



Q & A

Hotel La Heredia



BACKGROUND

What kind of real estate company is Aedes?

Since our founding in 1995, Aedes Real Estate has operated as an independent property investor and developer. Aedes creates and maintains new vibrant locations on an international level. We specialize in redeveloping complex urban locations, which we revitalize through connecting history and future, through providing new meaning and substance. In this way we achieve a high-quality experience for all users, the surrounding area and for the community.

What are some of the other projects that Aedes has worked on?

Recent projects include the Soho House in Amsterdam, the Hyatt Regency Amsterdam and the Andaz Amsterdam – and numerous other high end residential developments in the Netherlands.

What makes Aedes different from other developers?

We are not just developers but owners with a long-term interest and commitment to building value in our portfolio. We consider quality a priority in the broadest sense. And we also look at how we can positively impact the the area we are developing – e.g. economically, aesthetically.

Why hotels?

Not just hotels. Also, residential properties and offices. Hotels are great places where people meet, work, relax and have fun. There is always something going on. Very complex and interesting developments, too. One of Aedes' first projects over 20 years ago was a small hotel in Maastricht, a historic city in the Netherlands – this was the first foray in what would become an interest and specialty as a hotel developer.

Why La Heredia?

We know the area and the village well. We first came in 1997 and have been homeowners since 2002. We think we can give a positive impulse to the village, the property value and some issues at the entrance and do good business at the same time. We also feel that a sophisticated development of the vacant office building at the entrance would benefit the village and community as a whole.

What is so special about La Heredia?

It is well conceived, authentic, well-kept and friendly. It has a rich and authentic sense of Andalusian culture and history – and an approachable luxury and comfort that is charming and attractive. The cobblestone streets, the lush gardens and landscaping and the craftsmanship in the old detailing make it something truly unique in an area with many uninspired developments.



HOTEL

What will be the concept of the hotel?

An intimate, elegant, exclusive and tranquil hotel, which offers a guest experience with flair unlike any other in the area inspired by the rich history and cultural heritage of La Heredia and Andalucía.

Rooms will be well appointed, some with their own terraces or balconies. There will be a common living room and small kitchen and pantry to provide smalls tapas and light meals with drinks in the afternoon /evening hours for hotel guests and their visitors only.

The hotel will have its own pool and sunbed area on the hotel property itself. The pool area will be located on the roof of the former La Perla office building (behind the clock), providing a dedicated area on site for hotel guests.

How are we going to experience the history of the building and the village once it's a hotel?

The interior design team has done research on the birth of the village, its concept, the initial interior design and all the local arts and crafts. Our guests will know that they are in La Heredia through the story the hotel will tell.

What is the average price per night for a room?

Rates have yet to be set but typically a hotel like this starts from around €175,- in low season up to € 300,- in high season. We will work initially with an introductory offer and we are considering a special La Heredia Neighbour rate for those residents of the village.

What is the description of a typical guest profile?

The guests we are aiming to attract value the local environment and want to explore. Luxury is defined by the experience and the story they can tell and not by objects or labels. Therefore, the property should reflect its culture, heritage and geography. Guests staying at Hotel La Heredia will be those wishing to discover the surroundings, both the well-known attractions and off-the-beaten-track curiosities; play golf or visit the beach while enjoying the luxury and comfort of a very nice hotel. The type of guests we expect to attract, will be out and about during the day and use the hotel as a luxury home base from which they explore the vicinity.

Is the hotel open for everybody or only for hotel guests?

It is our intention to make the hotel's common areas on the ground floor open to La Heredia residents. And if there is an interest from the community, we are open to hosting residential gatherings and making our property and resources available for community needs. We are also planning to offer a La Heredia Neighbour rate. We believe in active engagement with the community, and are open to suggestions how we may improve to benefit the community as a whole.



Will there be a terrace outside in front of the hotel?

The present plans do not include an outside terrace in front of the hotel.

Will the hotel host parties and will you allow live music to be performed at those parties?

The hotel has no large meeting or event spaces and cannot accommodate large gatherings like concerts or live bands. There are guest rooms and a communal living room /club space for guests that is intended to be homey and quiet. There is no intention to host parties or live music performances that might disturb other guests or neighbours.

Who will operate the hotel?

Aedes will operate the hotel.

Has parking been considered in the hotel plans?

Yes, the existing parking garage at the entrance of the building is part of the hotel in the current plan to scale the hotel to include more space and structure. The hotel is looking at arrangements with local transport providers to minimise 'own' car usage, like a shuttle. Please note that most other commercial uses (office, gym, supermarket) would more significantly burden the current parking demands at the village entry.

GARBAGE

Garbage and the collection of garbage:

The garbage and the emptying of the garbage containers – glass in particular at late hours – has been an issue for a long time. And despite many improvements over the years, garbage continues to create a nuisance.

We are committed to working with other businesses and stakeholders to explore the possibilities of alternative and better ways for waste management.

NOISE

How can you reassure the neighbours that the restaurant will cause no noise disturbance?

There will be no restaurant on site. Also, our hotel guests will expect a tranquil environment so noise levels will be managed at all times with strict codes of conduct.



COMMUNITY POOLS

Was there an opportunity for the Urb La Heredia to secure the community pools?

After the 2019 AGM we were approached by a former La Perla company if we were interested in buying the pools.

In January of 2020, Hotel La Heredia sat for a closed meeting with members of the community leadership. The meeting was intended to be an open and constructive dialogue about the hotel development plans and the pools. We shared documentation and offered to facilitate the acquisition of the pools. There no was no follow up on this proposal by community leadership.

Why did Hotel la Heredia purchase the pools?

