

Accommodating business travellers: The organisation and spaces of serviced apartments in Cape Town, South Africa

Desire Greenberg^{1, CDFMR}, Jayne M. Rogerson^{2, CDFMR}

University of Johannesburg, ¹Department of Geography, Environmental Management and Energy Studies, Kingsway Campus, Cnr Kingsway and University Roads, Auckland Park, Johannesburg, 2001, South Africa; phone +270 115 592 428, email: dgreenberg@uj.ac.za, ²*University of Johannesburg*, School of Tourism and Hospitality, Bunting road Campus, Auckland Park, Johannesburg, 2006, phone +270 115 592, email jayner@uj.ac.za (corresponding author)

How to cite:

Greenberg, D. and Rogerson, J.M., 2018; Accommodating business travellers: The organisation and spaces of serviced apartments in Cape Town, South Africa. *Bulletin of Geography. Socio-economic Series*, 42(42), 83-97. DOI: <http://doi.org/10.2478/bog-2018-0032>.

Abstract. In recent years several new forms of lodging have developed as alternatives to the hotel. For business travellers the serviced apartment has emerged as a new phenomenon. Within extant accommodation scholarship the service apartment sector has attracted minimal international attention either from tourism or property researchers. This paper analyses the development and character of service apartments in one of South Africa's major business tourism destinations, the city of Cape Town. It is disclosed that serviced apartments are clustered around different business nodes in the city and spatially differentiated in terms of serving distinctive business traveller markets.

Article details:

Received: 15 December 2017

Revised: 1 October 2018

Accepted: 3 November 2018

Key words:

business travel,
tourism accommodation,
serviced apartments,
Cape Town,
South Africa

© 2018 Nicolaus Copernicus University. All rights reserved.

Contents:

1. Introduction	84
2. Research on business tourism accommodation	85
3. The executive apartment sector in Cape Town, South Africa	87
3.1. Victoria and Alfred Waterfront.	90
3.2. Century City.	92
4. Conclusions	93
Acknowledgements.	94
References	94

1. Introduction

Accommodation services represent an expanding and research vibrant focus for tourism scholars, including many geographers. Timothy and Teye's (2009) work provides a benchmark for researchers concerned with an array of different accommodation services. Conventionally, the hotel sector attracts the greatest amount of attention. Among a range of issues that have come under recent scholarly scrutiny are hotel environmental management practices (Tsai et al., 2014), the drivers of green innovation (Chou, 2014), sustainable water management (Kasim et al., 2014) and key locational influences on hotel investment (Puciato, 2016). Geographers have contributed a stream of works, *inter alia*, on developing a spatial typology of accommodation establishments in borderlands (Timothy, Gelbman, 2015), understanding the evolutionary change and the inter- and intra-urban location of hotels in particular countries (Shoval, 2006; Shoval et al., 2011; Rogerson, 2013a, 2013b, 2014a, 2014b; Ferreira, Boshoff, 2014; Li et al., 2015; Magombo et al., 2017), the role of hotels as civic landmarks and their historical evolution (McNeill, McNamara, 2009, 2012), hotels as key political spaces (Craggs, 2012), the segmentation of the hotel sector (Rogerson, 2010, 2011a, 2001b, 2013c), and most recently addressed the linkages between 'walkability' and patterns of tourism accommodation (Ram, Hall, 2018).

Outside the hotel economy there exists what Timothy and Teye (2009) refer to as the 'new lodging phenomenon' which encompasses a cluster of newer types of commercial accommodation. These would include bed and breakfasts, guest lodges, homestays, glamping, safari lodges, backpacker hostels, second homes, timeshare, and most importantly peer-to-peer sharing in terms of Airbnb. The 'disruptive innovation' of Airbnb has catalysed most scholarly interest including studies of its sustainability, organisational dynamics and spatial distribution in cities (Guttentag, Smith, 2016; Varnma et al., 2016; Gutierrez et al., 2017; Visser et al., 2017). Arguably, in terms of existing research on the new lodging phenomenon most emphasis has been towards studies investigating the accommodation of leisure travellers. In this paper the focus is re-di-

rected towards an emerging new form of accommodation which is primarily targeted at the business tourist. The serviced apartment concept originated during the 1960s in the United States and functions as an alternative to full service hotels for business (as well as leisure) travellers. Subsequently it has expanded in popularity on a global scale (The Apartment Service Worldwide, 2013, 2015, 2016; EY, 2014). Henderson and Smith (2012: 349) identify serviced apartments as "a distinctive type of tourism accommodation with a range of providers" and one that "is increasing in diversity, popularity, and commercial importance in much of the world". This said, the serviced apartment sector has attracted minimal international attention from either tourism or property researchers (Poon, 2005; Greenberg, Rogerson, 2015). Against this backdrop the task is to contribute to the limited scholarship about serviced apartments by an investigation of their expansion and spatial distribution in a South African case study.

Across Africa it is observed the serviced apartment industry is "relatively undeveloped" and mainly comprised of "unbranded and low quality stock" (Kinuthia, 2016: 3). Nevertheless, with the recent economic rise of Africa, there has occurred a burgeoning of business travel as well as growing demand from a global cohort of business professionals who work away from home either on a short to medium term basis (Rogerson, 2015a). An observed trend is for the growth of quality serviced apartments in certain of Africa's major capital cities or business destinations including Dar-es-Salaam (Tanzania), Abuja (Nigeria) and Addis Ababa (Ethiopia). In addition, it is reported that Marriott International is planning to develop by 2020 a chain of 12 properties across the continent using a variety of its brands (Kinuthia, 2016). Currently, Kenya and South Africa are identified as the major growth points for serviced apartment developments in sub-Saharan Africa (Greenberg, Rogerson, 2015; Kinuthia, 2016). The aim in this paper is to investigate the development of service apartments in one of South Africa's major business tourism destinations, the city of Cape Town. The analysis of the evolution and dynamics of this new phenomenon in urban business tourism is grounded upon a research audit of self-service apartment properties undertaken for the city and of a set of structured interviews conducted with key stakeholders in the

property sector. Full details of methods and sources are provided by Greenberg (2018); key stakeholders granted permission for their names to be used in presenting research findings.

2. Research on business tourism accommodation

Davidson (1994: 1) defines business tourism as concerned “with people travelling for purposes which are related to their work” and considers it “one of the oldest forms of tourism”. Business travel and tourism is a significant constituent of the global tourism economy (Davidson, Rogers, 2006; Faulconbridge, Beaverstock, 2008; Celuch, Davidson, 2009; Beaverstock et al., 2010; Beaverstock, Budd, 2013) and especially so for the region of sub-Saharan Africa where in many countries business tourism exceeds leisure tourism (Rogerson, 2015a). This section situates the global growth in demand for self-service apartments in the context of existing scholarship on accommodation choice for business tourists.

