



CORPORATE HOUSING  
PROVIDERS ASSOCIATION

2017

**CORPORATE HOUSING  
INDUSTRY REPORT**

# Corporate Housing Industry Report 2017

March 2017

Dear Corporate Housing Colleagues and Partners:

Successful companies rely on research and data to make informed business decisions. With today's lodging sector becoming more confused by so many options, it's imperative that corporate housing providers have access to a credible source of third-party, objective data.

This year's Corporate Housing Industry Report provides national, regional and local data to better inform your company's decisions and educate clients on your value. The report includes data from 62 North American Metropolitan Statistical Areas (MSAs), allowing you to compare your company's metrics against these industry benchmarks.

Here are a few highlights on the North American corporate housing industry:

- US corporate housing revenues increased 10.2%, to \$3.2 billion in 2016. Canadian revenue is an estimated \$278 million.
- US corporate housing inventory is estimated at 66,863 units while Canada adds approximately another 6,700 rental units.
- Occupancy in the US was down slightly to 87.2%; Canadian occupancy increased to 83.3%.
- Overall, US corporate housing average daily rate (ADR) increased to \$150.44 in 2016; ADR in Canada increased to \$136.67.

This Executive Summary concisely reports the industry in North America. Regional comparisons help you determine trends in your company's key markets and rank your operations. Strategize your company's performance by comparing occupancy, average rate and length of stay throughout North America. Read on for all this and more.

We look forward to supporting your company as we grow the corporate housing industry together.

Best regards,



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# United States

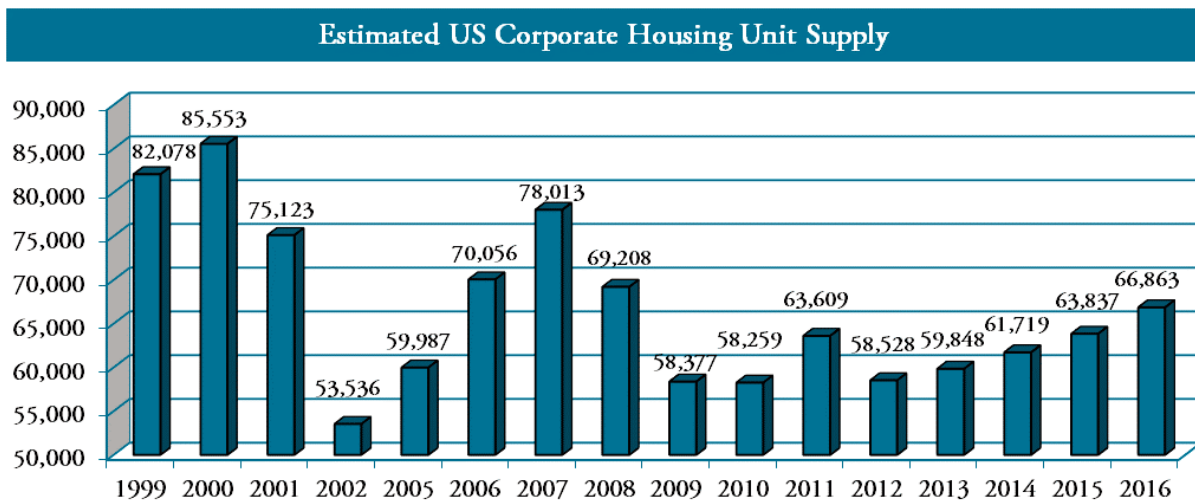
## Executive Summary and Statistical Highlights

In 2016, the industry hit its revenue peak, with revenue for the US corporate housing industry estimated at \$3.2 billion, a 10.2% increase over 2015. For the fourth successive year, the supply of US corporate housing units increased. Average daily rate (ADR) rose 6.3% in 2016, approximately double the growth in overall hotel ADR, according to STR.

Based on an estimated 6,703 units, the Canadian corporate housing industry generates room revenues of \$278 million annually, a 6.9% increase from 2015. However, we believe the Canadian industry is significantly larger than annual revenues currently indicate as only a portion of Canadian companies participate in this survey.

This report summarizes 56 US markets and six markets in Canada based on 96 North American company respondents, representing international, national, regional, provincial and local companies. Each market is specifically and individually highlighted later in this report.

## US Inventory



Source: The Highland Group

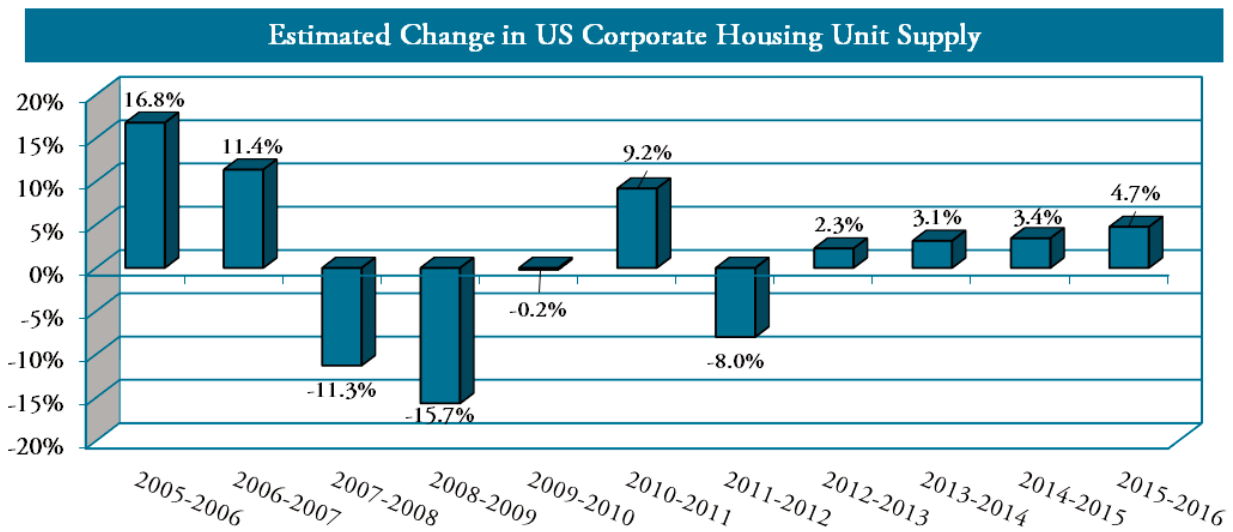
Note: Survey methodology different after 2001. Data not available for 2003 and 2004.

