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LIFESTYLE HOTELS: THE EMERGENCE OF A NEW CREATIVE CLASS

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How It All Started

The Lifestyle niche has gained momentum in recent years and has evolved into an established category of hotels. This article aims to explore the dynamics and behavioral patterns of this unique market and to reveal the emerging trends that encompass this modern subdivision of the industry.

The Conception of Lifestyle Hotels

The travel industry of the 21st century has been marked by a rising creative movement. Demand is slowly gearing toward the desire for unique experiences based on originality, design, authenticity, and cultural connections. Consequently, the definition of luxury has evolved as it is no longer solely about opulence and wealth, as the traditional connotation suggests, but is instead about stimulating a diverse and innovative environment, enhanced by a sense of belonging and style.

The concept of the Lifestyle hotels has been trending over the past twenty years and has shown to be prominent in its key trait: developing with the ever-changing needs and wants of travelers. These hotels are clustered in cities such as New York, Los Angeles, London, and Miami, where the ‘young and hip’ tend to congregate. In fact, eighty-one lifestyle hotels have recently sprouted throughout Miami’s mainland, South Beach, and northern beaches.

The terms “Lifestyle” and “Boutique,” which were once used interchangeably to define certain types of hotels, have recently been less frequently articulated as substitutes. According to The Boutique and Lifestyle Lodging Association, research has shown that there is consensus that differences do exist between boutique and lifestyle hotels. Results indicate that aesthetics of a lifestyle hotel, as opposed to those of a boutique hotel, are more contemporary, with unusual design and architecture and a high level of technology. A lifestyle hotel offers more services that are ancillary and focuses on wellness and life enrichment.

| What Characterizes a “Lifestyle Hotel” | | |
|--|--|--|
| Creativity Lively Original Story-telling Imaginative Amorphous Unique | Innovation Modern Colorful High-tech Non-conformist Design and style Futuristic | Social Connections Diversity Openness Acceptance Self-Expression Rejuvenating Belonging |

The Creative Class

With over 30 percent of the US workforce identifying with the creative segment and growing remarkably

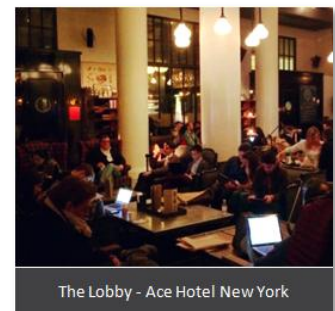
every year, as reported by urban theorist Richard Florida in “*The Rise of the Creative Class*,” the upcoming generation is gradually transforming leisure, work, and communities as a whole. In much the same way, the hotel industry has been besieged by an increase in demand for design-led, stimulating, and personalized products and services. Hotels are therefore seeking to prominently deviate from the traditional concept of ‘Home Away From Home’ by adding the ‘Lifestyle’ component and creating a trendy yet exclusive entourage.

Beyond Luxury Media, an avant-garde media company that aims to create industry-changing marketplaces for the high-end travel market, suggests that the dominant social classes of the past were once easily defined and segregated based on external factors such as race, background, and wealth, whereas today’s creative class is a supple, diverse, and ever-evolving group. They prize non-conformity, open-mindedness, and originality above all. Consequently, customer satisfaction is no longer exclusively reliant on providing a high level of comfort and quality service as it once was; the focus is instead on understanding what unique characteristics drive this new non-conforming generation of travelers.

From Lobby to “Living Space”

“Romanticize. Maximize. Politicize. Socialize. Sensationalize. Our Living Room is your living room. You won’t want to miss a thing. And you won’t have to.” – W New York Downtown

The cornerstone of the hospitality industry is based on responding to and anticipating the wishes of customers. While the focus was once on in-room amenities and creating a homelike living space for guests to spend time in the comfort of their

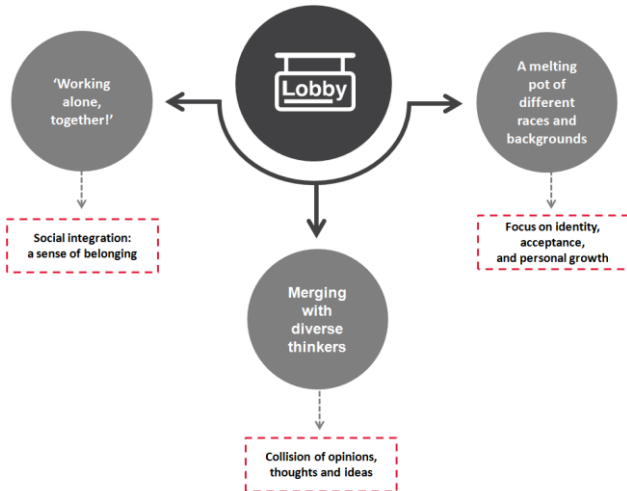


rooms, the goals are changing. With the rise of the Millennial Generation (Generation Y), the industry is witnessing new behavioral tendencies reflecting travelers’ inclination to explore the premises beyond the seclusion of their bedrooms, shifting the emphasis to public areas.

