



HYGGE HOUSE

A BOUTIQUE HOSTEL
FOR NORTH AMERICA



MEET EMILY

20-something from Chicago

About Emily:



Works at an ad agency in Downtown Chicago



Has disposable income to travel



Likes to explore new cities

MEET JOE

Early 30s from Denver

About Joe:

 Software engineer at a tech company

 Able to work remotely

 Enjoys meeting new people while traveling



COMPETITIVE LANDSCAPE

LOCAL & AUTHENTIC



KIMPTON[®]
HOTELS & RESTAURANTS

Hostels



HYGGE HOUSE



Motels



RELIABLE

VALUE

HYGGE HOUSE

provides the reliable, guaranteed experience of a traditional hotel, the local & authentic flavor of homeshares, and the price point of hostels with an emphasis on community impact.

Hygge: (*pronounced hue-guh*) a Scandinavian concept meaning cozy + conviviality



CONSISTENT EXPERIENCE

- No front desk
- Tech-oriented
- Seamless, digital check-in
- Clean, comfortable room

A photograph of a bar interior. In the foreground, a wooden bar counter is visible. Behind the counter, a chalkboard menu displays "Happy Hour FROM 19:00 UNTIL 24:00" and lists various drinks with prices. In the background, there are shelves stocked with bottles, beer taps, and a dimly lit area with tables and stools.

AUTHENTIC VIBE

- Stays true to city's character
- Local bites
- Live tunes
- Community programming



COMMUNITY ORIENTED

- Affordable price points
- Emphasis on wellness activities
- Hiring and helping those in need

CONCEPT + PROPERTY

Hygge House: Concept Overview

Hygge House is a boutique hostel concept starting in Austin, TX that will provide primarily small, pared down private rooms and bathrooms, some shared accommodations, plus creative food and beverage concepts on the ground floor. It will provide a tech-first, digital experience that allows the guests to connect with each other and explore the city they are in while showcasing programming around local culture, arts, and music for both travelers and Austinites alike. At its core, Hygge House will provide the guaranteed consistent experience of a traditional hotel, the local, authentic flair of an Airbnb, and the community and accessible price point of a hostel. Hygge House gets rid of the useless amenities in favor of lower costs to the traveler: private rooms at **\$120**, and beds in shared rooms for **\$50**, while adding a new watering hole, café, and activities like yoga and retail pop-ups for the surrounding neighborhood.

Property Information

In the heart of South Austin where the city still keeps it weird, 3 lots are located at the corner of **S. 1st St. & Cumberland** that total to **.48 acres**. They are currently zoned for Commercial Services where the Hotel/Motel use is allowed. Total building size will be a maximum of **21,124 square feet**. The addresses are **600 Cumberland, 2612 S. 1st**, and **2610 S. 1st**.

The site is a straight shot to the heart of downtown, 11 minutes from the airport, and is surrounded by great food and retail. Notable restaurants close to Hygge House are Sway, Elizabeth Street Café, Fresa's, Winebelly, and El Primo Tacos. Shops nearby include Passport Vintage, Criquet, Esby Apparel, and Texas Custom Boots, in addition to Roadhouse Relics and the famed "Austin" mural. Within scooter distance are the St. Elmo development down south, all of South Lamar's scene, and of course, South Congress Avenue. The land is currently under contract, set to close **April 7th, 2020** for **\$1,550,000**.



OPERATIONS TEAM

JEFF DAVID
Hotel/Hostel Operations



Jeff David, a recipient of Hotelier of the Year, has a pedigree that spans over twenty-five years and is a leader in the hospitality industry in opening luxury properties. Jeff's expertise in the hotel start-up space credits him in opening almost \$1.7 billion dollars worth of high profile assets such as the Four Seasons Anguilla and the Knickerbocker in Times Square. For six years as GM with Viceroy Hotels & Resorts, he was instrumental in opening and operating several properties in the company's portfolio. He oversaw the revitalization of the famed Watergate hotel in D.C., and most recently opened The Proper Hotel in Santa Monica. Jeff has led operations in both large scale and small independent properties. Known for having a constant score of over 95% in employee satisfaction, Jeff balances innovation, business acumen, and emotional intelligence. He will oversee opening operations of Hygge House and serve as interim GM through stabilization, including the hiring of key management personnel moving forward.

JUSTIN BURROW
Food & Beverage



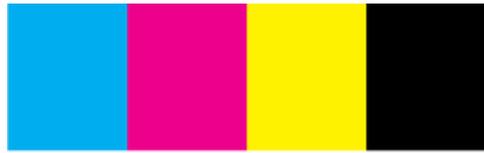
An Austin native who spent several years in business operations management, Justin launched his first food venture in Austin in 2013, Burro Grilled Cheese. After crafting the concept, he grew the shipping container kitchen from 1 to 4 locations and manages the Rainey Street District food truck parks that include another 15 concepts. His business now includes a robust catering and events arm with over 40 staff, which collectively see \$1MM + in annual gross. He has been profiled in the Thrillist's best Austin Food Trucks as well as become a staple at Austin's largest events including ACL Fest, SXSW, F1, and Trail of Lights. He also co-owns BrewScrub LLC and Workhouse Wellness LLC with wife Jacqueline Burrow. Justin is creating the food and beverage program for Hygge House, managing the kitchen design process, and will oversee management of these operations.

MARGARET BURKE
Director of Programming



With a background in the visual arts, Margaret coordinated public engagement programs with large-scale art pieces by James Turrell and Nancy Rubins before joining the team at the Heywood Hotel, a pioneer in eco-friendly hospitality and design-focused boutiques. As GM at Native Hostel, Margaret built the events and production schedules before overseeing management and ops for the entire business. She runs Habitat & Hive, a hospitality consulting company focused on building & strengthening operational systems for a human-focused experience. Her specialties include event spaces, rental properties, retreat centers, and restaurants. Margaret will serve as the Director of Programming and Events to help drive the community aspect of Hygge House.