# United States

The corporate housing industry experienced the fourth successive year of growth in 2016. Supply of corporate housing units increased to 66,863 in 2016. Unit supply was 4.7% higher than in 2015.

Unit supply has grown 14.2% since 2012. As residential apartment construction increased, the availability of units for lease grew and the supply of corporate housing rose. Corporate housing providers have the flexibility to adjust inventory or add/drop units to respond to client demand. Unit inventory usually increases during expansionary periods (such as 2002 through 2007, when inventory grew by more than 45 percent).

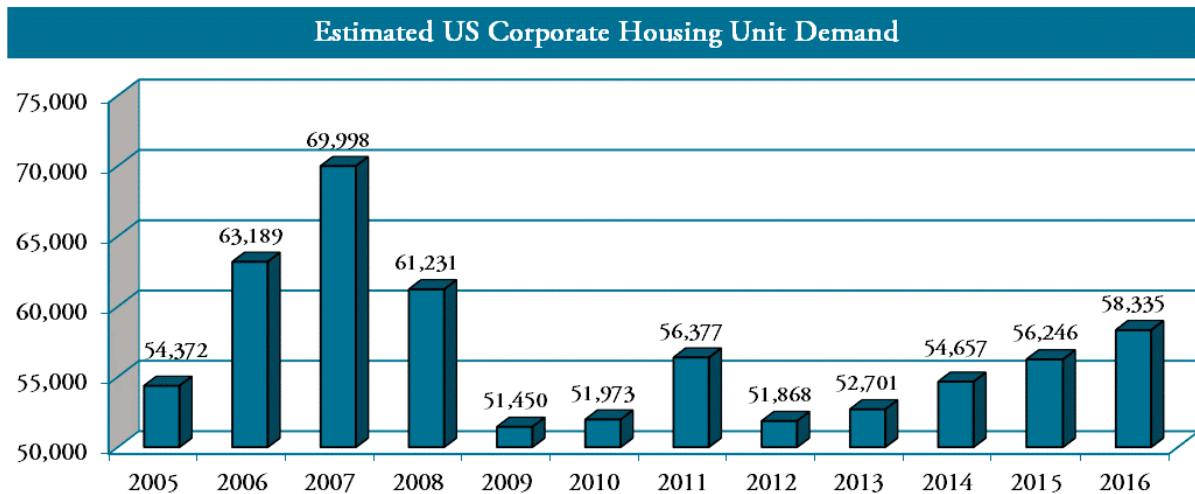
In 2016, the increase in supply and small decline in occupancy meant that corporate housing unit demand increased 3.7% over 2015. By comparison, overall hotel demand grew 1.7% in 2016 according to STR. With record construction of extended-stay hotel rooms, this segment's demand rose 5.4% in 2016 compared to 2015.



Source: The Highland Group

# United States

## Demand Variation



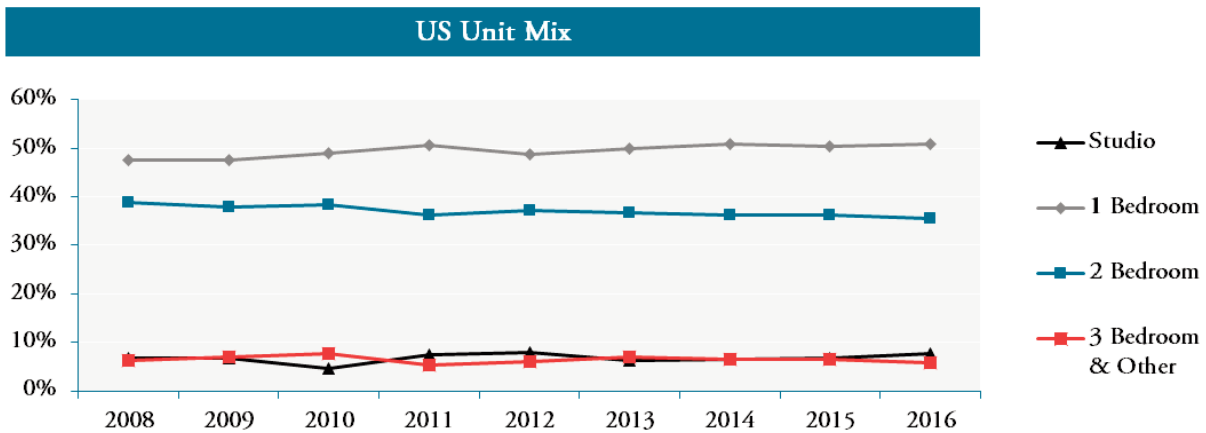
Source: The Highland Group

Because corporate housing supply is dynamic, the number of room nights corporate housing accommodates has greater variability when compared to hotels. Obtaining inventory at acceptable rents is highly correlated with the residential apartment market. It is very unlikely that the true demand for corporate housing was lower in 2012 compared to 2011; but units occupied declined because corporate housing providers could not get inventory.

