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The US Extended-Stay Hotel Market: Supply & Demand Outlook

**ESLA Atlanta
Dec 2024**

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The Highland Group

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Extended Stay Hotel Supply & Demand

What happened?

Where are we now?

Where are we heading?



Extended-Stay Hotel

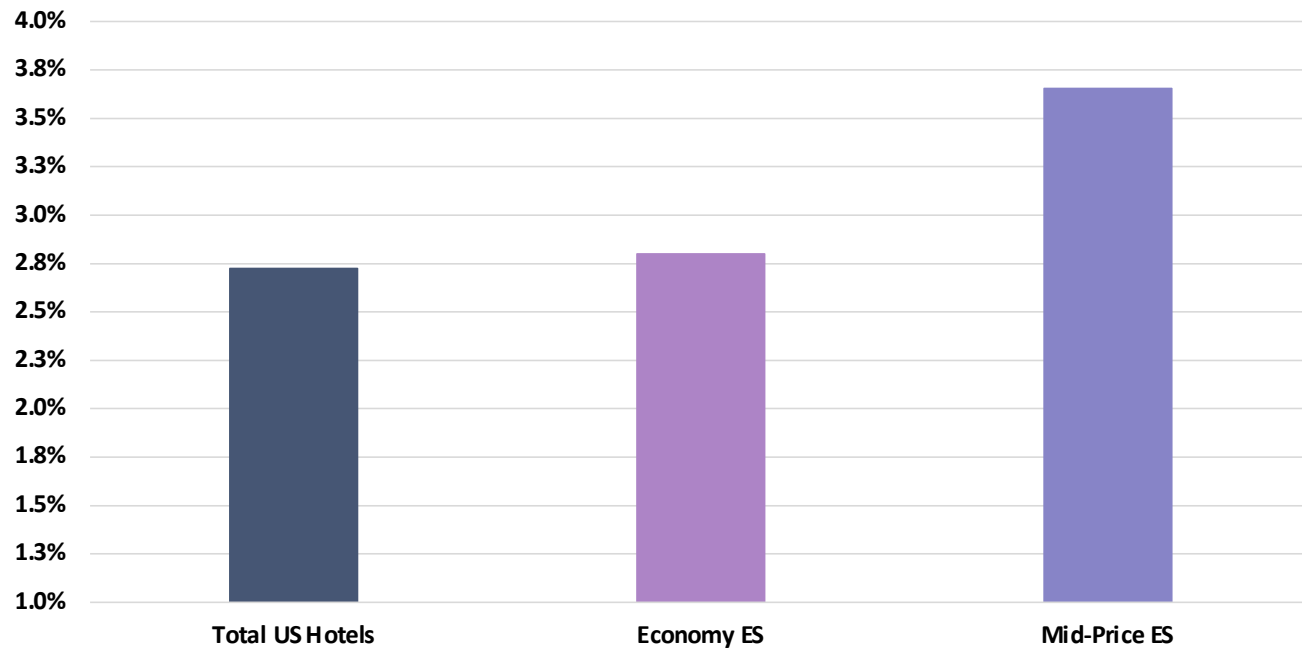
- A hotel with a fully equipped kitchenette in each guest room which accepts reservations and does not require a lease
- 591,000 rooms in the USA (Mid-Year 2024)
- 10.5% of total US hotel rooms (2023)
- \$14.4 billion room revenue in 2019
- \$9.9 billion room revenue in 2020
- \$14.5 billion room revenue in 2021
- \$18.7 billion room revenue in 2023
- +/- \$20 billion room revenue estimated in 2024

Extended-Stay Hotel Brands by Segment

Upscale \$135+	Mid-Price \$75-\$135	Economy Under \$75
Element by Westin	@Home by Best Western	Affordable Suites of America
Homewood Suites by Hilton	Candlewood Suites (IHG)	Budget Suites
Hyatt House	Everhome Suites Extended Stay by Choice Hotels	Echo Suites by Wyndham
Larkspur Landing	Extended Stay America	Extended Stay America Select Suites
Residence Inn by Marriott	Extended Stay America Premier Suites	HomeTowne Studios by Red Roof
Sonesta ES Suites	Hawthorn Suites by Wyndham	Intown Suites
Staybridge Suites (IHG)	Home 2 Suites by Hilton	LivAway Suites
	Hyatt Studios	Other Independents
	LivSmart Studios by Hilton	Savannah Suites
	Mainstay Suites Extended Stay by Choice Hotels	Studio 6
	My Place	Suburban Studios by Choice Hotels
	Sonesta Simply Suites	Sure Stay Studio by Best Western
	stayAPT Suites	WoodSpring Suites Extended Stay by Choice Hotels
	StudioRes by Marriott	
	TownePlace Suites by Marriott	

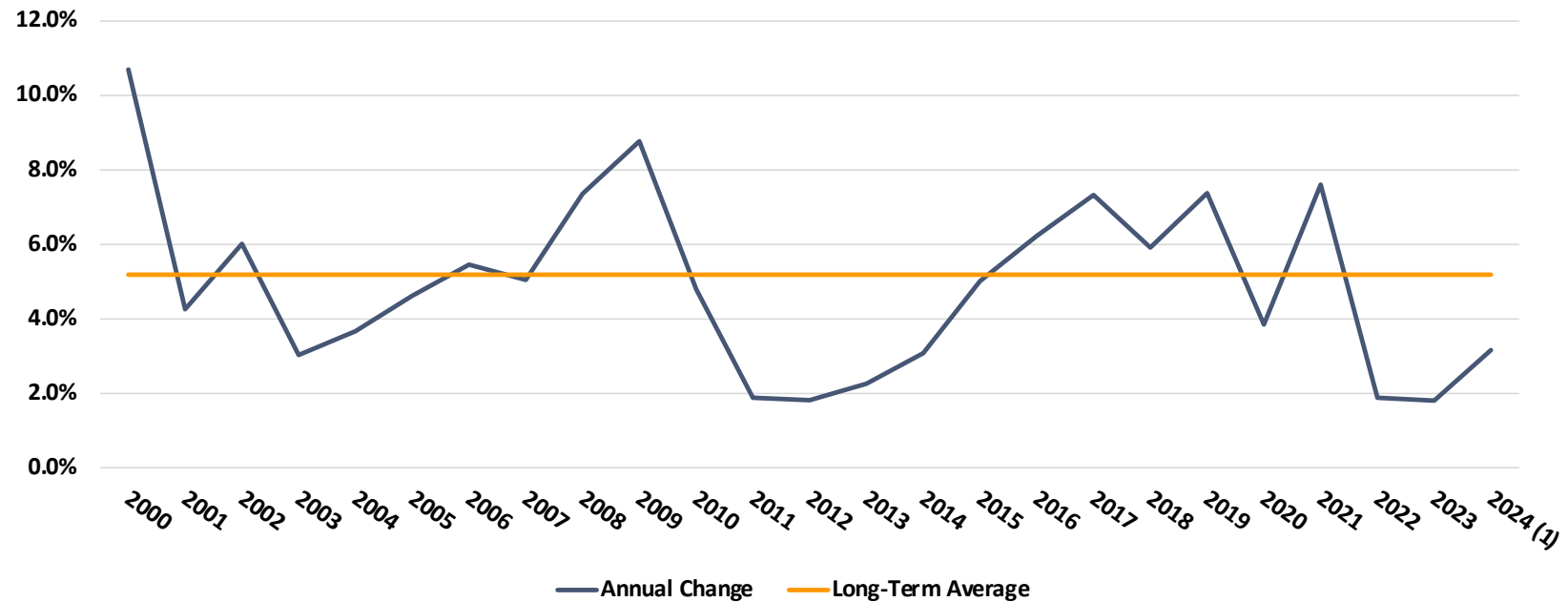
Source: The Highland Group

Average Annual Change in RevPar 1998 - 2023



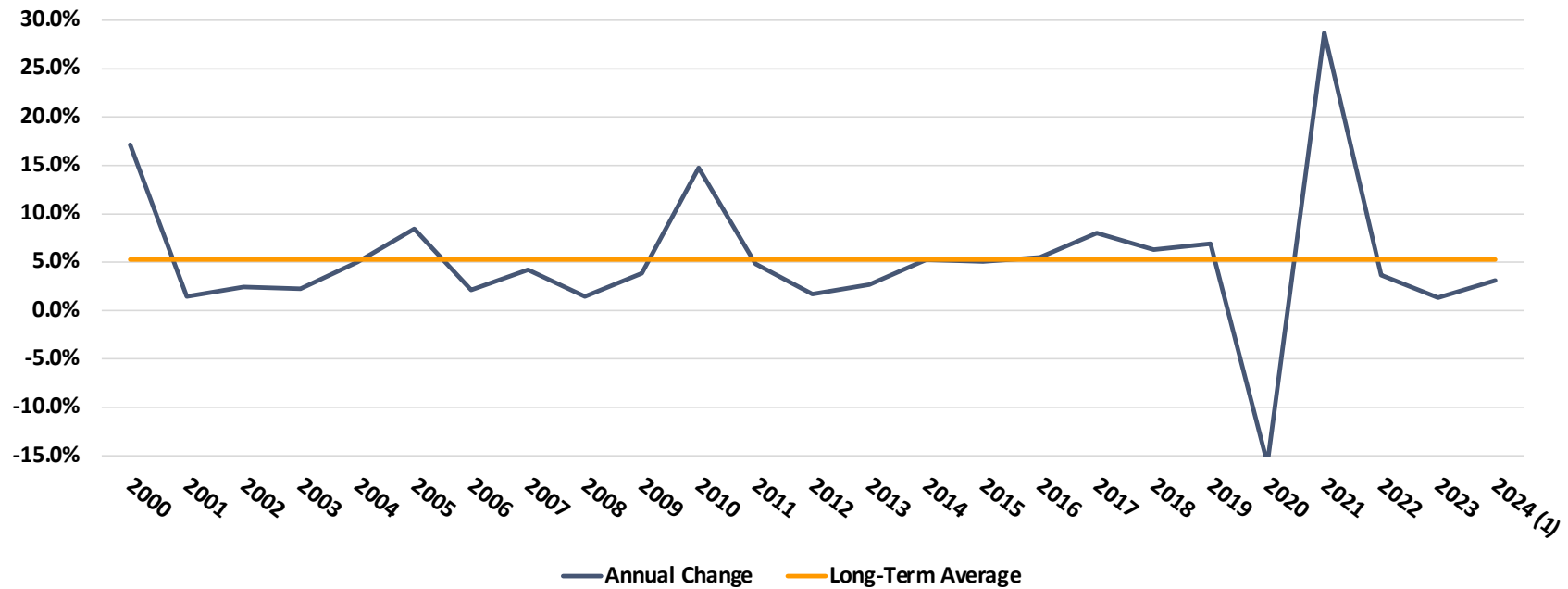
Source: STR/CoStar, The Highland Group

Annual Change in Extended-Stay Hotel Room Supply Compared to Long-Term Average



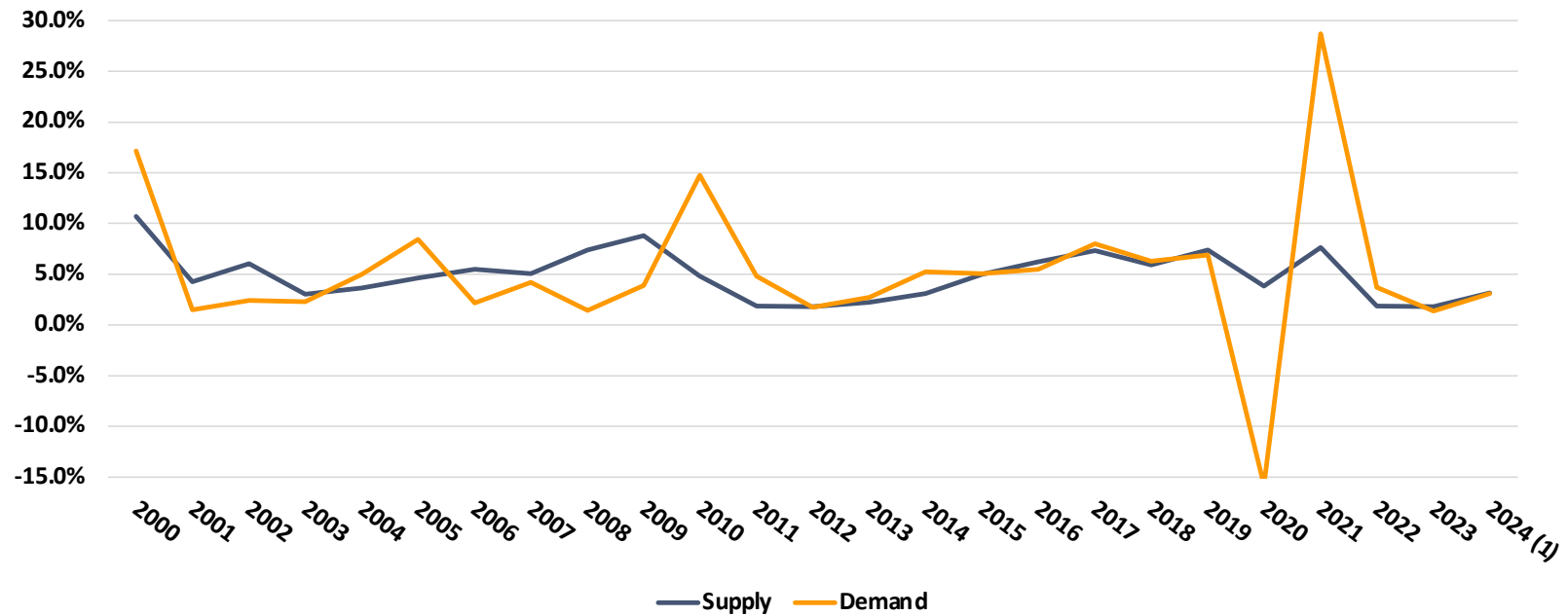
Note (1) YTD through October. Source: The Highland Group

Annual Change in Extended-Stay Hotel Room Demand Compared to Long-Term Average



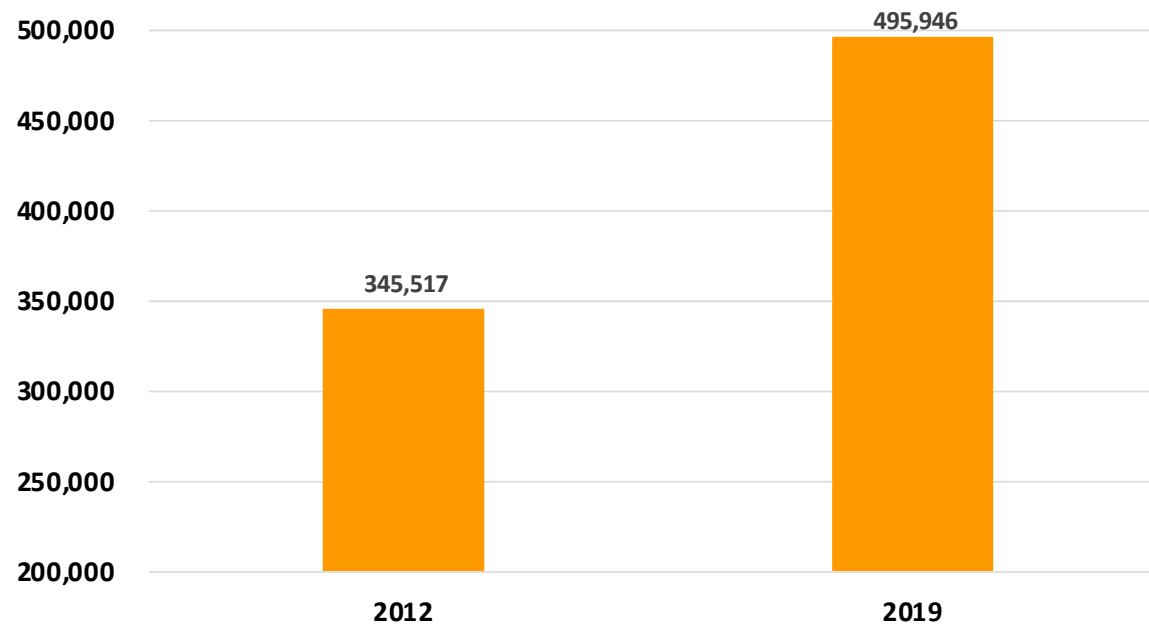
Note (1) YTD through October. Source: The Highland Group

