

THE STUDENT HOTEL

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Charlie MacGregor: Founder and CEO of The Student Hotel



Breaking Down Boundaries

“I’ve now seen how outdated hotels are”, says Charlie MacGregor. “Brands such as Hilton started as visionaries and entrepreneurs, but today their businesses all do the same product.”

As founder and CEO of The Student Hotel (TSH), MacGregor has reimagined the concept of 'luxury' city centre accommodation for an expanding customer base of internationally-minded students, entrepreneurs and travellers who seek more than the anonymity of a box room in a building that sits in grand isolation from the community that surrounds it.

Booking into a hotel - even a very, very good hotel - can be a soulless experience. Interaction with staff is minimal - often confined to the bookend process of checking in and out - and once a guest has taken up residence there is, typically, little or no contact with other residents.

TSH offers a very different experience, with the emphasis built firmly around a genuine community. Originally conceived as a city-centre accommodation option for students, today's hybrid business has evolved rapidly.

TSH has become a magnet not only for students, but also travellers, entrepreneurs and, crucially, local residents and long-term hotel guests who are encouraged to use facilities that include shared work spaces, communal areas, restaurants and bars. The result is a melting pot of disparate groups and nationalities who meet, socialise, share ideas and create friendships, what it calls: the Complete Connected Community.

"The goal at the outset was simply to create a better space," says MacGregor. "I could not believe how people treated students. No taste in facilities, furniture or space; I wanted to do it better. But we've moved on. Now it's not only about creating a better experience for guests - I want to integrate communities and revitalize cities."

That goal is reflected in the way that TSH properties are designed and constructed. For instance, the newest - in Florence - has everything that a traveller would expect from luxury accommodation, including rooftop pool with a panoramic view of the renaissance city's iconic skyline.

But there is more. From the outside, the building looks like a traditional Florentine palace - the type of building that is familiar within the boundaries of the old city - but inside there is a contemporary co-working space, meeting area, restaurant, cocktail and rooftop bars. Importantly, there is also an open door policy.

“We want to tell everyone in Florence that they are welcome to join our Complete Connected Community - to hang out and work, and not feel it compulsory to buy a coffee; but compulsory to say hello,” says MacGregor. “We want TSHI to be welcome in the neighbourhood - think about it, when you move into a new place you pop around for a cup of tea, you meet the neighbours, you do what you need to do to be a good neighbour.”

The Way We Live Today

The goal of creating a multi-layered community reflects something bigger that is happening not just in Europe but around the world. What we’ve seen over the the past five to 10 years is an increasingly internationalised community. Entrepreneurs are increasingly mobile. Students are keen to study abroad. And travellers are seeking not just an opportunity to see new places on a regular basis, but to feel part of the communities they visit. The lines of demarcation are breaking down too. Today’s students are tomorrow’s entrepreneurs and travellers. In a very real sense, they share values and aspirations and a desire to be connected with like-minded people.

“There is a new demand from the younger guest, youth hospitality - co-living, co-playing, co-working - the Complete Connected Community,” says MacGregor.

Shared Workspace

Shared workspaces have become an important part of the mix. Across Europe, the rapid evolution of the digital economy has resulted in a boom in technology-driven startups - sometimes comprised of just a couple of founders working from their laptops. All businesses need a workspace and today’s entrepreneurs increasingly look to share.

It’s not just a question of budget. All the evidence suggests that working in close proximity with other innovators creates a catalyst for ideas to thrive. Or to put it another way, entrepreneurs thrive on the company of others. Having seen the success of shared workspaces in cities such as London, MacGregor has incorporated them into TSH offering. “We have added a food and beverage concept Europe-wide and it’s the same with co-working - we will increase the number of co-working spaces from one to 10 in the next six months,” says MacGregor.

MacGregor now sees specialist shared workspace providers taking a leaf out of THS’s book. “I know and have met the founder of WeWork, what they have done is incredible. What's interesting for me is seeing what they are doing now. They want more space on the ground floor, to be in control of food and beverage, and accommodation. They’re moving in the direction of TSH and bringing their community together,” he says.

