



From Master Bedrooms to Master Suites:

Transforming Multifamily Properties with Hospitality Leadership

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Most multifamily companies recognize that modern city dwellers no longer want a room with a view. They want a room with a view plus an upgraded lobby, state-of-the-art fitness center, onsite dry-cleaning service, pet care and concierge services, among other amenities. These tenants seek to transfer the high-quality lifestyle found in hotels to the comfort of their own apartment complexes.

Multifamily developers and operators have begun to meet this demand by enhancing apartment buildings and condominiums with features often found in five-star hotels. For instance, Oceanwide Plaza, a Los Angeles-based development of Oceanwide Holdings, will sport “a two-acre ‘sky park’ [standing] 100 feet in the air, complete with two dog parks, a basketball court, lawns, a swimming pool, and a running track”¹ upon its completion.

This trend of building high-rises for the “high living” is likely to continue; two-thirds of the world’s population is expected to live in cities by 2050,² thereby increasing the need and demand for living space in metropolitan areas. To distinguish themselves from the competition, multifamily developers and operators should look to hospitality companies not only for inspiration, but for talent. Multifamily companies that recruit versatile hospitality leaders to their C-Suites or Boards will see their investments yield dividends when the leaders’ fresh ideas

help the companies ascend to the top of an increasingly competitive marketplace.

NOT ‘REINVENTING THE WHEEL:’ EXAMPLES OF PARTNERSHIPS THAT ENHANCED MULTIFAMILY PROPERTIES WITH HOSPITALITY AMENITIES

Despite the ongoing competition to construct new multifamily properties, developers that aim to offer features and services inspired by the hospitality industry do not need to build new properties themselves. Many developers partner with innovative operators, existing service providers or established property owners in order to enhance living spaces and provide clients with the atmospheres and amenities of hotels. Some recent examples of thriving partnerships include:

- Greystar recently partnered with Hello Alfred, an app-based personal assistant, to offer its tenants nationwide access to weekly onsite services including grocery and prescription pickup and mail and package delivery. Hello Alfred’s corporate clients also include Related Companies, Hines and Jamestown, among others. Spruce, a similar app-based business that partners with multifamily companies, handles daily chores for tenants such as dishwashing, laundry-folding and oven-cleaning.
- WhyHotel partners with multifamily developers and property managers to operate pop-up hotels in newly built luxury apartment buildings that have yet to lease all of their units. The

¹ <https://www.businessinsider.com/luxury-apartments-amenities-war-tenants-inventory-surplus-pop-up-hotels-2019-1>

² <https://www.usnews.com/news/world/articles/2018-05-17/report-two-thirds-of-worlds-population-will-live-in-cities-by-2050>

building lobbies are staffed 24 hours a day and feature complimentary coffee and snacks. Guests can reserve units online directly through WhyHotel or on booking websites like Expedia.com, like they would if booking a traditional hotel room.

- Companies such as Sonder, Lyric and Stay Alfred lease high-end apartments and rent them out to customers for their temporary usage while on vacation or traveling on business. The companies offer hotel-like services and amenities, including luxury furnishings, in-unit washers and dryers, high-speed internet, keyless entry, and mobile concierge service. Similarly, Ollie, a co-living company, boasts high-end furniture and toiletries; premium TV programming; weekly linen and maid service; and regular community events. Rather than own and develop its projects, Ollie partners with developers.

Partnerships like these prevent developers from “reinventing the wheel” and allow them to deliver cost-effective customer service in the style of elegant hotels.

CONCLUSION: LEADING THE PACK

As the population of cities increases by the day, multifamily companies face mounting pressure to provide unique properties that draw and retain tenants. Many developers and operators have responded by replicating services and amenities from first-class hotels to entice residents and travelers alike who seek modern and updated living

environments and excellent customer service. The offerings range from the most efficient to the most exclusive, but they serve the same purpose: to lure customers with a single, attractive brand in the face of rising competition.

Multifamily companies can hire or appoint leaders from the hospitality industry in order to devise new ideas for projects that distinguish their brand their competitors’. Businesses that opt to fill their Board or C-Suite positions with hospitality leaders will increase their chances of emerging as frontrunners in the pack of voracious competitors.

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FPL is a global professional services firm that specializes in providing executive and Board search and leadership, compensation, and management consulting solutions to the real estate and a select group of related industries. Our committed senior professionals bring a wealth of expertise and category-specific knowledge to leaders across the real estate, infrastructure, hospitality and leisure, and healthcare services sectors.