Annual Change in Extended-Stay Hotel Supply and Demand 2000 – YTD October 2024



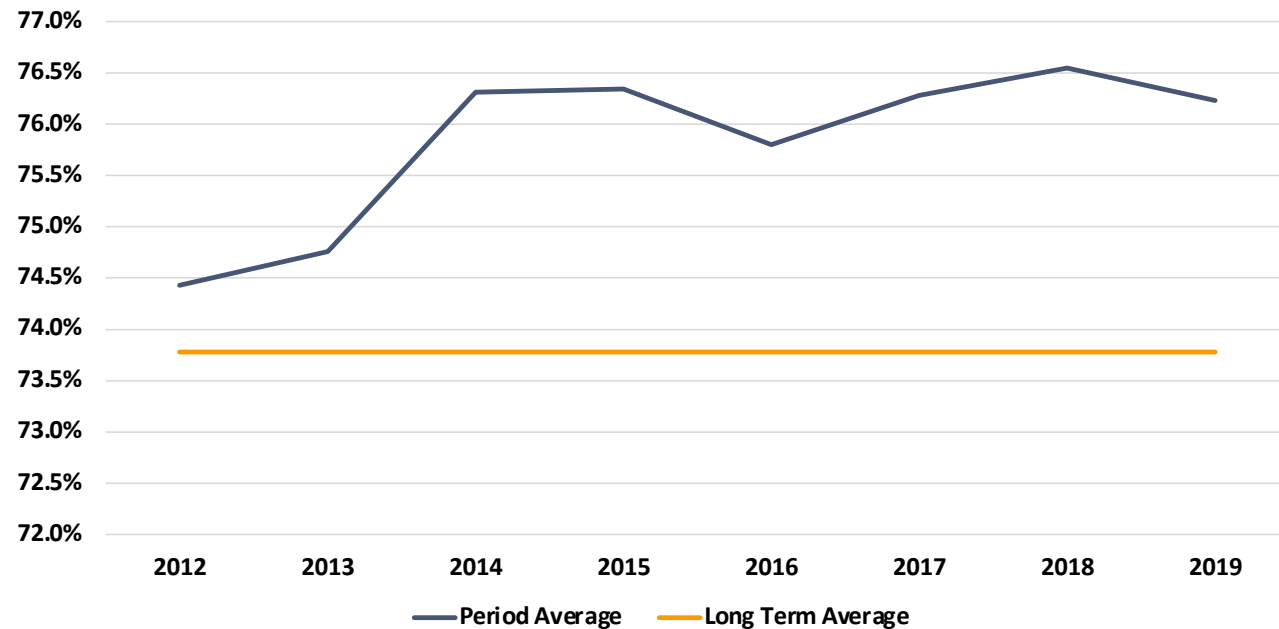
Note (1) YTD through October. Source: The Highland Group

Extended-Stay Hotel Rooms Open 2012 & 2019



Source: The Highland Group

Extended-Stay Hotel 2012 – 2019 Period and Long-Term Average Occupancy



Source: The Highland Group

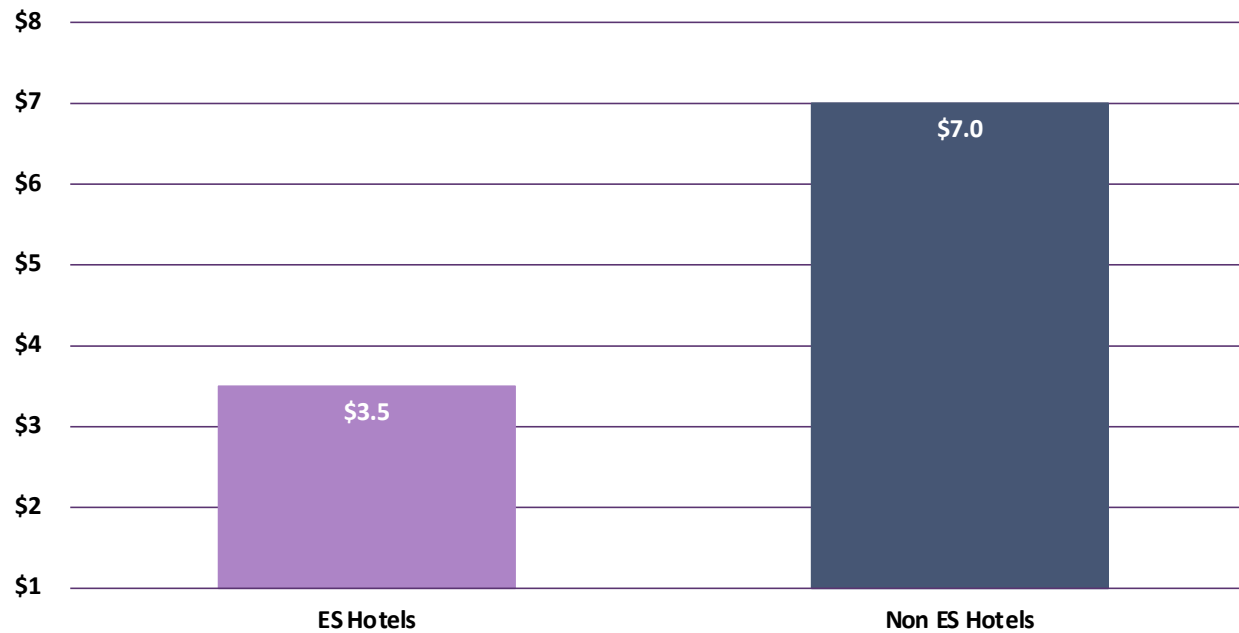
Extended-Stay Hotel KPIs 2012 – 2019 Period

- Supply + 44%
- Demand + 47%
- Occupancy 74.4% to 76.5%
- ADR + 35%
- RevPar + 38%
- Room Revenues + \$7.1 billion

Current Growth Cycle

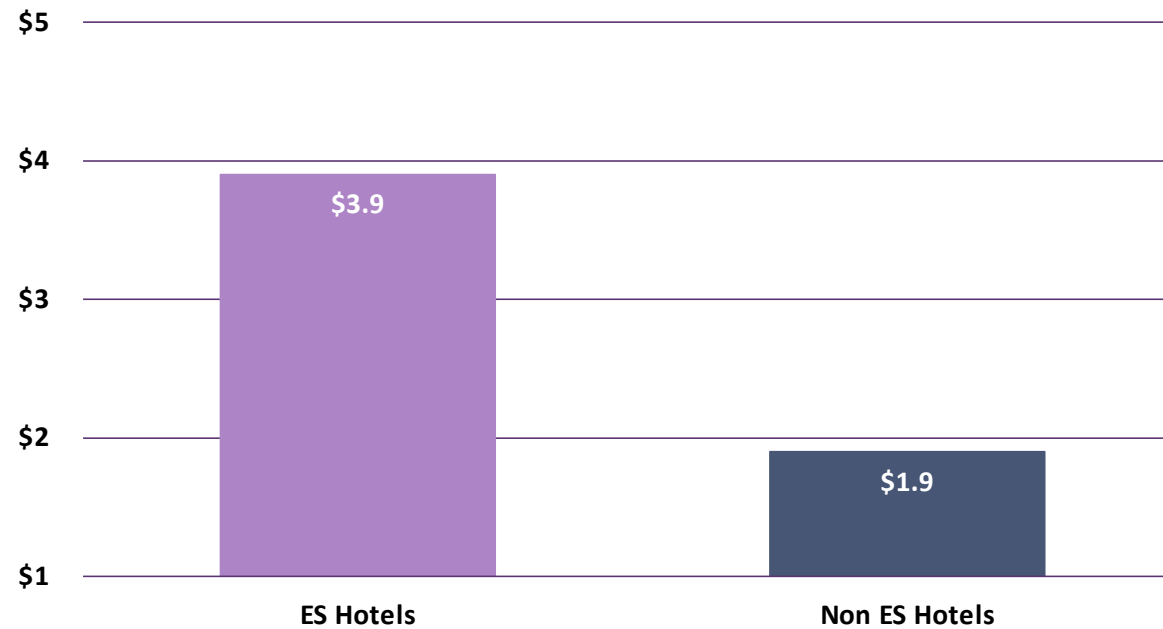


Guest Paid Revenue 7-29 Night Stays: \$Billions TTM June 2023



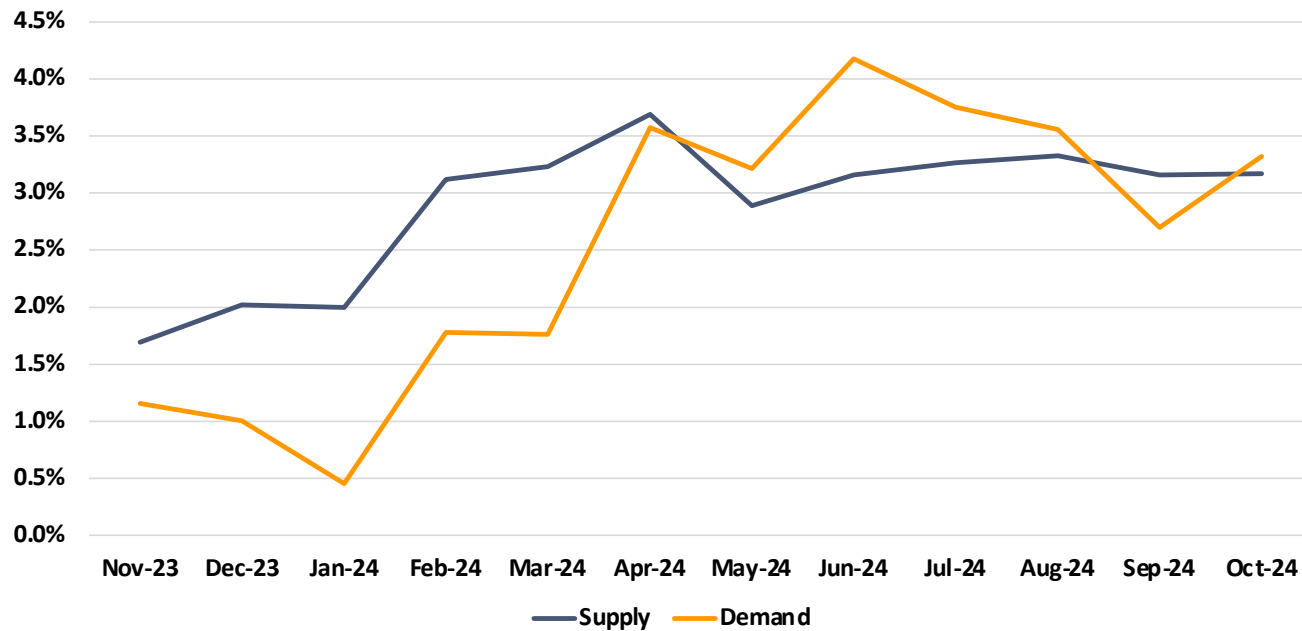
Source: Kalibri Labs, The Highland Group: 50 Largest Markets ALOS, ESOC & More 2019 -2023 Report

Guest Paid Revenue 30+ Night Stays: \$Billions TTM June 2023



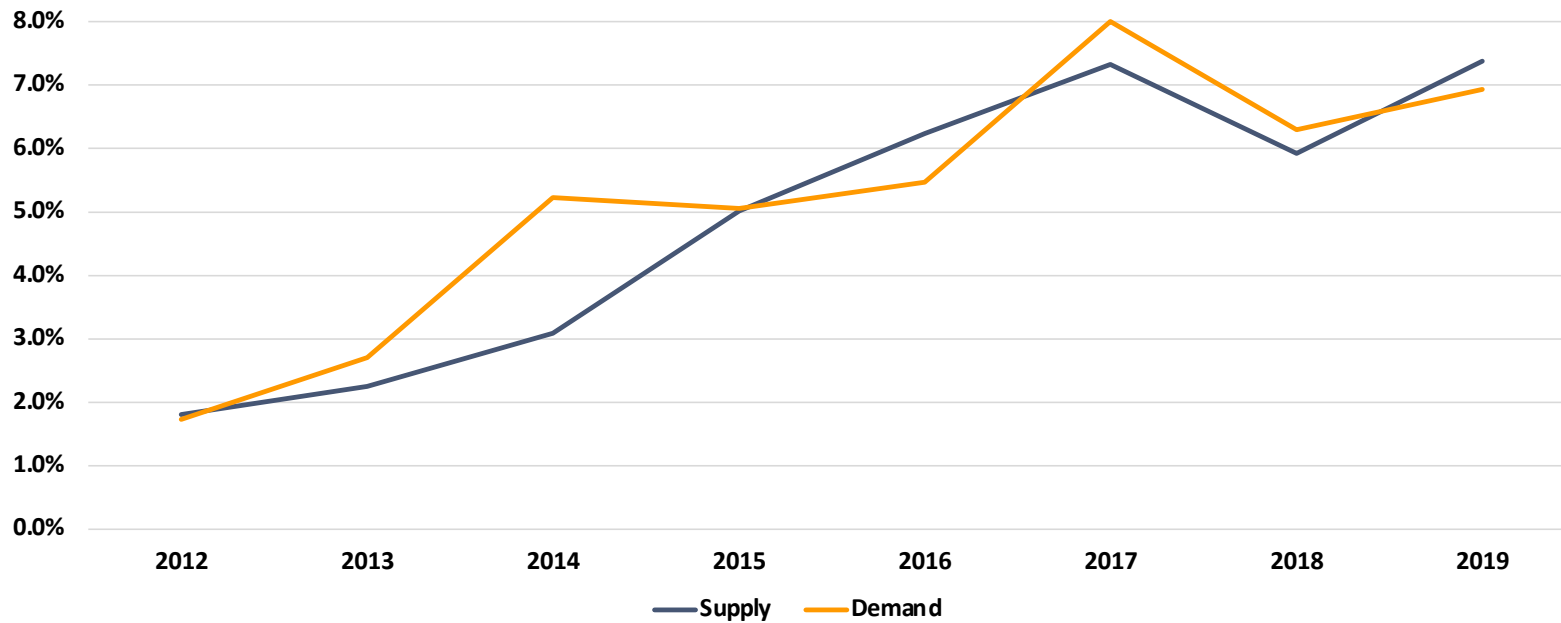
Source: Kalibri Labs, The Highland Group: 50 Largest Markets ALOS, ESOC & More 2019 -2023 Report