DEVELOPMENT TEAM



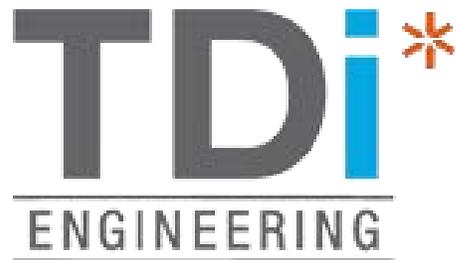
MURRAY LEGGE ARCHITECTURE

Architect: Murray Legge Architecture



STUDIO BALCONES

Landscape Architect: Studio Balcones



Civil Engineer: TDi Engineering



CLAIRE ZINNECKER
DESIGN

Interior Design: Claire Zinnecker

AUSTIN TEAM

ERICA POCS,
Founder



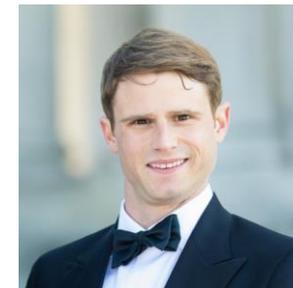
Erica worked in tech in Austin before entering the MBA program at UT. Here, she was elected as President of Graduate Women in Business, the most well funded club on campus, and it was during this time that she envisioned Hygge House, inspired by the high-end hostels of Copenhagen. After workshopping the business plan with professors, classmates, and real estate professionals, Erica led her team to take 2nd place at the prestigious Kellogg Real Estate Venture competition. Upon graduation, she worked on the ground floor of The Carpenter Hotel from the opening week, learning the operational chops necessary for a new boutique hotel. She will oversee the development and operations of Hygge House.

ANTONIO MADRID,
Project Manager & GC



Antonio, of FORMED Design + Build and owner of Native Hostel, specializes in the fast-track development and construction of high custom hospitality environments and art installations. He has directly overseen buildouts across the United States, a small town, a pleasure palace, and installations for the Metropolitan Museum of Art, Governor's Island, and Soho House, as well as Eberly and the highly successful Kung Fu Saloons in Austin and Houston. Antonio studied Philosophy and failed out of Finance at the University of Texas, and continues to incorporate those compulsions and curiosities into creating the world that he and his friends want to live and party in. He will serve as the project manager and General Contractor.

NATHAN HASTINGS,
CFO



Nathan has nearly ten years of experience in corporate finance and data analytics across multiple industries including technology, construction and real estate, in both the Texas and San Francisco Bay Area markets. He studied accounting at The University of Alabama and graduated from Rice's MBA program in 2016. His specialties include budgeting and financial strategy of complex legal environments as well as diversified analytical modeling. Nathan will serve as the CFO for all Hygge House financial activities.

SITE LOCATION

Address:

3 lots at:

600 Cumberland Rd.

2612 S. 1st St.

2610 S. 1st St.

Acreage:

