

Temporary nests

Economical and low-key, corporate housing is finding favor with business travelers

By Chuck Green | Special to the Tribune
October 21, 2007

Don't tell business traveler Mike Napoli there's no place like home.

He has found a way wants to re-create that feeling as closely as possible even on long trips.

When Napoli and his colleagues spent several days in Chicago last year for a trade show, they chose corporate housing over a hotel.

"It's certainly more relaxing than a hotel and allows me to get up in the morning and make a cup of coffee and get some breakfast," he said.

When they stayed in a hotel on another visit, "we bought a bunch of pizza and kept it in the refrigerator when we worked at night and wanted a snack. Corporate housing is easier," said Napoli, who works for a company that sells floor coverings.

According to the Corporate Housing Report 2007, published by the Highland Group, a management consultant, there were an estimated 3,618 units dedicated to corporate housing in the Chicago area in 2006, a 14 percent increase from a year earlier. The report defines corporate housing as furnished apartments that include utilities, linens, utensils and other necessities, typically rented 30 days at a time.

The 2007 inventory of these units is projected to increase by 6 percent, while the occupancy rate in Chicago in 2006 was 88 percent. On average, states the report, corporate housing occupancy is considerably higher than that of hotels. The average length of stay in corporate housing in Chicago in 2006 was 68 days at an average rate of \$99 a day.

In contrast, the average daily rate for a hotel room in the Chicago area was \$122 at year-end 2006, but rates were "significantly different" when looking at just downtown hotels, which were as high as \$180 for year-end 2006, according Duane Vinson, vice present at Smith Travel Research.

"In general, customers have become more sophisticated about their travel options and preferences. This has been particularly true in the last 10 years," said Peggy Berg, president of the Highland Group. She added that the product has improved accordingly.

Thomas Golden, who spent several months in Chicago on an assignment for the U.S. Postal Service, had such a "turnkey operation" in mind when he chose corporate housing downtown. "I have a full kitchen, utensils, everything."

Golden, who had a one-bedroom unit, said he'd have felt more constricted in a hotel room.

"Because I was going to be living here for six months, I wanted to be able to stretch out, walk around, have some room," said Golden, of Pennsylvania.

Young Hill, general manager of Marriott ExecuStay, said while the basics are key, amenities have become more meaningful. "Does it have a fitness center, swimming pool and business center? I think before, people didn't care as much about building amenities because they weren't using all of them; it was really about location."

However, she said as people are staying in corporate housing longer, they want these things. "They want to be able to mirror their life at home to what they're doing when they're out traveling for business." That includes proximity to shopping and a grocery store.

Besides easy access to a laundry room, a swimming pool and fitness weren't that important to Golden. But they were to his colleagues, who stayed at another downtown location that had them. "I didn't care, only because I'm overseeing the project and just don't have time [to use them]."

Barbara van Rekom, who will be staying in a corporate apartment downtown until the end of the year, also doesn't ask for much.

"It's more cost effective. I have free Internet ... and I have my own kitchen and don't have to eat out every night. I can actually make a peanut butter sandwich if I want to," she said.

Most important, said van Rekom, a Nashville-based project manager for Hewlett-Packard Co., "I don't have to drag my stuff back and forth. Every week, I fly in on Mondays and home on Fridays, so it's my home away from home, and I don't have to change rooms every week."

Hotels have the edge in certain areas, such as daily maid service, said Elaine Quiroz, president of Corporate Housing Strategies, a Virginia-based training and development firm in the corporate housing. "But because guests [in corporate housing] stay so much longer than those at a hotel, they don't always want someone coming into their private space daily. Although some ask for weekly maid service, others prefer to opt out of maid service completely, and just settle in."

It's not that Napoli, an Idaho native who stayed in a brownstone in Lincoln Park, doesn't see any downside to the arrangement. "You don't have maid service every day; you don't have a restaurant where if you're involved in something, you can just call down and get room service.

"But for us, the drawbacks are insignificant compared to the convenience and cost savings," noted Napoli, who said two colleagues stayed in a one-bedroom unit on one floor, while he and an associate occupied a two-bedroom unit on another floor.

"We wanted to save on expenses. We found the cost of us in three hotel rooms would have been about \$800 a night. We were able to do that for much less, maybe about half."

Quiroz also noted the high level of furnishings, bedding and amenities now offered in corporate housing. "It's becoming more aligned with the better hotels. The nice touches such as high-thread count sheets, for example. You expect to find these in hotels, but guests using corporate housing for the first time are often surprised at the superior quality of the interiors, furnishings and amenities."

She says that business travelers today are more sophisticated in their accommodation choices, and that includes corporate housing.

"Corporate housing is still relatively new to many travelers, having evolved in the last 40 years. Yet once travelers stay in these spacious apartments, they quickly develop a preference for them over hotels, for their longer-term stays. There is nothing that compares to having your own 'home' while on the road. And as corporate apartment services and amenities continue to move higher,

this will become an even stronger choice for travelers."

Steve Cuskey, who visited Chicago last year for a trade show, is sold. "I pretty much rent places wherever I go because, to me, a hotel room has become jail with drapes and a television after about two days. [With corporate housing] everything's there, like a full-blown kitchen, an office with Internet access, a board room," said Cuskey, who also stayed in the Lincoln Park area.

Like Napoli, Cuskey emphasized the importance of establishing a "home" on the road. "What was important to me was having something that looks like my house and not a hotel room. I mean, how common has the word 'suite' become? I'm an old guy. Now a suite is just this word that means you have two rooms and a microwave sitting on top of a refrigerator. So I always try to zero in on something a little better."

Jim Haring, owner of China Doll Guest House in Chicago, agreed. "Business travelers are sick of sterile hotel rooms or even suites. They are discovering the option of self-catered apartments where they get a complete home and each apartment is unique. A Wi-Fi connection is a must, but many also offer completely equipped offices in the apartment."

"I want to have everything I need when I want it in the morning," added Cuskey. "I suppose I'm an old curmudgeon; I like to have coffee put ready right there and I don't want to wait for room service. And I sure don't want to have to tip the guy on top of that. And heaven help you if you open up mini-bar and take anything out," he said with a laugh.

"It has to feel like home."

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