Questions about business tourism accommodation selection are interrogated in various research studies (Morris, 1995; Dolnicar, 2002; Krieger, 2003; Gilbert, Hoang, 2014; Kucukusta et al., 2014; Lehto et al., 2015; Moskowitz, Tsai et al., 2015; Guizzardi et al., 2016). It is disclosed that business travellers look for several attributes to satisfy their individual requirements. Spatial location is the factor most strongly influencing accommodation selection followed by cleanliness (Choi, Chu, 2001; Dolnicar, 2002; Poudel, 2013; Emir, Saracli, 2014; Tsai et al., 2015; Yang et al., 2012; Zemke et al., 2015; Guizzardi et al., 2016). The business guest has a great need for a conveniently located accommodation. Business guests require convenience, and this convenience equates to time saving. Saving time by being close to the airport or their place of business, whether it is for a short-term contract, meetings, or conferences is a significant determinant in the guests’ choice of accommodation (Kirkman, 2013; Schoenfeld, 2013). Other factors relating to location include accessibility to roads and public transportation, and proximity to recreational facilities and restaurants (Yang et al., 2012; Emir, Saracli, 2014;

Hoang, 2014;). Business accommodation is therefore usually located in central areas such as financial districts and city centres (Choi, Chu 2001). In other research conducted on business traveller’s preference for accommodation features, Yavas and Babacus (2005) identify several similar attributes rated as high importance to the guests. These include: easy check-in and check-out; available in-house services, safe and secure parking; security and friendly employees. Likewise, Lehto et al. (2015) emphasize that cleanliness, safety and security, and efficient and friendly staff are high on the priority list of business hotel guests. Fawzy (2010) argues that the top-ranking accommodation attributes considered by business travellers are available business services (such as wi-fi and meeting facilities), cleanliness and, location.

With the expansion of business travel, there is intensified competition between full service hotels and other accommodation providers to attract new as well as repeat business from the travelling business community (Kirkman, 2013). Bulchard-Gidumal et al. (2011) point out that business travellers are more difficult to please than leisure travellers. This is because of stressful travel, being apart from families, and staying in an unfamiliar environment. The home-away-from-home concept is adopted by many business hotels, and sets to alleviate the feeling of being in an unfamiliar place and to create a space and atmosphere for this particular client of which they not only want to stay, but eventually return for (Schoenfeld, 2013). This ‘homely’ environment entails a cluster of interwoven factors contributing to the satisfaction of the business hotel guest. These attributes vary from comfort level to location, security, reputation and amenities focusing on leisure and relaxation (Choi, Chu, 2001; Dominici, Palumbo, 2013).

The demographics of the business traveller generally depend on their line of work, position within the organization, and country of origin. The standard and style of accommodation is reliant on the needs and, most notably, on the budget of the business guest. Travelling salespersons for instance, would have different needs and travel allowances as compared to the senior company executive (Yang et al., 2012). According to Dolnicar (2002) the average standard of accommodation is a mid-range lodging, or four-star accommodation, which offers val-

ue for money services and amenities, whilst staying in comfortable and practical accommodations. Another factor influencing the business traveller's hotel choice is branding. Many researchers agree that branded accommodation offers a sense of comfort and appeals to most travellers as these establishments have a certain set of criteria which must be met to fulfil the brand's reputation and philosophy on standards (Dolnicar, 2002; Schoenfeld, 2013).

Business travellers have high expectations with regards to safety and security (Dolnicar, 2002; Lehto et al., 2015; Guizzardi et al., 2016;). Guests travelling to areas of political unrest feature this factor as a top priority with many establishments employing armed security to keep guests safe and the hotel properties inaccessible to non-hotel guests (Raza et al., 2012; Banerjee, Chua 2016;). Loyalty programmes and incentives are also gaining traction in the accommodation sector making participating hotels more attractive to business travellers. Upgraded accommodation, access to executive floors and rewards systems are just a few of the many incentive programmes available to ensure repeat business (Hoang, 2014). Schoenfeld (2013) describes business hotels as "designed to maximize productivity". Most business hotels offer a functional work area in the rooms and many offer suites with meeting rooms and facilities. For business travellers, modern comforts are generally expected when staying in a hotel. iPod docking stations, flat screen televisions, Wi-Fi and coffee making facilities are basic requirements over and above the essential room amenities offered by a business hotel (Kirkman, 2013). Luxurious features such as individually decorated rooms, silk linen and sweeping views, together with luxuries such as heated floors and marble bathrooms are not uncommon in five-star establishments vying for business clientele (Kirkman, 2013). Typical in-room amenities of business hotels include fully equipped bathrooms with amenities, a work area, mini-bar, and room service.

Market segmentation is becoming increasingly prominent in the business accommodation industry due to the rapid changes in customer needs and the vast amount of product offerings. With the lines blurring in respect to amenities and specific market offerings, it is critical for industry players to find niche markets and to capitalise on a superior competitive position (Alhassan, Sakara, 2014; Weinstein,

1994). The serviced apartment industry is a distinctive form of tourism product which has emerged as a consequence of this segmentation. Serviced apartments are a new accommodation product in the business lodging sector and can be considered as a hybrid between the rental apartment and the standard hotel. This form of accommodation is expanding in demand amongst business travellers due to their offering larger living spaces, self-catering facilities and hotel-like services (Downey, 1991).

The available international research on the serviced apartment sector confirms that this form of urban accommodation is rapidly growing in the international accommodation landscape. Rolt (2016: 1) emphasises that "the serviced apartment sector is the fastest growing part of the hospitality industry and offers today's travellers the best of a design-led hotel experience with at-home independent living". The international consultancy EY (2014: 24) refers to this product as: "apartments which are often designed for rental usage exclusively ... and gaining traction globally as travellers continually seek accommodations that contain basic travel necessities, while also offering a sense of personal space in a comfortable atmosphere". This said, the definition of a serviced apartment varies from country to country (Arvidsson, 2015; The Apartment Service Worldwide, 2015). Researchers and industry players acknowledge that there is no standard definition of a serviced apartment with terms such as 'aparthotel' and 'corporate housing' used in Europe (Poon, 2005; The Apartment Service Worldwide, 2016); serviced apartments, condominiums or condo-hotel in the USA (Pizam, 2006); and strata/multi strata titled accommodation in Australia and New Zealand (Warnken et al., 2008).

Arguably, serviced apartments offer an alternative form of lodging to the conventional hotel (The Apartment Service Worldwide, 2013; Spooner, 2016;). The allure of this form of accommodation can be attributed to the comforts and privacy of a homely environment, whilst offering the services and facilities of a hotel (Oehmichen, 2008; Arvidsson, 2015; Geieregger,). This form of accommodation is mostly self-contained, offers larger living spaces, with a number of additional services available to the traveller, dependent on the quality of the serviced apartments on offer (Foxley, 2001; Geieregger, Oehmichen, 2008). 'A home-away-from-home'

is a recurrent theme that characterises the serviced apartment. Geieregger and Oehmichen (2008: 217) point out that whilst a hotel and a serviced apartment share the same objective of selling rooms for a night “serviced apartment providers attempt to provide a home away from home, personalised service and larger living spaces”. From an investor perspective Younes and Kett (2007) aver that on a commercial level the serviced apartment sector is highly appealing as the risks associated with commencement, operational and maintenance costs are average as compared to that of traditional hotels, which are usually associated with high risks. In this regard, investing in this sector can be highly profitable with initial and operational costs between ten and fifteen percent lower when compared to hotels, together with fewer staff and subsidiary services, such as food and beverage facilities, profit margins are high (Henderson, Smith, 2012; Lippert, Treffers, 2016).

Serviced apartments offer various room options which can accommodate more than one guest often from the same company and staying for a similar period of time, therefore making it an economically viable choice. Apartment buildings typically consist of high-rise residential buildings, which are divided into many privately-owned units (Jiang, 2016). The building size and capacity varies from country to country, and even from suburb to suburb. Apartment buildings range in size from as few as ten studio apartments to as many as a couple of hundred mixed size apartments. Size and capacity tends to lend itself towards factors such as available land size, location and target market. For instance,

Geieregger and Oehmichen (2008) note that popular business and tourist cities such as London, may have developments with as many as 150 apartments in a high-rise configuration due to the high cost of land. Poon (2005: 32) suggests that “the future supply of serviced apartments is expected to shift from business districts” as the competition for securing prime sites in global cities becomes increasingly competitive and expensive. One example of this spatial shift is the growing number of mixed-use projects which have been developed in emerging decentralised business nodes of South African cities.