Three Month Moving Average Change in Extended-Stay Hotel Supply and Demand TTM



Source: The Highland Group

Annual Change in Extended-Stay Hotel Supply and Demand 2012 - 2019

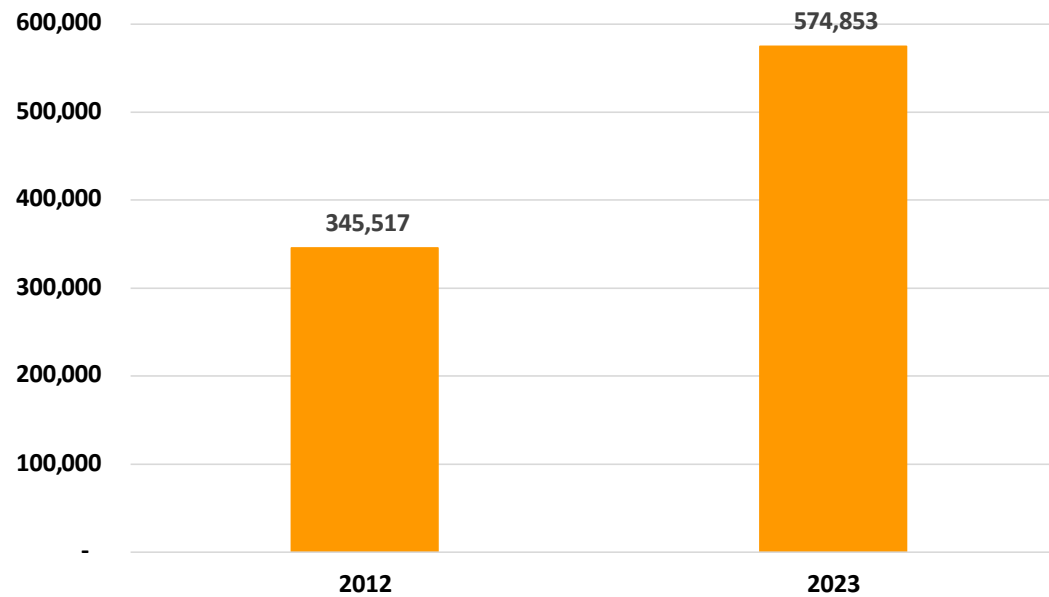


Source: The Highland Group

Supply Risk

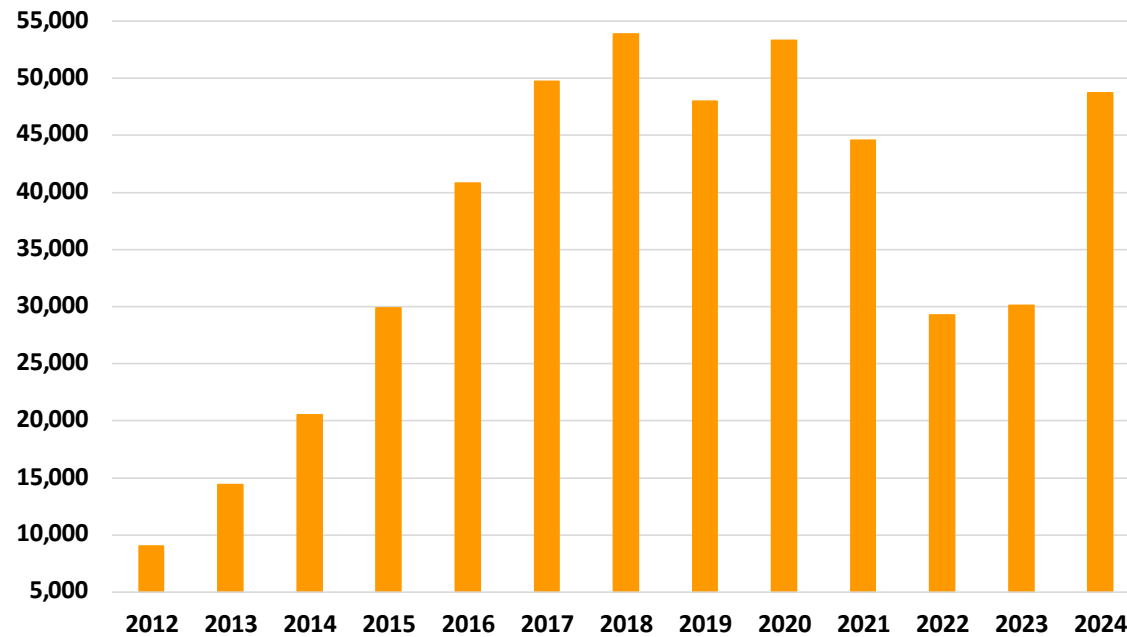


Extended-Stay Hotel Rooms Open at the Start of the Growth Cycle



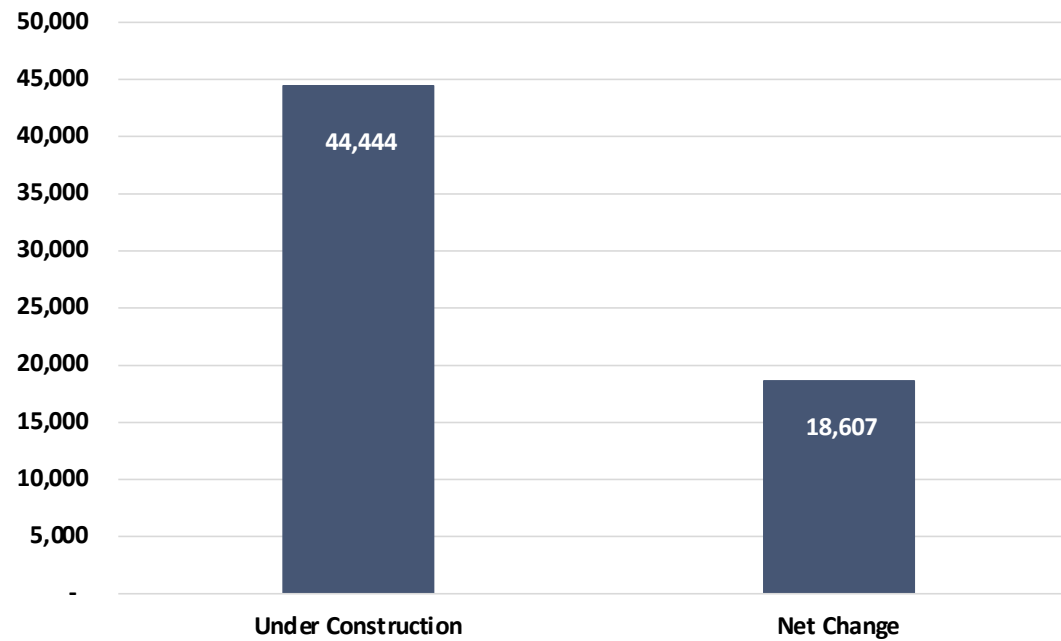
Source: The Highland Group

Extended-Stay Hotel Rooms Under Construction at Mid Year



Source: The Highland Group

Extended-Stay Hotel Room Under Construction at Year End 2023. Net Change in Rooms Open YTD October 2024



Source: The Highland Group

National Over Supply Risk Extended-Stay Hotels

The last time supply growth was this low was following the 2008/2009 recession and supply increases stayed well below the long-term trend for four years. We are two and a half years into the current era of low supply growth and the federal funds rate is 8 times higher than it was the last time this occurred. Excluding the late 1990s, the highest annual gain in extended-stay supply over 25 years was in 2009 when rooms increased 9%. If that level of supply increase was to occur now, rooms under construction would have to increase 10% from the current total and all would need to open within one year. Accordingly, the near-term risk of extended-stay hotel over supply nationally is very low.



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U.S. Extended Stay Hotel Performance Overview

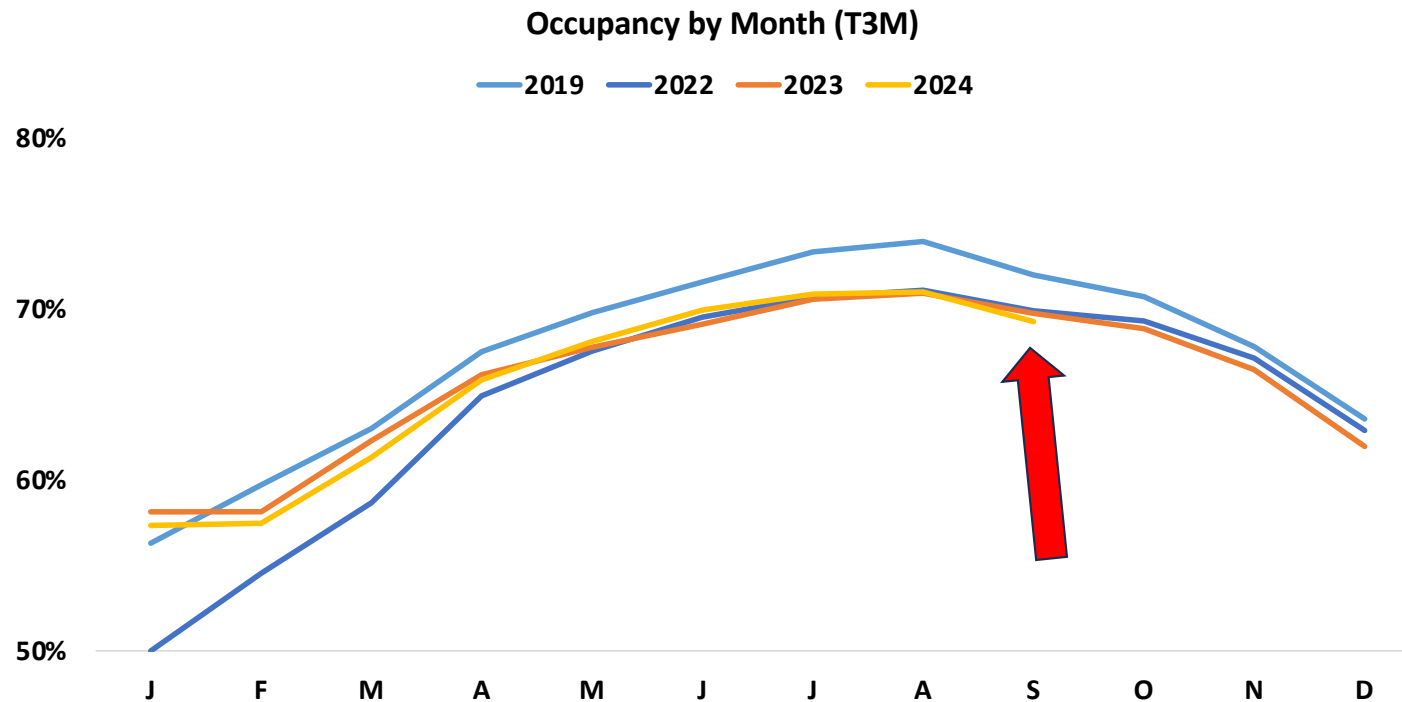
2024 Market Dynamics

- ✦ ADR continues as the RevPAR growth driver but normalizing while Occupancy growth remains below 2019
- ✦ Weekdays and Commercial business are moving closer to 2019 levels closing gap to Leisure; Thursdays and Sundays continue to remain a RevPAR anchor
- ✦ Brand.com outweighs OTA in demand (+25%) and Net ADR (+28%)
 - Bonus benefit of growing loyalty tailwind adding to customer base
- ✦ Corporate is moving to direct channels, including Brand.com
- ✦ Loyalty-related promotions are exceeding Rack/BAR and Corporate
- ✦ RevPAR Growth Forecast for 2024 is ~1% and for 2025 is 2.5%



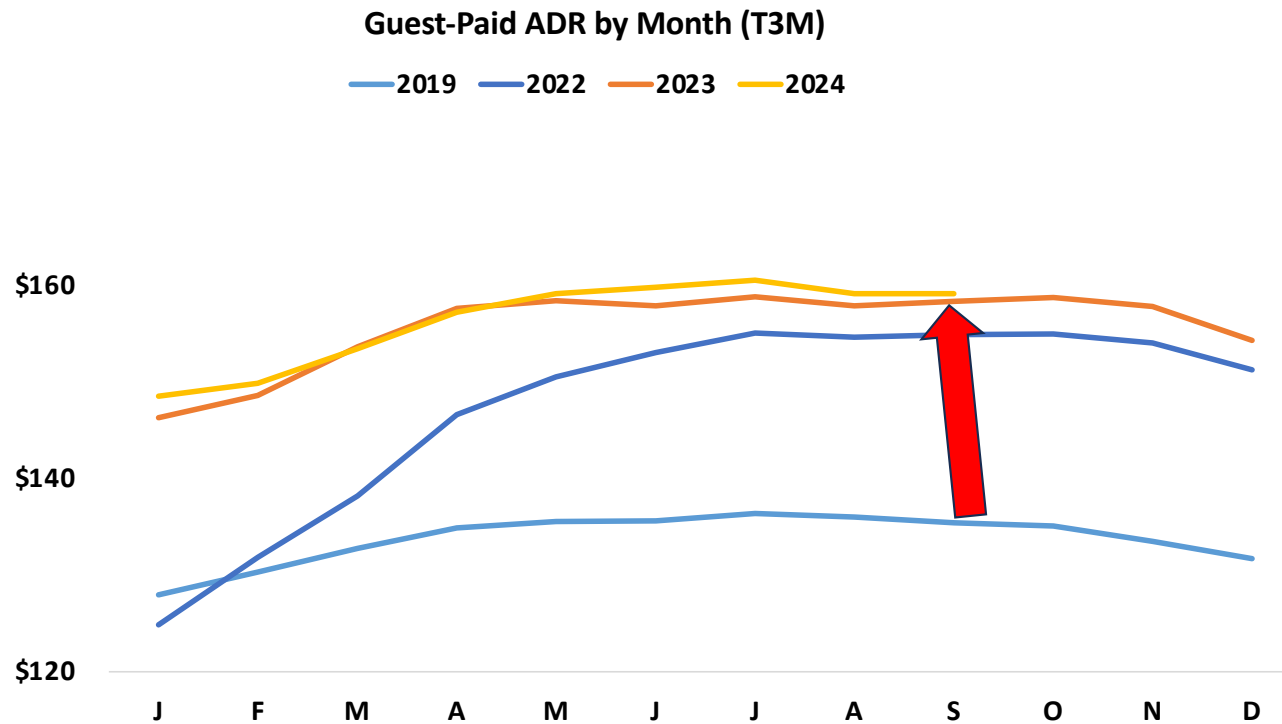
Total US Occupancy: Lags 2019 – 2024 Remains Soft