The number of occupied units has increased 12.5% since 2012. As residential apartment construction increased, the availability of units grew, as did accommodated demand. Recent research by Integra Realty Resources reported that the cyclical peak of apartment construction is expected in the next one to two years, indicating unit availability for corporate housing should be higher in 2017.

# United States

## Units by Type



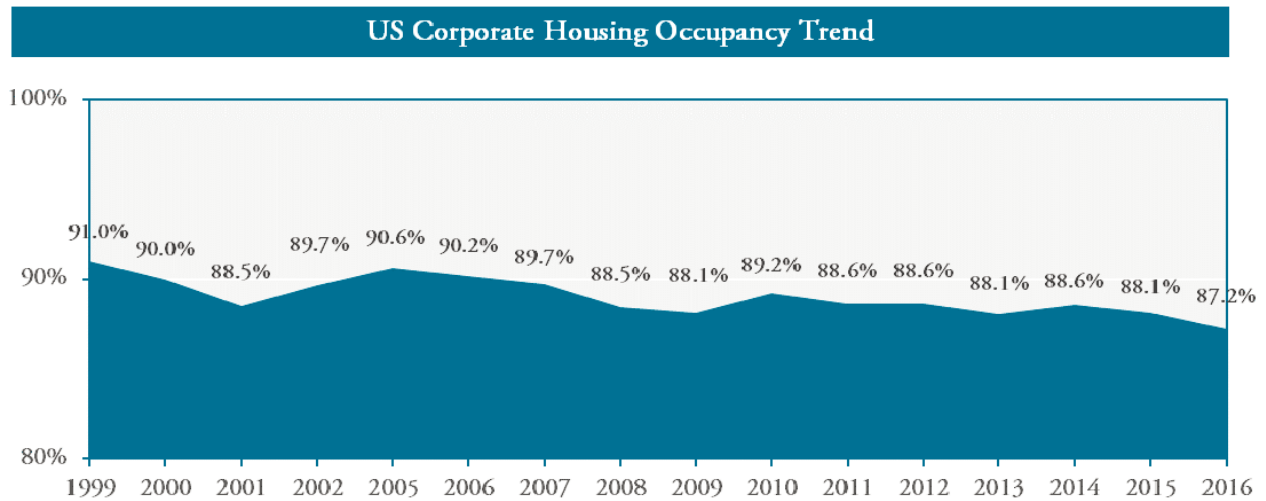
Source: The Highland Group

Survey data is collected on the various types of corporate housing units including studio, one, two, three-bedroom and other number of rooms. This mix has been fairly consistent for the past nine years, with one-bedroom units making up 48% to 51% of inventory. There was minimal change to this unit mix between 2016 and 2015.

One and two-bedroom apartments are the mainstay in smaller MSAs and in suburban sub-markets. In smaller MSAs, the mix of units can change substantially from year to year.

# United States

## Occupancy (Vacancy)



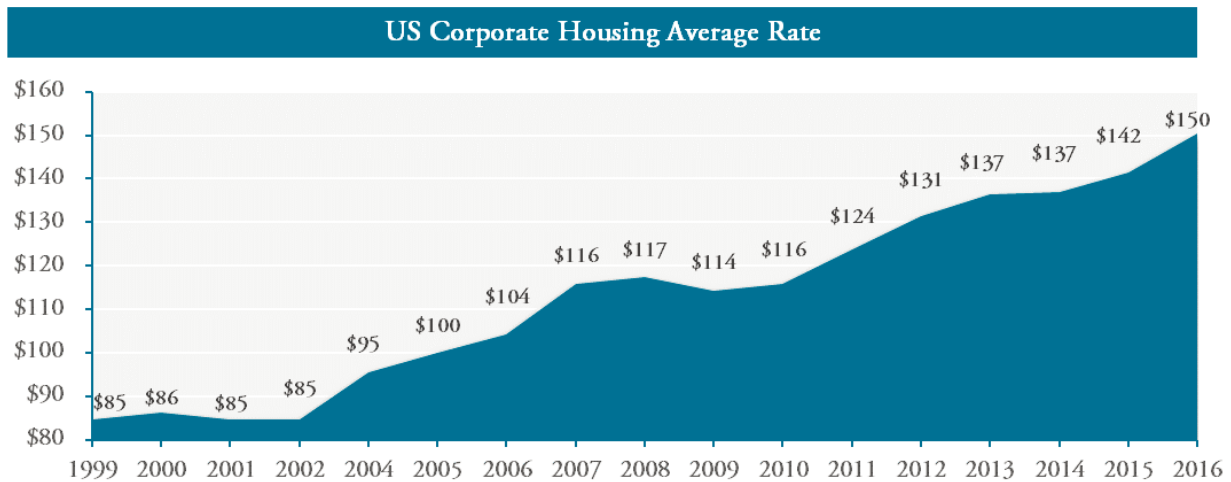
Source: The Highland Group

Note: Data not available for 2003 and 2004

Overall occupancy in the US corporate housing industry decreased almost a percentage point to 87.2% in 2016 from 2015. Although occupancy dropped below 88% for the first time since 1999, demand for corporate housing is at its highest since 2008.

# United States

## Rents - Average Rate



Source: The Highland Group  
Note: Data for 2003 not available

Individual markets, or MSAs, reported a wide range of ADR growth and decline. In 51 reporting MSAs, only 16 reported lower ADR in 2016. Most ADR declines, such as in Chicago suburbs and Miami, were the result of an increase in lower priced units. MSAs and sub-markets reporting the strongest gains included San Francisco East Bay (75%), Oklahoma City (34%) and Greensboro/Winston Salem (26%).

