

Growing Trend: The Condo-Hotel

by Jack Perlman, Condo Hotels Playa del Carmen



As the developer of Condo Hotels Playa del Carmen, a group of luxury boutique properties in the Mexican Caribbean, I have been delighted to observe the current trend of condo-hotels and vacation rentals that are installing five-star hotel amenities and services and are becoming a strong competition to traditional hotels. I hope this trend will inspire the growth of second-home business in general — if you own a condo as your second home, and you know you will be able to rent it, then you will not have to worry about making late monthly mortgage payments.

We started developing our properties 15 years ago as condos with five-star hotel services, and that took us ahead of other rental properties that are currently in a rush to catch up with the trend — even such big chains as Ritz-Carlton and Fairmont are now starting to offer vacation rental option.

In my opinion, the trend of vacation rentals will keep growing, influenced by the increase of supply of rentals and changed preferences of post-crisis travelers. The owners of condos or vacation homes used to give renters a key to the main door, but not much else. Now they are determined to prove equal, if not better, than all-inclusive resorts and upscale hotels.

One of the reasons why new vacation rentals are appearing on the market is pressure to rent, as vacation homeowners feel a declined income from pensions, investments or employment. The demand for vacation rentals has also increased. Travelers are now looking for an authentic experience, privacy and value, demonstrating a changed consumer mentality that emerged during the crisis, when hotels tried to create beyond luxury experiences to lure clients.

Vacation rental market is predicted to grow 13.1% in 2011, according to Vacation Home Rentals, LLC, the largest independent vacation rental site in North America. AOL.com lists luxurious condo-hotels as one of the top "Travel trends for 2011." We are able to follow this trend very closely at our properties — occupancy rates at Condo Hotels Playa del Carmen are already up by 50% compared to the last year.

After all, condos can offer more space and more privacy, with five-star hotel amenities and services, but the price of one traditional hotel room.

For example, instead of getting an average hotel room, guests of our four boutique properties, situated in the premier beachfront zone of Playa del Carmen, Mexico, stay at posh suites with living rooms overlooking the Caribbean Sea, enjoy multiple spacious

bedrooms, each one of them with its own marble bathroom, and lounge on personal terraces or rooftops.

Instead of being cramped in one hotel room and sharing beds, families can relax and enjoy the privacy that the separate bedrooms and bathrooms can offer. Many of our condos feature private outdoor heated Jacuzzis and pools, and rooftops at all four properties boast high-end kitchen appliances and outdoor BBQ grills. Having an option of cooking one's own homemade dinner and enjoying it on a terrace overlooking the beach adds to the home-like experience a vacation rental can provide.

"Home-like experience" and "more room" are also listed as top reasons why vacationers think condo-hotels are more attractive than traditional hotels in a research done by HomeAway, Inc., the world's leading online vacation rental marketplace. Other advantages of vacation rentals are listed as "more privacy," "better value," and "more authentic travel experience."

Condo Hotels Playa del Carmen are no different than any five-star hotel. The properties have a 24-hour front desk, concierge, security, indoor parking garage, room service and daily maid service. As it would be at a hotel, all units at Condo Hotels Playa del Carmen are equipped with luxury toiletries and fine linens. Guests can even get the services of a private chef, personal shopping, babysitting and transportation in luxury cars. The upscale beach club is complimentary for guests, and everyone receives passes to a modern fitness center. On site, there are two gourmet restaurants, a health café, a luxury Spa, a beauty salon, a gourmet deli & market and a scuba shop.

Of course, there is also the cost to consider, and condo-hotels are on average at least 50-percent less expensive per square foot than hotels. Rates at Condo Hotels Playa del Carmen start at around \$180 per night per one-bedroom condo suite during low season.

That way, in addition to offering more for the money, condo-hotels also bridge the gap between staying at a fancy hotel, where everything is sterile and not-to-be-touched, and a relaxed home environment. It seems we are quite successful at our task — Condo Hotels Playa del Carmen are currently #1 on TripAdvisor.com among all Playa del Carmen hotels, and that doesn't only include vacation rentals.

Jack Perlman
Condo Hotels Playa del Carmen
NY Office of Playa del Carmen Realty
35 W. 94th Street
New York, NY 10025
www.condohotelsplayadelcarmen.com