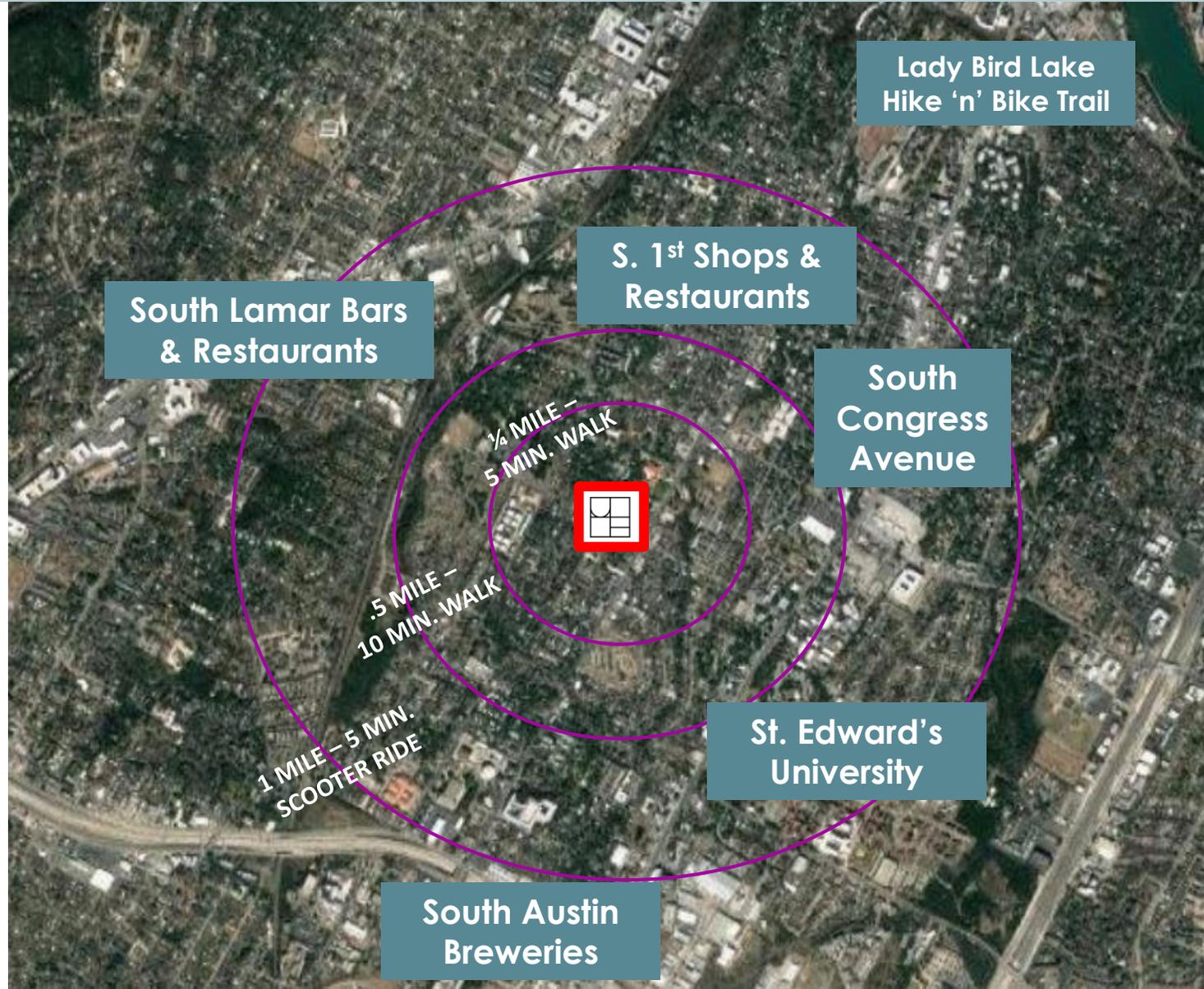
0.48 Acres

Current Zoning:

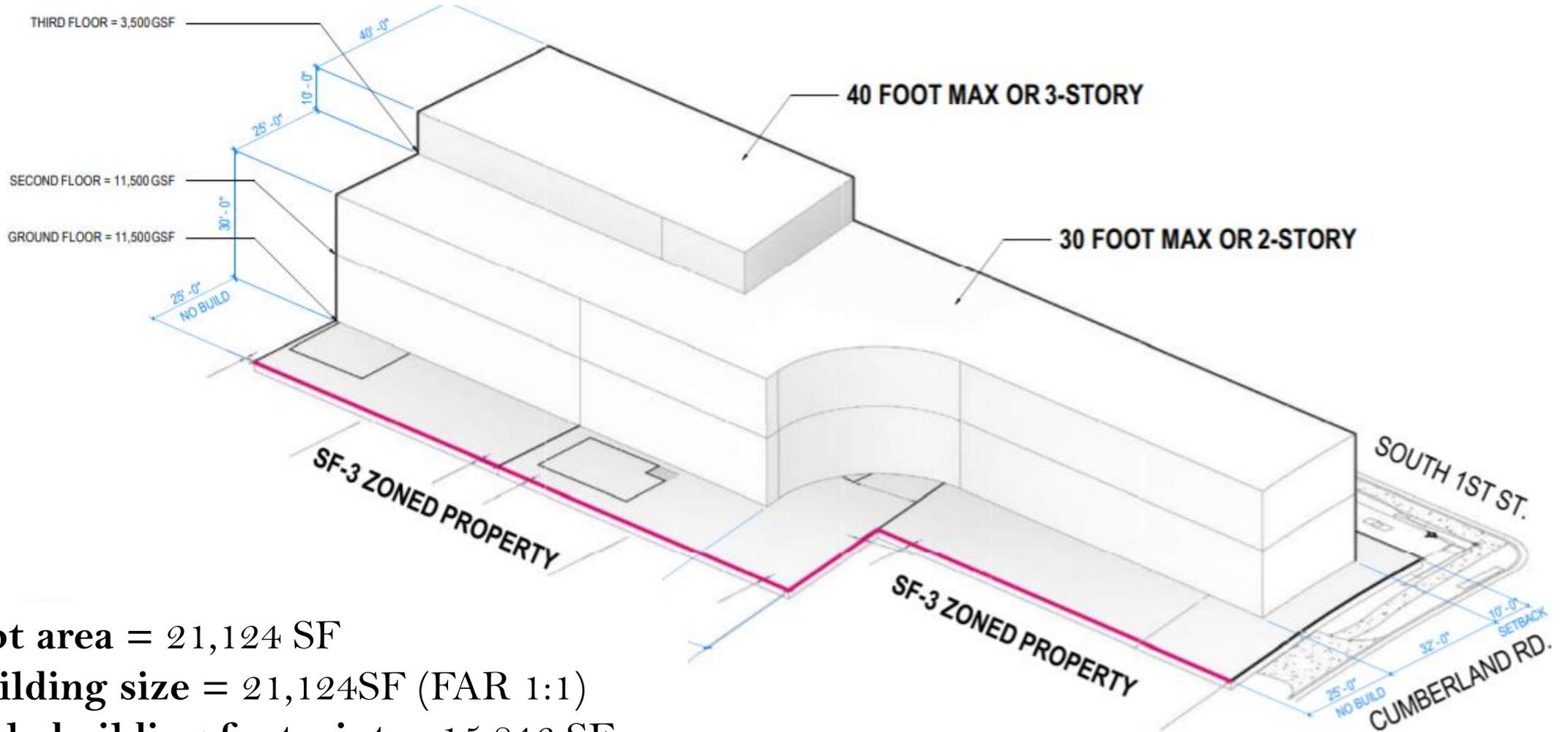
Commercial Services: Hotel/Motel allowed

Amenities:

- Vintage stores, great restaurants, cowboy boot shopping, tacos, breweries, and BBQ all within “scooter distance”
- 11 min. from airport
- 6 min. to heart of downtown