2019, 2022, 2023 Full-Year, and September 2024 YTD -*All U.S. Hotels*

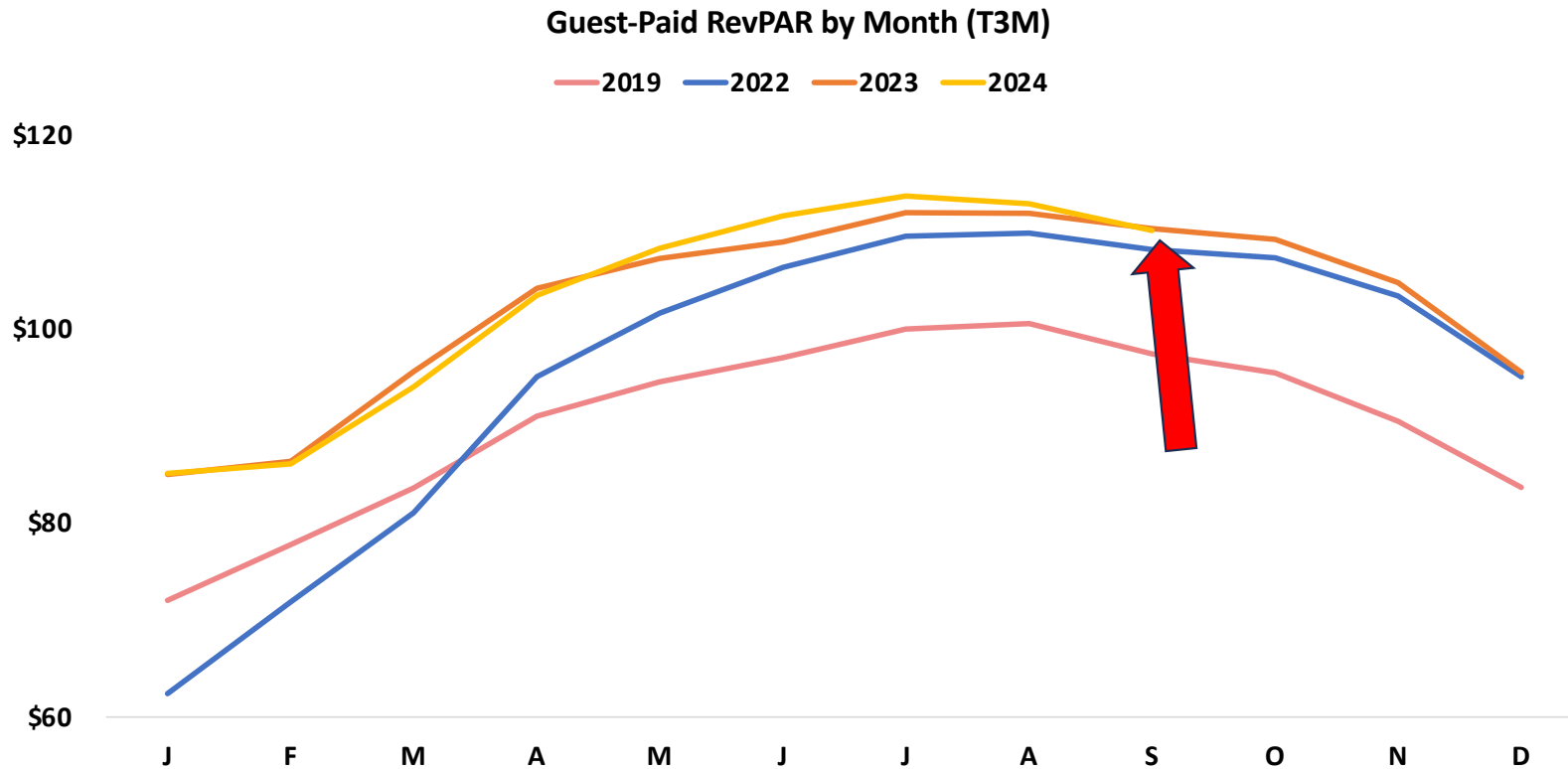


Total US ADR: Growth rate stabilities in '24

2019, 2022, 2023 Full-Year, and September 2024 YTD - *All U.S. Hotels*

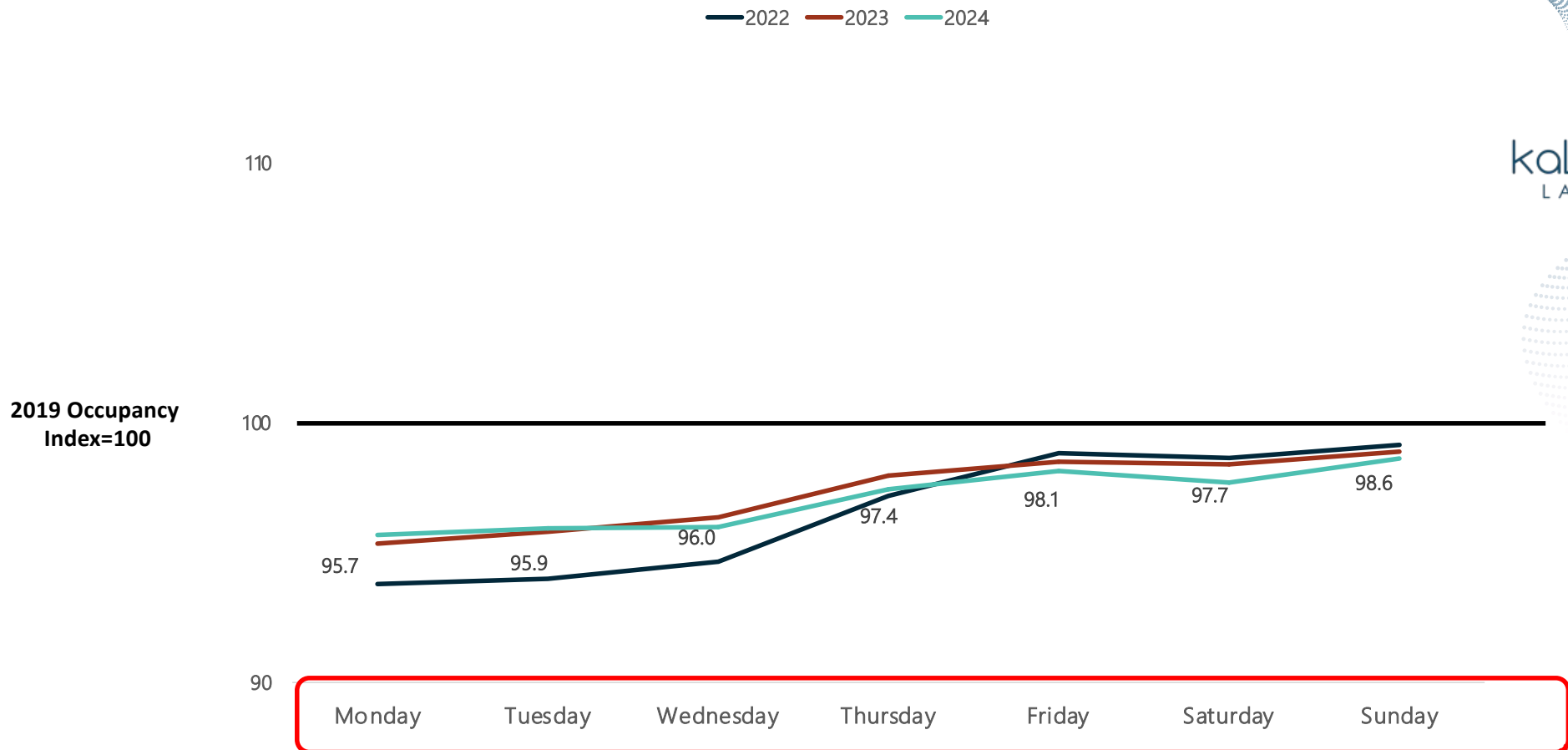


Total US RevPAR: Remains solely ADR driven with almost flat growth in '24
2019, 2022, 2023 Full-Year, and September 2024 YTD - *All U.S. Hotels*



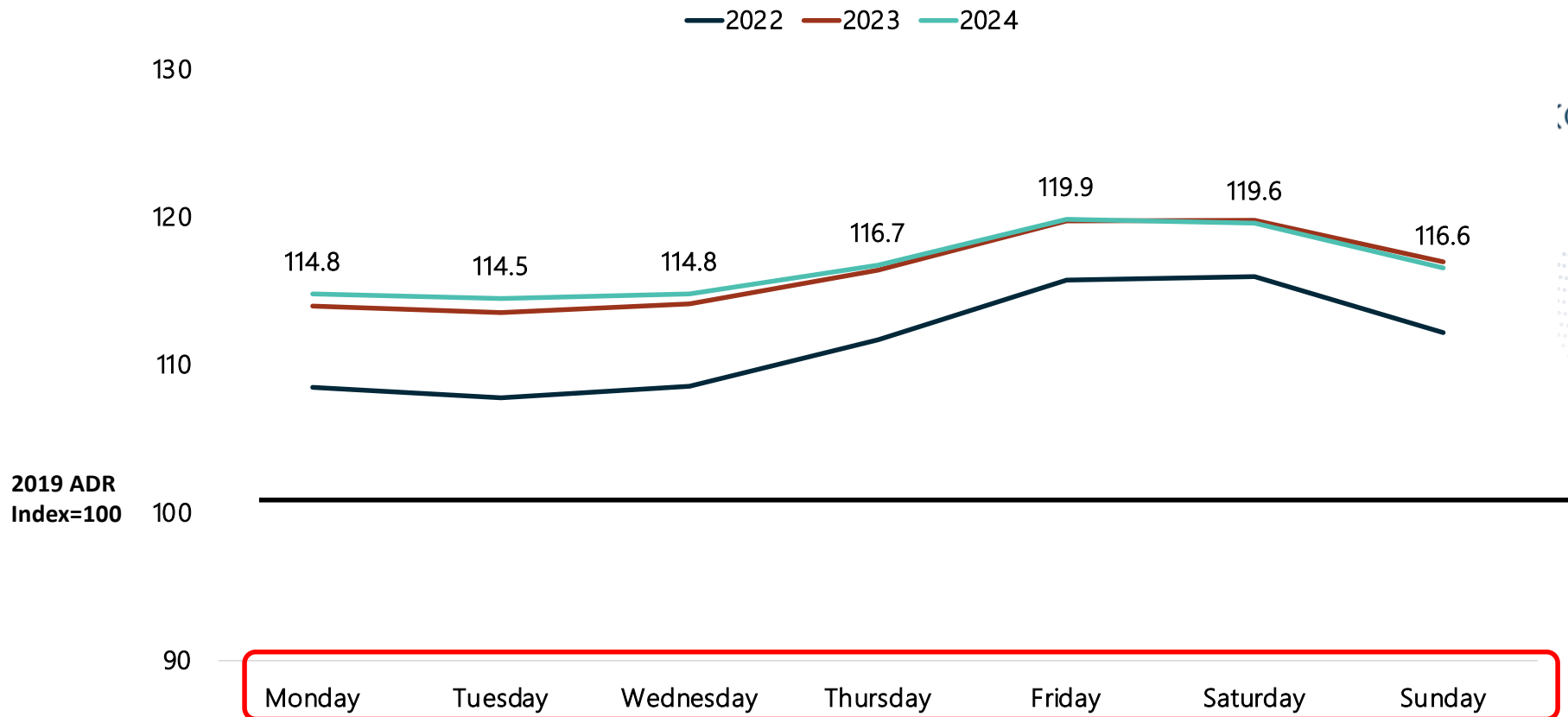
U.S. Occupancy: Still underperforming on all Days of Week vs. 2019

January 2022- December 2024 (f)-Indexed vs. 2019



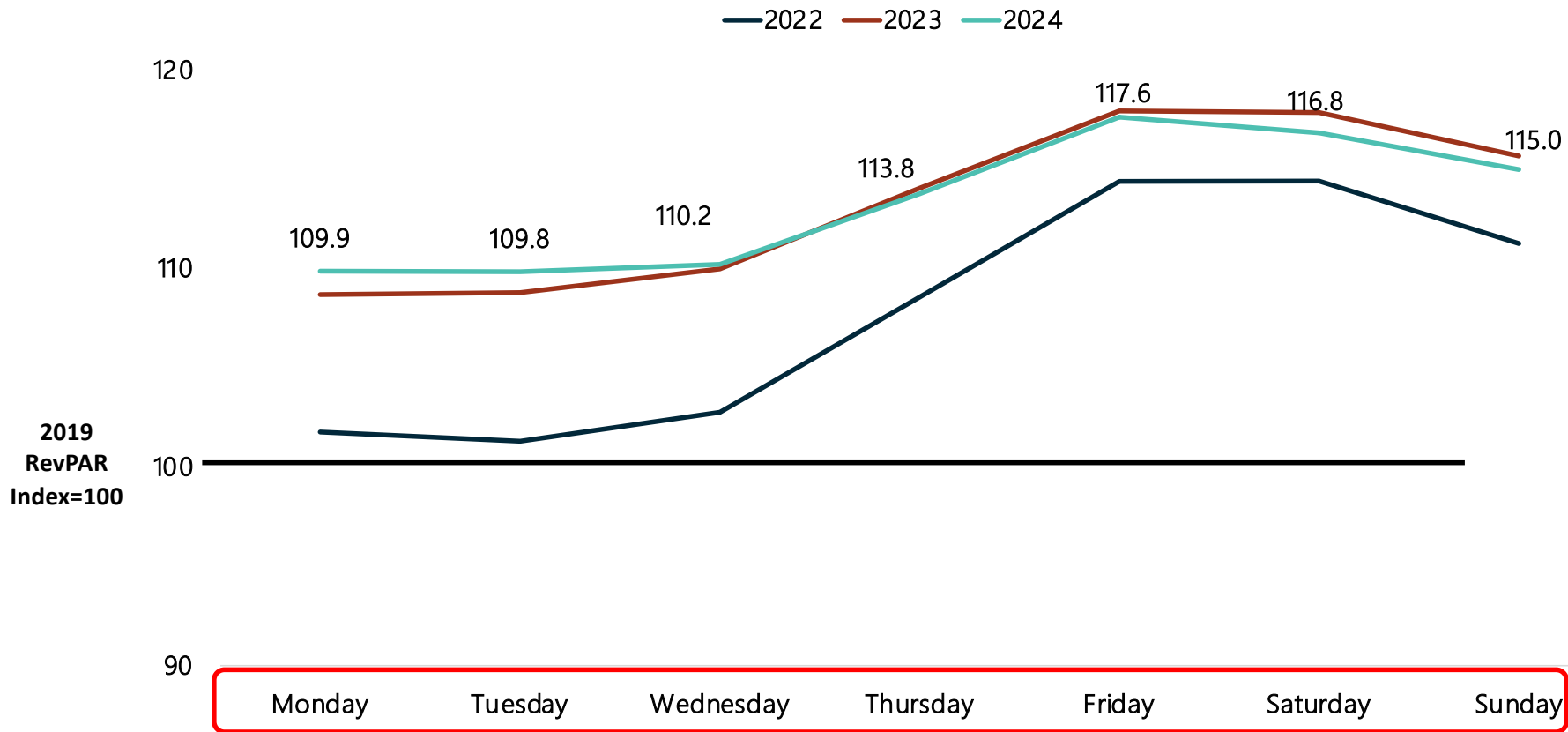
U.S. ADR: All Days of Week are outperforming vs. 2019 since 2022

January 2022- December 2024 (f)-Indexed vs. 2019



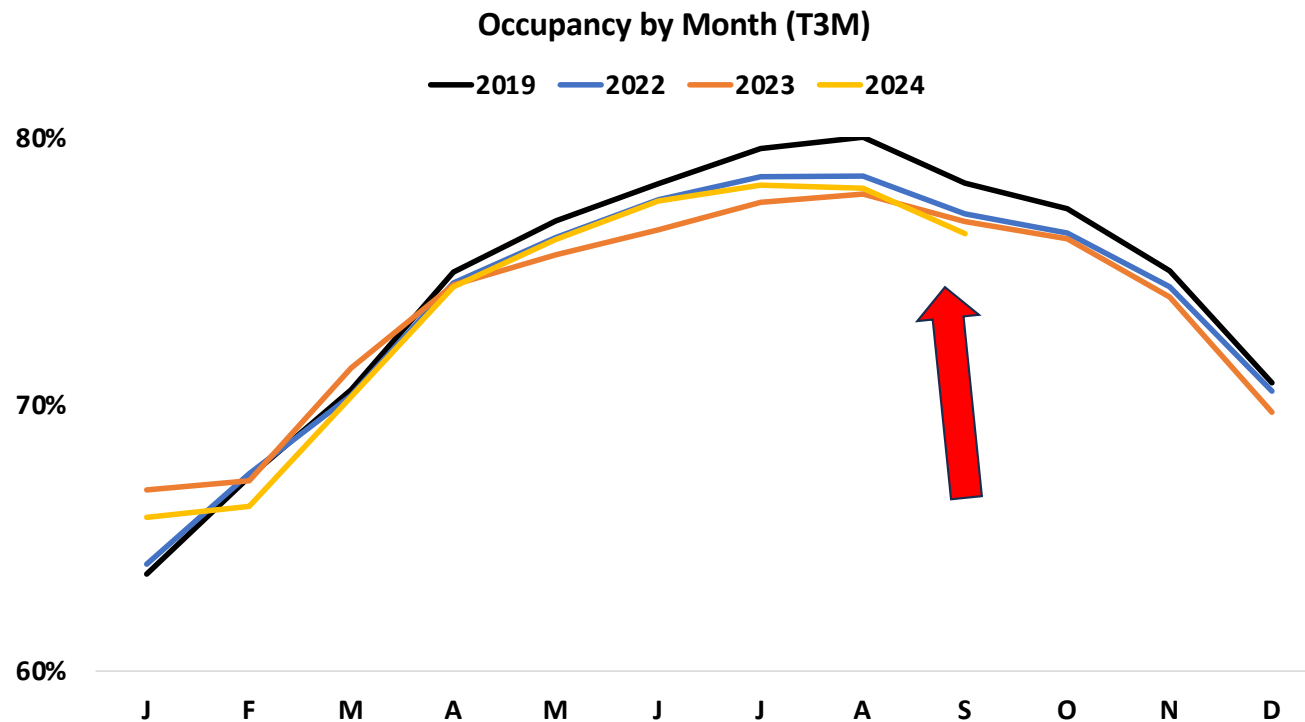
Thursday to Sunday: Still a Recurring Demand Anchor

