

# San Francisco Chronicle

## Yotel brings micro hotel rooms to SF with Friday opening

Roland Li Feb. 1, 2019 Updated: Feb. 1, 2019 4 a.m.



1 of 5 Yotel San Francisco, as seen in a rendering, opens Friday in San Francisco's Mid-Market. Photo: Yotel



2 of 5 Yotel San Francisco, as seen in a rendering, will have communal areas, including co-working space. Photo: Yotel



3 of 5 Nightly rates in Yotel San Francisco, as seen in a rendering, range from around \$200 on weekdays and \$150 on weekends. Photo: Yotel

After four years of city approvals and construction, Yotel will open Friday in San Francisco's Mid-Market neighborhood.

The 203-room hotel in the historic Grant Building at 1095 Market St. offers rooms that are smaller and less expensive than nearby lodgings in the city.

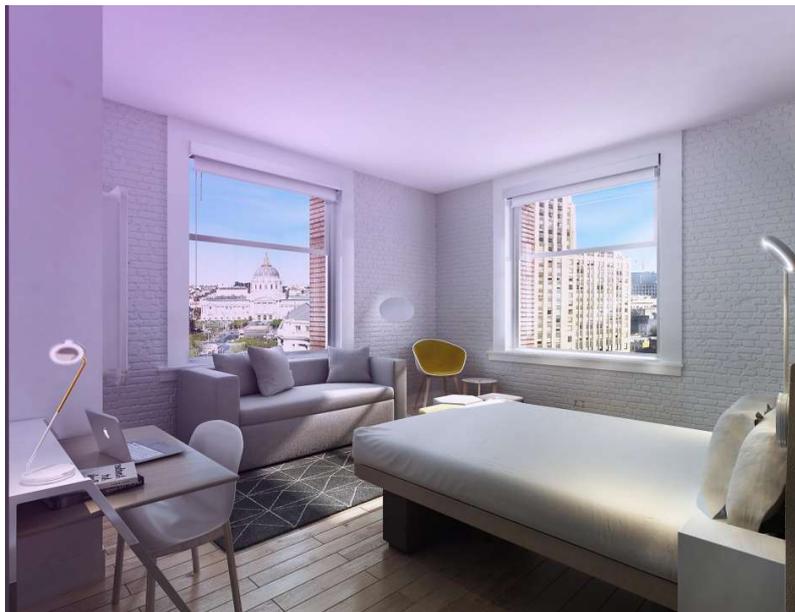
Rooms, which Yotel calls "cabins," span around 120 square feet and have foldable or elevated beds. Nightly rates range from around \$200 on weekdays and \$150 on weekends, said Mony King, the hotel's director of sales and marketing. In comparison, the Proper Hotel, another newly renovated hotel across the street, has room rates upward of \$400 a night.

King said San Francisco visitors are more interested in exploring the city and don't necessarily need spacious rooms. Instead, Yotel will have communal areas that include co-working space, a fitness center, a ground-floor restaurant and rooftop bar operated by chef Daniel Patterson. The restaurant and bar are expected to open by summer.

“People don’t spend that much time in their rooms. People are perfectly fine with the more micro size,” King said.

Yotel had initially planned to open by 2017, but construction and permitting delays pushed back the opening to this year, he said. Other hotel projects, such as the Virgin Hotel in the South of Market neighborhood, which plans to open this quarter, have also experienced delays.

“We know that the market is so, so busy, which is great,” said Isabelle Matter, general manager of Yotel San Francisco. “It’s also very challenging from the (construction) labor standpoint.”



Yotel San Francisco, as seen in a rendering, will appeal to visitors who are interested in exploring the city and don’t necessarily need spacious rooms. Photo: Yotel

High development costs and a lengthy permitting process mean that only a handful of San Francisco hotels have opened in the past few years. Low supply and record tourism have pushed room rates and occupancy up to record levels, according to San Francisco Travel, the city’s tourism bureau.

In 2018, the city’s hotels had an 82 percent occupancy rate and \$264 nightly revenue per available room, according to San Francisco Travel. Occupancy is expected to rise to 83.9 percent this year, and revenue per room is expected to grow 5.6 percent.

A new Hyatt Place hotel opened in January at 701 Third St. near Oracle Park. A Grand Hyatt is also opening next to San Francisco International Airport this year.

Yotel’s focus on lower costs should make it stand out from its pricier neighbors, said Brett Allor, senior director of market strategy and research at San Francisco Travel.

“The smaller rooms are an exciting addition,” said Kevin Carroll, CEO of the Hotel Council of San Francisco, which represents hotel owners. “Space is limited, especially in San Francisco. Travelers are changing what their needs are.”

The hotel will appeal to both business travelers, because of its proximity to offices, and convention attendees going to Moscone Center, Carroll said.



Rooms at Yotel San Francisco, as seen in a rendering, will be smaller than those in typical hotels. Photo: Yotel

King said the Mid-Market area still has difficulties around safety and homelessness, but he’s been encouraged by the city’s focus on reducing crime in the area.

“They’re really making a concerted effort to improve the community,” he said, adding that Yotel will have 24-hour security.

Yotel first opened in London in 2007 and has expanded to Mammoth (Mono County), Boston, Miami, New York City, London, Paris, Singapore and other cities.

The Yotel San Francisco building owners are a partnership of Synapse Development Group, Kuwait Real Estate Co. and GreenOak Real Estate.