Revitalising Cities

With a combination of accommodation, shared workspace and a genuine intent to bring together local people with a more transient community of travellers, entrepreneurs and students, the arrival of TSH in a neighbourhood represents something more than an exercise in property development. A conventional hotel will provide employment and bring a certain amount of tourist money to the surrounding area, but it rarely plays any role in regenerating or reviving an area at a meaningful grass roots level. To local people, it is simply a building that serves a different constituency.

TSH also brings money and employment, but MacGregor says Student Hotel's are also vibrant hubs that act as a catalyst for creativity and community involvement. "Our open door policy is a bridge to communities," he says. "It used to be crappy properties regenerating crappy areas - we have reversed it."

Building The Student Hotel group

MacGregor has carved a niche in the hotel industry via a circuitous but upwards route. Born in Edinburgh, Scotland, he began his career at the age of 16 working on building sites. Staying in the property industry he purchased a small student accommodation company at the age of 25, which he sold 10-years later.

After spending time in London, MacGregor relocated to Amsterdam where he established TSH in partnership with the Carlyle Group. It was always an ambitious project, launched with the goal of developing and operating 5,000 beds in the Benelux region.

The first TSH project was completed in 2008, just as the full implications of the global financial crisis unfolded. But despite a dismal economic backdrop and the collapse of bank backers the strength of the concept enabled MacGregor and his partners to press ahead with further projects in The Hague and Rotterdam in the years that followed.

For MacGregor the culture of TSH began - unsurprisingly - with the students. "They [the students] know the space well and act as though they own it... and they do," he says. "Our hotel guests feel this different atmosphere in the lobby. They feel it, that is the difference [between TSH and traditional hotels], we are grassroots-led, not marketing-a-room-led."

Today TSH has 4,400 rooms in 11 locations including: Florence, Rotterdam, Amsterdam (two locations: City and West), The Hague, Groningen, Eindhoven, Maastricht and Paris and two TSH Campus sites in Barcelona; student-only residences from The Student Hotel group.

MacGregor plans to build 65 new properties over the next five years, including developments across the Atlantic. “We plan an expansion into the Americas - in the next three years we’d like to get a project going, so we can learn the dynamics of that market, find new customers and use as stepping stone.”

Opportunities and Challenges

Ten years on from the opening of the first Student Hotel, MacGregor still sees himself as a challenger within the industry. But it’s a position that he relishes, not least because the concept is now a proven success.

“We are one of the best kept secrets in the hotel business,” he says. “We are outperforming on ADR, RevPar and occupancy - when other hotels see our numbers they’re like OMG!”

The business is hugely cost-effective. As MacGregor points out, traditional student accommodation in the form of flats or halls of residence requires no full time staffing. Hotels on the other hand – and particularly those offering high quality accommodation – are manpower hungry. TSH model takes a middle road, which allows the company to offer all the comforts of a great city centre hotel while also keeping staffing costs well below the hotel industry norm.

Like all industry disruptors, MacGregor acknowledges that he faces challenges. As he points out, TSH is focused on doing things differently and that can result in opposition from planning authorities.

“People in our company are constantly pushing against the rules - against old regulation,” he says. “Yes, property rules are important for health and safety and fire protection, but elsewhere we push the boundaries.”

MacGregor cites an example of room layout. “We have a different way of making a bathroom,” he says. “Usually you walk into a hotel room and the bathroom is there on the left or the right - a little box. We want to change that so you walk in and through the middle of your bathroom in to your room. In Spain we came up against a different set of rules about what a bathroom is, we had to ask ourselves, do we agree or do we push back? This is where we are being disruptive.”

The challenge facing a company that “doesn’t necessarily agree with the rules” is that planning regulations are different in every European country. “There are cross cultural and cross border challenges. We are handling developments in Italy, which is different to Germany, which is different to Spain, Austria or the Netherlands - we fight against cultural differences continually.”