3. The executive apartment sector in Cape Town, South Africa

It has been demonstrated that South Africa has an expanding serviced apartment sector or, as it is locally referred to, ‘the executive serviced apartments sector’ (Greenberg, Rogerson, 2015). Executive serviced apartments are a recent phenomenon in South Africa and increasing in popularity as a new form of tourist accommodation. In terms of their national distribution serviced apartments concentrate in the country’s major business and economic centres of Johannesburg and Cape Town which attract foreign and domestic business travellers both for short and extended stays.

Although Cape Town is usually viewed as an iconic leisure tourism destination, the city is one of South Africa’s most important business tourism

Table 1. South Africa’s leading business tourism destinations 2015

Location	Number of business trips	National share (%)
City of Johannesburg	721 898	15.6
City of Cape Town	409 476	8.8
City of Tshwane	406 318	8.8
eThekwini	325 275	7.0
Ekurhuleni	221 830	4.8
Polokwane	188 456	4.1
Mbombela	147 958	3.2
Mangaung	147 379	3.2
Mogale City	64 270	1.4
Buffalo City	60 871	1.3

Source: Authors based on unpublished IHS Global Insight data

destinations (Rogerson, Rogerson, 2014, 2017). Research on the changing geography of business tourism in South Africa in terms of trip data shows consistently that Cape Town is a significant focus for business tourism (Rogerson, 2015b). This is demonstrated by data for 2015 business trips which shows that across South African local municipalities, Cape Town ranks currently as the country's second most important business destination after Johannesburg, South Africa's leading commercial centre (Table 1).

The growth of Cape Town as a destination for business travel is indexed by the fact that in 2001 the city received only 209 000 business trips; by 2015 this total had nearly doubled.

In terms of the city of Cape Town the major business nodes are the central business district (CBD), the Victoria and Alfred Waterfront (V & AW) and Century City. The location of these three major business nodes is indicated on Figure 1. As discussed by Pirie (2007) the CBD has been the traditional focus of business development in Cape

Town. Following a period of decline due to suburban flight since the 1980s a public-private partnership has driven the remaking of the image and physical condition of central Cape Town. Pirie (2007) shows how property developers transformed CBD work residential and leisure spaces by capitalising on spectacular heritage, natural beauty and locational advantage. Over the past 30 years massive private investment in new and converted buildings, and in public space, has reconfigured the old CBD "into a post-modern space of high-end production, service, and consumption that is aestheticized, commoditised and historicised" (Pirie, 2007: 125).

Covering 123 hectares, Cape Town's V&A W has undergone significant renovations since 1990 with major redevelopment of its dockland and derelict warehouses (Kilian, Dodson, 1996). The V&A W has experienced a radical transformation from 'port' to playground becoming the major leisure space in Cape Town (De Villiers, Ferreira, 2014). The post-modern redevelopment is acclaimed inter-

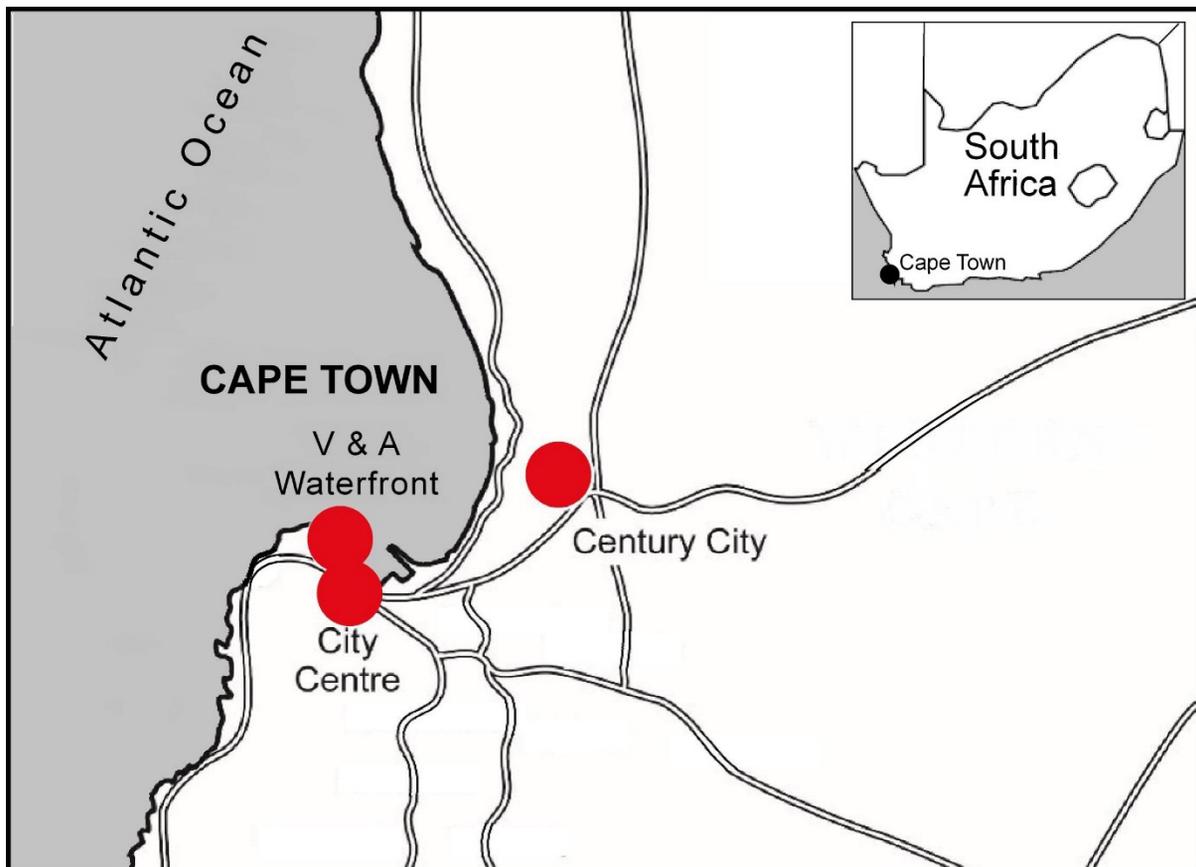


Fig. 1. Location of the Cape Town CBD, the V & A Waterfront and Century City business nodes
Source: Authors own work

nationally as one of the most successful examples of waterfront regeneration (Ferreira, Visser, 2007). The waterfront development has emerged now as South Africa's most visited tourist attraction with 24 million visitors a year and is a geographical focus for a cluster of upmarket hotels (Rogerson, 2012; Ferreira, Boshoff, 2014). Styled by Ferreira and Visser (2007) as the heart of an 'African Riviera' it is located within walking distance of Cape Town city centre and the Cape Town International Convention Centre which is the axis of MICE tourism in the city. The V&AW was developed as a mixed-use complex and comprises eleven shopping districts with more than 450 retail outlets and 80 restaurants, twelve hotels ranging from mid-range to luxury, 150 yacht moorings and seventeen residential apartment blocks. In addition, the V&AW has four small conference centres on site (Viola, 2014).

