

MANSSION GLOBAL

Luxury Residential Projects Now Offer Everything Hotels Do... and Sometimes More

Vancouver's market 'borderline ridiculous,' Chinese developers hold off launching projects and more news from around the world

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Rendering of the lobby area at 111 Murray
111 MURRAY

In a little over a week, the newest Four Seasons luxury hotel residence will open at the iconic Miami [Surf Club](#), where Frank Sinatra, Winston Churchill and Elizabeth Taylor used to hobnob and unwind in its mid-20th century heyday.

While this new iteration is more home than hotel, with 121 residences in two Richard Meier-designed towers and just 77 hotel rooms, both owners and guests have access to the five-star amenities, including beachside butler service, a full-service pet concierge, and dining opportunities at two celebrity-chef helmed restaurants, manned by Italian chef Antonio Sersale, known for Le Sirenuse in Positano, and Thomas Keller, of French Laundry and Per Se fame.

“These services are really important to buyers who either sold their home for a different type of lifestyle or have multiple homes and are only here part-time,” said Louise Sunshine, a strategic adviser to Fort Partners, the developer behind the project. “These are things that you wouldn’t typically get in a residential building.”



The spa area at 111 Murray comes with heated, sculpted marble beds and carved sinks, bringing a modern touch to the traditional Turkish bath.

111 MURRAY

But luxury hotel-residences, which are found in cities around the world in ever increasing numbers, aren’t the only places where homeowners who crave the high-touch service and design aesthetic of hotels can experience these perks. Today, many new luxury developments have adopted just about everything that the most exclusive hotels offer, said John Gomes, a Douglas Elliman broker who works on new developments in Manhattan. And this makes perfect sense.

“When you stay in a hotel, you expect to work out in a high-end gym and relax in a beautiful lounge,” he said. “But why should you only treat yourself to the things you enjoy most when you’re traveling?”

Now, the expectation is that new residential buildings will have all the services that you find in a hotel, and sometimes even more, said Lauren Witkoff, the executive vice president of Manhattan-based real estate and development firm, Witkoff. “I honestly don’t think that there are any stones that have been left unturned,” she said.

Witkoff's latest projects, including two hotel-residences that the company is developing with hotelier Ian Schrager—[215 Chrystie](#), which is part of the soon-to-open Lower East Side [Public Hotel](#) in Manhattan, and the Edition Hotel & Residences in West Hollywood, which will open in 2018—all have a high-end concierge service, buzzy restaurants and nightlife, and the highest-level amenities, she said. And at [111 Murray](#), a residential project in Manhattan's Tribeca, which will also be finished in 2018, there are plenty of top-line, hotel-like amenities, plus a private Drybar in the salon and a partnership with private aircraft company, Apollo Jets.



Rendering: At 111 Murray, a sprawling lounge with 15-foot ceilings, plush seating and an oversize stone and steel fireplace overlooks a dramatic water wall and reflecting pool.

111 Murray

“Owners will have everything at their fingertips at a level above what you’d typically find in a luxury condo building,” she said.

But while the luxury residential sector has implemented most of what hotels do best, there are some additional changes afoot that have yet to be adopted on a large scale, experts say. Those often come down to how technology is utilized; design is implemented; and space is managed and leased out.

Starting with technology, the most luxurious, \$40,000-per-night hotels now have concierge staff that go well above and beyond what used to be a person at a desk handling dinner reservations and theater tickets, said Stephen Scott, the founder and CEO of [Travel Hub 365](#), a Manhattan-based luxury travel adviser.

“You now have a team managing the experience before the trip, during the trip and after the trip to help ensure that it’s completely customized for the traveler,” he said. “High-end clients are looking for that high-touch experience. They’re not paying extra for nice things—they’re paying to ensure that every part of their trip is planned out thoughtfully and executed smoothly.”

