

£5 for a night with Stelios

Small is beautiful: the Greek entrepreneur plans hotels with tiny rooms for a tiny price

1 - STELIOS HAJI-IOANNOU, the founder of Easyjet, is preparing to launch a hotel group offering £5-a-night rooms in central London. In January, the Greek tycoon will spend £2m to buy his first hotel and convert it with specially designed 90 sq ft. rooms — just nine times the size of a phone box.

5 - He will sell bookings online and hopes to franchise 50 Easy-hotels — each with 50 rooms — within three years. He is targeting bed-and-breakfast premises near London's railway stations.

10 - Haji-Ioannou's first hotel will have 40 rooms — guests will get a mattress on the floor, buy their own disposable bed linen and pay up to £20 unless they clean their rooms before leaving.

15 - The 36-year-old entrepreneur compared the simple interior with that of an Easyjet toilet.

John O'Donnell

"The nearest thing to it would be an aircraft bathroom," he said. "[It has] that feel and look about it, with patches of orange. There is nothing in there that can get dirty.

30 - "We are removing everything that is likely to break — there is no table, no chair and the mirror is stuck to the side of the shower. We have taken out curtains that are likely to need cleaning. And there is no carpet."

35 - The rooms, which are about half the size of those in normal budget hotels, do not have a wardrobe, although they do feature bathrooms.

40 - The specially designed rooms will be made in Finland, at a cost of about £6,500 each.

Although rooms will be available for £5, Haji-Ioannou said that the venture would be profitable only when they were bringing in between £25 and £30 a night.

50 - The hotels will have a 24-hour manned reception. "Security is fundamental," said Haji-Ioannou. "If people don't feel safe they won't stay there. If you let the standards slip, people will just ignore you."

55 - Haji-Ioannou said that he had learnt from past business mistakes and will not overextend himself.

60 - His internet cafe, car rentals and cinema businesses have racked up heavy losses and he has had to sell part of his stake in Easyjet to keep them afloat.

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