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## THE PROPERTY REPORT

### New Hotel Chain To Give Its Guests Old College Try

By CRAIG KARMEN

A new hotel brand thinks it can win a devoted following by offering guests a chance to relive the college experience.

That is the thesis behind Graduate Hotels, which is targeting college towns across the U.S., from Tempe, Ariz., home of the Arizona State Sun Devils, to Charlottesville, Va., where fans cheer the University of Virginia Cavaliers.

These hotels won't resemble beer-soaked fraternity houses or impersonal dormitories. Instead, each property will have a bar and restaurant, locally inspired art collections and 100 to 150 rooms with handcrafted items and rates slightly above the area's limited-service hotels.

**A Tempe hotel will feature an ant farm, a nod to Arizona State's popular social insects department.**

Hotel investor AJ Capital Partners of Chicago is teaming up with Hong Kong-based Gaw Capital Partners to invest about \$500 million to open 20 of these hotels over the next five years.

Ben Weprin, chief executive of AJ Capital Partners, said the goal is to appeal to folks coming back to college to watch sporting events, attend reunions or show the campus to their children. Graduate Hotels also is courting people doing business with the universities or with other firms in town. The brand plans to garnish their properties with nods to school spirit but also with local color that reflects the town's cultural roots.

"These towns are seeing a renaissance," said Christian Strobel, Graduate's president who was previously an executive with boutique hotel operator Joie de Vivre. "They are often state capitals or cultural hubs for a state, and they attract entrepreneurial companies

by offering an alternative to big cities."

In Athens, Ga., Graduate is converting the Foundry Park Inn & Spa with plans to open the property in October. The rooms will include vintage ceramic lamps in the shape of the University of Georgia's bulldog mascot, while album covers from REM and the B-52s, bands that got their start in the southern town, will adorn the walls. So will photos of Italian fashion designer Emilio Pucci, who studied agriculture at the school.

The Tempe hotel, also opening in October, will feature an ant farm behind the front desk, a nod to Arizona State's popular social insects department.

Graduate won't be the first hotel operator to populate college towns, where limited-service hotels from brands like Hilton Worldwide Holdings Inc. and Marriott International Inc. and family-owned inns already are options.

Hotel analysts said Graduate would be among the first chains to target exclusively college areas.

"I think potentially it's a great idea, but it's complicated," said Bjorn Hanson, a professor at New York University's hospitality school. He said busy college towns can usually charge higher average daily rates than other towns of comparable size. Some campuses, like Cornell University, have had successful programs running their own hotels.

But Mr. Hanson warns that business in these towns can be slow when school is out, and universities can pick fights with anyone they believe is marketing their brands without permission.

While the big hotel brands have been obsessive about chasing after the millennial generation, often defined as people born between 1980 and 2000, Graduate is aiming for a slightly older guest of 25- to 45-year-olds.

This tends to be a more affluent crowd than the millennials, Mr. Weprin said. It also is one a few more years removed from, and perhaps a bit more nostalgic for, its college days.



Ramon Purcell

Graduate Hotels wants its guests to relive their college experience.