

Opinions

When does a hotel become a home?

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Condo hotel projects seem to be making a comeback, as guests-made-owners realize the benefits and flexibility of transforming spaces.



By **Linda Bruno**

The lines of demarcation might have disappeared somewhat between hotel guests and owners in recent years. Both urban and resort projects now have a high percentage of privately owned accommodations, though in most cases, hotel guests are unaware of the business model. With U.S. real estate continuing to be a solid investment because of low interest rates and a growing appetite for travel from most market segments, a volatile stock market and geo-political landscape has also had some influence on its success. Assuming this remains a positive movement nationally as well as in the Caribbean and Mexico, we can surmise the condo hotel/resort model will remain sustainable.

After years of lost favoritism, condo hotel projects are making a comeback. Is this because of favorable construction funding, or is this scenario based on a market demand issue? The traveling public is now more discerning and demanding than ever, though not as loyal as baby boomers. Properties need to work even harder to attract new customers in a crowded marketplace and then, of course, retain them before they move on to the next new trendy place down the way.

Architects and interior designers, needing to be on the cutting edge of what's happening, have known for some time that the less-commercial concept of creating a residential environment ensures happy guests. The laundry list of what are standard amenities and services is off the charts. What were once described as owner privileges in condo hotels/resorts and villas are now merely part of the necessary equation. Current projects on the boards no longer have lobbies but rather living rooms, full-service kitchens and even washer/dryers. Business centers have disappeared, as have desks in guestrooms. The check-in and check-out procedures are handled on a discreet, VIP-style basis in the comfort of one's accommodation or at a guest lounge off-limits to traditional hotel guests.

Many factors contribute to the decision to make a leap from a typical guest to an owner: the

upgrade to a lifestyle higher than your daily norm, controllable upkeep and maintenance costs, more privacy and less safety concerns, a vacation alternative ideally suited to the flexible size and needs of family and friends, a chance to personalize holidays based on culinary desires (no dress codes or strict restaurant hours), custom menus for dietary requirements, children, grandparents, etc. Even the family pet can have its own bed, prepared meals and walks, if you want to leave the premises for a few hours.

Both internal and exterior living space is crucial in the selection process, as average stays for the U.S. travelers can be based on weekly or holiday minimums, while Europeans and South Americans easily stay double that time period. Outdoor rain showers, gas barbecues, fire pits and complimentary bikes are becoming common place. Fitness rooms, massage tables and yoga mats allow guests to schedule such wellness sessions in-room and at their leisure. Stocked bars/wine cellars and grocery shopping are handled prior to arrival. Staffing can be customized with butlers, private chefs, nannies, chauffeurs or trainers.

More than ever, pressure is placed on concierges to accommodate the expansive list of anticipated client requests well in advance or while in residence. The benefits, however, of incorporating condos and villas into construction plans are two-fold. The guest experience is much more seamless, turn-key and offers less opportunity for disappointment as guest needs are anticipated long before they pack their bags and head to the airport. All touchpoints are well conceived and delivered in a timely manner on a gracious suggestion basis, rather than an up-sell approach.

From the hotel's perspective, the booking window is well in advance of a typical hotel stay, which helps forecasting and staffing. Deposit policies are normally in substantial increments, which helps cash-flow, and cancellation penalties are more stringent. The average length of stay is longer, with a higher average daily rate that reads more like a suite. The return ratio should develop into a traditional pattern. These bragging rights, coupled with an ability to become your own best ambassador, will undoubtedly attract new customers. In many instances, lodging reservations are made directly at the property level through voice or the proprietary website. Therefore, less commissions are paid to third parties, online travel agencies or approved suppliers. The result is better revenue flow to the bottom-line.

Professional management companies and villa rental programs handle the transactions effectively. Though the lodging inventory may be optional and fluid with usage limitations for owners, especially during peak demand periods, this can be an ideal solution for a vacation home, minus the headaches and expenses. However, hotel management needs to be educated and embrace the nuances in how these guests, who may eventually graduate to owners, wish to be acknowledged and treated.

Most of all, solid relationships are naturally established with key management, reservations and front-line staff who understand the importance of being in the hospitality industry. They may be just as excited to serve, no matter if the party is an owner or an owner-guest in the making.

Linda Bruno, ISHC, is managing director of Consulente International, a marketing and branding firm based in Greenwich, Connecticut, and Chicago. Her practice of 30-plus years is devoted to independent, luxury projects in the development or repositioning stages as well as marketing audits. With a specialty in boutique and lifestyle hotels, resorts, inns, mixed-use developments, destination spas and villa communities in the U.S. and Caribbean, she also provides a targeted focus in the U.K., Europe and Canada.

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