First and foremost, we want to keep both pools and public spaces out of the wrong hands. E.g. a third party could restrict access or put them on pool rental platforms for outside visitors.

Second, we want to keep the pools consistent with the quality of the village.

Due to a number of legal reasons the time window to buy the pools was limited. The purchase lead straight to ownership. Legal proceedings – as initiated by the Committee of Urb La Heredia – are long, expensive and have an uncertain outcome.

We also assumed that this gesture would open a dialogue with Urb La Heredia and Committee about the hotel development and the community interests.

When did Hotel la Heredia purchase the pools?

We registered on January 22, 2021.

What will change for community members of Urb La Heredia: can they still use the pools the same way and under the same conditions as they have done before?

Yes

Will Hotel La Heredia intend to have hotel guests use these pools?

The hotel plans to have her own swimming pool. This should be part of an overall arrangement taking care of the interests of the community and of the interests of the hotel.



BENEFITS FOR LA HEREDIA COMMUNITY

What do you want to contribute to La Heredia?

We like to travel a lot to get inspiration and develop new concepts. La Heredia is one of the prettiest villages in the world.

The office building has been vacant for 10 years and suffers from disrepair. As a highly visible structure at the entrance, it is well suited to be redeveloped to a luxury boutique hotel property. This development could have a positive contribution to the village from on many levels. We expect it will boost property values, improve infrastructure, provide economic opportunities in the village and surrounding area.

What is the added value of the new hotel for La Heredia?

- a. Firstly, there are economic benefits to residents looking for employment, suppliers before and after the hotel opens, and to other local businesses with more high net worth travellers visiting the area;
- b. We are committing a substantial high end and long term investment;
- c. There will also be PR benefits. Whenever we open such a hotel, there is a strategic, global and proactive PR campaign to help promote the hotel and the destination. We will help shine the spotlight on La Heredia positioning it as a unique, beautiful and attractive area to visit. As part of this, we would be looking to partner with local companies to create unique and memorable experiences for guests;
- d. The residents of La Heredia would have the option to accommodate their guests in a hotel very close to their own home;
- e. We aim for the hotel to have a story to tell that people will want to write and talk about, hence our choice for Nicemakers as Interior Design Company.

What about potential bad reviews on Trip Advisor and other websites – won't these affect the owners' investment and property value?

With all our projects to date, the surrounding property values have gone up substantially. This is due to a number of factors that are directly related to hotel developments:

- a. The conversion of a vacant building in a prime location is positive for a community;
- b. Substantial investment in the quality of the interiors and exteriors;
- c. A hotel property contributes to diversity of an area (contrary to e.g. an office building);
- d. Increased security: the hotel and its surroundings are monitored by hotel staff 24/7
- e. Reduction of noise during late hours because hotel guests want rest; managed with strict codes of conduct
- f. Hotel offers facilities that are also of interest for the surrounding properties and businesses;
- g. Nearby shops and restaurants benefit from hotel guests and visitors;



These positive changes would likely not be possible with other commercial uses – such as a supermarket, daycare center, office or other uses.

The hotel puts a lot of effort in generating positive reviews on TripAdvisor and Booking.com. This is nowadays part of the marketing and sales plan. The village can benefit from this too.

Please note that Airbnb is not a platform for hotels.

What are you considering in terms of sustainability for the building and for the operations of the hotel?

We will consider all that is possible to reduce the energy consumption and CO2 emission if the technology involved is well established, like seasonal thermal energy storage (STES). The current estimation of the CO2 emission (like for like) compared to office use is 50% and the estimated energy consumption will be reduced to 35% of office consumption. We are considering green roofs and facilities to buffer rain water. The hotels we have developed so far all have a focus on sustainability and recycling. We aim to incorporate all the best practices in construction and operations in this hotel property.

COMMUNICATION

How are you going to keep residents informed?

We currently have a dedicated website about the hotel and plans. As the plans progress, our intention is to establish a constructive forum with the La Heredia community of owners. The idea is to create a platform to establish and implement practical improvements to the construction and communication process as it relates to the community.

Where can people go with questions and comments? Who can be contacted?

Questions and comments may be directed to: info@hotellaheredia.com or visit the website: www.hotellaheredia.com.



CONSTRUCTION MANAGEMENT

How will you minimize the construction impact on the local community?

In the construction plans and phase, great care will be taken to minimize any adverse impact on the local community. We are renovating an existent structure with limited exterior works, focusing primarily on the interior - thereby limiting the noise and disturbance on the outside. Any contractor working at the hotel must abide by the local construction legislation and local code. If necessary, measurements and photographic reports will be made of direct neighbouring buildings before any construction works commence.

Will roads be blocked during construction?

The exact construction logistics have not been established yet, but we can assure that every effort will be made to minimize inconvenience and nuisance to the La Heredia residents. There is a large (garden) area in front of the building that can be used for storage of materials. We will work with the Community to establish an agreed-upon area for (un)loading goods, without excessive hindrance to traffic. This being said, the roads will be blocked on occasion.

ADDITIONAL QUESTIONS

When did Aedes buy the office building?

Aedes acquired the property in September 2016.

Could you tell us more about the long-term commitment?

Aedes is committed to building a portfolio of generational assets and is therefore owning and operating its properties on a long-term basis. Many of the properties have been part of Aedes for over 20 years.

When are you satisfied? What is your dream regarding this project?

When it's done well to our own high standards for quality and sustainability. We would love to see our vision and plan come to fruition. And happy attendees at the opening party. One of the residents recently stated in an e-mail that was addressed to the community: "Luxury is synonymous with tranquillity, exclusivity, space and absence of problems." We could not agree more. So, we will work to improve these aspects of our beautiful village together with the community not only because we want to be good neighbours but also in the interest of our guests and our business.