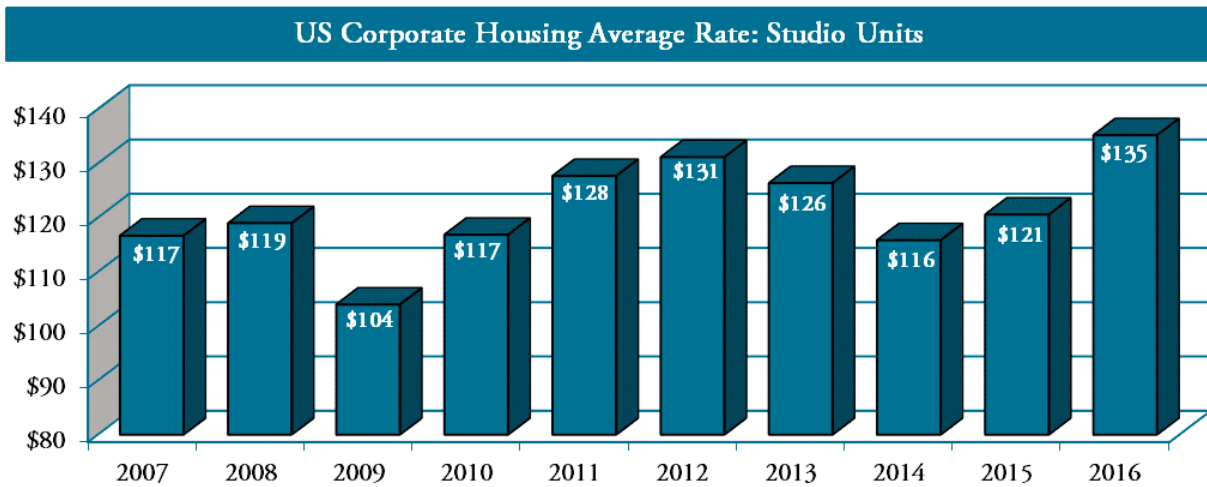
Corporate housing, hotels and especially upscale extended-stay hotels are closely related and usually post similar ADR increases. Corporate housing ADR rose 6.3% in 2016 over the previous year, the strongest growth in ADR since 2011. By comparison, upscale extended-stay hotels reported a 2.6% ADR gain in 2016 compared to 2015.

Many corporate housing providers also charge set-up, departure, and housekeeping fees that are reflected as room rate increases because the guest pays them; traditional hotels do not usually charge for these services.

