

SHIFTING TRENDS

With an ongoing drop in housing prices, Canada's corporate housing sector is seeing new booking patterns among its corporate customers

By Kelly Parker

As the world watched the credit crunch in the U.S., it was alarmed to see the meltdown spread worldwide — even to Canada, which most experts believed was positioned better than any other country to weather the storm. While all of this was happening, the temporary corporate accommodation sector began to experience inevitable shifts in booking patterns and general trends in its industry. Luckily, not all the news was bad.

The big picture looks like this. According to information gathered by Premiere Executive Suites, the extended-stay market in Canada in 2005 was estimated to be \$240 million, or 2.4 per cent of the overall accommodation market. By 2007 it represented about 2.7 per cent of the accommodations market, or nearly \$300 million.

“Given the state of the economy,” says the statement, “we expect growth to moderate and have forecasted a one-per-cent increase in 2009, a three-per-cent increase in 2010 and a five-per-cent increase in 2011. We expect growth, on average, to slow to 3.1 per cent over the next few years. We have also assumed that international demand will continue to decline, and domestic demand to become the greater percentage of overall accommodations.”



MORE TRENDS

Downturn aside, there have been other trends developing in the sector. Mary Ann Passi, executive director of the Corporate Housing Providers Association (CHPA), notes that for the last number of years guests have been looking for upgraded electronics like iPod docking stations and wide-screen TV's, upgraded WiFi connectability and top-of-the-line hotel-type bedding.

Beyond that, says Passi, their concern has been for the environment — both in the rooms and in the larger sense. “Some clients are looking for allergen-free environments in their units, as well as smoke-free units,” says Passi, “and a lot of clients are looking to find out what the properties are doing to become more environmentally conscious.”

Steven Iantorno, assistant director of sales, SOHO Metropolitan Hotels, says there has also been a move toward larger units. “We’re recognizing a need for larger more spacious accommodations such as one bedroom plus den, or two bedroom suites,” he says, adding that clients also want to have more influence to personalize accommodations for both in-suite FF&E and service provisions.



Eye on the economy

Trend or blip, the downturn is the main concern for the temporary accommodation industry right now, although its effects are being felt differently depending on location. “We’re hearing a lot about the U.S. market,” says Daniel Bar-Dayyan, vice-president & general manager at DelSuites, “where a lot of people don’t want to sell their homes, and be forced to take a loss by moving up to Canada and buying something that might be more costly, since our real estate prices haven’t dropped as dramatically as they have in the States.”

As a result, one option that’s been on the upswing, is the use of unsold homes as temporary housing. “Here in the U.S. there are a number of people who are using their home for corporate housing when they can’t sell it,” says Amanda Cook, director of membership & marketing at the Corporate Housing Providers Association (CHPA). “They will use their vacant home as corporate housing to help generate income to help them make both mortgage payments (after buying another house in their new location).”

There has also been a fundamental change in booking patterns. “Providers are seeing fewer transactions from relocations, but longer stays,” says Mary

Making relocations a refreshing experience.



For the price of a hotel room, you could stay at Les Suites Hotel Ottawa. Make yourself at home in a spacious one- or two-bedroom suite with complete kitchen (we do the dishes), ensuite laundry and separate living and sleeping areas. Unwind in our recreational facility with indoor pool and exercise room.

Stay connected to work and family with free wireless high-speed Internet, free local calls and voice mail.

Situated in the heart of downtown, you’ll discover plenty of great shopping, dining and entertainment just steps away.

Whether you’re staying a few weeks, or a few months, our staff are committed to doing everything possible to make your relocation easier. Les Suites – **arrive empowered, leave refreshed.**



130 Besserer Street, Ottawa, Ontario K1N 9M9 • 613-232-2000 • 1-800-267-1989 • www.les-suites.com

Ann Passi, CHPA's executive director. "For example, where a company might have previously sent in 10 executives to work on a project, now they might have only two people coming in, but they might be staying a lot longer because those two people have that much more work to do."

Steve Georgopoulos, general manager, Les Suites Hotel Ottawa, notes that his property is seeing a shorter booking window and much more volatility in the departure date — both extending at the last minute and cutting the stay shorter.

"Even with the downturn in the economy," he says, "businesses will still send in trouble-shooters and parachute in their best employees where needed. Astute providers that are able to turn on a dime and satisfy the needs of the discerning guest will continue to do well."

Steven Iantorno, assistant director of sales for SOHO Metropolitan Hotels, has also experienced a greater demand for that kind of flexibility, pointing out that "less stringent cancellation and/or early departure attrition clauses have been introduced, as has lead time for clients seeking terms less than one month."

Quality service

One thing smart operators are not doing is cutting service levels. "We could knock our rates down and go from weekly to bi-weekly housekeeping or take away the welcome basket — and

STEVE GEORGOPOULOS OF LES SUITES HOTEL OTTAWA NOTES THAT HIS PROPERTY IS SEEING A SHORTER BOOKING WINDOW AND MUCH MORE VOLATILITY IN THE DEPARTURE DATE

some companies are doing those things — but we're going to maintain the same service level. We will not sacrifice service for the sake of rate," says DelSuites' Bar-Dayan.

In fact, service might just be the make-or-break factor in driving sales through to the end of the downturn tunnel. "One of our philosophies as an Easton Hotel is to under-promise and over-deliver, not only with the product that we offer our customers, but with the service that we are providing," says Judy Mahoney, vice-president, sales & marketing, Easton's Group of Hotels Residence Inn Toronto. "We like to go above and beyond the expectations of all of our guests, and we'll maintain that service level throughout 2009. It's more important now than it ever has been." ❁



**Welcome to your New Home
Away from Home!**

Stay at the Sandalwood Suites Hotel for your Short & Long Term Hotel Accommodations.



- All Suites Hotel offering One and Two Bedroom Suites
- Suites have a fully equipped kitchenette
- Complimentary Deluxe Continental Breakfast
- Complimentary Parking and High-Speed Internet
- Award winning Courtyard and BBQ deck
- Special Weekly and Monthly Rates available upon request

Call Sales at 1 800 387 3355
www.SandalwoodHotel.com
 5050 Orbitor Drive
 Mississauga | Ontario



**PACIFIC COAST
ACCOMMODATIONS LTD.**
"A Relocate Canada Company"

Toll-Free: 1.877.841.8111
 Tel: 604.931.2121 Fax: 604.931.2121

Accommodating your needs
for over 12 years.

- Furnished Accommodation
- Orientation Tours
- Rental Home Searches
- Settling in Services

PO Box 64557, 1942 Como Lake Ave. Coquitlam, B.C. V3J 7V7 www.relocate.ca