COMPATIBILITY STUDY



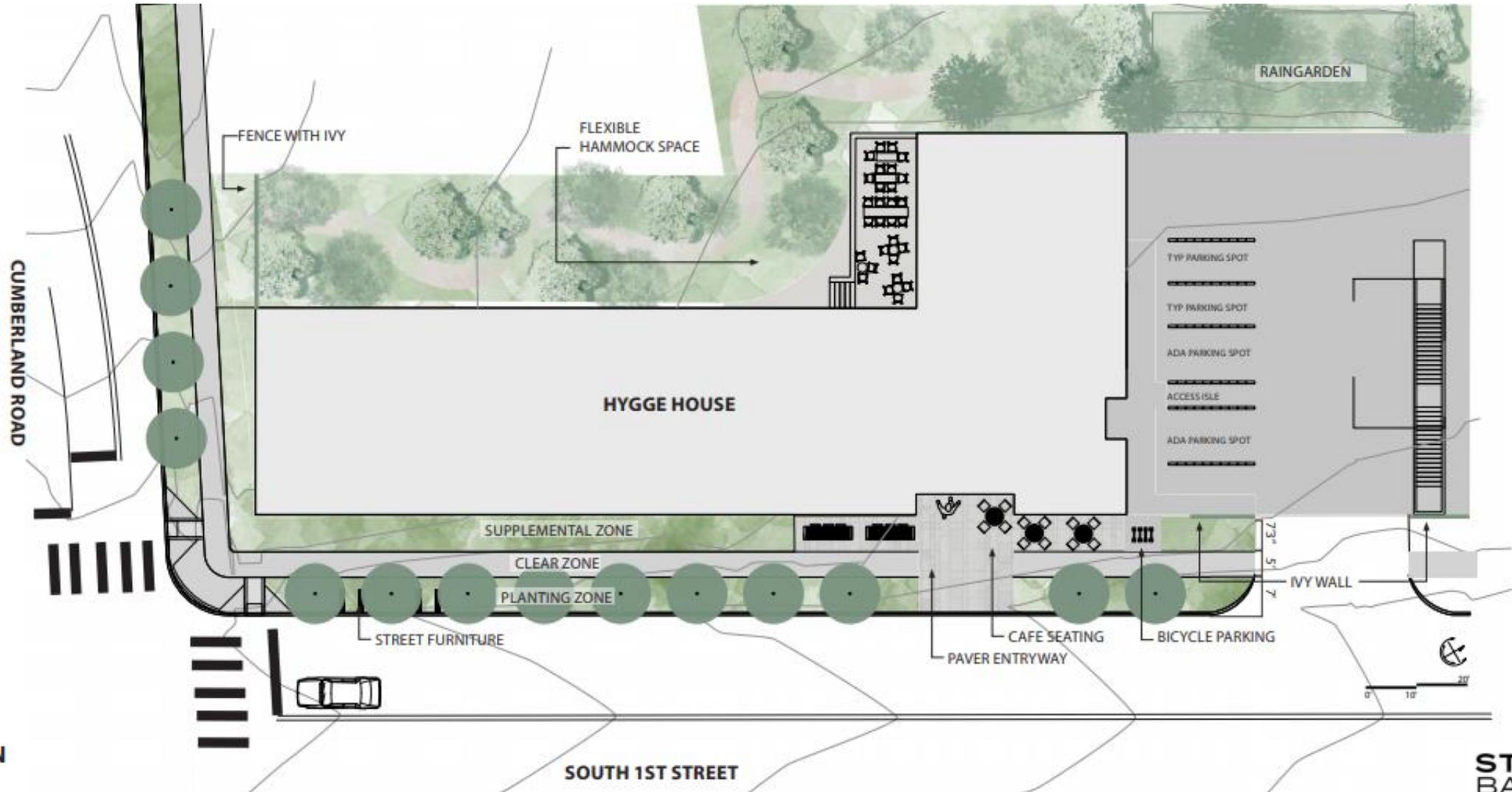
Total lot area = 21,124 SF

Max building size = 21,124SF (FAR 1:1)

Allowable building footprint = 15,843 SF

Allowable impervious coverage = 19,011 SF

LANDSCAPING SCHEMATICS



SITE PLAN

NEARBY DEVELOPMENT

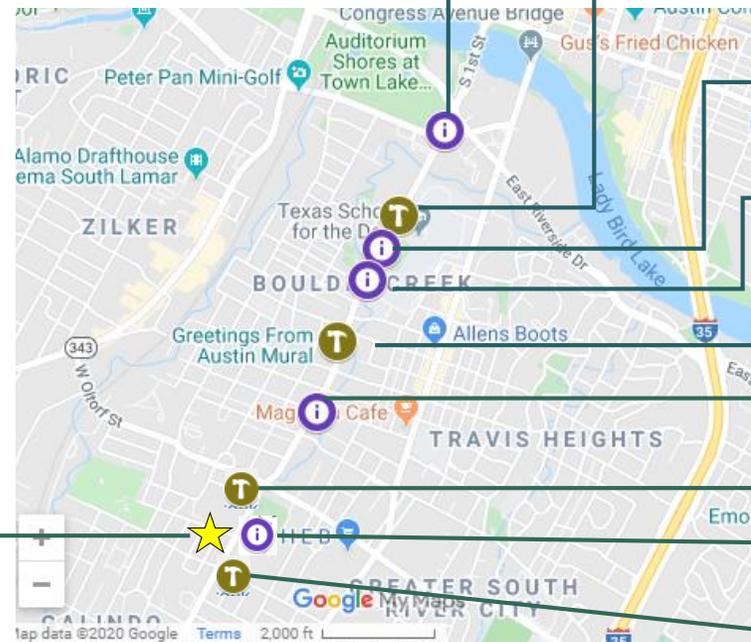
Statesman

Swiftly changing South First Street is 'next frontier' in Austin's development boom



Hygge House

With a multitude of development happening across the street, down the street, and right next door, Hygge House will have ample access to local business from residents and office workers, in addition to S. 1st tourists. Hygge House finds itself in the middle of the plethora of new condos, apartments, and other retail development.