Century City is a large mixed-use development situated in the north-west sector of metropolitan Cape Town. It is strategically located at the intersection of the N1 and N7 highways, adjacent two railway corridors, and within ten kilometres of the Cape Town CBD. This decentralised node is complementary to the Cape Town CBD and is home to over 500 companies, including most importantly the national or regional head offices of some of South Africa's blue-chip corporates. Marks and Bezoli (2001) view Century City as 'a city in itself' and representing a new post-modern urban space. They describe its defining features as follows: "Combining retail, leisure, offices, residential and ecological components under one roof, Century City represents the ultimate commodification of urban space and services. There are no low cost housing projects

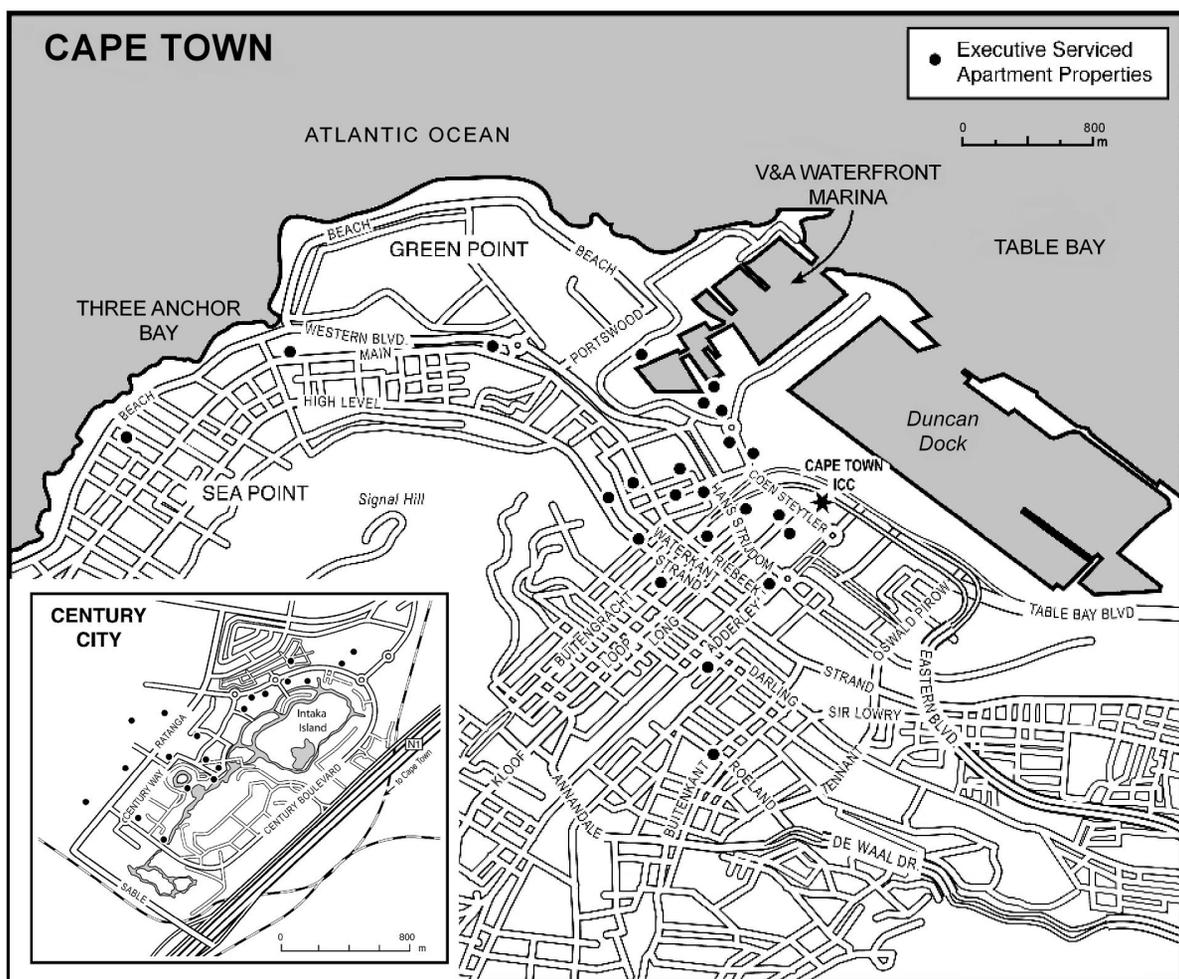


Fig. 2. Cape Town executive serviced apartments: major clusters, 2014
Source: Authors own work

here, nor public schools or libraries, only those aspects of urban life that can be conveniently repackaged, reprocessed and reimagined. One can live, work and shop within the same complex without having to leave the gates of the ‘City’ gates, inhabiting a fictitious space, insulated from the troubles beyond its borders” (Marks, Bezzoli, 2001: 27).

Figure 2 shows the results of an audit which was conducted on the geographical distribution of service apartments in Cape Town. It reveals that the three business nodes are the sites for serviced apartment developments in the city. Of the three business nodes the CBD is the least important; the two main clusters occur in the surrounds of the V & AW and Century City.

Stakeholder interviews with property agents disclosed that in Cape Town the serviced apartment sector is patronised by a broad spectrum of different business professionals with the only specific specialisations identified those of professionals linked to oil companies and the city’s booming film industry (Viola, 2014). One marked difference between the Century City and ‘downtown’ central Cape Town is terms of the clientele. Century City is the location for a cluster of local head offices and attracts predominantly South African business travellers from other parts of the country for short to medium term contracts. By contrast, Cape Town CBD is the location for the headquarters of several internationally listed firms as well as the Cape Town International Convention Centre attracts a higher share of international visitors. For the two major clusters of the V & AW and Century City a more detailed unpacking and discussion of serviced apartments in these two spaces is presented.

3.1. Victoria and Alfred Waterfront

The first executive serviced apartment block here was developed in the early 2000s. The Marina, as the gated community of apartments is known, houses 17 apartment blocks, consisting of a total of 515 sectional title units which are owned either by individuals or hospitality groups such as Lawhill Luxury Apartments, Village n Life, and the V&A Waterfront Company. It is centrally located in the V&A Waterfront Marina. Individual apartment complex-

es are named in alphabetical order after ships that have sunk off the coast of Cape Town (Viola, 2014).

Apartments are serviced, managed and maintained on behalf of the private and corporate investors. It was stated by one interviewee that some “owners make use of the apartments during the year and some have never even seen their properties. It is purely for investment purposes” (Van der Vent, 2014). In addition, whilst certain owners choose to furnish and service the properties themselves the hospitality groups, which manage several apartments, operate with a full staff of decorators, cleaning and maintenance staff (Viola, 2014). A residential property expert specialising in the V&A, believes that the appeal of executive serviced apartments is, in part, due to the lack of affordable accommodation at the V&AW: “I don’t know if hotels are losing their appeal, but there certainly seems to be an increase in demand for furnished serviced apartments. They are not necessarily less luxurious than the hotels, but they are certainly more private. The guests are able to have people over and come and go as they please. I think it feels more like home, you are not just this anonymous individual in a tiny little room with no space to do anything” (Viola, 2014). In addition, another leading property expert believes that guests tend to use apartments due to the privacy, extra space and self-catering facilities. “When I was commuting every week, I used to find that some days I just didn’t want to eat out, and being in a hotel room I couldn’t just put something together. I would end up buying take-out and eating on my bed” (Van der Vent, 2014).

