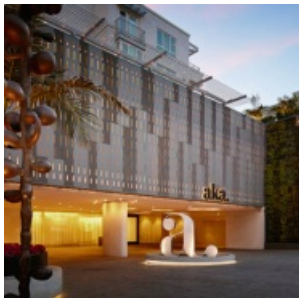


IN-STORE

Extended stay properties appeal to youth and business travelers alike

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AKA property exterior

By FORREST CARDAMENIS

The habits of millennials are forcing high-end hotels to think again about what "luxury" means.

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An extended stay package can offer more in-room amenities for a lower cost than many hotels. While a number of global hotel brands have built their reputations on great service and the high prices that come with it, a long-burgeoning alternative of extended stay might better suit new habits and ideas.

"I think there was a global recognition that there was a better way to stay for that month than a traditional hotel, said Larry Korman, co-CEO of Korman Properties and president of **AKA**. "To have a residence versus a room, to be able to stay in and cook breakfast in the morning or, late at night, make tea or pop popcorn and watch a movie, is a better way to live in that month and a better way to meet locals and live like a local.

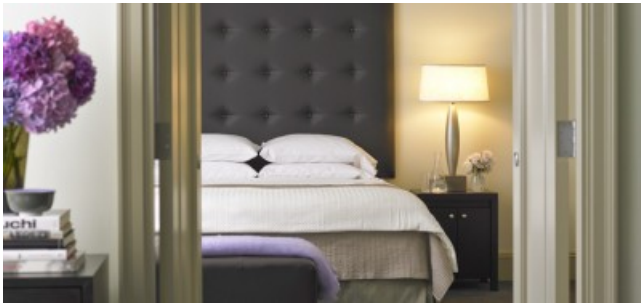
"This evolution of staying longer is for elastic-minded individuals who are global, more appreciative of good design, respect design, and more interested in the arts," he said. "They want to be on a tree-lined street and meet the people and the culture and the treats the city has in a different way."

Shelter from the storm

At a property such as **AKA**, which owns condominium buildings, patrons get better rates for longer stays.

Additionally, the residences are more than rooms; in addition to a full-sized kitchen and refrigerator, extended stay properties might even contain washers and dryers and gyms.

Together, these two advantages make extended stay ideal for business travelers who need multiple weeks or a couple months in a city and for those going through a divorce. Even for the affluent, a month in a nice hotel could burn a whole in the wallet, while an extended stay would offer savings and allow a home more comparable to the one the consumer just left.



Looking into AKA extended stay bedroom

With study abroad programs more numerous and more popular than ever, the college-educated workers of the future are eager to and adept at living in other countries. For such consumers, extended stay offers a higher-value, more home-like alternative to hotels.

Recent years have seen a proliferation of businesses built for convenience, ease and accessibility. Uber and Airbnb are redefining the way consumers, particularly millennials, get from point A to point B.

But these businesses, transformative as they are, have shortcomings. Ethical, legal and safety issues have given the solo traveler in particular a pause. AKA owns their buildings, providing that level of safety, security and legality that recent innovative startups sometimes have issues with.



AKA property furnishings

"I think young people are very worldly," Mr. Korman said. "They want the best, they want the basic features of safety, security and comfort, but they want a way to afford it and evolve and be more user-friendly."

"At the end of the day quality shows, and if it does not matter on a level of cleanliness and security on certain basic things that they might take for granted then that pendulum will turn and they will go back to tried and true places," he said. "I found myself doing that, I find myself, as I get older, saying, Here's what I really want.' You see what happened with bed bugs in New York."



AKA furnishings

Recognizing the needs of the business traveler or the impending divorcee, some hotel chains offer extended stay rooms or residences, but when a brand is known for one thing, providing a competing service can be difficult.

"I think if you take a Hilton, a Marriott, a Four Seasons even, these companies get bought, and there is constant pressure from Wall Street not Main Street to build, to add or be bought," Mr. Korman said. "So there is pressure on these very large monolithic giants and they look for areas in which they can grow and see there is a need within the extended stay, there is this generation they can appeal to.

"I do see this entrance into extended stay as just growing for the sake of growing and not really just offering the proper package or presentation or people to deliver the services and amenities and experiences," he said. "They

enter because they seen an opening."



AKA residency

The growth of luxury extended stay thus presents hotels with a conundrum. If they want to tap into the market, the only two apparent options are to either ignore the value proposition that makes it so appealing not to mention the different living experience a hotel offers compared to a condominium or offer lower prices, which always comes with the risk of hurting brand image.

Resolving the issue will take creativity, but given the fact that young travelers are already flocking to Airbnb for its various charms and differences to the hotel, it is not a stretch to predict that as many consumers accrue wealth they will turn to the luxury extended stay offered by the nice furnishings and design of brands such as AKA. There will always be travelers looking for great service and knowledgeable concierge, but the "study abroad" generation might be more comfortable getting by without it.

Don't think twice, it's alright

The hospitality industry is also adapting to changes wrought by socially-conscious and philanthropic youth.

Traveling is an increasingly popular way for people to give back, and hotel brands must stay on top of the trend to maintain their status as the best in the business.

A recent study by Tours.com found that an astonishing 55 percent of America-based travelers partook in volunteer work during a vacation within the past two years, with almost three quarters calling their charitable donations or philanthropic endeavors "important," "very important" or "extremely important." As "voluntourism" becomes increasingly common, brands must show that they care equally and assist travelers in partaking in volunteer work or gifting to maintain status and image ([see story](#)).

Much has been made about the changing connotation among youth of the word luxury.

High-earners not rich yet (HENRYs), especially HENRYs aged 44 and younger, may save luxury from its current drought. Appealing to HENRYs and aspirational millennials, however, means brands will have to retell the story of luxury and market in new ways.

For young HENRYs, the luxury label does not carry the same mystique as it has in the past or that it might for older consumers. Instead, the word can connote over-priced and unaffordable goods even more than it defines craftsmanship or value. For these consumers, the values associated with the brand as well as the relative value in cost-per-use are more important ([see story](#)).

Final Take

Forrest Cardamenis, editorial assistant on Luxury Daily, New York