15-story tower

Four-story mixed-use

Mixed-use community

Retail and residential

59 condos and parking

46 apartments

Office spaces

Residential and retail

Condos, ground floor retail

TARGET MARKETS



EXPLORERS

- Ages 21 – 40
- Weekend Getaways
- City hoppers



EVENT-GOERS

- SXSW, Formula 1
- Tech conferences
- Bachelor/Bachelorette parties



YOUNG PROFESSIONALS

- Business travel
- Freelancers
- Saving per diem \$

ENTER: HYGGE HOUSE

Visitors to Hygge House will be welcomed through an open breezeway filled with viney plants and terracotta pots. Event spaces are featured throughout with rentable space for small and medium private parties. Yoga, craft markets, retail pop ups, and other community events will be highlighted in HH's programming for both travelers and locals alike. The bar & parlor will feature fast-casual food service with common areas for congregating.

The rear of the property will be designated for both parking and alfresco seating. There will be an area suitable for small shows and even its own small working garden to gather ingredients from for true garden-to-table service.



GROUND FLOOR

GROUND FLOOR

Sample Floorplan

PROJECT

Total Private: **50**

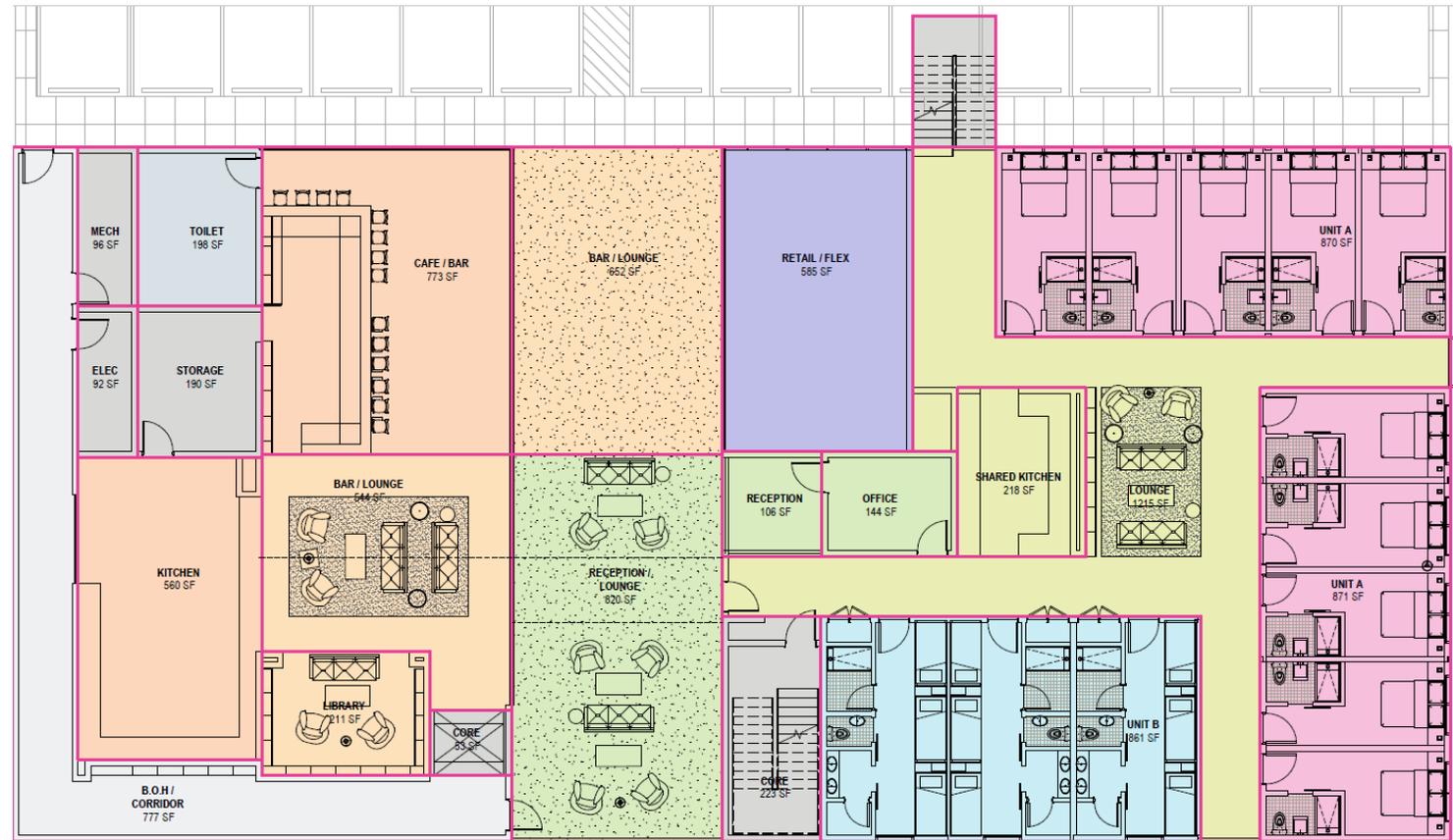
Total Shared: **10**

Total Beds: **86**

The lounge and retail flexspace can be closed off for private parties, community events, art shows, and pop up retail to capture the zeitgeist of Austin.