Staying in an apartment is ideal for those with special dietary requirements or those that are health conscious, as self-catering allows the guest the flexibility of a variety of meals as compared to a limited hotel menu or buffet. Other elements such as security and convenience are equally strong motivators for apartment rentals. “We find that even with the conventions, guests will stay for more than one night because there is so much to do at the V&AW. A convention may last one day, but guests want to enjoy what the V&A has to offer. Apartment living is a lot more relaxed than staying in a hotel and I believe that is what drives the demand for it” (Van der Vent, 2014). Clientele is a mix of both domestic and especially international business persons. Amongst the foreign business travellers, the Marina was noted as especially popular with visitors from Saudi Arabia

linked to the oil industry. Tight security and privacy make the Marina an attractive choice as many businessmen bring their wives and families. It was noted that booking fifteen units or even an entire apartment block was not uncommon (Van der Vent, 2014).

The growing South African film industry has focussed in Cape Town in recent years and become an important sector within the local business economy (Visser, 2014). The V&AW has become an important destination which is popular with the local and international film industry. Serviced apartments are a major accommodation choice. One interviewee observed *“The crew and actors are very demanding as to where they stay, and with them rebooking year after year, we must be doing something right. We have just let ten apartments in our long-term residential [sic] to a company that services the film industry. It is the local film industry, but for international series.”* (Viola, 2014). Another residential agent commented on a film company signing a three-month lease for ten apartments for an upcoming series. The duration of stay for those in the film industry depends on whether a series or feature film is being produced. Actors are accommodated for a minimum of six months for a feature film, and although the leasing period of a series is for three months, the probability of an extension is high: *“The film*

companies will book in advance for the first and second seasons of a series. After the second series, they can usually ascertain whether it’s a hit or not. If it is a success, then they book the next three seasons and usually take anywhere between three and five apartments” (Viola, 2014). Beyond the film industry the serviced apartment sector benefits also from business travellers linked to conferences and corporate travel. Retail corporates such as Woolworths and Truworths make use of the long-term rentals for visiting senior management with leases lasting between two and three years. Other important clients are oil companies and insurance companies.

As shown on Table 2 apartments at the V&AW are available in various bedroom configurations – studio, one, two, three-bedrooms, and penthouses. Typically, all the units are fully serviced, furnished and have a balcony or patio, satellite TV, air conditioning, complimentary Wi-Fi access, communal swimming pool and gymnasium access, underground parking, 24-hour security and a dedicated reception desk and concierge service. The clientele staying at the V&A prefer the larger configurations. Two-bedroom units are popular with the corporate guests as they can accommodate a guest in each room with a communal living space (Van der Vent 2014). The film companies also rent the two-bedroom apartments as the actors prefer the

Table 2. Room configurations and standard apartment amenities

Amenities	One bedroom		Two bedroom		Three bedroom		
	Luxury	Superior	Luxury	Superior	Luxury	Superior	Penthouse
Size (m ²)	61	60	110	115	135	228	430
Fully equipped kitchen	*	*	*	*	*	*	*
Air-conditioner	*	*	*	*	*	*	*
Underfloor heating	*	*	*	*	*	*	*
Balcony / patio	*	*	*	*	*	*	*
En-suite bathroom	*	*	*	*	*	*	*
Additional bathroom/s			*	*	*	*	*
Private pool				*		*	*
Free Wi-Fi	*	*	*	*	*	*	*
Tea and coffee	*	*	*	*	*	*	*
Bathroom amenities	*	*	*	*	*	*	*
Welcome pack	*	*	*	*	*	*	*
Garden						*	
Second lounge						*	

Source: Lawhill Luxury Apartments 2017

space. However, if supply is lacking, they will settle for the one-bedroom units. Penthouses are booked for the most important actors. Studio apartments are not popular for medium and long-term rentals; usually these spaces are booked for single travellers only staying for a night or two (Viola, 2014). In summary, the executive apartments at the V&A Waterfront are upmarket and exclusive with luxury finishes catering to the higher-end of the client market.

3.2. Century City

Century City is a 250ha. mixed-use development which combines office, retail, residential and leisure components in an integrated urban environment (Marks, Bezzoli, 2001). One component of this post-modern urban development has been the building of serviced apartments. By 2014, there was a total of 14 executive serviced apartment establishments in Century City, with each complex containing a number of units utilised for the purpose of

short to long-term rentals, and permanent residents. Although these 14 executive serviced apartments complexes were identified in Century City (Fig. 3), the exact number of individual units of apartments could not be determined as most are owned by private individuals.

It was revealed there is an increasing demand for medium to long term-rentals in Century City. Short-term rentals in the area are expensive when compared to longer stays, as there is a better return on long-term rentals. One rental agent stated: “What we do is we focus on self-catering apartments. We look into where there is a supply and demand and we identify suppliers like hotel groups or individual owners” (Van der Hoven, 2014). Century City is expanding as an office node with large national and multinational corporates like Old Mutual and Sasol taking occupation. With 200 000 square meters of office space, it is anticipated that Old Mutual will have a steady flow of visiting consultants in need of accommodation for short, long and medium-term stays. Most owners of the Century City apartments

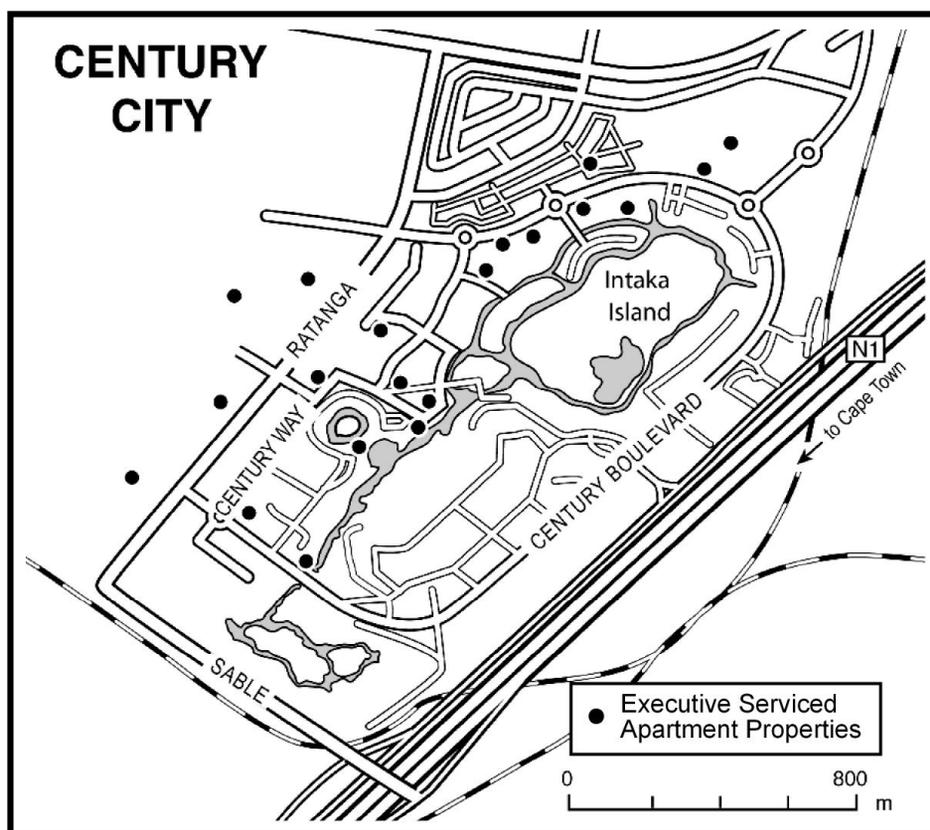


Fig. 3. Location of the executive serviced apartments in Century City, Cape Town, South Africa
Source: Authors own work

are investors buying for return with little intention of personally using the apartment. Property agents in Century City stated that buyers invest in property but prefer to leave the administration and rental to a management company: *“We have a client who owns two apartments here. They own a corporate company in the gas industry and we manage the two apartments on their behalf. In between the short-term rental bookings, they use them for their own directors and clients.”* (Van der Hoven, 2014).

