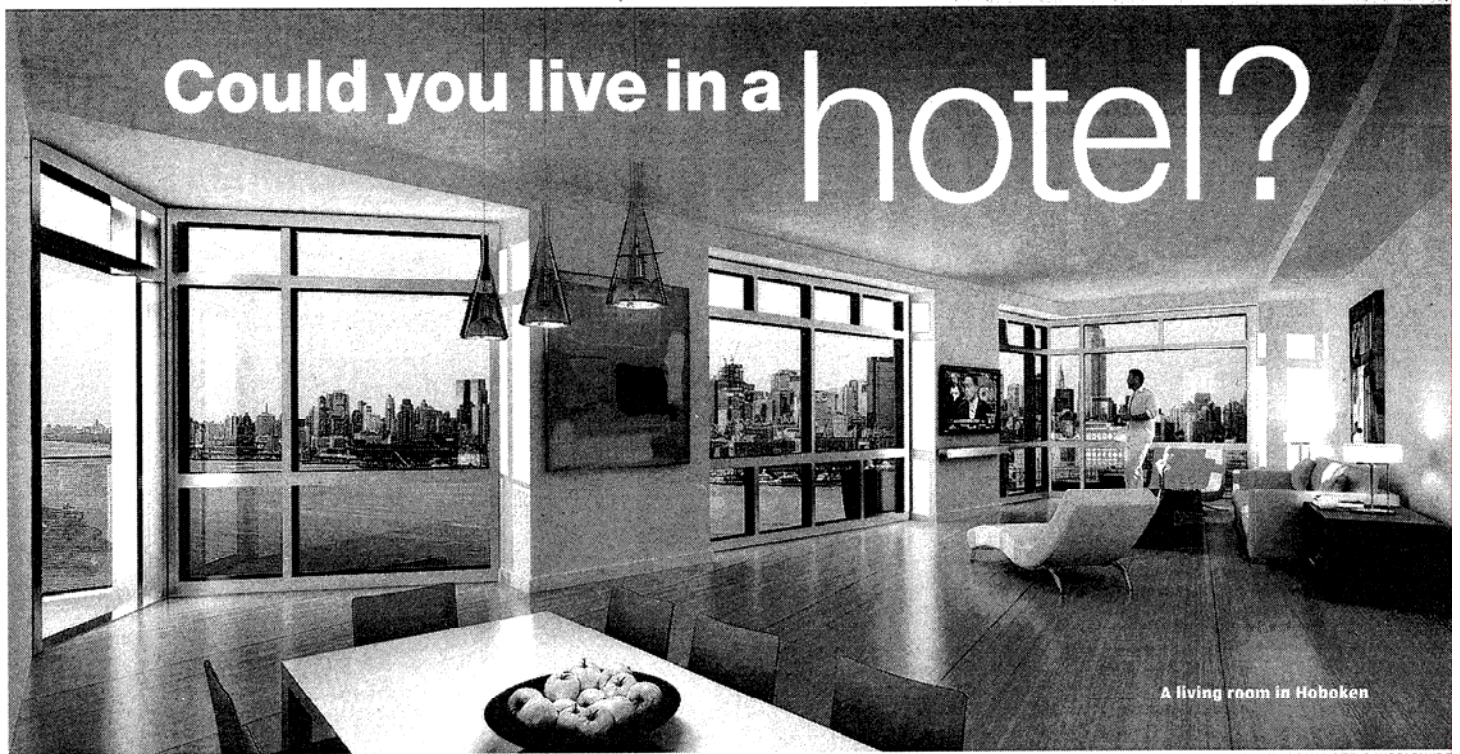


DAILY NEWS

Friday, May 2, 2008



Could you live in a **hotel?**

A living room in Hoboken

COURTESY OF W HOTELS WORLDWIDE

As W redefines the contemporary hotel, residents jump at the chance to live there

What do you get when you put 75 design-conscious, highly opinionated international style junkies in a giant warehouse space overlooking the Hudson River with hardly any walls, ambient music and storyboards cluttered with colorful magazine tear sheets?

