

Residential Suites throws hat into extended-stay ring

By John P. Walsh
MANAGING EDITOR

CINCINNATI—There's a new brand in the extended-stay segment, and its goal is to make guests feel at home as much as possible.

Residential Suites Hotel LLC opened the first Residential Suites hotel in late April in Cincinnati.

"We want a great residential experience for people," said Ben Coffman, managing partner of



Coffman
RESIDENTIAL
SUITES HOTEL



Skinner
THE HIGHLAND
GROUP

Residential Suites Hotel. "We're working toward a home-like expe-

rience. The market wants home-like accommodations. We want to duplicate guests' home experience."

Coffman said the 73-suite hotel doesn't have an elaborate lobby, a 24-hour front desk or a full breakfast and that most of the money was spent in the guestrooms to give guests an upscale feel.

"We're giving people what they want," he said.

Crown molding in the guest-

rooms and upscale carpeting in the guestrooms and hallways are two examples of the upscale look and feel, Coffman said. The company also partnered with Otis Spunkmeyer to provide guests with a continental-type breakfast.

Coffman said he has a strong relationship with a local bank that financially backed the development of the hotel. The cost per key, excluding land, was \$60,000. But Mark Skinner of The Highland

Group, an Atlanta-based consulting firm that tracks the performance of the extended-stay segment, said \$60,000 is too costly.

"With \$60,000 per key, they won't be able to compete with a product in the upscale segment," Skinner said.

Growth

Residential Suites Hotel plans to develop and open six more hotels: three in Cincinnati; one in Atlanta; one in Sarasota, Fla.; and one in Nashville. Coffman said there are two or three developers who have expressed interest in developing a Residential Suites property but are waiting for the economy to improve.

"Once this property is stabilized, we'll look at any option, including franchising, to grow the brand," Coffman said. "We have a good prototype, and not much will change. As the economy improves, and as we prove ourselves, we'll grow. The next six hotels won't happen soon."

"To start one hotel and get it successfully franchised is extremely difficult," Skinner said. "There is virtually nothing under construction right now in the extended-stay market. InTown Suites is really the only one that can build right now because it's a private company and because it's large—it has about 120 hotels."

Skinner said that it's much easier to finance the development of

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- an indoor pool, outdoor sun deck and grill; and
- an on-site exercise room.

Source: Residential Suites Hotel LLC

imagination at work



Residential Suites Hotel

Continued from page 6

a Residence Inn, TownePlace Suites, Homewood Suites or Staybridge Suites because of the companies that back those brands—Marriott International, Hilton Hotels Corp. and InterContinental Hotels Group (formerly Six Continents Hotels).

"Those without branding power aren't growing very much," he said.

Amenities and cost

If Residential Suites Hotel wants to compete in the upscale segment of the extended-stay market, the service level has to be more than what a typical extended-stay hotel offers, Skinner said. Amenities such as daily maid service, complimentary breakfast, a social hour in the evening, and most importantly, frequent-travel points that are part of a guest-loyalty program are needed for a competitive edge, he said.

Hotels in the upscale segment of the extended-stay market provide a 24-hour front desk and about 50 percent of guests are nightly, Skinner said.

Coffman said the Residential Suites hotel provides daily maid service for daily guests and weekly maid service for those staying one week or longer. He said guests can call down to the front desk for complimentary soap, shampoo, coffee and towels. There's also a weekly guest appreciation night from 6 p.m. to 8 p.m.

There's no minimum night stay; and 80 percent of the hotel's business is corporate and 20 percent is transient, Coffman said.

The rack rate for a standard suite is \$99 a night for a one- to six-night stay, \$79 a night for a seven- to 29-night stay and \$69 a night for a 30-night-or-more stay. Corporate and association rates for the same three lengths of stay are \$89, \$69 and \$59. Preferred customer and government rates



RESIDENTIAL SUITES HOTEL

Residential Suites Hotel LLC opened the first Residential Suites hotel in late April in Cincinnati. The company wants to create a home-like experience for guests and aims to compete in the upscale extended-stay market.

for the three lengths of stay are \$84, \$59 and \$54.

The company is engaged in direct marketing to companies for corporate business, Coffman said.

Coffman started his hospitality career in 1991 with Hilton, then was with the Studio Plus

brand from 1991 to 1995. When Extended Stay America bought the brand in 1995, Coffman decided to go out on his own. He opened a property called Ashley Quarters in 1996 and operated that for about four years. Then, he said, he got an opportunity to

improve the extended-stay concept and developed the first Residential Suites property.

"Our mission is to provide first-class customer service along with the best residential experience in the world," he said.

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S. Brent Lynch
VP Marketing & Vendor Management
Allegiant, Raleigh, NC

Business Boosters



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■ **Long Bay Beach Resort & Villas** in Tortola, the British Virgin Islands, provides an on-site dive operator. Complimentary dive lessons are held every Wednesday morning in the property's pool.

■ The No Sweat package at **Four Seasons Resort Scottsdale** (Ariz.) includes check-out at noon, champagne and strawberries upon guests' arrival, breakfast for two and the spa serenity day program.

Allegiant

Company Profile: Allegiant

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Sales: \$98 million in 2001

Employees: 87 full-time

Primary Products: Furnishings, Fixtures & Equipment; Financing; Interior Design

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