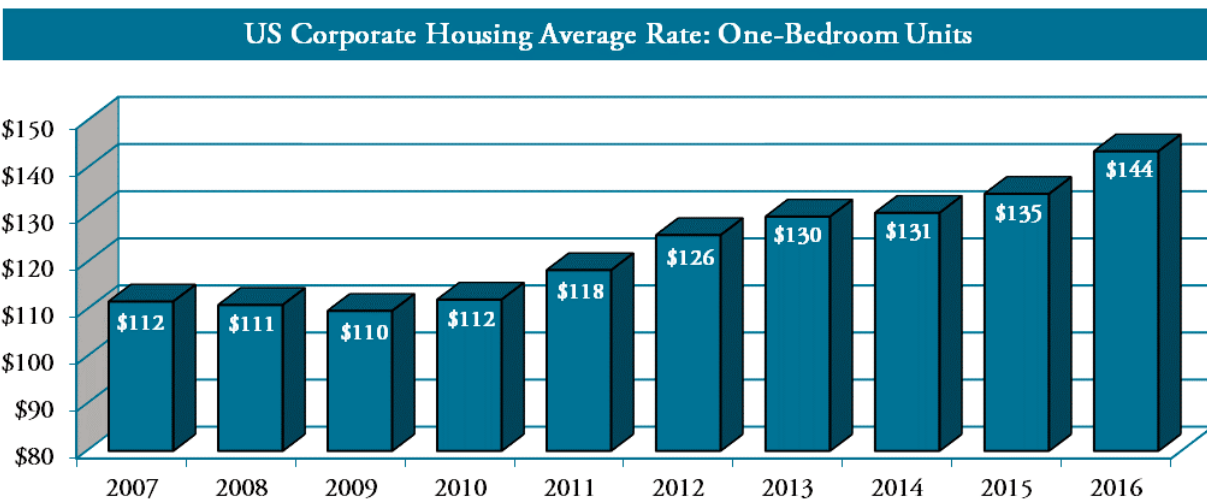


# United States

## Rents by Unit Type



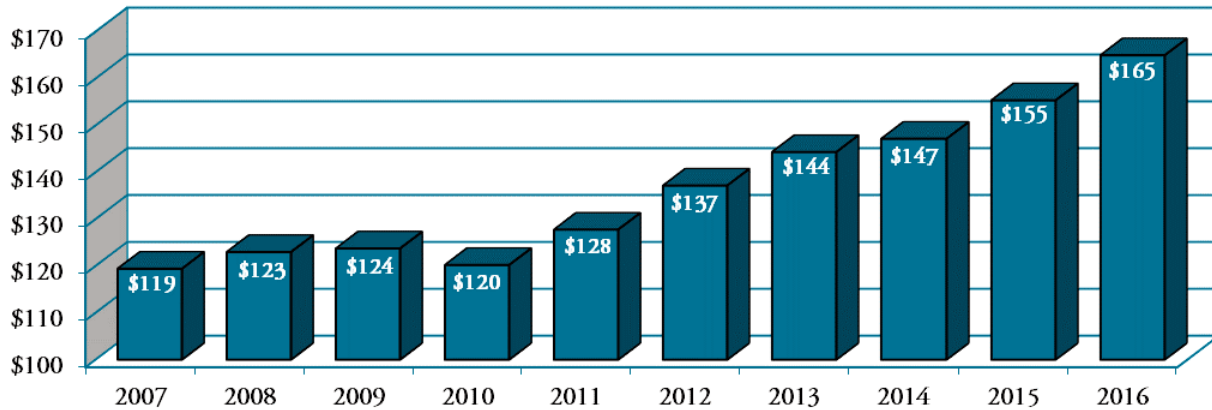
Source: The Highland Group



Source: The Highland Group

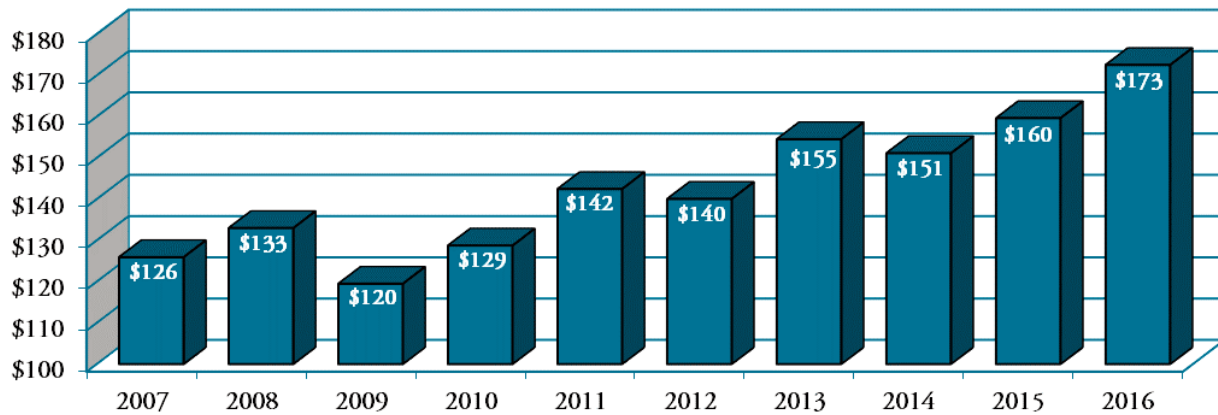
# United States

## US Corporate Housing Average Rate: Two-Bedroom Units



Source: The Highland Group

## US Corporate Housing Average Rate: Three-Bedroom Units

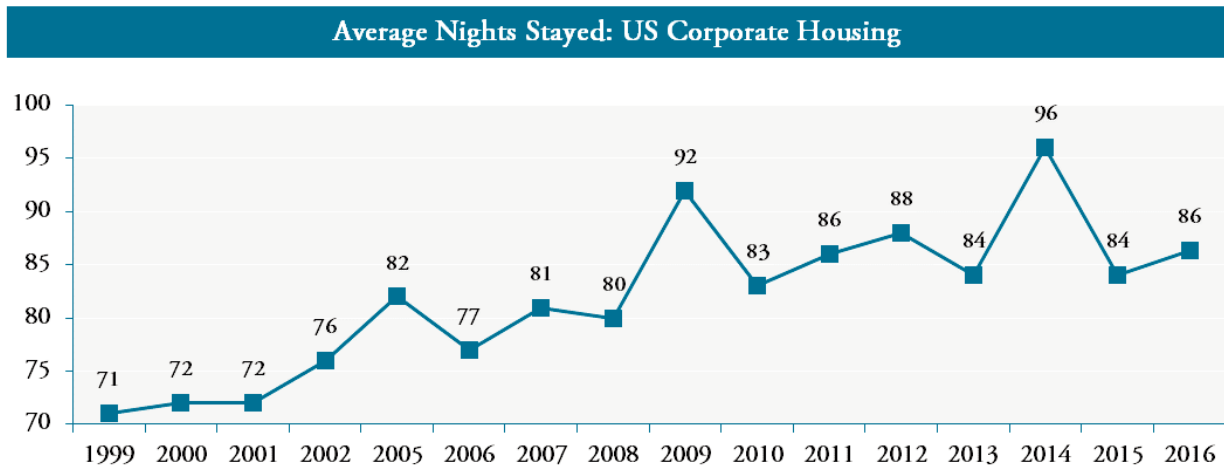


Source: The Highland Group

Rate increases for studio and three-bedroom units were above the overall ADR growth in 2016. Increases for one and two-bedroom units were 6.3% and 5.8% respectively.

# United States

## Average Stay

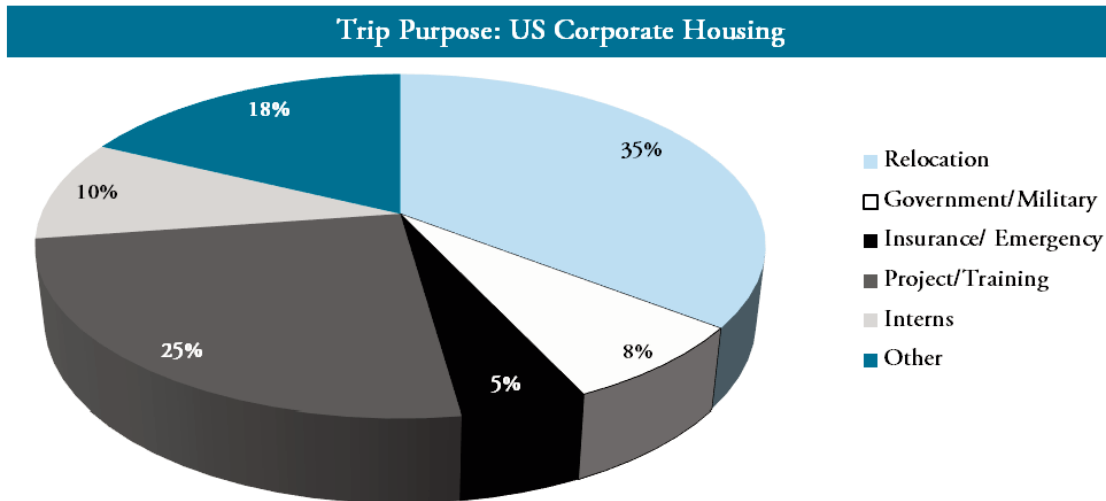


Source: The Highland Group  
Note: Data not available for 2003 and 2004

The average stay in a US corporate housing unit was 86 nights in 2016, an increase of two nights over 2015. The average length of stay has trended upward since 1999.