U.S. RevPAR: *January 2022- December 2024(f) -Indexed vs. 2019*



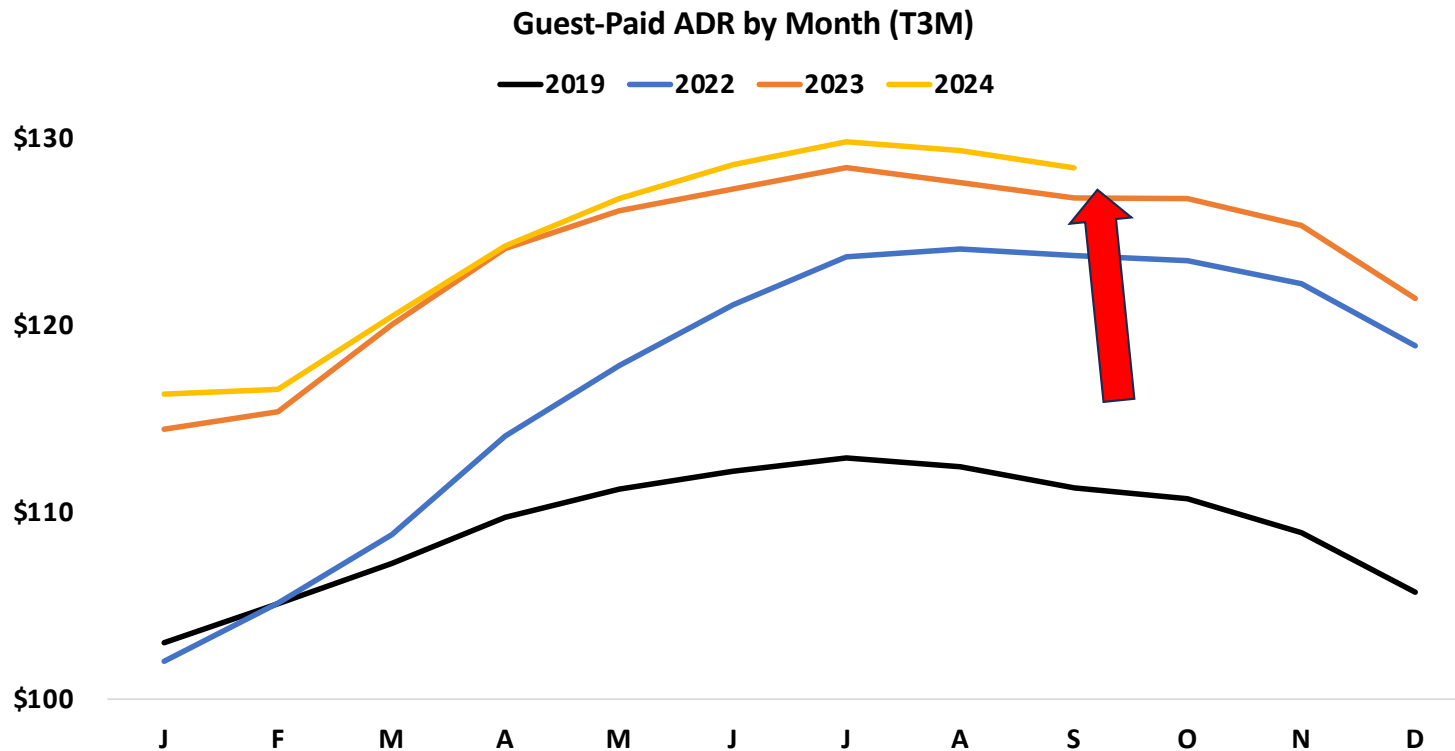
U.S. Extended Stay Occupancy: Lags 2019 and 2023 in '24

2019, 2022, 2023 Full-Year, and September 2024 YTD - *All U.S. Extended Stay Hotels*

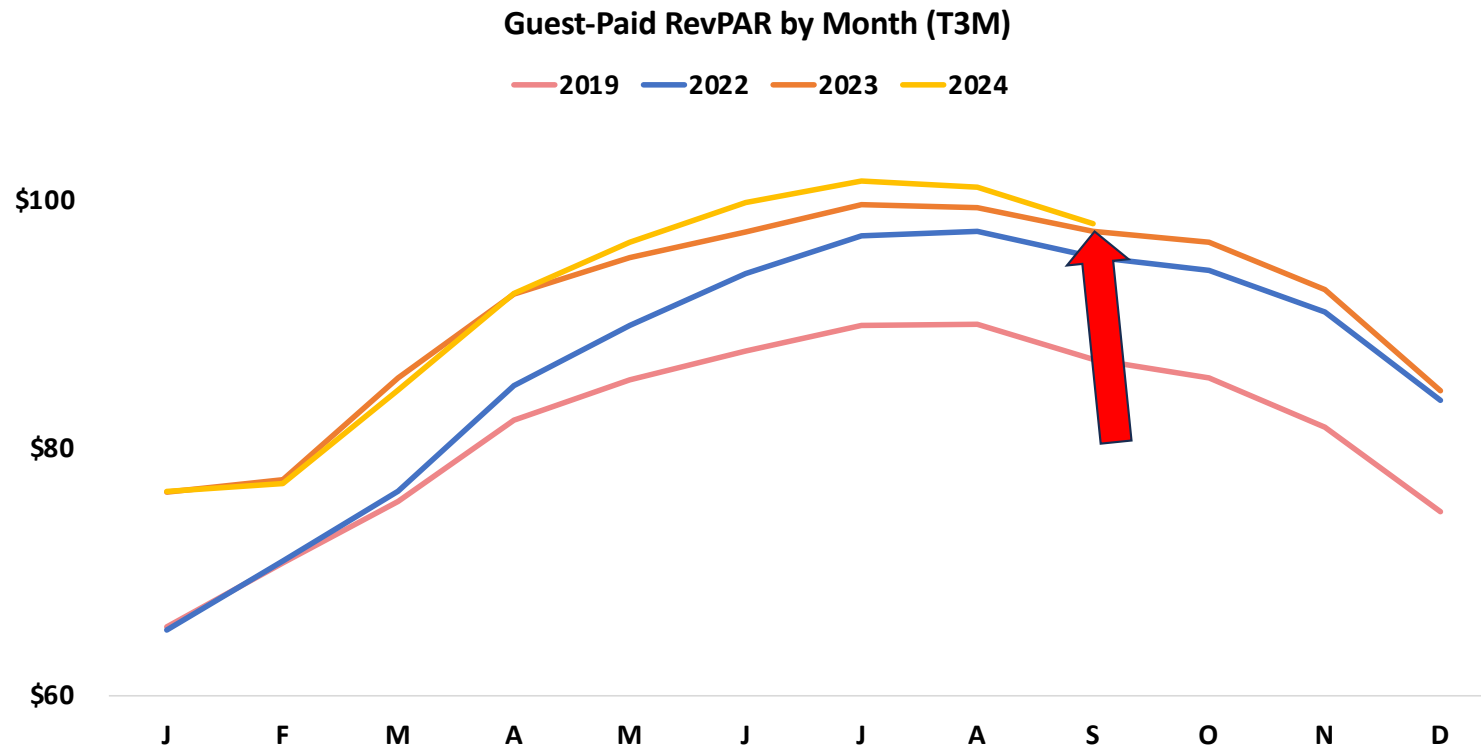


U.S. Extended Stay ADR: Growth rate slowing in '24

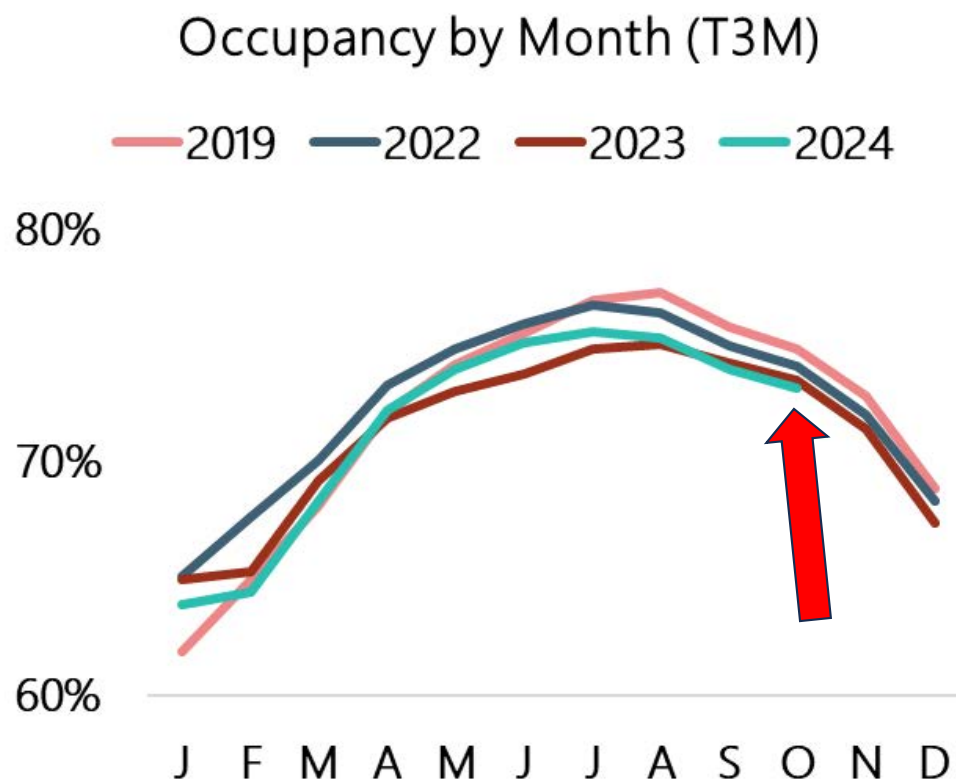
2019, 2022, 2023 FY, and Sept 2024 YTD - *All U.S. Extended Stay Hotels*



U.S. Extended Stay RevPAR: ADR driven with slight growth in '24
2019, 2022, 2023 Full-Year, and Sep2024 YTD -*All U.S. Extended Stay Hotels*

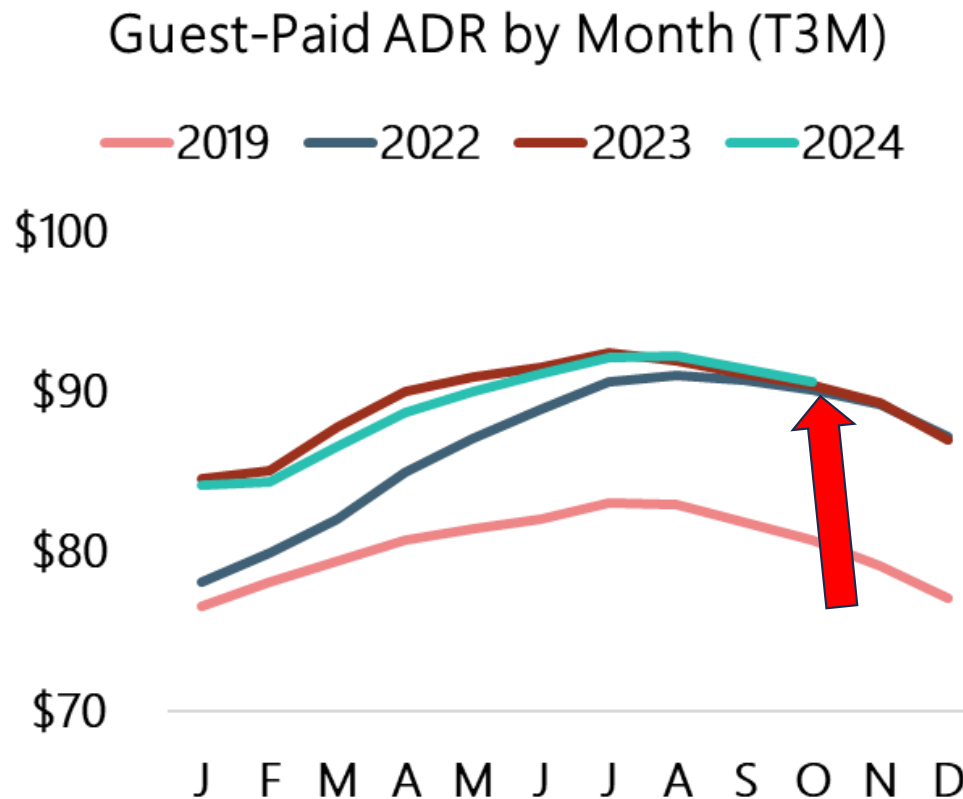


U.S. Extended Stay (lower/mid) Occupancy: Lags 2019 and 2023 in '24
2019, 2022, 2023 Full-Year, and October 2024 YTD

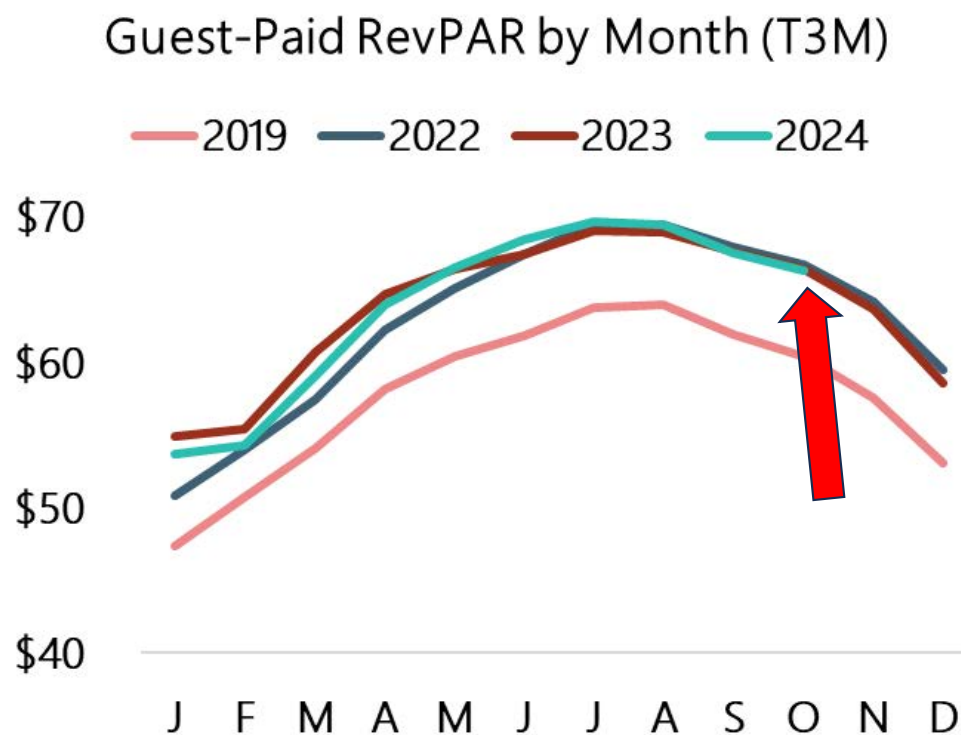


U.S. Extended Stay (lower/mid) ADR: Growth rate slowing in '24

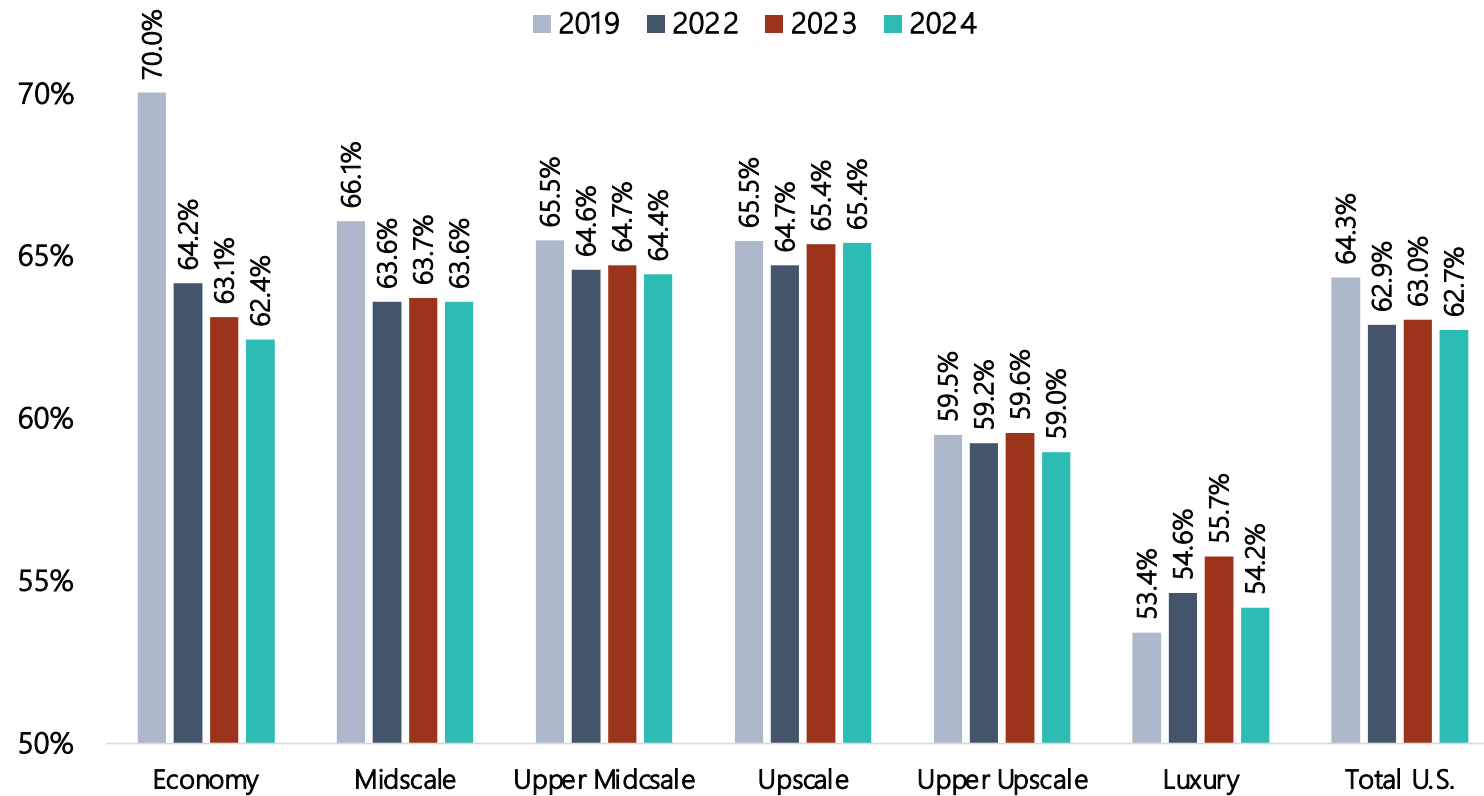
2019, 2022, 2023 Full-Year, and October 2024 YTD