However, MacGregor stresses that TSH's commitment to being a "good neighbour" pays dividends. He cites the negotiations that paved the way for the opening of the new destination in Florence. "I had to deal with a lot of red tape," he says. "But they saw what we were doing and they welcomed us."

Acquiring Properties

TSH is engaged in an ongoing process of acquiring properties at a viable price. With land prices rising, this can also be challenging. Nevertheless the company is continuing to expand. "We have 27 projects in seven countries. Twelve are open for business, another three will open in the next 18 months. We need to acquire another 10 this year. The pace we have is pretty exceptional," says MacGregor.

The company's growth plans have required structural changes - the most significant of these being a decision to bring the acquisition, development and design teams in-house.

An Innovation Lab

Ultimately, TSH growth plans are dependent on the ability of the company to meet the evolving demands of its guests, and MacGregor is committed to innovation that keeps customers at the centre.

At one level, the commitment to innovation can be seen in the projects such as the development of an app that will allow customers to engage with the company through their tablets and smartphones, but there is a bigger picture. Put simply, The Student Hotel is not only intent on developing the best possible product for its guests, it is also actively engaged in helping to improve the quality of life in the cities where it operates, particularly in terms of sustainability.

"We are developing a Living Lab," says MacGregor. "The Living Lab is our way to connect with users and local communities while bringing together new technologies and testing the hell out of them."

It's a means to make a real difference. For instance, In 2017, The Student Hotel announced a partnership with Wageningen University, Sapienza University and startup, Amphiro on an initiative aimed at reducing water usage in urban areas. The partnership kicked off in Amsterdam, where Student Hotel showers were fitted with Amphiro meters to let guests see how much water they are using.

With Amphiro meters also fitted in TSH properties in the Netherlands, the initiative encourages lower water usage (reductions of 20% have been achieved) while also gather huge amounts of data. The research will ultimately help cities solve water shortage problems.

Also in the Netherlands, the company is playing an important role in the LUCY (Learning and Understanding of Cyclists) project. In Amsterdam, TSH's fleet of bicycles are fitted with GPS devices to enable research on how riders move through the city. Ultimately the data will feed back into transport planning aimed at encouraging and supporting a greater use of bicycles.

MacGregor's ambitions also stretch to one of the most important issues facing Europe today - namely how do governments, cities and other organisations accommodate refugees in a way that allows them to integrate and contribute to their new communities.

We are scaling the model - scaling for buildings that house refugees - using the skill of hospitality," he say, citing a very personal motivation. "It broke my heart, I discovered that the models for handling refugees, for housing and integrating or transporting them was old and outdated. There was no use of this human capital - we are not looking after or integrating people, and I really felt it."

It's a project that aligns with the values of TSH group. "We stand for bringing our customers together and connecting with the local environment - a Complete Connected Community," says MacGregor.

ABOUT THE STUDENT HOTEL

The Student Hotel concept started with one simple observation: that students deserve better. Today, that vision has become reality and grown to encompass all guests with a "student spirit". From design-savvy travellers to next-gen entrepreneurs, TSH welcomes thousands of guests annually to its expanding portfolio of urban campus-style properties across Europe. Purpose-built or housed in historic converted buildings, TSH's industry-leading concept provides blended spaces to learn, stay, work and play for a night, a week, a month or a year. TSH guests, businesses and local communities embrace its positive impact-driven programming and inclusive culture.

Founded in 2012, TSH is headquartered in Amsterdam and employs 450. All TSH properties offer a mixed-use campus with accommodation, bars, restaurants, gyms, retail shops, meeting and event spaces and high-profile, co-working space. With over 11,000 rooms in Europe open and under development, TSH aims to offer a unique experience to its community of international guests. As of today, TSH is operating in 15 European locations: two

hotels in Amsterdam and in Barcelona and one in Berlin, The Hague, Delft, Vienna, Groningen, Eindhoven, Maastricht, Rotterdam, Paris, Florence and Bologna.



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