The Century City service apartments are growing in demand for several reasons. Apart from preparing their own meals, guests are not tied down to hotel rules. The same in-room amenities, and more, are available to the guest, everything that would be available at hotels: *“People don’t really want to use hotels because of the lack of privacy. A lot of people want to have the privacy of self-catering, being able to prepare your own food and have guests over”* (Van der Hoven, 2014). Rental agents try to give their guests a hotel experience with the added benefit of being able to self-cater. Meet and greet on arrival, tours of the building and on-site amenities are standard procedures offered to the client. Some agents prefer the personal touch, such as a welcome pack containing toiletries, tea, coffee and a bottle of wine. *“Our guests appreciate the welcome pack. It’s a personal touch that you don’t get in a hotel”* (Van der Hoven, 2014).

As Century City was planned and developed as a mini city and was one of the first locations in the Western Cape to be fitted with optic fibre, the area hosts a concentration of computer and software companies which provide a client base. Employees in the computer and software industry make up the majority of visiting staff and professionals. Compared to the V & AW, Century City caters for mainly domestic South African business travellers with international business tourists. Indeed, business people from Johannesburg make up the largest share of the market followed by Durban. The corporate offices in Century City are predominantly local, with a few exceptions: *“There aren’t really any big international companies here. There were a number of call centres at one point, but they have since moved elsewhere”* (Van der Hoven, 2014).

Century City boasts a variety of apartments, each developed using quality finishes. The aim was to have the same quality and appeal as apart-

ments in central Cape Town and the V&A Waterfront. Room configurations range from studios to penthouse apartments; however, one-bedroom apartments are the most sought after. If these are unavailable, two and three-bedroom apartments are utilised. The apartments are housed in different apartment complexes situated within Century City. The buildings differ in finishes, on-site amenities and available services. Amenities such as satellite television, fully equipped kitchens and washing machines are standard. Services such as Wi-Fi and daily cleaning are available at an additional cost.

4. Conclusions

Accommodation services are a critical component of tourism development and a rising topic of attention in tourism scholarship including by geographers. Arguably, within the extant literature the bulk of attention is devoted to issues of accommodating leisure tourists. The changing business accommodation landscape was the focus of analysis in this paper. Until relatively recently few alternatives existed to hotels for business travellers seeking extended stay longer-term accommodation. Serviced apartments must be viewed as part of what Timothy and Teye (2009) describe as the emergence of new lodging forms. Currently, the phenomenon of serviced apartments is well-established across North America, Europe and parts of Asia (The Apartment Service Worldwide, 2016). In Africa, however, this segment of lodging is still emerging with South Africa and Kenya the leading foci (Greenberg, Rogerson, 2015; Kinuthia, 2016). It is observed that whilst there is a component of the leisure market that uses serviced apartments the majority of clientele are business travellers.

This research examined the characteristics and local geography of the serviced apartment economy in one of South Africa’s business tourism destinations. It was demonstrated that in the case of Cape Town the location of these establishments closely aligns with the city’s major business nodes. Arguably, however, there is a differentiation between the two major clusters of serviced apartments in the city. In terms of apartment standard, it was revealed that the V&A Waterfront caters to a more upmarket

clientele as compared to Century City. The quality of accommodation together with the available services and amenities are of a higher standard at the 'African Riviera' and business visitors are prepared to pay more for such services and amenities. The clientele for this accommodation varies between the two spaces. At the V&A Waterfront the market comprises visiting professionals and delegates from regional and international blue-chip companies; in addition, Cape Town's oil and film industries provide a additional flow of business clients. By contrast, Century City caters mainly for the domestic business tourist market, comprising largely of employees of the numerous IT industries located within the business node. Overall, these findings point to a conclusion that the service apartment sector must not be viewed as homogeneous in its make-up rather it exhibits a variable geography between different business nodes.

Acknowledgements

Thanks to our interviewees and to Wendy Job for preparing the maps. The helpful comments from two journal referees are acknowledged.

References

- Alhassan, F. and Sakara, A.**, 2014: Factors Influencing Market Segmentation in the Hotel Industry. In: *International Journal of Economics, Commerce and Management*, 2(9): 1-16.
- Arvidsson, M.**, 2015: Serviced Apartments in Sweden – is there a growth opportunity? Masters thesis Real Estate and Construction Management, KTH, Stockholm.
- Banerjee, S. and Chua, A.Y.**, 2016: In Search of Patterns Among Travellers' Hotel Ratings in TripAdvisor. In: *Tourism Management*, 53: 125-131.
- Beaverstock, J.V., Derudder, B., Faulconbridge, J. and Witlox, F.**, (eds.) 2010: *International Business Travel in the Global Economy*. Farnham: Ashgate.
- Bulchand-Gidumal, J., Melian-Gonzalez, S. and Gonzalez Lopez-Valcarcel, B.**, 2011: Improving Hotel Ratings by Offering Free Wi-Fi. In: *Journal of Hospitality and Tourism Technology*, 2(3): 235-246.
- Celuch, K. and Davidson, R.**, (eds.), 2009: *Advances in Business Tourism Research: A Selection of Papers presented at ATLAS Business Tourism Special Interest Group Meetings*. Arnhem: ATLAS.
- Choi, T.Y. and Chu, R.**, 2001: Determinants of Hotel Guests' Satisfaction and Repeat Patronage in the Hong Kong Hotel. In: *Hospitality Management*, 20: 277-297.
- Chou, C-J.**, 2014: Hotels Environmental Policies and Employee Personal Environmental Beliefs: Interactions and Outcomes. In: *Tourism Management*, 40: 436-446.
- Craggs, R.**, 2012: Towards a Political Geography of Hotels: Southern Rhodesia 1958-1962. In: *Political Geography*. 31(4): 215-224.
- Davidson, R.**, 1994: *Business Travel*. London: Pitman.
- Davidson, R. and Rogers, T.**, 2006: *Marketing Destinations and Venues for Conferences, Conventions and Business Events*. New York: Butterworth-Heinemann.
- De Villiers, R. and Ferreira, S.**, 2014: The Victoria and Alfred Waterfront as Playground for Capetonians. In: *Urbani izziv*, 25 (Supplement), S63-S80.
- Dolnicar, S.**, 2002: 'Business Travellers' Hotel Expectations and Disappointments: A Different Perspective to Hotel Attribute Importance Investigation'. In: *Asia Pacific Journal of Tourism Research*, 7(1): 29-35.
- Dominici, G. and Palumbo, F.**, 2013: The Drivers of Customer Satisfaction in the Hospitality Industry: Applying the Kano Model to Sicilian Hotels. In: *International Journal of Leisure and Tourism Marketing*, 3(3): 215-236.
- Downey, J F.**, 1991: The Aparthotel: A Useful Tool for Investors and Developers. In: *Cornell Hotel and Restaurant Administration Quarterly*, 3(2): 53-55.
- Emir, O. and Saracli, S.**, 2014: Determination of the Thermal Hotel Location: Application of Analytic Hierarchy Process. In: *Tourism and Hospitality Management*, 20: 71-83.
- EY** 2014: *Global Hospitality Insights: Top Thoughts for 2014*. New York: EY.
- Faulconbridge, J.R. and Beaverstock, J.V.**, 2008: Geographies of International Business Travel in the Professional Service Economy. In: Hislop, D. (ed.), *Mobility and Technology in the Workplace*, London, Routledge: 87-102.
- Fawzy, A.**, 2010: Business Travelers' Accommodation Selection: A Comparative Study of Two International

