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Examining Accor's Vision for Branded Residences

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Accor Group + Skift
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Skift Take

With robust growth even through the pandemic, Accor's residential offerings across brands like Raffles, Fairmont, Sofitel, SLS, and many more have a bright future ahead — and an edge over competitors in the market.

— *Accor Group*

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While many sectors of the travel and tourism industry have had a tough two years through the pandemic, branded residences have not only demonstrated resilience, but have grown in popularity. According to Jeff Tisdall, Accor's senior vice president development, residential and extended stay, "Residential markets, and branded residences in particular, rebounded relatively early in the crisis. And they've accelerated since then."

Offered under licensing and management agreements with leading hospitality groups, branded residences are intended to be primary residences and second homes for those who purchase them — and include the best-in-class service and offerings which the managing brands are known for. There is often the option to benefit from the brand's rental services when the home is not being used by the residence owner, although they are ultimately designed as exclusive private homes, with all the conveniences of living in an extensively serviced property.

The market for branded residences is rapidly expanding. Highly anticipated launches are coming from a range of hotel companies, offering full-service residences across renowned brands in the luxury, premium, and midscale segments. An increasing number are also being developed in the lifestyle sector — another category seeing rising demand.

A Powerful Position

With more than 20 years of acquired experience in the space, Accor has benefited from the strong growth which has propelled the broader branded residence category. The group's continued focus on the lifestyle sector and unmatched set of solutions available to development partners also gives Accor's branded residence business an edge over its competition.

"At Accor, we're developing branded residences across the luxury, premium, and midscale segments … and we're benefiting from our unrivaled position in lifestyle," said Tisdall. With 35 branded residential properties globally across brands such as Raffles, Fairmont, Sofitel, SLS, and another 80+ under development throughout the world, the expansion of Accor's branded residence offering aligns with the expansion of the market more generally.

Luxury and Lifestyle Lead the Charge

The OWO apartment terrace. Image credit: Grain London

As Skift reported this past spring, luxury is one of the sectors leading travel's recovery, which parallels the strong demand for classic, ultra-luxury brand residences. "The OWO Residences by Raffles in London is a quintessential example," said Tisdall, of the company's latest offering being developed in the United Kingdom which is generating global interest and setting new benchmarks in the areas of product and service. "The services available to residents of The OWO set a new standard for luxury living, yet every effort has been taken to emphasize privacy through thoughtful design and extensive private facilities."

The OWO Residences by Raffles is being developed alongside the much anticipated Raffles London at The OWO, taking up a prime position in central London. Located near Buckingham Palace and Trafalgar Square, this transformation of the storied Old War Office building offers residents a prestigious setting for a home.

The upcoming OWO Residences join other flagship properties such as the Fairmont Residences Century Plaza in Los Angeles, the soon-to-be launched Raffles Residences Boston Back Bay, Raffles Residences Jeddah, and Fairmont Residences Royal Palm Marrakech in offering Accor's high standard of services to residents.

But it's not just classic luxury that's driving growth — the lifestyle category is taking off as well. And within the lifestyle hospitality category, Accor's position is represented by Ennismore. Properties such as the Mondrian Residences on Australia's Gold Coast have been extremely well received, with all residences selling out in less than six months. And the pandemic has not dented the upward trajectory of this category — indeed, the opposite appears to be the case.

"During the pandemic, the focus has shifted back to the home and to enriching the spaces in which we live our lives." Tisdall said. "That, coupled with a surge in remote working and the fact that it's become much easier to spend time outside of major cities — as well as the heightened importance of living in a community that is managed by a trusted operator — has spurred this demand further."

Where Legacy and Innovation Meet

Fairmont Heritage Place, Ghirardelli Square

Accor stands out in the branded residence space in no small part due to the company's experience in the sector — brands like Fairmont and Raffles helped to pioneer the concept, providing Accor with decades of expertise. Indeed, Savills' "Spotlight: Branded Residences 2021" report named Accor as the number two provider of such properties in the world in its future ranking category, measured by existing network and upcoming pipeline.

"We're deeply committed to the projects we develop, the residential communities that we serve, and the comprehensive set of solutions we offer our development partners," said Tisdall. "This includes compelling branding options, a full spectrum of residential management solutions, inspired hospitality services, and turnkey private rental options."

That investment and commitment to the sector and its residents is reflected in the recent addition of two important new websites to the Accor portfolio. One is the Accor Branded Residence portal, which gathers all of the branded residences offerings from the group's brands under one banner for easy browsing and reference, be it Accor brands like Fairmont, Swissôtel, or MGallery, or Ennismore brands like SLS and SO/, among many others. The other is a true benefit for both owners of branded residences and those looking for short-term rentals: the Accor Apartments and Villas site, which allows for the seamless rental of many of these branded residence properties when they're not in use by the owner, alongside private rentals and Accor's extended stay hotel offerings.

The pandemic has also brought a range of innovations to the sector, with a particular emphasis on wellness offerings like air quality and filtration, as well as a focus on community spaces like outdoor kitchens or private courtyards, rooftops, and leisure amenities. Other Accor properties have increased emphasis on coworking spaces. Raffles Boston Back Bay Hotel & Residences, another key luxury hotel and branded residence to be opened by Accor once construction completes in 2022, will even offer a tasting kitchen and wine lounge.

"A trusted operator is paramount if you're buying into projects with extensive amenities and services," said Tisdall. "This trust is integral to the appeal of branded residences. Brands like Raffles or Fairmont, for example, have rich histories that can be traced back well over a century and a reputation for safeguarding some of the most iconic hotels on the planet. The trust that comes with those brands provides purchasers with a tremendous amount of comfort, which is particularly important in the moment we find ourselves."

A Bright Future Ahead

Fairmont Century Plaza Residences

The branded residence space will only expand in the future. “The last 10 years have seen the number of branded residences increase by 230 percent, adding more than 50,000 units across 356 schemes,” as Riyan Itani states in Savills “Spotlight: Branded Residences 2021” report. With the lingering effects of the pandemic continuing, including the persisting emphasis on the home and working remotely, it’s likely this development will only intensify.

“We certainly see this growth continuing, and in fact we expect it to accelerate,” said Tisdall. “2020 was a record year for us in terms of branded residential new development signings, and clearly this momentum has carried into 2021. That’s in part because of the market conditions that we see today, and that will likely continue over the near term. But it’s also because, when you look at the depth and the breadth of Accor’s brand portfolio, we’re really just scratching the surface in terms of the unique market needs we can address and the residential living concepts that we can deliver.”

This content was created collaboratively by Accor and Skift’s branded content studio, SkiftX.

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