: "The council is keenly aware of both its architectural importance and its potential.

"In 2010, we offered funding of around £1m to aid redevelopment – with additional funding from other sources. However, conditions were not met and the money could not be released."