- Hotels in Cairo. In: *International Journal of Hospitality and Tourism Administration*, 11: 138-156.
- Ferreira, S. and Boshoff, A.**, 2014: Post-2010 FIFA Soccer World Cup: Oversupply and Location of Luxury Hotel Rooms in Cape Town. In: *Current Issues in Tourism*, 16: 180-198.
- Ferreira, S. and Visser, G.**, 2007: Creating an African Riviera: Revisiting the Impact of the Victoria and Alfred Waterfront Development in Cape Town. In: *Urban Forum*, 18(3): 227-246.
- Foxley, S.**, 2000: Serviced Apartments in the UK: A Growth Sector? In: *Journal of Property Investment and Finance*, 19: 79-89.
- Geieregger, O. and Oehmichen A.**, 2008: A Home for the Modern Nomad: Extended Stay Hotels. In: *Journal of Retail and Leisure Property*, 7(3): 216–233.
- Gilbert, D.C. and Morris, L.**, 1995: The Relative Importance of Hotels and Airlines to the Business Traveller. In: *International Journal of Contemporary Hospitality Management*, 7(6): 19-23.
- Greenberg, D.**, 2018: The Development, Geography and Organisation of Serviced Apartments in South Africa. MSc dissertation, University of Johannesburg.
- Greenberg, D. and Rogerson, J.M.**, 2015: The Serviced Apartment Industry of South Africa: A New Phenomenon in Urban Tourism. In: *Urban Forum*, 26(4): 467–482.
- Guizzardi, A., Monti, A. and Ranieri, E.**, 2016: Rating Hotel Quality for Corporate Business Travel Departments. In: *International Journal of Contemporary Hospitality Management*, 28(12): 2842-2863.
- Gutierrez, J., Garcia-Palomares, J.C., Ramanilos, G. and Sales-Olmedo, M.H.**, 2017: The Eruption of Airbnb in Tourist Cities: Comparing Spatial Patterns of Hotels and Peer-to-peer Accommodation in Barcelona. In: *Tourism Management*, 62: 278-291.
- Guttentag, D.A. and Smith, S.L.J.**, 2017: Assessing Airbnb as a Disruptive Innovation Relative to Hotels: Substitution and Comparative Performance Expectations. In: *International Journal of Hospitality Management*, 64: 1-10
- Henderson, J.C. and Smith, R.A.**, 2012: Analysis of the Serviced Apartments Sector and its Prospects in Southeast Asia. In: *Tourism Review International*, 15: 349–353.
- Hoang, A.**, 2014: Understanding the Differences Between Business and Leisure Travelers. In: *E-Marketing Associates*, 6 October. Available from: <http://www.e-marketingassociates.com/understanding-differences-business-vs-leisure-travelers>, DoA:17.04.2016.
- Jiang, H.**, 2016: Dwelling Unit Choice in a Condominium Complex: Analysis of Willingness to Pay and Preference Heterogeneity. In: *Urban Studies*, 53(11): 2273-2292.
- Kasim, A., Gursory, D., Okumus, F. and Wong, A.**, 2014: The Importance of Water Management in Hotels: A Framework for Sustainability Through Innovation. In: *Journal of Sustainable Tourism*, 2(7): 1090-1107.
- Kilian, D. and Dodson, B.J.**, 1996: Forging a Postmodern Waterfront: Urban Form and Spectacle at the Victoria and Alfred Docklands. In: *South African Geographical Journal*, 78(1): 29-40.
- Kinuthia, K.J.**, 2016: An Assessment of the Growth and the Performance of Serviced Apartments in Kenya: A Case Study of Kilimani Area. MA thesis (Valuation and Property Management), University of Nairobi.
- Kirkman, A.**, 2013: The Best New Business Hotels. In: *Fortune*, 167(7).
- Kucukusta, D., Heung, V.C.S. and Hui, S.**, 2014: Deploying Self-Service Technology in Luxury Hotel Brands: Perceptions of Business Travelers. In: *Journal of Travel and Tourism Marketing*, 31: 55-70.
- Lawhill Luxury Apartments 2017: The Apartments. Available from: <http://www.lawhillluxuryapartments.com/apartments>, DoA: 24.09.2017.
- Lehto, X.Y., Park, O.J. and Gordon, S.E.**, 2015: Migrating to New Hotels: A Comparison of Antecedents of Business and Leisure Travelers' Hotel Switching Intentions. In: *Journal of Quality Assurance in Hospitality and Tourism*, 16: 235-258.
- Li, M., Fang, L., Hunag, X and Goh, C.**, 2015: A Spatial-Temporal Analysis of Hotels in Urban Tourism Destination. In: *International Journal of Hospitality Management*, 45: 34-43.
- Lippert, R.K. and Treffers, S.R.**, 2016: Legal Knowledge and Surveillance in the Condo World. In: *Social and Legal Studies*, 25(4): 419-440.
- Magombo, A., Rogerson, C.M. and Rogerson, J.M.**, 2017: Accommodation Services for Competitive Tourism in Sub-Saharan Africa: Historical Evidence from Malawi. In: *Bulletin of Geography: Socio-Economic Series*, 38: 73-92, DOI: <http://dx.doi.org/10.1515/bog-2017-0035>.
- Marks, R. and Bezzoli, M.**, 2001: Palaces of Desire: Century City, Cape Town and the Ambiguities of Development. In: *Urban Forum*, 12(1): 27-48.

