Scotland Yard to become luxury hotel in £110m development

Guests to pay up to £10,000 a night to stay in historic police station that was once the centre of Jack the Ripper investigation

The original Scotland Yard, first headquarters of the Metropolitan police, will be refurbished for £50m. Photograph: SWNS.com

The original Scotland Yard police station is to be turned into a new five-star luxury London hotel with rooms costing up to £10,000 a night under a £110mdeal involving Galliard Homes and a Dubai-based developer.

Galliard acquired the lease in December 2013 but has now secured the backing of LuLu Group, a Middle East business run by Yusuffali Kader, one of India's richest men, to open the Great Scotland Yard Hotel in early 2017.

The historic building will be refurbished at a cost of £50m. It served as the headquarters for the Metropolitan police from 1829 to 1890 and was made familiar to millions via the novels of Sir Arthur Conan Doyle.

The hotel will be operated by 250 staff from the Steigenberger Hotel Group and will combine luxury bedrooms with two bars, a library and dining rooms.

It is the latest in a series of property developments costing ever larger amounts which have fuelled growing concerns of a property bubble.

"The Great Scotland Yard Hotel will be a brand synonymous with exceptional service and refined luxury and quality," said Don O'Sullivan, managing director of Galliard, a London-based property group.

The Metropolitan police pursued some of its most infamous cases from behind the Edwardian brick and stone facade, including the original Jack the Ripper case of 1888. It was used later as a headquarters for the Royal Military police and as a recruitment office by the British army. It was reputed to be here that Lord Kitchener famously told first world war recruits that "your country needs you". More recently, it was used by the Ministry of Defence as a library until 2004.