# United States

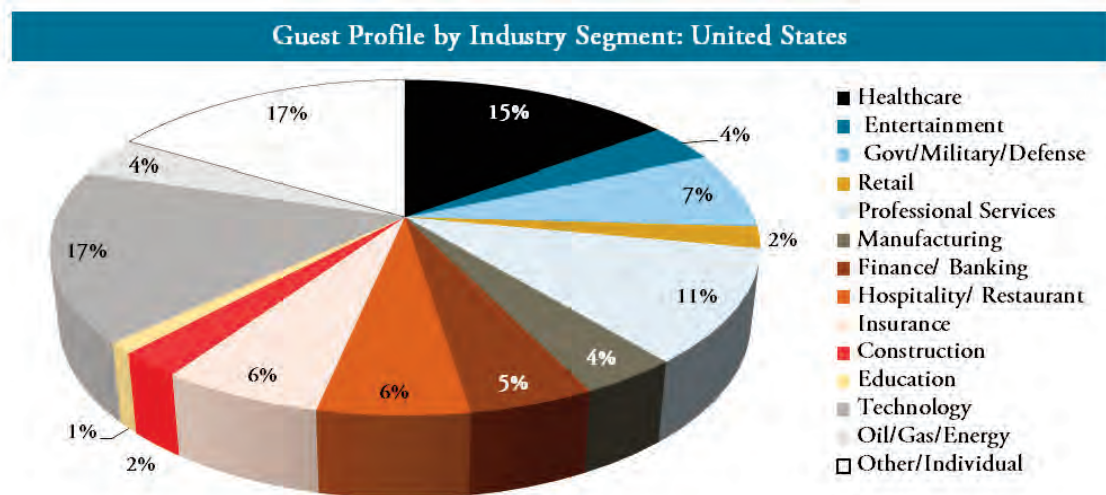
## Purpose of Trip



Source: The Highland Group

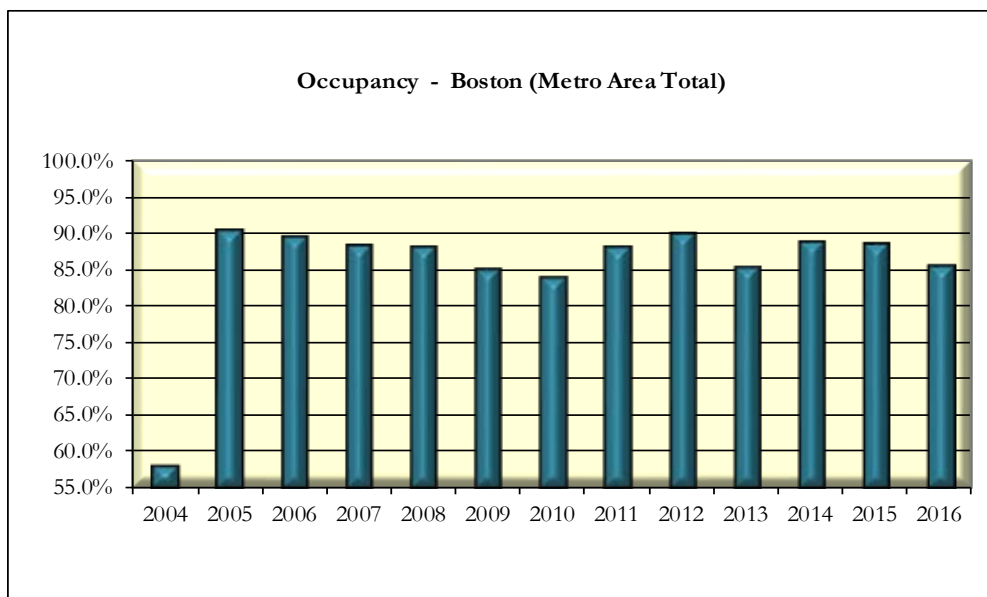
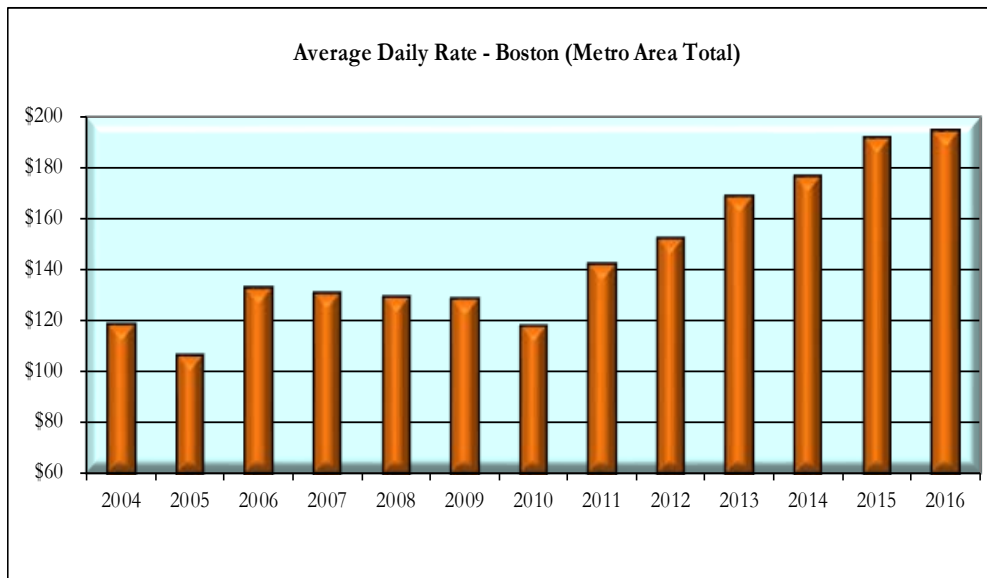
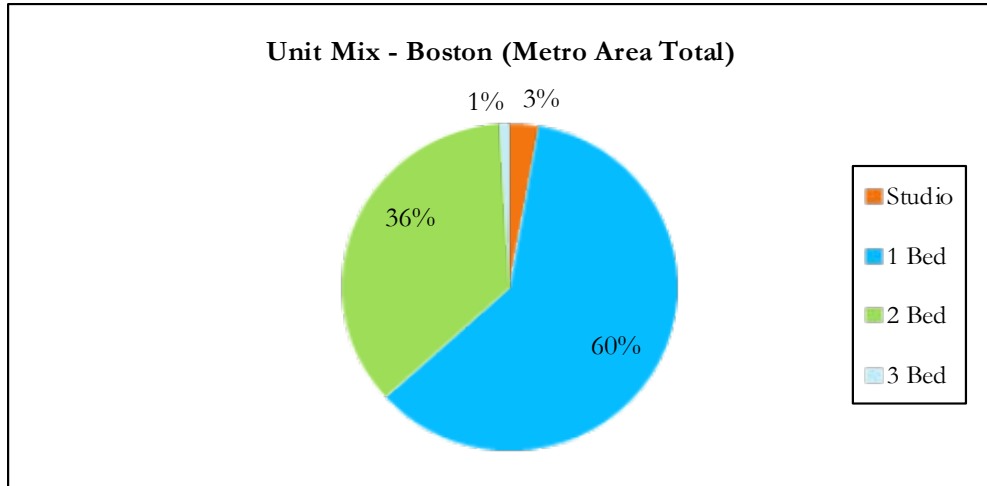
For the sixth successive year, relocation was the largest reason for using corporate housing in the US. Project/ Training was the second most cited use of corporate housing in 2016.

