



Riding STRONG

ACCOMMODATION When Airbnb burst on to the scene it may have had the serviced apartments industry worried – but if anything this new arrival only served to highlight just how strong the demand for serviced apartments is by **Sarah Friggieri**

IN 2010, the Australian dollar reached parity with the greenback. As a result, the tourism industry took a fall. Now, as the Aussie dollar collapses, more and more international travellers – both for business and leisure – are flocking to our shores. But even though they are receiving more value for their dollar, they're not willing to just throw it away – and, as their purse strings tighten in response to the climate, locals are feeling the same.

Airbnb officially launched into Australia in November 2012 when it opened its 11th office in Sydney, and while the Australian consumer accounts for one tenth of the Airbnb user base it's unlikely that many of these are business users – and for good reason. While the prices may be keen with airbnb, there's no standardisation within the industry so EAs won't have peace of mind that the apartment they just booked for a bargain price will be clean, as described or of a reasonable quality. When it comes to value for money, quality of surroundings

and exceptional facilities airbnb just can't compete with serviced apartments.

EAs can book a serviced apartment in complete confidence that what they see is what they will get – standards are always high, and the facilities available are second-to-none.

"The serviced apartments industry has been the steadiest performer in the accommodation subdivision over the past decade," concludes IBIS World in the well-researched *Serviced Apartments in Australia* report, published May 2015. "Other accommodation providers, including hotels and motels, have struggled in the wake of... global economic uncertainty."

Driving the success is a number of factors, including the globalisation of companies and talent mobility. "Corporations all over the world are realising the benefit of relocation, as it helps support retention and career-development efforts," says Lisa Rauch, director of sales, APAC Oakwood

Worldwide. "Companies that provide the best housing solutions for employees on assignment or relocating have an edge over competitors in attracting top talent."

And in times of turmoil, duty of care has also proven to be a factor. "Well-publicised incidents and international security concerns have sharpened organisations' focus on the safety of their assignees, and many are reviewing their own in-house travel and risk procedures to ensure they are up to date in the event of a crisis," continues Lisa, giving EAs even more reason to turn to serviced apartments to meet their accommodation needs.

PERFECT FOR... THE BOSS WHO LIKES PRIVACY

Located in popular districts, big-name hotels can be teeming with loud, excited social butterflies on holiday or even locals looking to knock back a few before a night on the town.

In contrast, serviced apartments generally attract business users which means noise complaints are rarely an issue. In fact, many serviced apartments providers make a point of focusing on privacy, safety and security for the very reason of appealing to the discerning corporate market.

Good serviced apartments are fully furnished with a kitchenette, separate



living and dining facilities, a bathroom and a bed, complemented with modern amenities, offering the comfort of a home-like environment. So if the boss is working hard and doesn't want

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interruptions they can get on with things without seeing anyone.

“The freedom of serviced apartments empower guests to achieve a good work-life balance by enabling them with the ability to set their own schedule and enjoy day-to-day activities in a comfortable environment,” says Lisa.

PERFECT FOR... THE BOSS WITH A STRICT BUDGET

Book an extended stay in a hotel and you may have to take a small fortune out of the kitty in order to cover costs – after all most stays don't cover the three meals a day required or the endless hot drinks an exec may consume in a day. But, with serviced apartment the ability to prepare your own meals, snacks and drinks is highly appealing and convenient.

It is not uncommon for business travellers to book a multiple-month stay at a serviced apartment – heck, it's almost assumed! – and so costs can be kept under control.

“In city locations, our average length of stay is four to five days, although in outer-city locations this could be two to three weeks or as many as two to three months,” Quest Serviced Apartments chairman Paul Constantinou revealed in the 2015 Global Serviced Apartment Industry Report.

In fact, providers are increasing the flexibility of rental periods of serviced apartments in response to the rise of short-term assignments. The PWC Talent and Mobility: 2020 and Beyond report noted that 20 per cent of assignments now last less than 12 months, compared with 10 per cent in 2002.

No matter the length – short term (one to six nights), medium term (one week to one month), long term (longer than one month) – serviced apartments are generally cheaper than staying at an equivalent hotel room.

“An advantage serviced apartments have over hotels is that they are less likely to face challenges related to high occupancy levels,” says Lisa. “Unit rates are usually set through long-term contracts, so the rates tend to be steadier for clients than a hotel, which might change its rates on a daily basis depending on demand.”

Some serviced apartments even come with a discount for stays of 30 days or more, or for multiple bookings.

WHAT ARE THE BENEFITS TO YOU?

“For executive assistants, the benefit to booking serviced apartments, particularly with a global serviced apartment

provider, is that they will have a single point of contact regardless of where in the world a serviced apartment is required,” says Lisa. This means the entire booking, billing issues and any additional requests can be handled at one central point.

In addition, many companies have partnered with an online content-management company as a way of providing a faster, smoother procurement process, which makes life for an EA even easier. Says Lisa: “Continued investment in technology is needed in order to drive bookings through proprietary websites, enhance the booking experience and expand reach across multiple channels to meet consumer demand.”

The facts

- Since 2008, there has been an 80.1 per cent increase in the number of serviced apartments across the world. Now, there are almost three quarters of a million (748,437).
- In 2013/14, there were 40,814 serviced apartments in 448 locations across Australia and New Zealand. A 2015 report revealed there are now 59,169 serviced apartments in 1073 locations across Australia and New Zealand.