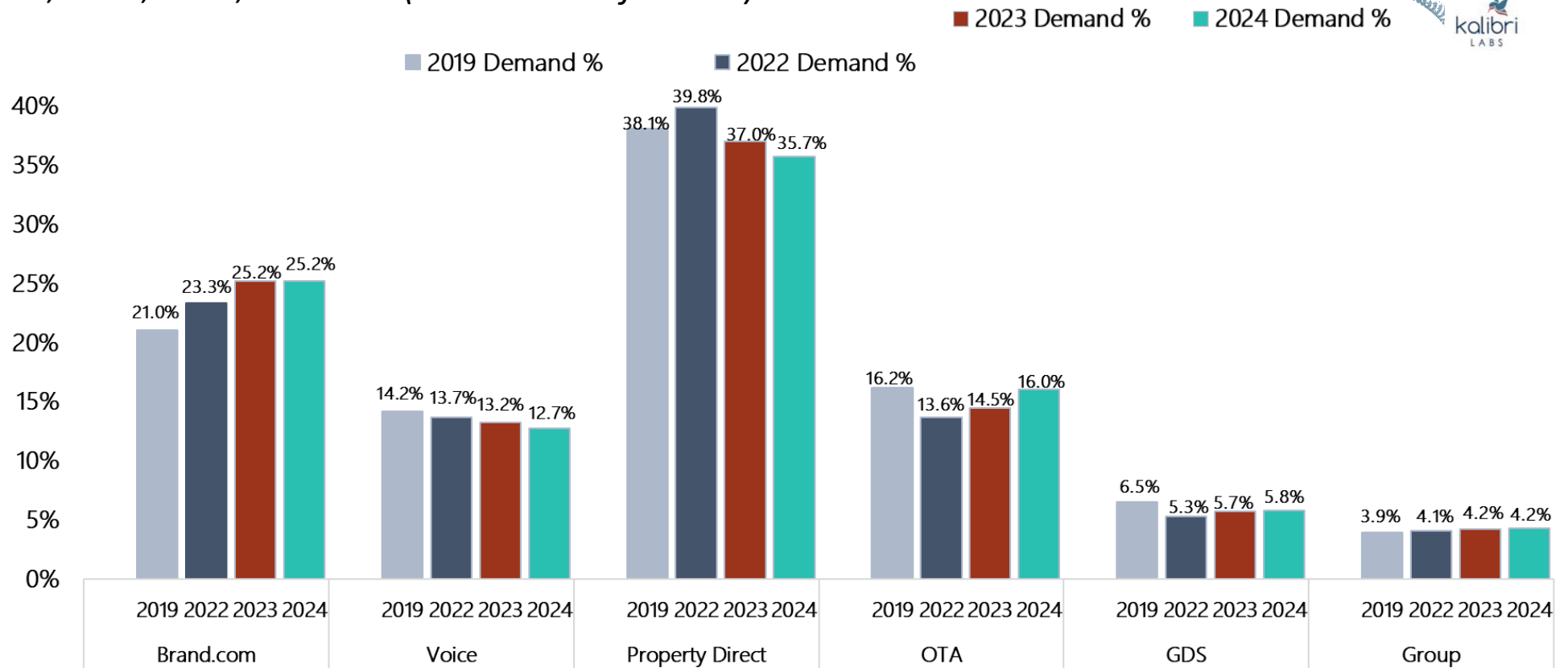
U.S. Extended Stay (lower/mid) RevPAR: ADR driven; slight growth in '24
2019, 2022, 2023 Full-Year, and October 2024 YTD



One Night Stays % by Chain Scale: Lower and Mid Tier shift toward Multi-Night Stays 2019, 2022, 2023 Full-Year, and September 2024 YTD

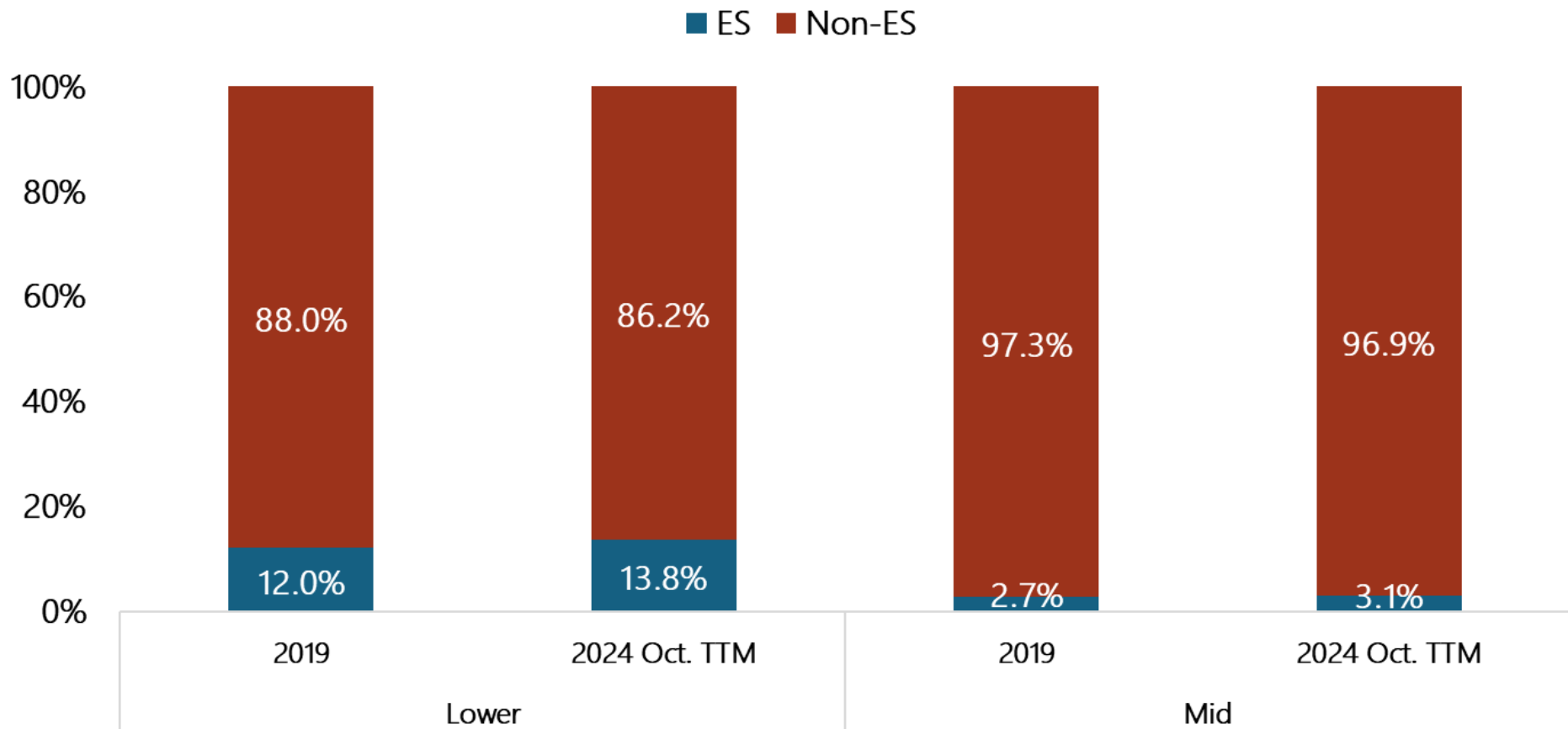


U.S. ES (lower/mid tier) Channel Mix: Close to US Brand.com; > Voice, Prop Direct 2019, 2022, 2023, and 2024 (Oct. YTD and forecast)