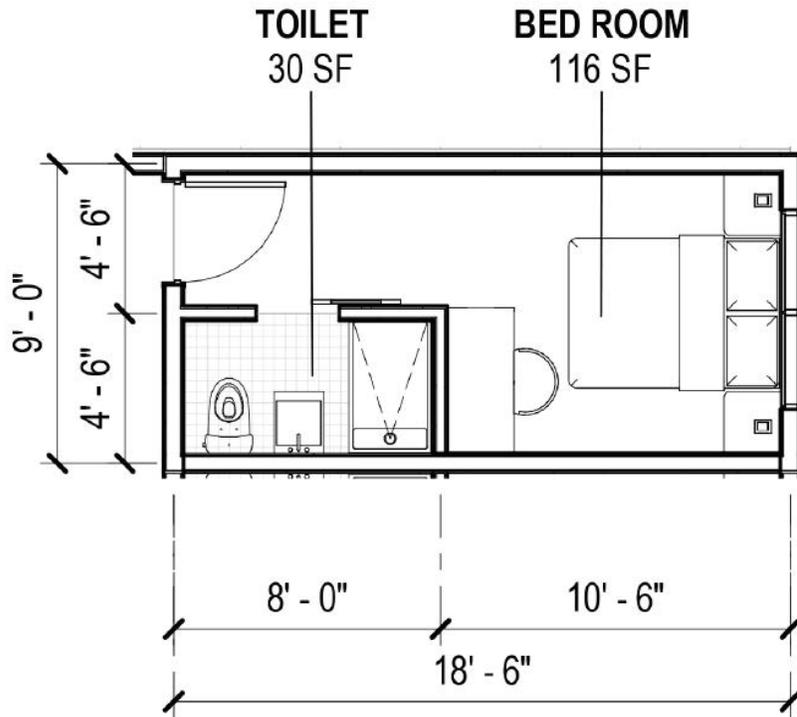
A small reception area will include iPads for guests to check in if they did not already do so on their phones. A 'lounge lizard' will be present to help guide them and answer any questions about their stay.

Pink rooms are private and **blue** are shared spaces. The center lounge areas will be open to hostel guests only, designed to encourage them to ultimately spend time *outside* their room and explore the city they're in.



GUEST ROOM MODULES

Unit Type A PRIVATE ROOM



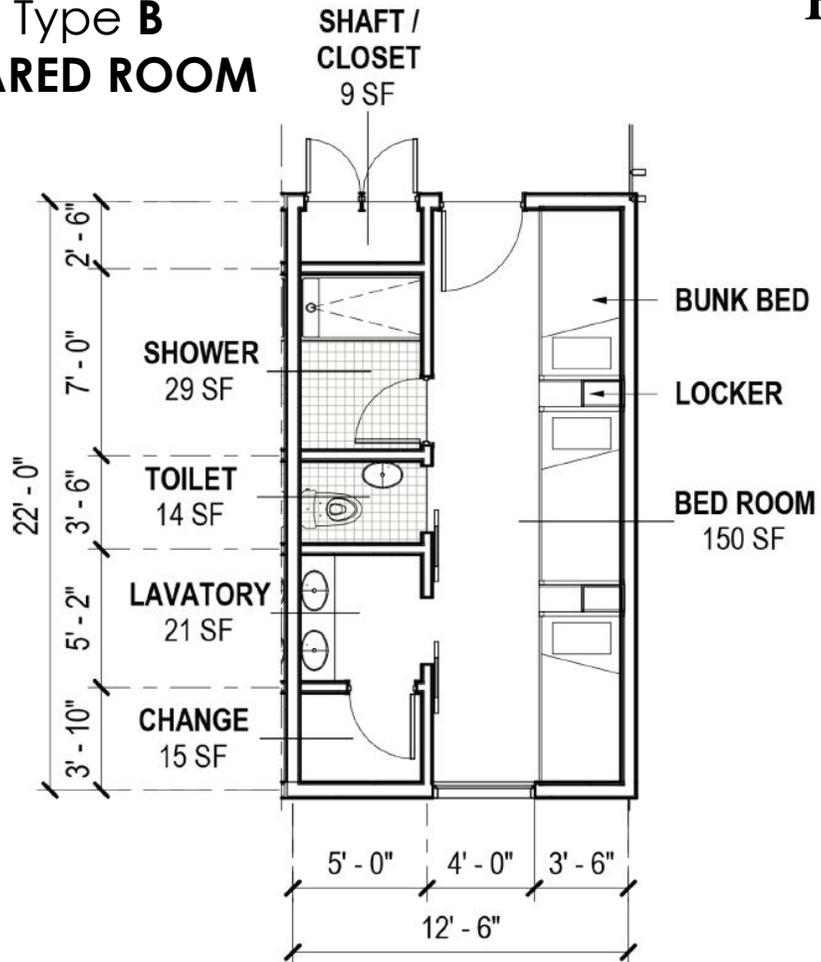
Features:

- 166 square feet
- Private bathroom and shower
- Queen size bed (60x80 inches)
- 2 side tables
- Desk w/ space for a laptop, coffee, and notebook
- Adjustable desk height
- Swivel chair to face windows
- Brass wall hooks for clothing



GUEST ROOM MODULES

Unit Type B SHARED ROOM



Features:

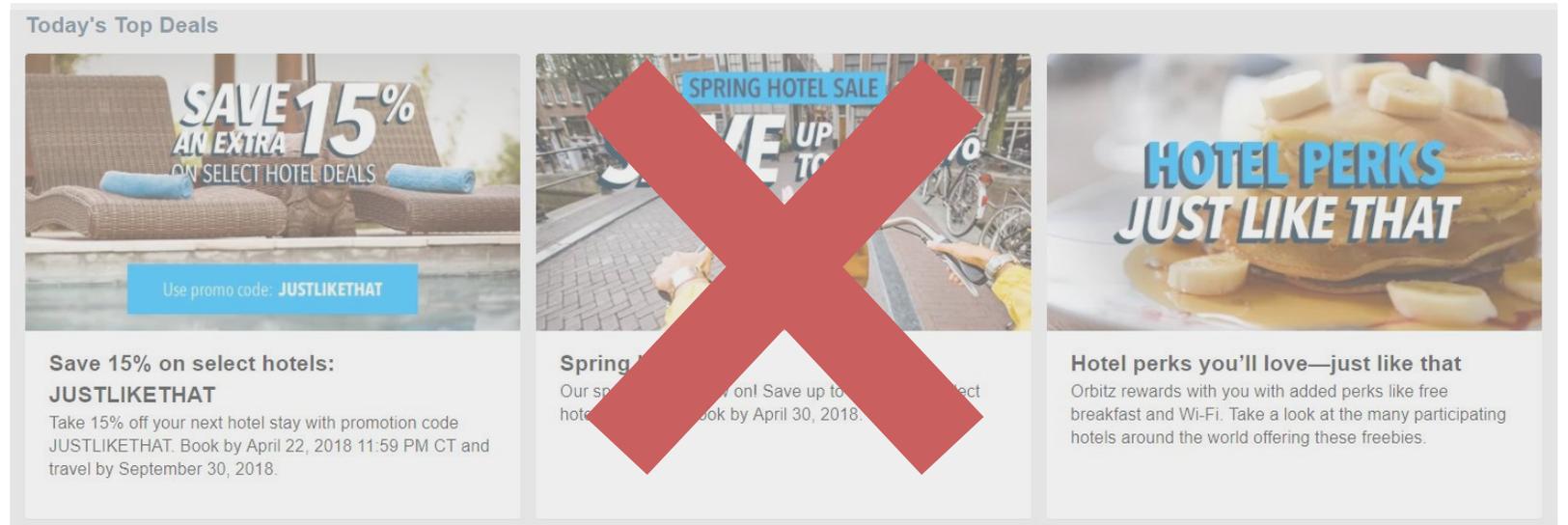
- 275 square feet
- 6 beds (3 bunkbeds)
- 3 private areas:
- Shower, toilet, changing room
- 2 sinks
- Privacy curtains with enhanced acoustics
- Wolf-Gordon drapery, adding softness to room
- Lockable storage units, 1 per bed
- Closet for back of house storage



MARKETING

Traditional hotels:

- Heavy use of OTAs
- Rewards programs
- Corporate partnerships



20%

Margins lost to 3rd party bookings (OTAs)

74%

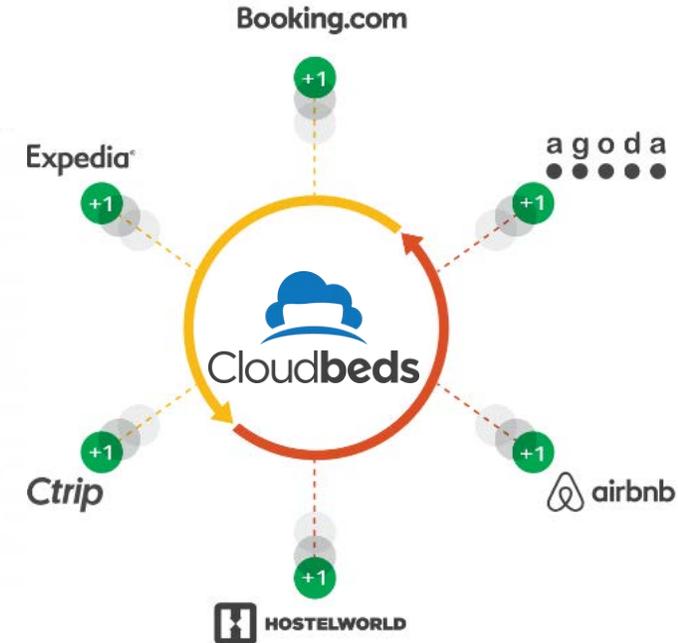
Of people turn to social networks for purchase decisions



MARKETING

Hygge House way:

- Influencer marketing
- Local partnerships
- Focus on direct bookings
- Utilize CloudBeds to connect with OTAs, too



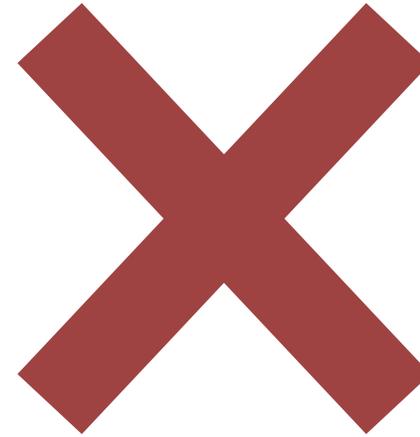
OPERATIONS

Traditional hotels:

- Siloed job functions
- Front Desk
- Concierge
- Bellmen

Hygge House way:

- Smaller staff
- Digital check-in
- Quick room cleans
- HH guest portal



3x

More personnel required

43%

Typical labor cost of total operations



TECHNOLOGY

Traditional hotels:

- Old key cards
- Clunky apps
- Landlines in room

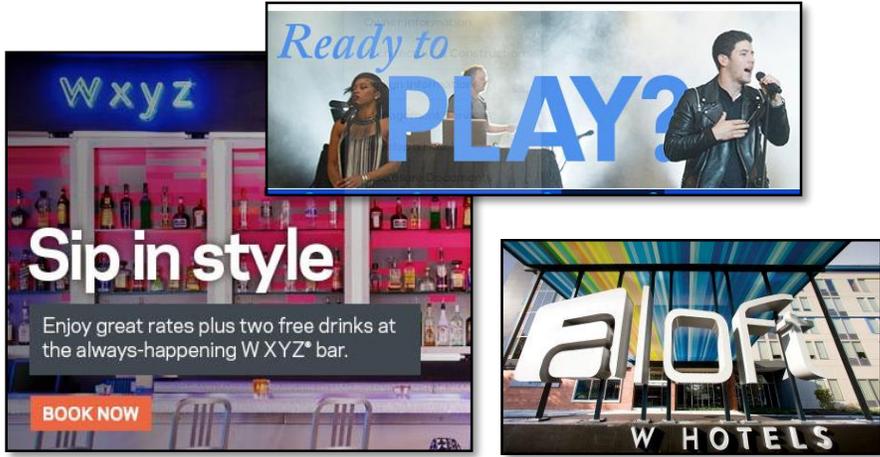
Hygge House way:

- Mobile check-in
- Local guides, social features on mobile
- Guest services in app
- In-person service



COMPETITION

How we're different



AUTHENTIC

- Flagship hotels are making an attempt at millennial boutique brands, i.e. Moxy, Aloft
- ...but they feel *painfully* corporate
- Local programming and events keep Hygge House fresh

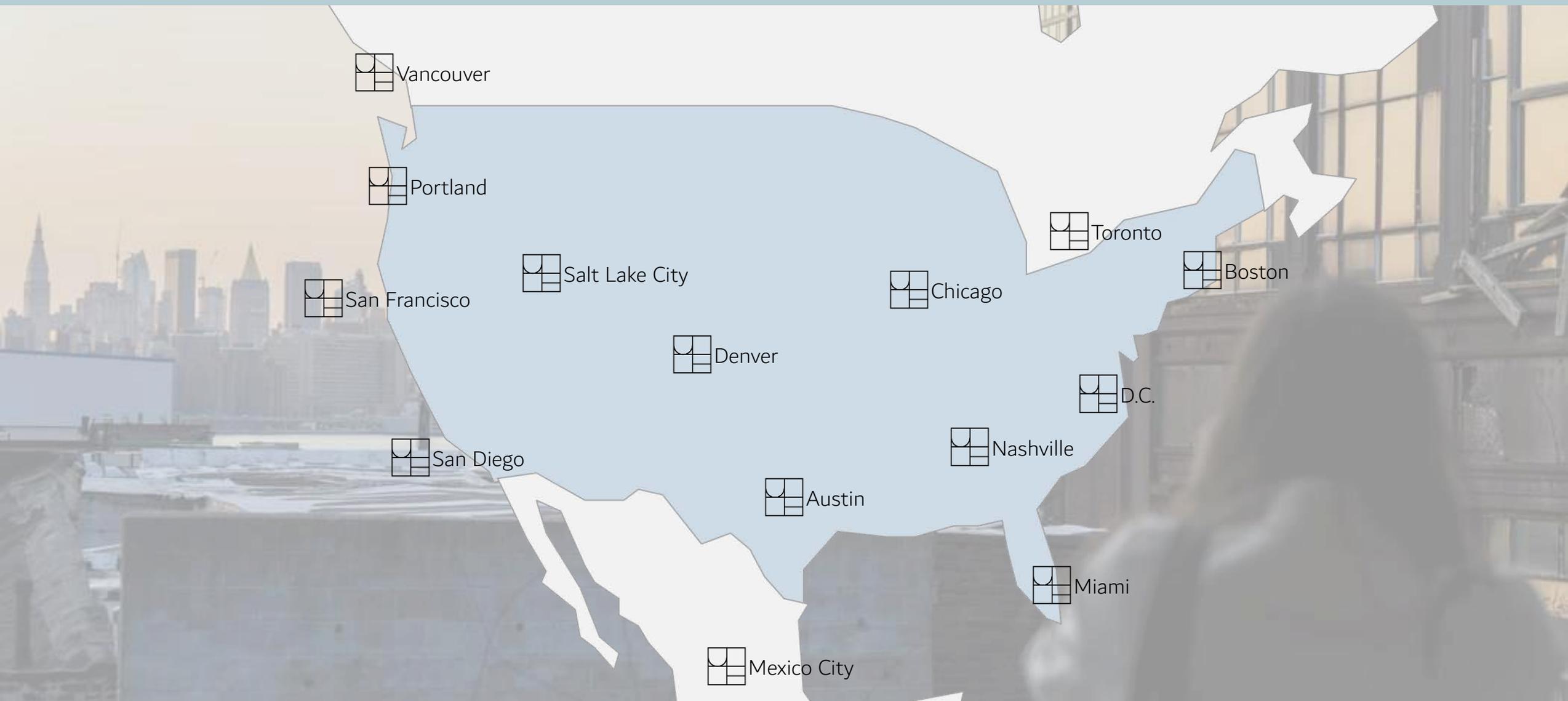
AMENITIES YOU'LL USE

- Save on costs related to personnel, wasted real estate space, and in-room furnishings
- Instead promote experiential offerings like gear rentals and easy, free tours

INFLUENCER MARKETING

- Hotels rely too heavily on OTAs for booking and sales
- Hygge House will utilize more social media, book direct via app
- Keep more 3rd party margins
- Stay inline with trends

LOOKING AHEAD



Vancouver

Portland

San Francisco

Salt Lake City

Denver

San Diego

Austin

Mexico City

Chicago

Nashville

Miami

Toronto

D.C.

Boston