

APPAREL AND ACCESSORIES

La Perla faces eviction for Hong Kong flagship

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Loungewear by La Perla. Image credit: La Perla

By STAFF REPORTS

Italian apparel and accessories label La Perla is undergoing legal trouble in regards to its Hong Kong flagship, with its landlord seeking \$5.1 million.

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The lingerie brand could possibly get evicted and have legal ramifications over unpaid debt, according to a report in Women's Wear Daily. After a downturn in visitors from Mainland China damaged La Perla's sales, the store struggled to pay its triple-digit rent and is now facing the consequences.

Downward slope

The four-story store, adorned with a giant LED screen on its outside walls, was recently able to reduce its rent to a monthly 5 million Hong Kong dollars, or \$639,000 at current exchange.

However, La Perla was still unable to keep up and began lapsing on payments last December.

While the store was eventually able to pay off its December debt, after Jan. 15, it was unable to pay for January's rent as well as February's.

The landlord is threatening the store with eviction and has said the brand has forfeited its rights to the rental reduction previously agreed upon. La Perla will lose its lower rent price starting March 1.

La Perla owes its landlord 9.2 million Hong Kong dollars, or \$1 million.



La Perla's flagship in Hong Kong. Image credit: La Perla.

The brand opened the 8,000-square-foot space in September 2015 with its first lease agreement being a monthly rental payment of 7.5 million Hong Kong dollars, or \$958,575.

This all comes at an unfortunate time for La Perla.

The majority shareholder of the Italian lingerie maker just began a process to sell its shares to Shanghai-based Fosun International in December.

Current majority shareholder Pacific Global Management will sell its stocks in La Perla to Fosun International. La Perla was established in 1954 by Ada Masotti, who opened a "lingerie laboratory" in Bologna to design lingerie that would make women feel sensual, beautiful and comfortable with themselves ([see story](#)).

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