W Hotel.

Or the new version of W Hotel, as it can be defined today. In 10 years since it opened its first hotel on New York's Lexington Ave. as a jazzy business alternative to bland competitors' monotone color schemes and adult contemporary elevator music,

the Starwood-owned hotel group has grown into a 21-property destination with 35 more on the way.

Future locations include Dubai, downtown New York, Marrakesh, Philadelphia, Austin, Hollywood and Hoboken. While the meaning of the letter W remains a mystery even to employees, there is no mistaking the significance of the chain's growth: It's among the fastest ever experienced in high-end hotels.

"W has become the darling of the hotel world," says John Keeling, a hotel analyst with PKF Consulting. "I think their success surprised even them. They managed to get such high room rates, they catapulted themselves into the high four-star, low five-star range. That's unprecedented. It's at the point now where if a developer has a piece of land in a prime location, W is their first choice."

Evolving into hotel residences where properties have permanent condominium living options, W has morphed into a way of life for guests and homeowners. While you think the demographic might skew young, age is irrelevant to today's W buyer and guest.

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"In Hoboken, we were still waiting for certain materials to arrive for the sales showroom when the residential portion sold out," says Ross Klein, president of Starwood's Luxury Brands Group, overseeing W; St. Regis, and The Luxury Collection. "Buyers came from all life stages. It proved the demographic for W is an attitude, not a number or age."

Developed by the long-established Hoboken-based Applied Development Co., and sold by the Marketing Directors, the W Hoboken has 225 hotel rooms and 40 residences. The project generated so much interest locally that a resident filmed the March 14 moment when the giant purple letter W was raised to the building's roof, uploading the video to YouTube.com.

Designed by architects Gwathmey Siegel & Associates, the river-front white and gray, glass and zinc, 25-story W has a rooftop terrace bar and a double-height lobby lounge overlooking the water. From the Hudson River, the W is the dominant architectural structure on the Hoboken waterfront.

"There's not a better location in the state of New Jersey," says Michael Barry, half of the two-brother development team that built most of Hoboken's Washington St. and waterfront residences. "This was the perfect place for a W."

Selling at over \$1,100 per square foot, W set residential price records in Hoboken at the time. Two-bedrooms with 1,900 square feet sold for \$1.775 million. Nardyne Cattani, an empty nester with three grown daughters, brought her checkbook to her first visit to the W Hoboken sales office. She and her husband nabbed a three-bedroom on the building's 23rd floor.

"I tried to get on every waiting list I could as soon as I found out W was coming," says Cattani. "We looked at other developments in the area, but we wanted something really special. To see Hoboken on the W Web site with these other great American cities such as Dallas and Chicago means a lot to the city."

When selecting new cities for W locations, Klein works with his own in-house team and Starwood executives. Amar Lalvani, senior vice president of development for the Luxury Brands

Group, does the early digging. "We look at gateway cities and locations with distinct personality," says Lalvani. "For neighborhoods, we want to put our guest in the thick of it and be a social hub for the local community."

In 2005, the W Dallas-Victory became the company's first hotel residence, paving the way for a model that incorporated mixed-use living into the company's future strategy. It went up in a planned urban community developed by Ross Perot Jr.'s Hillwood. The vision of Perot Jr., Victory was 75 acres of underutilized farmland and industrial wasteland connecting two developed Dallas communities. Now it's Dallas' hottest new neighborhood, with 12 million square feet of usable urban space.

"Victory was a cow field when I first saw it," says W's Klein. "But we believe W is the brand that can define a location."

So did the developer. "We looked at W to anchor the whole thing in terms of style and appeal," says Bob Vicente, a Hillwood vice president.

Directly across the street from the American Airlines Center, the home of the Dallas Mavericks NBA franchise and the Dallas Stars NHL team, the W Dallas-Victory has sold 85% of its 144 condos across two towers.