Technology and healthcare are the largest generators of corporate housing demand by industry. The “Other” category includes industries not specified in the chart below.



Source: The Highland Group

# Corporate Housing: Boston (Metro Area Total)



## Corporate Housing: Boston (City Center)

### Inventory

2016 Sample Units	731
2015 Sample Units	892
2014 Sample Units	1,007
2013 Sample Units	655
2012 Sample Units	536
2011 Sample Units	549
2010 Sample Units	251
2009 Sample Units	469
2008 Sample Units	679
2007 Sample Units	n/a

### Occupancy

2016 Average	86%
2015 Average	89%
2014 Average	89%
2013 Average	86%
2012 Average	92%
2011 Average	90%
2010 Average	84%
2009 Average	86%
2008 Average	87%
2007 Average	n/a

### Average Daily Rate

2016 ADR	\$204
2015 ADR	\$206
2014 ADR	\$181
2013 ADR	\$185
2012 ADR	\$174
2011 ADR	\$164
2010 ADR	\$160
2009 ADR	\$164
2008 ADR	\$144
2007 ADR	n/a

### Average Stay

Average Stay 2016	76
Average Stay 2015	71
Average Stay 2014	64
Average Stay 2013	51
Average Stay 2012	65
Average Stay 2011	82
Average Stay 2010	74
Average Stay 2009	101
Average Stay 2008	83
Average Stay 2007	n/a