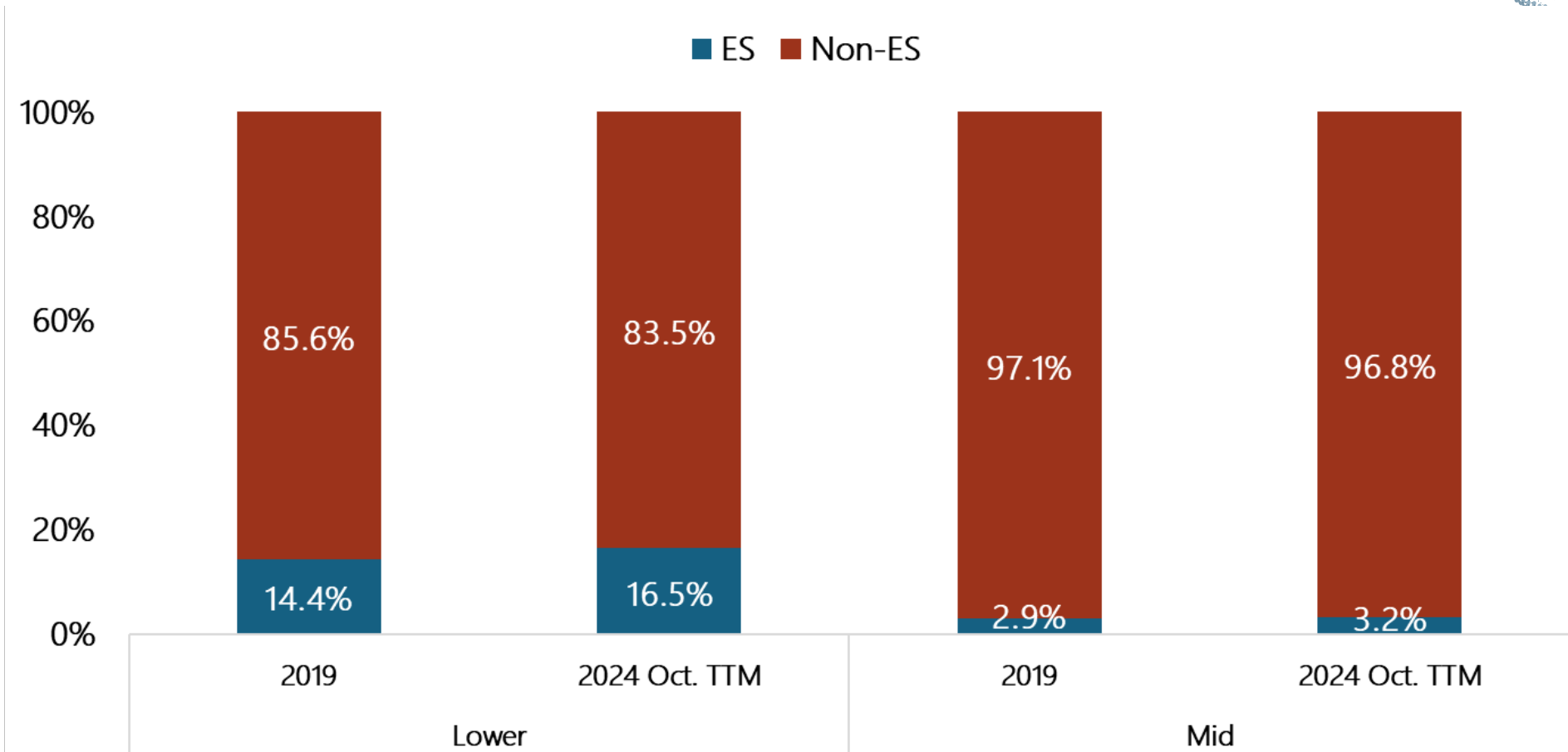


U.S. Extended Stay Supply %: ES Supply has increased for both tiers

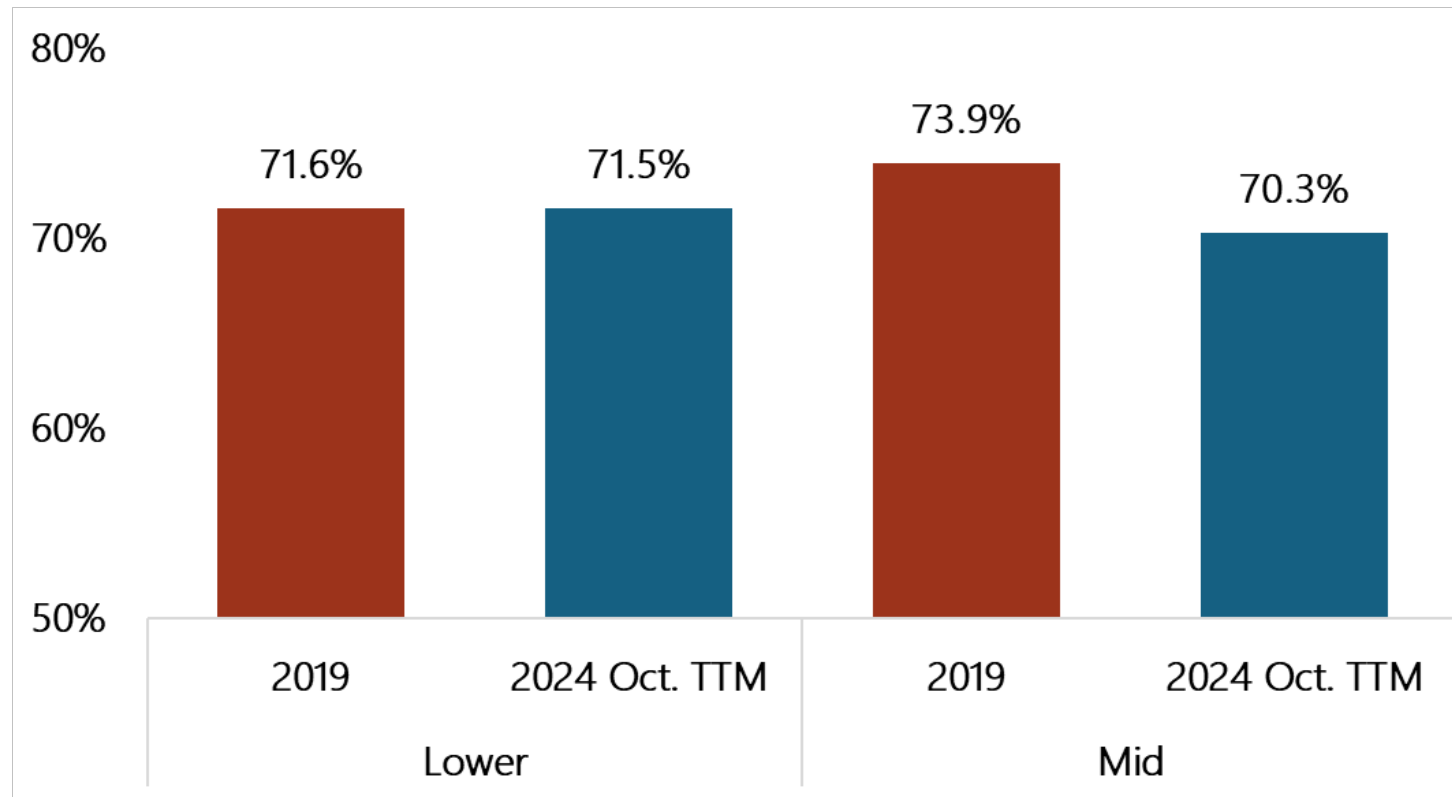
2019 Full-Year vs. October 2024 T12M



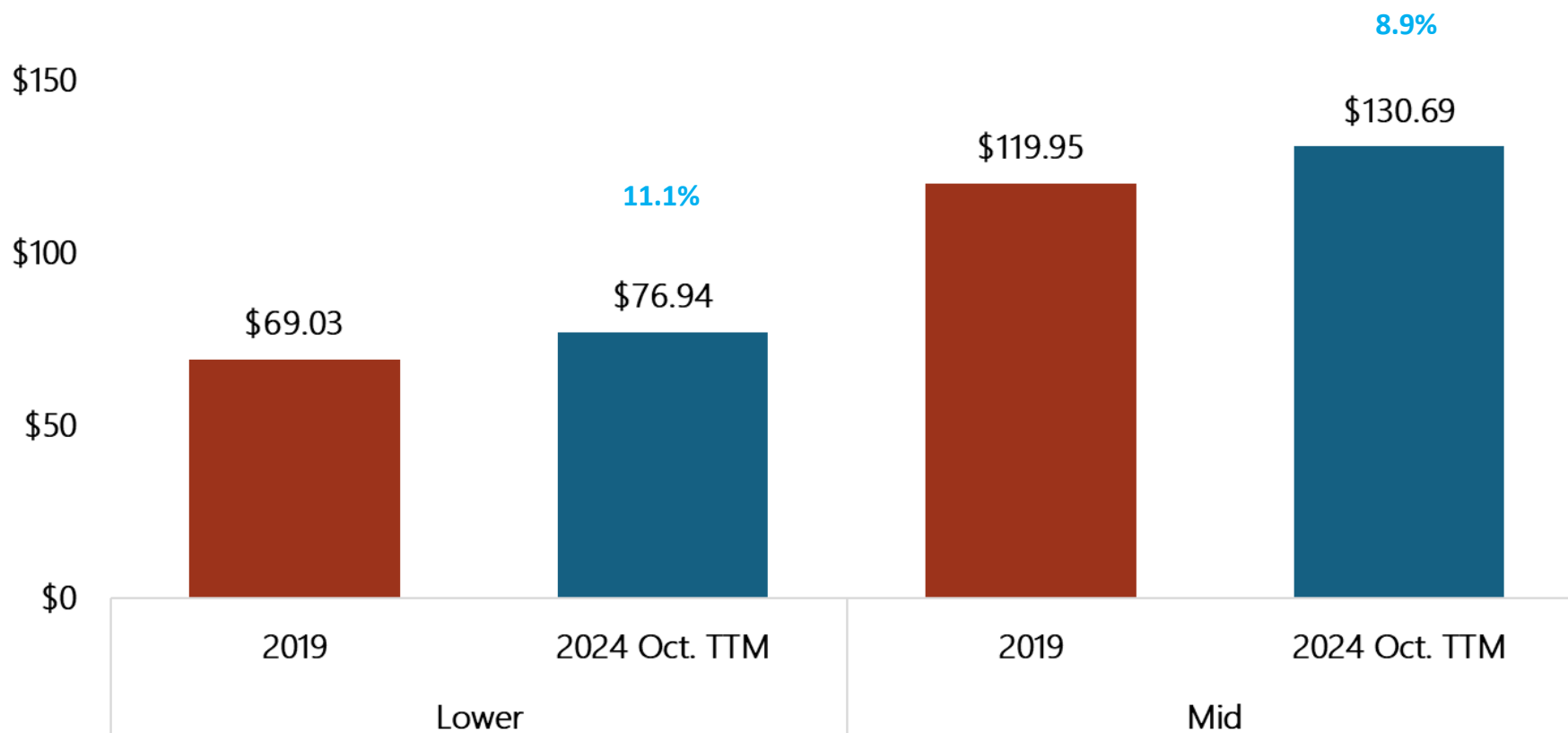
U.S. Extended Stay Demand %: ES Demand Share Exceeds Supply Share 2019 Full-Year vs. October 2024 T12M



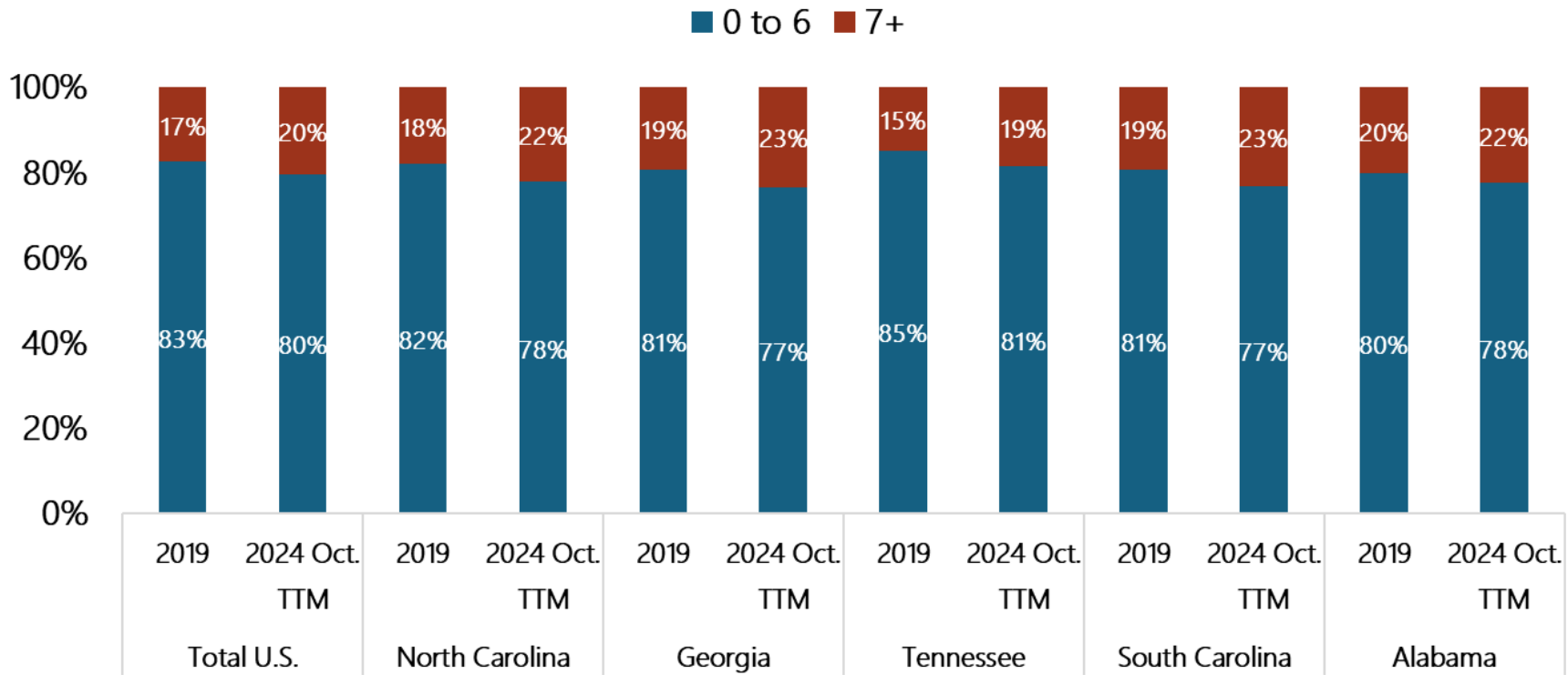
U.S. Extended Stay Occupancy %: Slightly dips for both tiers 2019 Full-Year vs. October 2024 T12M



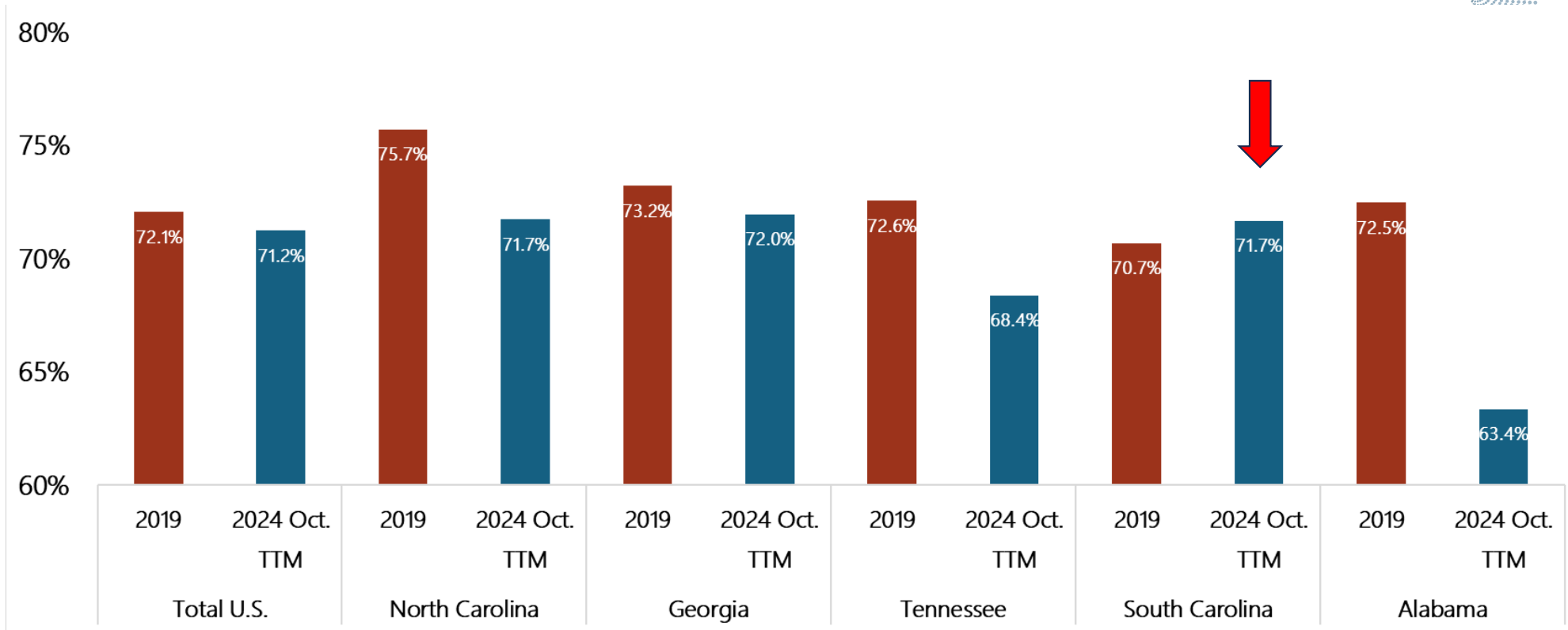
U.S. Extended Stay (lower & mid tier) ADR: % Change Tracks with Industry 2019 Full-Year vs. October 2024 T12M



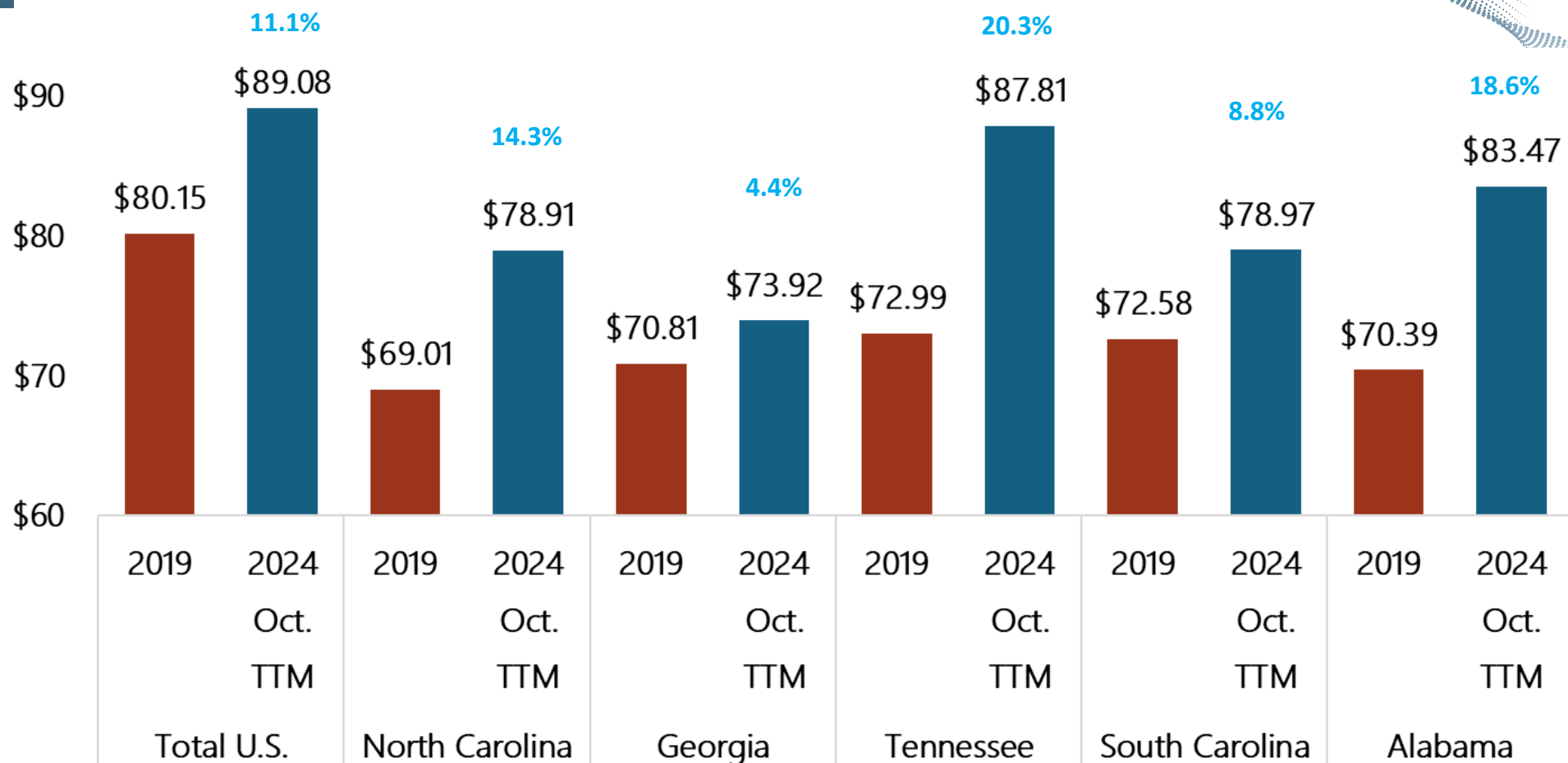
Extended Stay (All Brands) Room Night Demand % in Non-Extended Stay Hotels 2019 Full-Year vs. October 2024 T12M