"The place always has people coming and going, and I have the arena across the street," says buyer Jason Vitorino, a transplanted East Coaster who lives on the same W Dallas-Victory floor as Maverick Juwan Howard and Tiger Woods' golf coach Butch Harmon. "My friends with extra tickets to a game know they can call me."

Recent studies point to why developers court W to define their neighborhoods. Andrew Sangster, editor of HotelAnalyst, the London-based newsletter on hotel investment issues, says that "pre-credit crunch studies showed that a good hotel brand raised the value of residential units by as much as 40%. W owners benefit from maximizing the profit from a given property, and guests [benefit] from the funkier experience compared to other hotels."

The Moinian Group chose to partner with W for their Financial District project, now the W New York Downtown. Marketed by real estate whiz Michael Shvo, who only takes on the most interesting high-design products, the W New York Downtown sales center was the most technologically advanced ever built. The international response, even in a tough local market, remains strong.

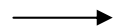
"W was the tipping point that solidified the Financial District as a viable place to live," says Shvo, noting that condos start at \$1,185,000. "Price almost didn't matter here. Buyers can be pampered by the world of W. That's what sells."

Gwathmey Siegel are the architects. The design firm Graft stamped the W New York Downtown bathrooms with faux-crocodile-skin tiled walls and floors that manage to be both heavy metal and elegant at the same time.

"The first question I ask when I walk into a meeting with a designer is, 'What are you showing me that you're doing for us that you'll never do for anyone else?'" says Klein. "If they say nothing, we will walk out."

While no developer or designer calls W difficult to work with, some call the collaborative process demanding and stringent.

But W constantly strives to innovate and please the senses. They have their own internal language where a "Living Room" is a lobby and "Whatever Whenever" are employees who an-



swer guest requests, whatever they may be.

Different botanicals, including wheatgrass, provide aroma. Front desk and door employees have uniforms for day and evening, weekend and weekday, conceived by fashion designer Michael Kors.

Breaking the types of hotels into design genres, Klein imagines each property has a narrative and theme. W New York Downtown will be Techno Glam, meaning "sleek, glossy, and evolutionary." Hoboken and Dallas are Country Club Cool, or "luxury, well-traveled, and taste."

"This is theater to us," says Klein, who comes from a retail background with Liz Claiborne and Polo jeans. "No two W's are the same. We're a wonderland, where no detail is too small."



