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Putting the Staff Up in Style

By JULIE WEED

Years ago, a new worker or an employee visiting the home office for a week or two might be put up in a bare-bones company-owned apartment.

But those apartments were challenging, and expensive, to manage. So, many businesses have turned to corporate housing companies, which provide a variety of fully equipped lodging — from small studio spaces to multibedroom apartments for families — with increasing services and amenities. At the same time, corporate housing companies have had to learn how to ride the ups and downs of the economy, increasing their inventory in boom times and constricting it when the economy weakens.

The industry, which dates back nearly half a century, is dominated by four companies, which control 25 to 30 percent of the inventory. Oakwood is the world's largest provider of temporary housing, and the other top three are Bridgestreet, National Corporate Housing and ExecuStay, owned by Marriott. The rest are run by at least 600 other providers, many of them small family businesses, according to the Highland Group, a consulting company in [Atlanta](#) that follows the lodging industry.

As with the rest of the lodging industry, the business has been cyclical. The number of corporate housing units fell from more than 85,000 in 2000 to 54,670 two years later, according to the Highland Group, then grew again. The recession caused another drop, but by last year corporate housing had started rebounding, and that comeback is continuing in 2011.

Corporate housing inventory can fluctuate sharply because the companies often do not own the apartments they rent to [business travelers](#). They lease empty apartments and then furnish them for long-term stays. When demand decreases, the corporate housing company can give up leases and remove furniture. In contrast, a hotel has a fixed inventory.

Corporate housing is often a group of apartments in a building, or a stand-alone apartment, and typically does not include the common dining room, room service or on-site concierge found in hotels. The apartments often have monthlong or other minimum-stay requirements but cost less per day than a comparable hotel room. Some amenities do overlap with hotels, though, like free Wi-Fi and a maintenance staff on call.

Over the last few years, corporate apartment rentals have been moving up the amenity spectrum, according to Mark Skinner, a partner with the Highland Group. “Travelers are starting to ask for the executive experience in an apartment setting,” he said. So companies have been adding services like an on-site workout room, restaurant meal delivery and laundry services. Some corporate housing companies offer a technology specialist who will make house calls, a doorman to receive packages and a concierge who can be reached by phone to make reservations or offer local dining suggestions.

Marie-Reine Jezequel, the founder and president of [New York Habitat](#), a Web site that lists more than 10,000 apartments for monthly rentals in New York, [London](#) and [Paris](#), said her business clients were again taking longer trips and expected more than just furniture and a kitchen. “They’re looking for an apartment outfitted with the same little fancy soaps and shampoos they are used to in a hotel, and they expect it to be cleaned to hotel standards,” she said.

Jill Chapman, senior vice president for sales and marketing for Oakwood, said the corporate apartment business was also responding more to clients’ needs. “Guests are requesting groceries in the fridge for their arrival, [bike](#) rentals and even changes in the apartment like special window shades or showerheads,” she said. Oakwood is based in [Los Angeles](#) and has an annual average of 100,000 guests worldwide.

Creating a community is another way that corporate housing companies try to differentiate themselves. Brad Korman, a partner in Korman Communities, a 100-year-old family-owned real estate company, said his six AVE properties in [New Jersey](#), [Pennsylvania](#) and [Virginia](#) offered movies in their courtyards and scheduled get-togethers by their pools so residents could meet one another.

While upscale amenities or communal coffee bars may attract some long-term travelers, organizations in less urban areas are more likely to offer a place to stay on-site. The guest house at the Pacific Northwest National Laboratory in Richland, Wash., for instance, is run by a corporate housing company and has rooms for contractors and visiting scientists who need 24-hour access to the work they are doing in the labs there.

There are also hybrid accommodations, offering apartments within a hotel setting. AKA, also owned by Korman Communities, pairs fully furnished upscale residences with services like a concierge and business center. Elana Friedman, AKA's vice president for marketing, said some companies rented an apartment for a year and rotated who used it.

While the corporate apartment market may be cyclical, customer demand for amenities seems to go in only one direction — up. “People used to get excited to find a flat-screen TV in their long-term rental,” Ms. Chapman said. “Now they expect it.”