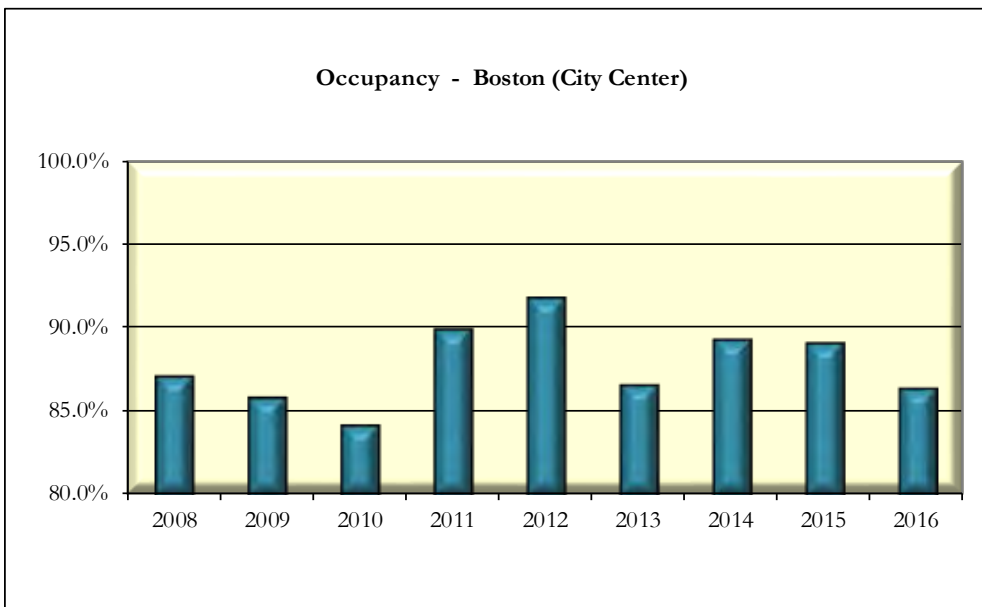
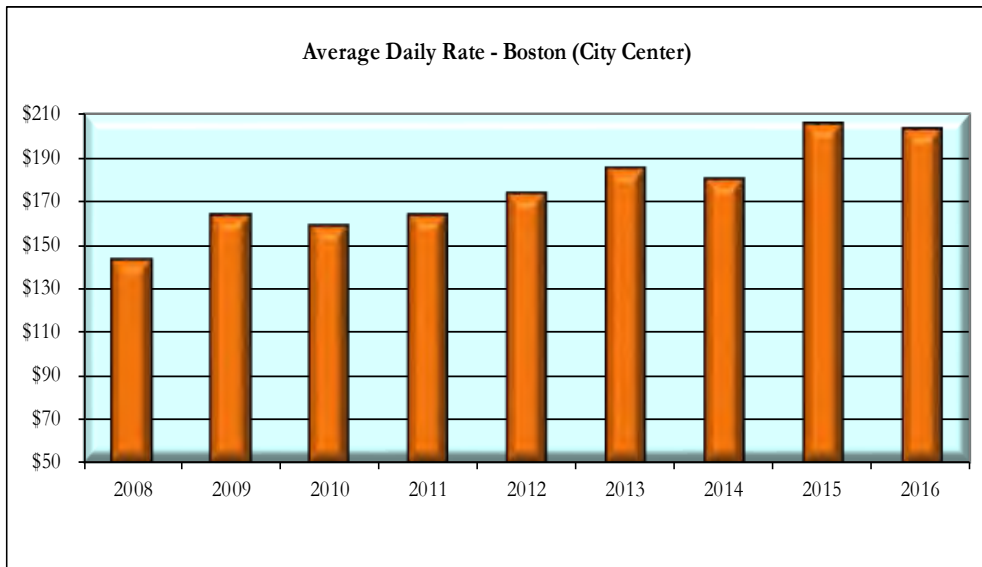
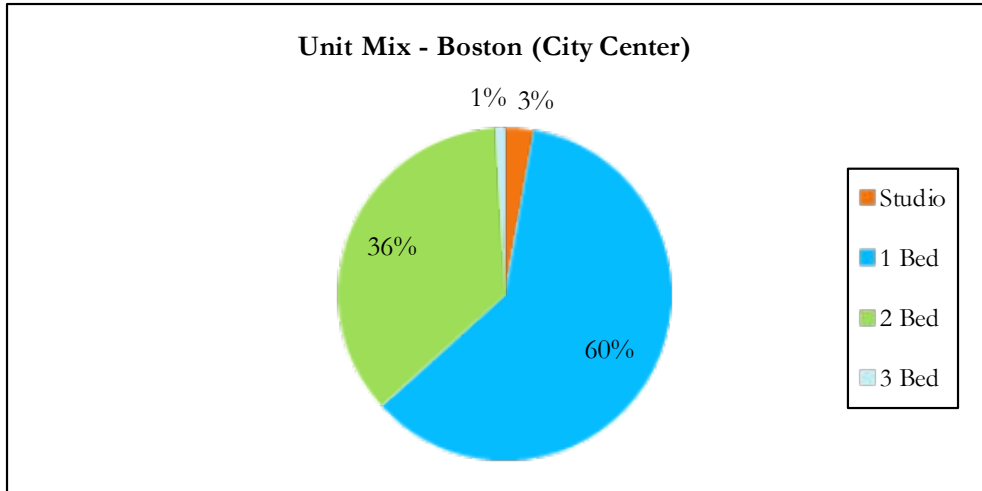
### Average Daily Rate by Type

Studio ADR:	\$130.41
1-Bedroom ADR:	\$181.81
2-Bedroom ADR:	\$247.03
3-Bedroom ADR:	\$273.74

### Unit Sample by Unit Type Ratio

Studio:	3%
1B Units:	60%
2B Units:	36%
3B Units:	1%
Other:	0%

# Corporate Housing: Boston (City Center)



## Corporate Housing: Boston (Suburbs)

### Inventory

2016 Sample Units	332
2015 Sample Units	319
2014 Sample Units	318
2013 Sample Units	350
2012 Sample Units	288
2011 Sample Units	340
2010 Sample Units	544
2009 Sample Units	378
2008 Sample Units	667
2007 Sample Units	n/a

### Occupancy

2016 Average	83%
2015 Average	87%
2014 Average	88%
2013 Average	83%
2012 Average	87%
2011 Average	85%
2010 Average	83%
2009 Average	84%
2008 Average	88%
2007 Average	n/a

### Average Daily Rate

2016 ADR	\$173
2015 ADR	\$151
2014 ADR	\$160
2013 ADR	\$137
2012 ADR	\$110
2011 ADR	\$108
2010 ADR	\$101
2009 ADR	\$85
2008 ADR	\$114
2007 ADR	n/a

### Average Stay

Average Stay 2016	69
Average Stay 2015	72
Average Stay 2014	82
Average Stay 2013	69
Average Stay 2012	67
Average Stay 2011	63
Average Stay 2010	70
Average Stay 2009	69
Average Stay 2008	77
Average Stay 2007	n/a

### Average Daily Rate by Type

Studio ADR:	\$88.27
1-Bedroom ADR:	\$158.04
2-Bedroom ADR:	\$180.03
3-Bedroom ADR:	\$352.75

### Unit Sample by Unit Type Ratio

Studio:	3%
1B Units:	48%
2B Units:	45%
3B Units:	4%
Other:	0%



# Corporate Housing: Boston (Suburbs)