By Jason Sheftell

Daily News
Real Estate
Correspondent



BRIAN McDERMOTT

COURTESY OF W HOTELS WORLDWIDE



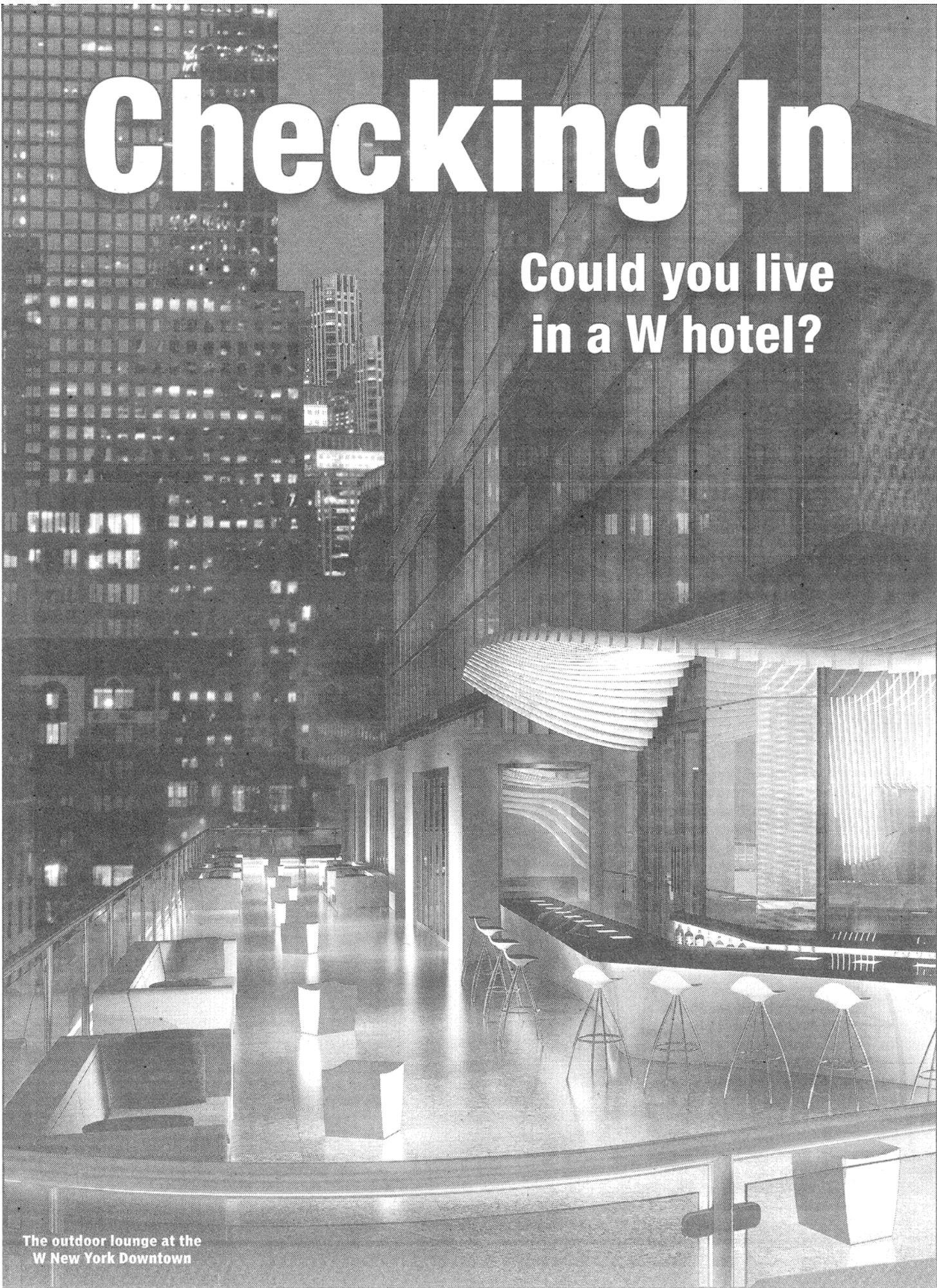
The W Hoboken

From left: W's Amar Lalvani, developers David and Michael Barry and W's Ross Klein

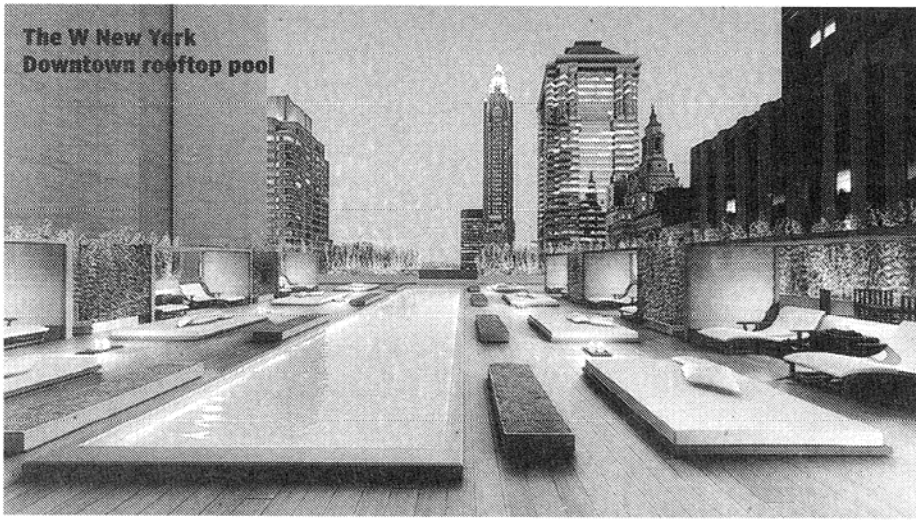
Checking In

Could you live
in a W hotel?

