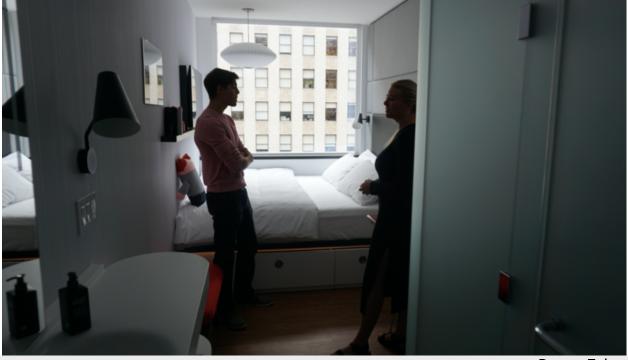
## **CRAIN'S CHICAGO BUSINESS**

## Look inside Chicago's first micro-room hotel

The CitizenM, which offers 150-square-foot rooms, is due to open next week on Michigan Avenue.

## **DANNY ECKER**

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Danny Ecker

CitizenM hotel rooms are 150 square feet.

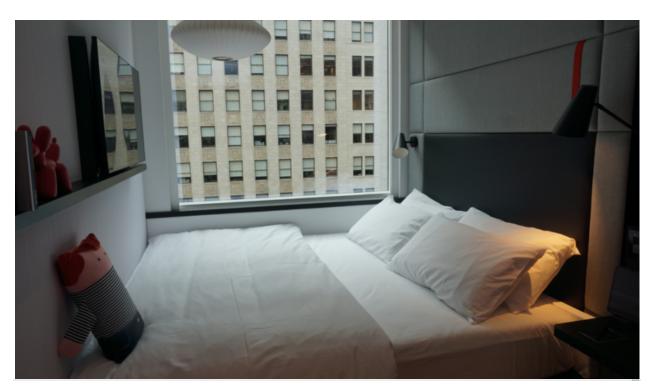
In a city of broad shoulders and no little plans, a European hotel chain is hoping to win over visitors by thinking small.

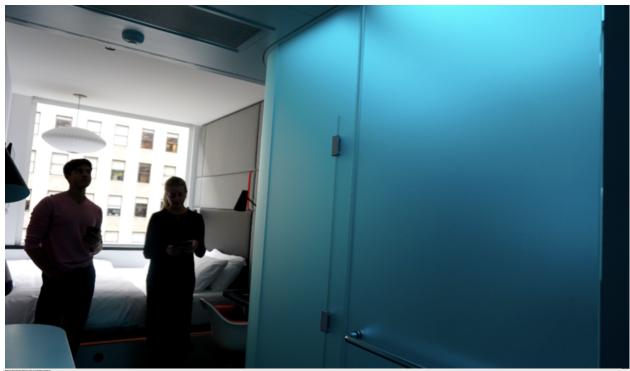
Dutch hotel brand CitizenM next week will debut its first Chicago location in the lower portion of a new mixed-use tower at 300 N. Michigan Ave., completed earlier this year by developers Sterling Bay and Magellan Development Group.

Situated on a stretch of downtown that has been saturated with new hotels over the past decade, CitizenM is looking to stand out from the pack with a tiny distinction: It has the smallest rooms in the city.

At 150 square feet per room—picture a California king bed stretching from wall to wall—the hotel is said to be Chicago's first micro-room inn, with rooms that are less than half the size of those in the average U.S. hotel. Each of the 280 rooms (with the exception of some that are compliant with the Americans with Disabilities Act) across 10 floors in the tower are just under 8 feet wide and 22 feet deep, complete with a compact bathroom and closet.

It's a concept that has long been common in Europe and has expanded in recent years in the U.S., particularly in New York City. CitizenM's Chicago location will be its 29th globally, up from just 12 less than four years ago, said Katerina Wagner, global public relations manager for the hotel chain. The company, which owns and operates all of its hotels, has opened five this year alone and aims to have 40 hotels up and running by 2024.





Bathroom lighting and other features in rooms are controlled by a mobile app

CitizenM is entering the Chicago market at the end of a strong summer for downtown hotels. Booming leisure travel <u>drove up occupancy to almost pre-pandemic levels</u>, while <u>room rates surpassed</u> where they were in 2019. It was desperately needed relief for hotel owners in the city after two years of the COVID-19 pandemic <u>muzzled demand</u>, a stretch that devastated hotel bottom lines and sent several into foreclosure.

The public health crisis—and a subsequent labor shortage—forced many hoteliers to <u>adjust their operations</u> with things like mobile check-in and check-out, more touchless technology, and fewer employees to run the properties and service guests.

CitizenM frames itself as being ahead on all of that. Guests check in at lobby kiosks, rooms are almost entirely controlled by a mobile app and staff members in the hotel play multiple guest service roles, including bartending.

Those operations allow the hotel to "spend money where it should be spent" on things like high-quality showers and linens, technology and other touchpoints that guests care about, Wagner said. The chain markets itself as an "affordable luxury" hotel, with Chicago room weekend rates ranging from \$130 up to around \$300 per night in October and November, according to its website.



The main lobby at the CitizenM.



Red-tinted carpeting along room corridors shows Google Earth images of Chicago.

More hotel chains have explored micro-room hotel concepts in recent years as a way to build less expensive, more efficient properties as the cost of developing and owning real estate—particularly in urban locations—skyrockets, said Rob Hunden, president of hotel consultancy Hunden Strategic Partners.

"Cruise ships have been designing in this manner for years . . . recognizing that the size of the room is not the primary driver of the stay, it's the location," Hunden said. "In a place like downtown Chicago or New York, or sailing the oceans, the size of the room is secondary to the experience outside the room."

In that vein, CitizenM touts the experience in its communal spaces as well, which include multiple co-working spaces and walls adorned with quirky art with nods to Chicago, like a picture of Dennis Rodman in a Bulls jersey and a giant wall art hot dogwith only mustard on it—overlooking the lobby.

The CitizenM Chicago has a separate entrance but shares some amenity space with the 289 apartment units above in the 47-story tower, dubbed Millie on Michigan. A Sterling Bay spokesman said the apartments began leasing in the spring and are about 32% leased today.

Sterling Bay and Magellan <u>began construction</u> on the \$250 million tower early in the pandemic after landing a \$174.5 million construction loan from Little Rock, Ark.-based Bank OZK.



A hotel terrace overlooking Michigan Avenue.



The CitizenM outdoor terrace.