- McNeill, D. and McNamara, K.,** 2009: Hotels as Civic Landmarks, Hotels as Assets: The Case of Sydney's Hilton. In: *Australian Geographer*, 40(3): 369-386.
- McNeill, D. and McNamara, K.,** 2012: The Life and Death of Great Hotels: A Building Biography of Sydney's 'The Australia'. In: *Transactions of the Institute of British Geographers*, 37(NS): 149-163.
- Moskowitz, H. and Krieger, B.,** 2003: Consumer Requirements for a Mid-priced Business Hotel: Insights from Analysis of Current Messaging by Hotels. In: *Tourism and Hospitality Research*, 4(3): 266-288.
- Pirie, G.,** 2007: 'Reanimating a Comatose Goddess': Reconfiguring Central Cape Town. In: *Urban Forum*, 18(3): 125-151.
- Pizam, A.,** 2006: Condominium Hotels: A Scorching Hot Lodging Product. In: *Hospitality Management*, 25: 167-169.
- Poon, KP.,** 2005: An Empirical Study of the Determinants of Serviced Apartment Rent in Hong Kong. Unpublished dissertation, University of Hong Kong.
- Poudel, S.,** 2013: The Influence of the Accommodation Sector on Tourism Development and its Sustainability. Case Study: Strand Camping, Larsmo. Unpublished research paper from Centria University of Applied Sciences, Kokkola, Finland.
- Puciato, D.,** 2016: Attractiveness of Municipalities in South-Western Poland as Determinants for Hotel Chain Investments. In: *Tourism Management*, 57: 245-255.
- Ram, Y. and Hall, C.M.,** 2018: Walk Score and Tourist Accommodation. In: *International Journal of Tourist Cities*: DOI: <https://doi.org/10.1108/IJTC-11-2017-0066>.
- Raza, M.A., Siddiquei, A.N., Awan, H.M. and Bukhari, K.,** 2012: Relationship Between Service Quality, Perceived Value, Satisfaction and Revisit Intention in Hotel Industry. In: *Interdisciplinary Journal of Contemporary Research in Business*, 4(8): 788-804.
- Rogerson, C.M.,** 2015a: Unpacking Business Tourism Mobilities in sub-Saharan Africa. In: *Current Issues in Tourism*, 18(1): 44-56.
- Rogerson, C.M.,** 2015b: The Uneven Geography of Business Tourism in South Africa. In: *South African Geographical Journal*, 97(2): 183-202.
- Rogerson, C.M. and Rogerson, J.M.,** 2014: Urban Tourism Destinations in South Africa: Divergent Trajectories 2001–2012. In: *Urbani Izziv*, 25 (Supplement): 189-203.
- Rogerson, C.M. and Rogerson, J.M.,** 2017: City Tourism in South Africa: Diversity and Change. In: *Tourism Review International*, 21(2): 193-211.
- Rogerson, J.M.,** 2010: The Boutique Hotel Industry in South Africa: Definition, Scope and Organization. In: *Urban Forum*, 21: 425-439.
- Rogerson, J.M.,** 2011a: The Limited Services Hotel in South Africa: The Growth of City Lodge. In: *Urban Forum*, 22: 343-361.
- Rogerson, J.M.,** 2011b: The Changing All-Suite Hotel in South Africa: From 'Extended Stay' to African Condo Hotel. In: *Tourism Review International*, 15(1/2): 107-121.
- Rogerson, J.M.,** 2012: The Changing Location of Hotels in South Africa's Coastal Cities, 1990-2010. In: *Urban Forum*, 23(1): 73-91.
- Rogerson, J.M.,** 2013a: Market Segmentation and the Changing Budget Hotel Industry in South Africa. In: *Urbani izziv*, 24(2): 112-123.
- Rogerson, J. M.,** 2013b: The Economic Geography of South Africa's Hotel Industry 1990 to 2010. In: *Urban Forum*, 24(3): 425-446.
- Rogerson J.M.,** 2013c: Reconfiguring South Africa's Hotel Industry 1990-2010: Structure, Segmentation, and Spatial Transformation. In: *Applied Geography*, 36: 59-68.
- Rogerson, J.M.,** 2014a: Hotel Location in Africa's World Class City: The Case of Johannesburg, South Africa. In: *Bulletin of Geography: Socio-Economic Series*, 25: 181-196.
- Rogerson, J.M.,** 2014b: Changing Hotel Location Patterns in Ekurhuleni, South Africa's Industrial Workshop. In: *Urbani izziv*, 25 (Supplement): 81-95.
- Rolt, A.,** 2016: SACO Launches Aparthotel Brand. In: *Estates Gazette*, 00141240, 943, 7 September.
- Schoenfeld, B.,** 2013: Best New Business Hotel - Four Seasons Baltimore Feature in 2013 Business Traveller Awards. In: *Entrepreneur*: 45-48.
- Shoval, N.,** 2006: The Geography of Hotels in Cities: An Empirical Validation of a Forgotten Model. In: *Tourism Geographies*, 8(1): 56-75.
- Shoval, N., Kercher, B., Ng, E. and Birenboim, A.,** 2011: Hotel Location and Tourist Activity in Cities. In: *Annals of Tourism Research*, 38: 1594-1612.
- Spooner, S.,** 2016: New Business Travellers Herald Age of the Serviced Apartment - What it Means for Africa's City Hotels. In: *Mail and Guardian Africa*, 7 February. Available from: <http://mgafrica.com/article/2016-02-03-rise-of-serviced-apartments>, DoA:12.04.2017.

- The Apartment Service Worldwide., 2013: The Global Serviced Apartments Industry Report 2013/14. London: The Apartment Service.
- The Apartment Service Worldwide., 2015: The Global Serviced Apartments Industry Report 2015/16. London: The Apartment Service.
- The Apartment Service Worldwide., 2016: The Global Serviced Apartments Industry Report 2016/17. London: The Apartment Service.
- Timothy, D.J. and Gelbman, A.**, 2015: Tourist Lodging, Spatial Relations and the Cultural Heritage of Borderlands. In: *Journal of Heritage Tourism*, 10(2): 202-212.
- Timothy, D.J. and Teye, V.**, (eds). 2009: *Tourism and the Lodging Sector*. Oxford: Butterworth-Heinemann.
- Tsai, K-T., Lin, T-P., Hwang, R-L. and Huang, Y-J.**, 2014: Carbon Dioxide Emissions Generated by the Energy Consumption of Hotels and Homestay Facilities in Taiwan. In: *Tourism Management*. 42: 13-21.
- Tsai, Y.H., Wu, C.T. and Chen, S.L.**, 2015: Hotel Choice Criteria by Business and Leisure Travelers'. In: *The International Journal of Organizational Innovation*, 7(4): 158-164.
- Van der Hoven, B.**, 2014: Interview, Product Manager, My Leisure Group, Cape Town, 4 December.
- Van der Vent, W.**, 2014: Interview, Director of Quoin Online Property Brokers, Cape Town, 2 December.
- Varnma, A., Julic, N., Pestek, A., Shultz, C.J. and Nestorov, S.**, 2016: Airbnb: Exciting Innovation or Passing Fad. In: *Tourism Management Perspectives*, 20: 228-237.
- Viola, W.**, 2014: Interview: Development and Residential Manager Victoria and Alfred Waterfront Company, Cape Town, 2 December.
- Visser, G.**, 2014: The Film Industry and South African Urban Change. In: *Urban Forum*, 25: 13–34.
- Visser, G., Erasmus, I. and Miller, M.**, 2017: Airbnb: The Emergence of a New Accommodation type in Cape Town, South Africa. In: *Tourism Review International*, 21(2): 151-168.
- Warnken, J., Guilding, C. and Cassidy, K.**, 2008: A Review of the Nature and Growth of Multi-titled Tourism Accommodation Complexes. In: *International Journal of Hospitality Management*, 27: 574-583.
- Weinstein, A.**, 1994: *Market Segmentation*. Chicago: Probus.
- Yang, Y., Wong, K.F. and Wang, T.**, 2012: How do Hotels Choose Their Location? Evidence from Hotels in Beijing. In: *International Journal of Hospitality Management*, 31(3): 675-685.
- Yavas, U. and Babakus, E.**, 2005: Dimensions of Hotel Choice Criteria: Congruence Between Business and Leisure Travellers. In: *Hospitality Management*, 24: 359-367.
- Younes, E. and Kett, R.**, 2007: Hotel Investment Risk: What are the Chances? In: *Journal of Retail and Leisure Property*, 6: 69-78.
- Zemke, D.M.V., Neal, J., Shoemaker, S. and Kirsch, K.**, 2015: Hotel Cleanliness: Will Guests Pay for Enhanced Disinfection? In: *International Journal of Contemporary Hospitality Management*, 27(4): 690-710.