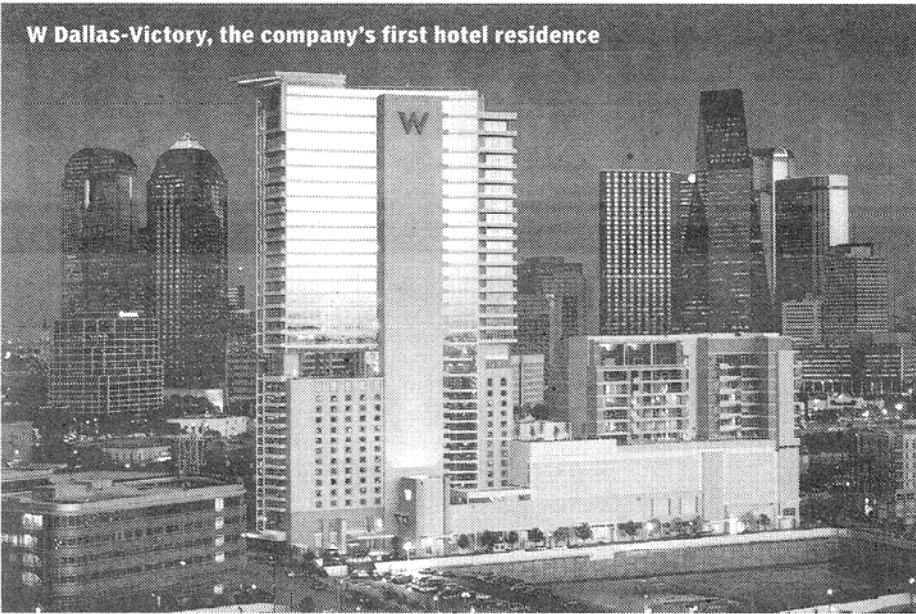
The outdoor lounge at the
W New York Downtown



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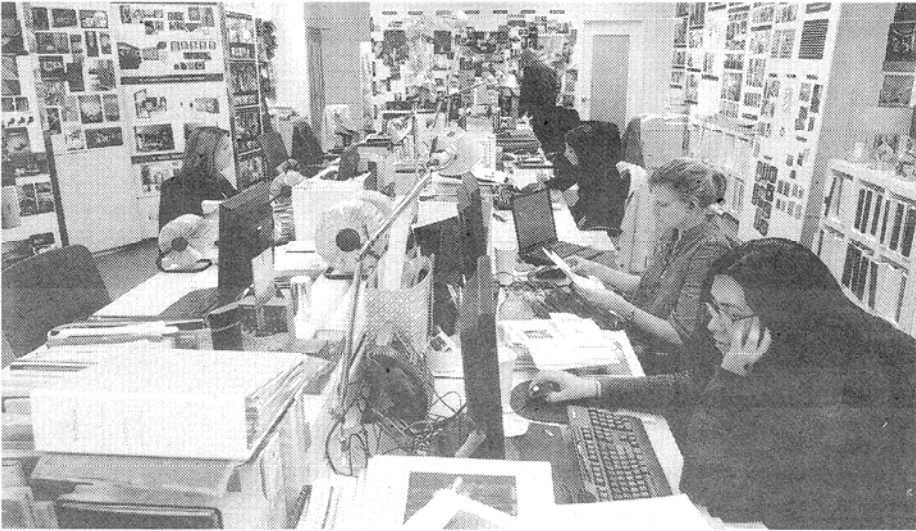


**The W New York
Downtown rooftop pool**



W Dallas-Victory, the company's first hotel residence

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The design room at the W Hotels headquarters

BRIAN McDERMOTT