Today, guests are principally searching for a warm and inviting place, contrasting elements of urbanity and originality where they can extensively spend time. In fact, W Hotels ensure that from the moment of arrival, guests are greeted with sensory environments where amplified amusement, vibrant lounges, innovative

cocktails, and novel cuisine create more than just a hotel experience, but a luxury lifestyle destination as a whole. Likewise, SLS Hotel South Beach has replaced the concept of a traditional lobby with an open kitchen playing live culinary theater, encouraging its clientele to indulge in an exceptional and ‘happening place.’

Key Features of the Lobby



By grasping this model, industry pioneers have incorporated the lifestyle factor by creating an original yet refined customer experience, starting with a lively and tasteful entrance hall.

Aiming to deviate from the traditional scheme of a lobby, the Ace Hotel New York depicts perfectly the inimitable requirements of a lifestyle hotel. The renowned winner of LE Miami’s ‘Greatest Innovation’ hotel award caters to the demands of the new generation. Its distinctive setup, including stained glass ceilings, tabletops built from telescope lenses, vintage fixtures, and its custom-made, sixties-inspired sofas, fosters a unique sense of synergy and connection in the lobby, considered as a space both mysterious and familiar.

Lifestyle Bars: The Place to Be

“The young, the Xs and Ys who now make up for half of our customers, want even more. They want better food and beverage. They probably want more beverages. They want a little more lifestyle in the lobbies.” – Arne Sorenson, President and CEO of Marriott International

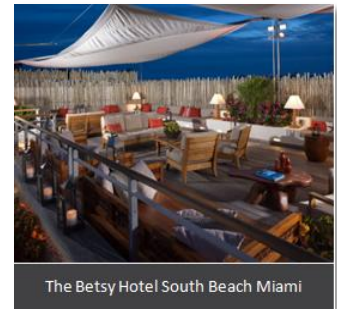
Over the last two decades, behavioral trends have reflected an increase in demand for trendy beverage facilities in the lodging industry, especially in the lifestyle sector. Hotel developers are progressively beginning to perceive the indispensability of providing appealing beverage outlets for the success of these hotels. Millennials and Gen Xers, the key target

markets of lifestyle properties, are principally searching for human interaction, meaningful experiences, and elite entertainment.

By offering a wide selection of social spaces and upgrading the standard configurations of the hotel lounge/bar, lifestyle hotels encourage guests to consume and connect in a variety of outlets, each offering a distinctive vibe and a unique atmosphere.



The requisite for the abundance in types of beverage outlets lies within the dynamics of the new generation of consumers. They fancy diversity and selection. Their busy lifestyle and energetic spirit advocates their need to disconnect from the weight of their everyday life and tune in to an enticing sense of youth and self-expression.



Exclusive Membership Programs

Hotel loyalty programs and frequent guest programs have existed since the early 1980s, starting with the foundation of InterContinental Hotels Group’s Priority Club rewards program. The initial purpose of loyalty programs was to provide guests with incentives to return to a particular brand or company through benefits such as room upgrades, late checkouts, executive-level access, and point redemption.

Willing to go the extra mile, lifestyle hotels have created their own version of loyalty programs by establishing “clubs” defined by a very particular crowd, fostering a sense of exclusivity and belonging.

Taking the guest profile into account, Soho House hotels offer selective memberships for individuals working in the film, media, and creative industries. Benefits include private access to restricted hotel areas and provisionally to the property’s sister clubs. In doing so, hotels are not only offering access to special

facilities, but are also binding a community of people with common interests, goals, and experiences, reinforcing loyalty through one-of-a-kind experiences.

The Event Calendar

Millennials are primarily characterized by their connected, upbeat, and self-expressive nature. They want to know what’s going on and when. Gone are the days of marketing events through magazines, newspapers, flyers, and directories. The Internet has evolved into the most important means for hotel marketing. In much the same way, online event calendars have proven to be an efficient tool to enhance brand awareness and to attract the young generation.

From an advertising standpoint, events play a crucial role in promoting lifestyle hotels in their local area. They juice up the ambience and encourage guests to indulge in activities in the hotel, rather than at local attractions in the marketplace. Travelers are often drawn to the property before having even made their choice of hotel or selected their dates of travel. By ensuring fresh content and a strong online presence through search engines and social media, hotels can constantly rejuvenate their image.

The Betsy South Beach’s event calendar offers a series of artistic and cultural events, ranging from live jazz shows to Broadway theaters. Events also include exhibitions, visual art galleries, and fashion shows, which generate publicity and enhance the reputation of the property through extensive word-of-mouth.



Other properties, such as the Viceroy Miami, offer more invigorating and spiritual events, including Full Moon yoga classes and Moroccan-oil poolside sessions, focusing more on wellbeing and health.