Some of this is already happening in residential properties. Mr. Gomes said that he's seen elevated concierge services crop up in some of the top residential buildings, citing company [Luxury Attaché](#), which works in both hotels and residential buildings as a prime example. "They'll help organize your move and get you into a building, and then almost act as a personal assistant that can handle everything down to paying your bills," he said.

When it comes to technology, he's heard chatter about how keyless entry—pulled directly from hotels—will be in high-end luxury residential buildings soon.

In downtown Miami, developer Ugo Colombo's 500-plus condo Brickell Flatiron project, which will be completed in mid-2019, will have an integrated digital concierge service—a location-based app that will alert residents if they have a package when they walk in the door and let them order a drink or snacks by the pool.

Just across the Miami River at developer Shahab Karmely's [One River Point](#) there will be integrated technology throughout the project to enable high-touch, one-on-one service, he said. For instance, when residents pull their car through the front gates, the security system will read their license plate and alert the valet that they're on their way so that they can be met and greeted seamlessly. In the lobby, a biometric system will automatically open the elevator doors when someone is approaching and then automatically bring residents to the correct floor. The system can even let them know what time their teenager arrived home the night before, said Mr. Karmely, who is the CEO of KAR Properties, adding that "using technology to offer this as standard service to people is very important."

In terms of design, residential buildings, which previously adopted supersize master bathrooms with soaking tubs and walk-in showers from high-end hotels, are now looking to luxury hotels for design inspiration in shared spaces that were previously nondescript, if not sterile.

Because hotel lobbies have always been inviting and well-designed, residential building lobbies are now expected to have this look, too, Mr. Karmely said. And the high attention to detail that's expected in hotels—right down to lovely hallways and elevator waiting areas—is now being considered in residential buildings as well. An example of this can be found in the recently launched [75 Kenmare](#) in Manhattan, Mr. Gomes said, in which the exterior doors of every unit are beautiful, as is the blue carpet in the hallways. "As you saunter from the elevator to your apartment, it's a pleasant experience," he said.

[Madison Park Tower](#), which is designer Martin Brudnizki's first residential project in New York after a slew of high-end restaurants, private clubs and hotels, also has well-designed, gorgeous hallways and fluted wood doors with big heavy knockers, Mr. Gomes said. "It's all part of the experience."

And then there are changes to the management model. Many hotel-residences are attractive to buyers because if they only use the space for a few weeks or months of the year—common for second and third homes—they're able to seamlessly rent that condo out for the rest of the time through hotel management, experts say. "This is really the business model now," said Mr. Karmely, noting that most hotel-residences, like the [Setai](#) and W in Miami, charge a 30-to-40% management fee on all rental revenue. But even after that cut, "this makes it much easier for people to own as residents, because it brings in some income," he said.

This model is also well adopted in Dubai, said Simon Barry, the head of new development at London-based Harrods Estates. At The Address Residences Dubai Opera, for instance, owned units are put in a rental pool, which can mean that residents sometimes have to stay in a unit that isn't even their own when they're in town. But in London, this setup is rare, because planning rules restrict developers' ability to raise hybrid hotel-residential buildings like this, Mr. Barry said.

Rare, but not unwanted. Since net rental yields can now dip as low as 2% on standard residential properties, U.K. developers are trying to find ways to build properties that can fulfill this fully managed hotel-residence function. "I'm sure we're going to see more schemes like this in the future," Mr. Barry said. "If you have a hotel-style offering, you're able to attract a whole other rental market."

Because there are so many different types of hotel residences, potential buyers should be clear on usage restrictions before they buy, said Ms. Sunshine, who's worked on this type of development for 40-plus years (since Donald Trump hired her in the early 1970s).

And as this blurring of the lines continues between what's a residence, a hotel and something in between, buyers should remember the basics, Ms. Sunshine added, and focus on finding a place with the right location and an established brand.

"With the right brand comes commitment, quality, consistency, longevity and a history of delivering the right kind of services," she said. "It's not like you can put up any old hotel with a residence. That's not going to work."