

# More popular than ever

As Australia's leading accommodation management company, The Lido Group has watched with interest the surge in popularity of apartment-style accommodation in recent years. **Scott Mitchell** notes that what started out as corporates looking for a bit of extra space for longer term stays has grown to encompass a number of market sectors.

WHILE CORPORATES ARE still using apartment-style accommodation for longer stays, interestingly many are now choosing apartments for single-night stays. They really appreciate the less formal environment of apartment-style establishments; not to mention the extra space.

However, the average corporate visitor to an apartment hotel still expects some of the basic services provided by most four-star hotels. Services and facilities such as in-room internet access, dining facilities and meeting rooms are commonly requested.

The casual ambience of apartments is not to everyone's taste, but it does appear that they are very popular with corporates who fall into the "middle to upper" management levels. Although many senior executives have been willing to forgo the extra service provided by hotels in favour of apartments, it

still appears as though five-star hotels are the most popular choice for senior executives. Contributing to this in recent times may be the slight decline in five-star hotel prices in many major city centres; many of the deals offered by the best hotels have simply been too good to turn down.

The Lido Group is experiencing rapid growth in the government accommodation sector and we have noticed a very high demand for apartments for government travellers, especially those using a travel allowance to purchase their accommodation and meals. Generally, apartments offer more space than a standard hotel room, but for a similar price. The added benefit of in-room cooking facilities is also often a significant factor when government travellers are choosing their accommodation.

We have long maintained that apartment-style accommodation also

provides exceptional value to visitors of trade fairs, exhibitions, conferences and conventions. Our statistics indicate that the number of requests for apartment hotels in this market is proportionally greater than that of the corporate and government sectors. A key reason for this is that, generally speaking, the average length of stay of visitors to these types of events is more than a single night – stays of seven days or more are quite common, especially for exhibitors and organisers of trade fairs and exhibitions. The "home away from home" approach allows guests to cook meals, do their own laundry and generally feel more comfortable when they are away on business. Furthermore, the opportunity for several guests to share a multiple-bedroom apartment will almost always result in a lower overall cost than booking several single hotel rooms.

## Apartment growth in Australia

SERVICED APARTMENTS	Dec Qtr 2001	Dec Qtr 2002	change
Rooms available (no.)	35,129.0	35,350.0	0.6%
Room nights occupied ('000)	2,003.4	2,175.3	8.6%
Room occupancy rate (%)	62.0	66.9	4.9%
Takings from accommodation (\$'000)	242,753.0	269,252.0	10.9%

Source: ABS

Scott Mitchell is group sales manager for The Lido Group. He has had extensive experience in the accommodation sector, having worked within the hotel industry for groups in Australia and the United Kingdom before joining Lido in 1998.