Luxury with a Twist

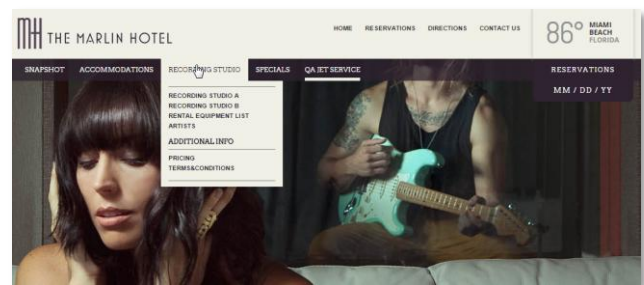
Conventional luxury is an element of the past. Hotels in our time are facing new challenges to outperform in their markets due to the changes in guests’ behavioral patterns, which have prompted a change in the fundamental layouts, types of services, and facilities required by hotels.

Research has shown that the upcoming generation is requesting uniqueness in product offering. Thirsty for knowledge, rebellious for change, and yearning for a sense of inspiration, they have revealed special affinity for music, film, fashion, theater, and other forms of art. Defiantly, lifestyle properties are seeking to deviate from the norms by providing unforeseen facilities. By creating a pulsating and design-driven culture, lifestyle hotels induce an air of creativity and adhere to the expectations of this new emerging segment.

Some milestones in the lifestyle hotel sector include:

The Marlin Hotel’s Recording Studios

‘A hotel is about being heard, not just seen.’ Awarded 2012 leading lifestyle hotel by the World Travel Awards, The Marlin is one of the premier properties to have provided guests with a unique space to produce and create music, unlike any other hotel in the region. Facilities include recording studios equipped with guitars, bases, amps, drums, keyboards, and other musical instruments, gratifying the wants of the new generation.



The Ace Hotel’s Art Gallery

The gallery at Ace Hotel New York is a space featuring exhibitions on an ongoing basis, including installations by artists, designers, photographers, and collaborators such as Allied Works, MoMA, Jaimie Warren, and Chase Jarvis from the worlds of fine arts, design, literature, music, and culinary arts.



The Cinema Room at the Soho House

Soho House Hotels offer a unique cinema experience, hosting a diverse program of quality mainstream, 3D, art-house film screenings and live events. With original interiors, luxurious seating, footstools, and tables, plus a bar serving food and drinks, Soho House Hotels provides an exclusive and exceptional product.

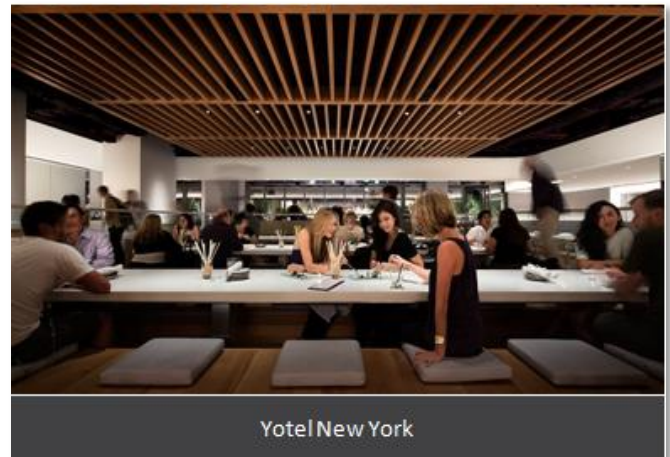


The Benefits of Outsourcing

A growing trend to outsource can be observed among global hospitality groups nowadays, especially in the sector of lifestyle hotels. Increasingly, young hoteliers are realizing that operating food and beverage outlets requires a whole different set of competencies than those needed to manage room reservations, conferences and events, and other hotel services. The operations of restaurants entail particular attention, time, and proficiency, which can be brought to hotels through the expertise of experienced chains.

From a competitive standpoint, selecting a recognized brand can encourage guests to dine in, rather than to consume in local restaurants, bars, and lounges. By outsourcing, lifestyle hotels combine the brand positioning and culinary skills of knowledgeable restaurant chains, allowing them to increase profitability in a cost-efficient manner. This allows hotel management to shift the emphasis to rooms and other areas of the hotel, generating substantial profit.

By adopting this mindset, Yotel New York demonstrates the convenience and efficacy of F&B outsourcing. East & West, the new concept from the acclaimed restaurant group China Grill Management, offers a variety of experiences for guests from laptop-friendly communal tables and lounge areas, as well as comfortable counter seating for solo diners, to a casual dining area and private meeting spaces at the hotel. Through the know-how of restaurant operators, hotels can ensure consistency in both quality and service.



Conclusion

With a community ready for change, leaders in the lifestyle sector have implemented new tactics in order to appeal to the expectation of Millennials and to achieve greater value.

Key features that discern lifestyle hotels:

- Focus on the experience rather than simply the product or service
- Connect individuals and build relationships
- Offer innovative facilities and new forms of entertainment
- Enhance online presence and implement aggressive marketing strategies
- Emphasize life enrichment, creativity, and rejuvenation



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