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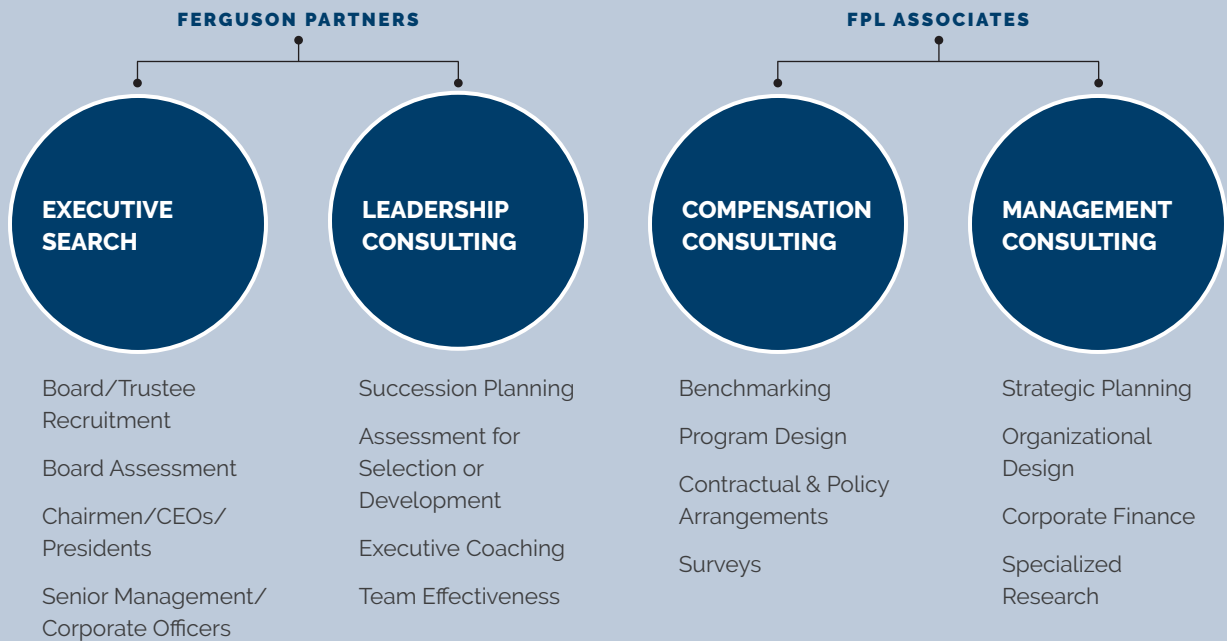
Ferguson Partners

With an emphasis on the right fit, Ferguson Partners offers services in executive and Director recruitment. We also offer a full range of leadership services including CEO and senior executive succession planning, leadership assessment and coaching, and team effectiveness.

FPL Associates

Focusing on a wide array of business needs, FPL Associates assists with the assessment, design and implementation of compensation programs. We also provide organizational, financial & strategic consulting, bringing a wealth of industry and category-specific expertise to a broad range of projects.

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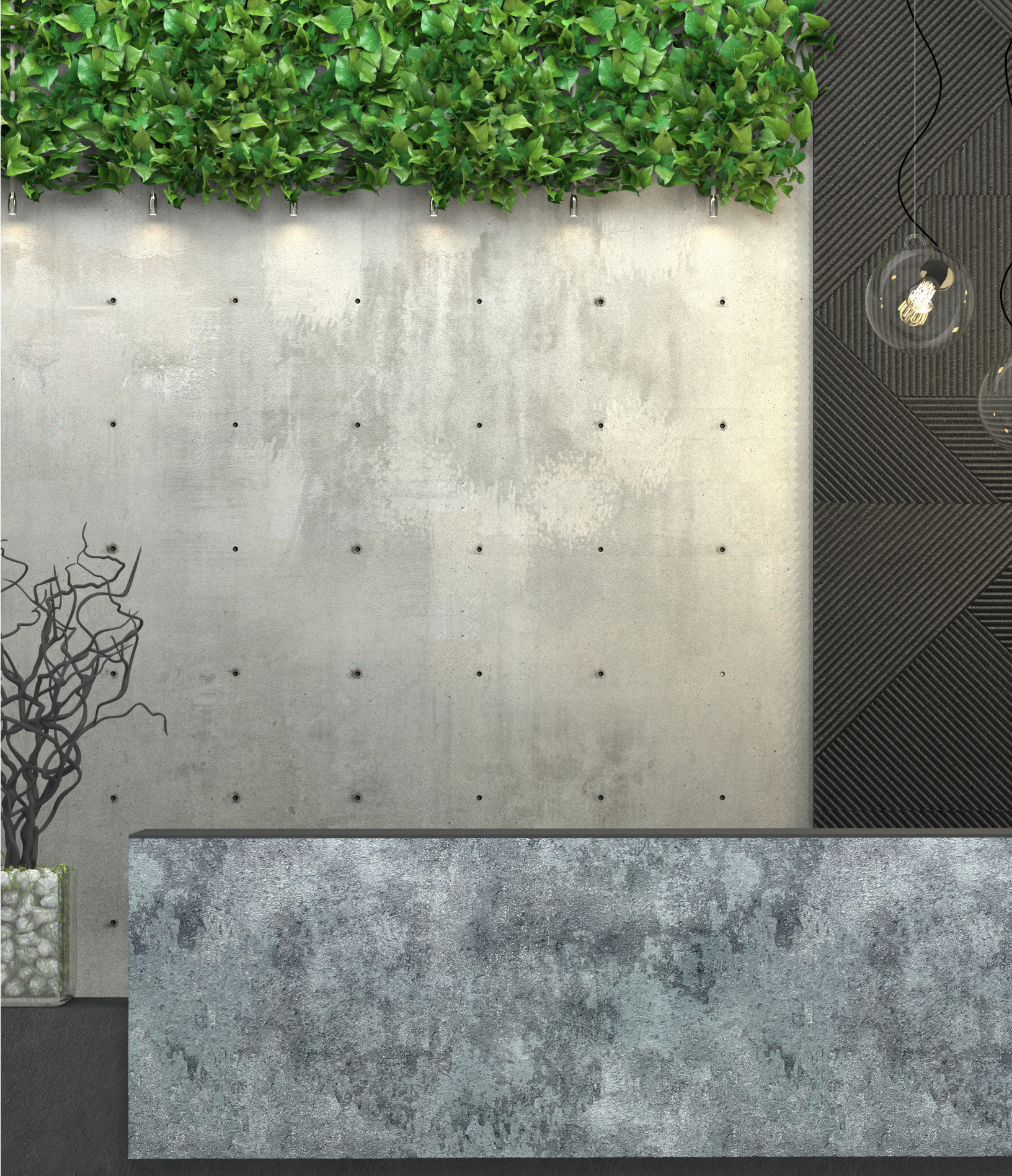
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