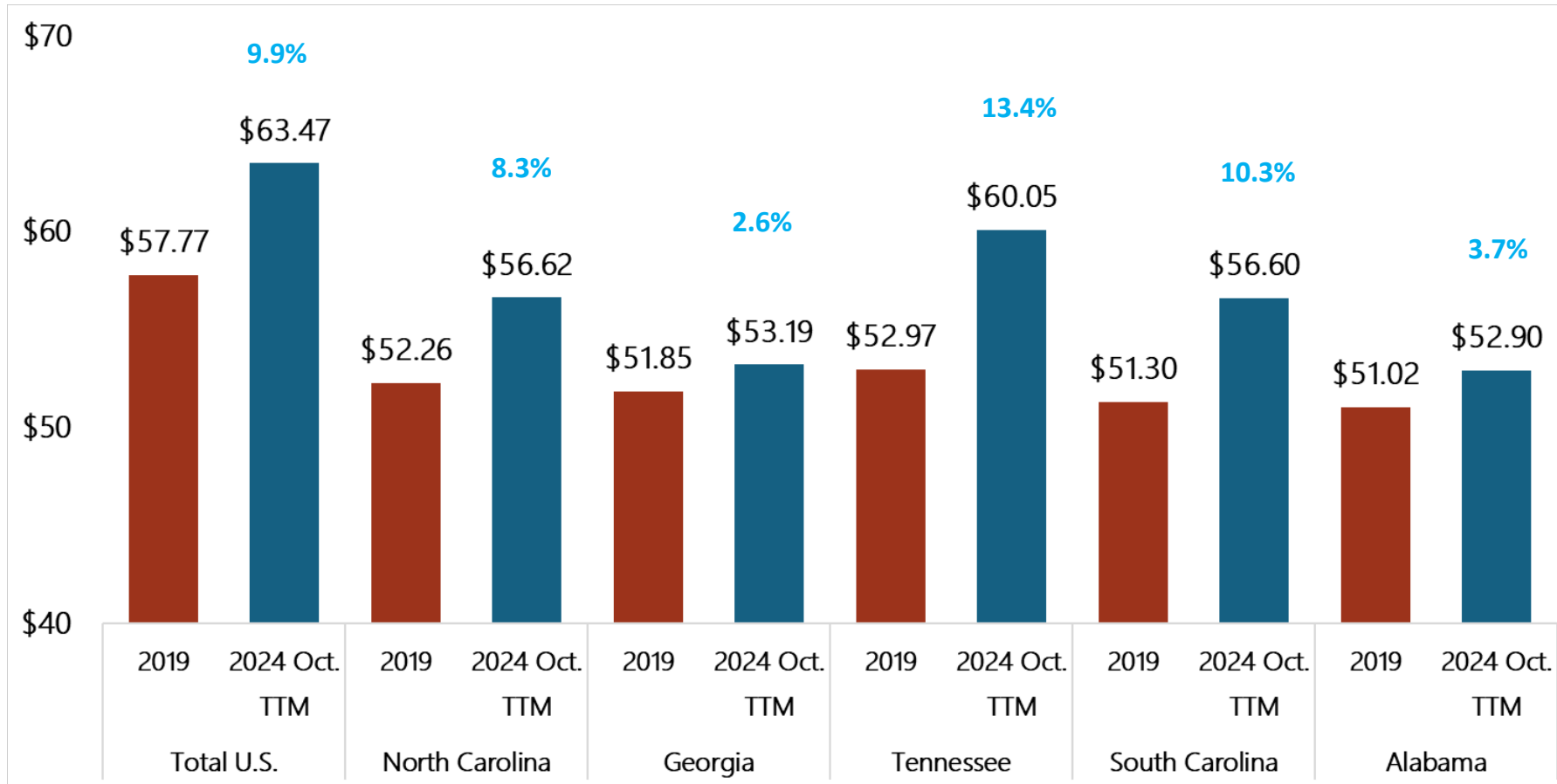
States Extended Stay (lower/mid tier) Occupancy %: SC only growth state
2019 Full-Year vs. October 2024 T12M



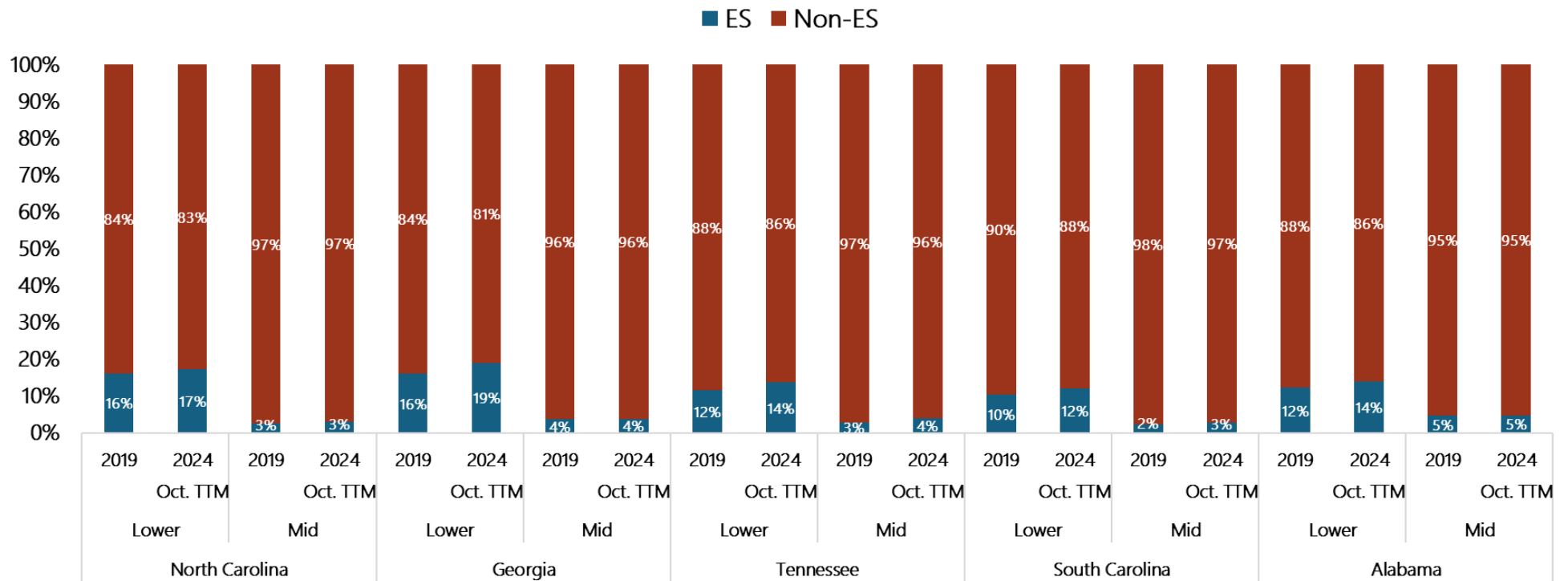
Extended Stay (low/mid tier): All five states see ADR Growth 2019 Full-Year vs. October 2024 T12M



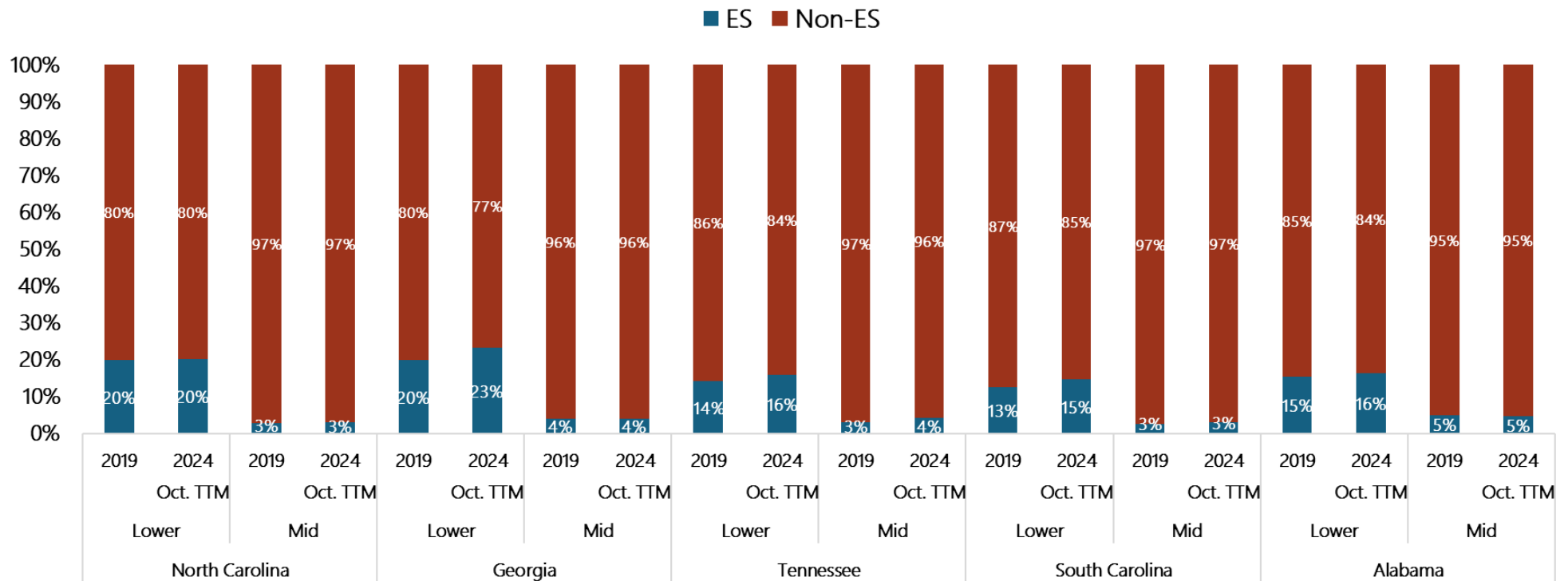
States Extended Stay (lower/mid tier) RevPAR: All have RevPAR growth from ADR 2019 Full-Year vs. October 2024 T12M



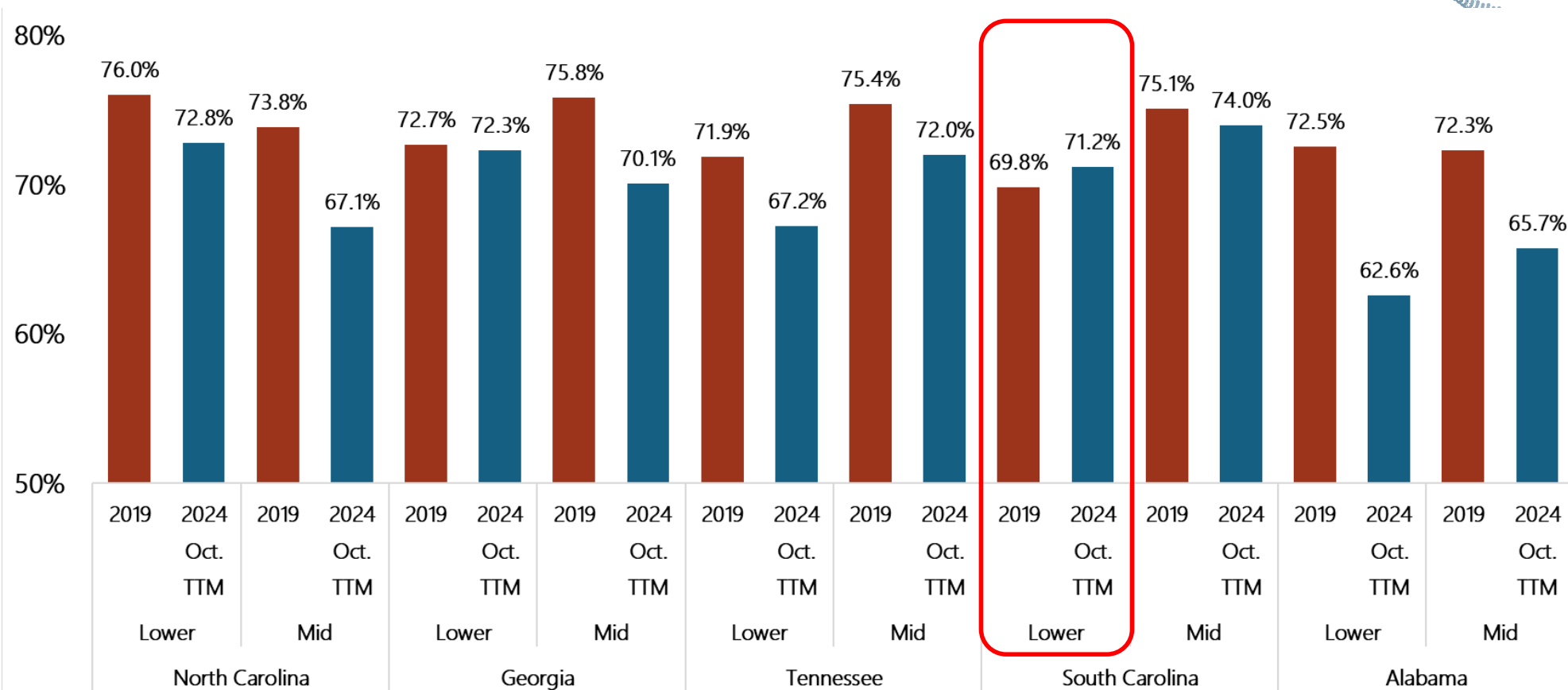
States Extended Stay Supply %: All states/tiers have an ES supply increase 2019 Full-Year vs. October 2024 T12M



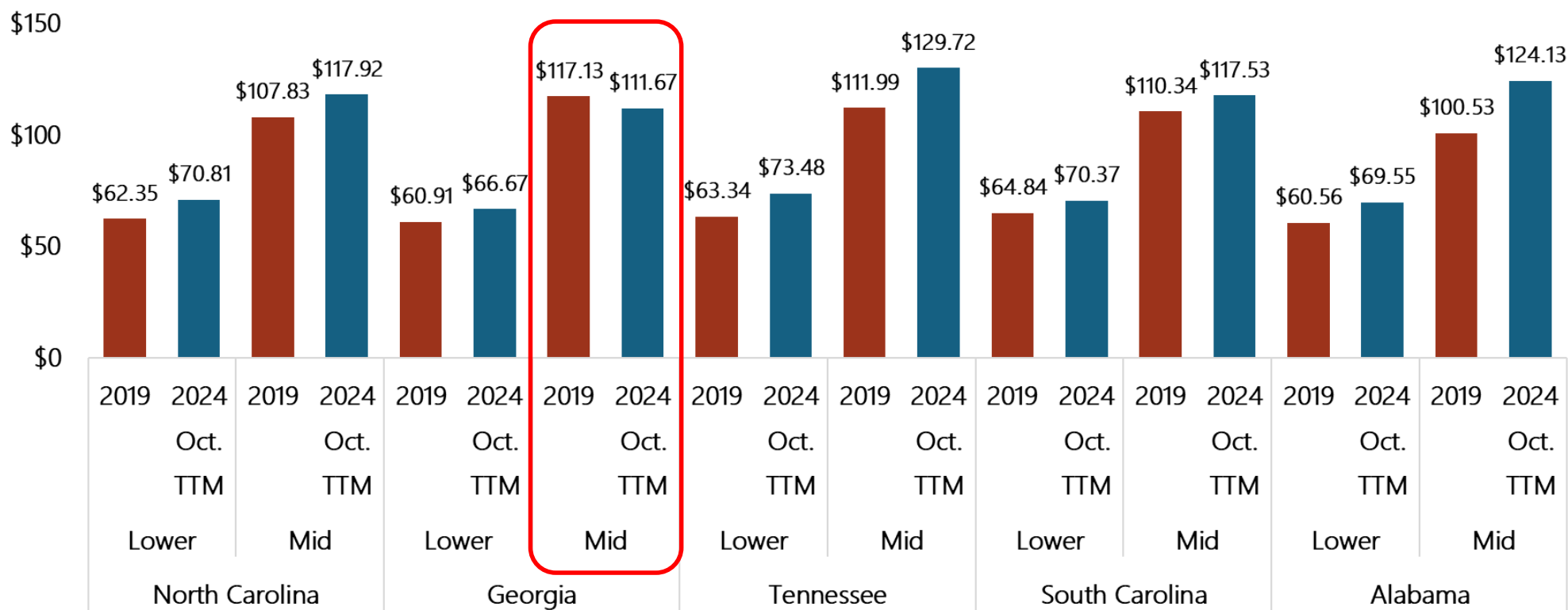
States Extended Stay Demand %: All states/tiers have an ES demand increase: 2019 Full-Year vs. October 2024 T12M



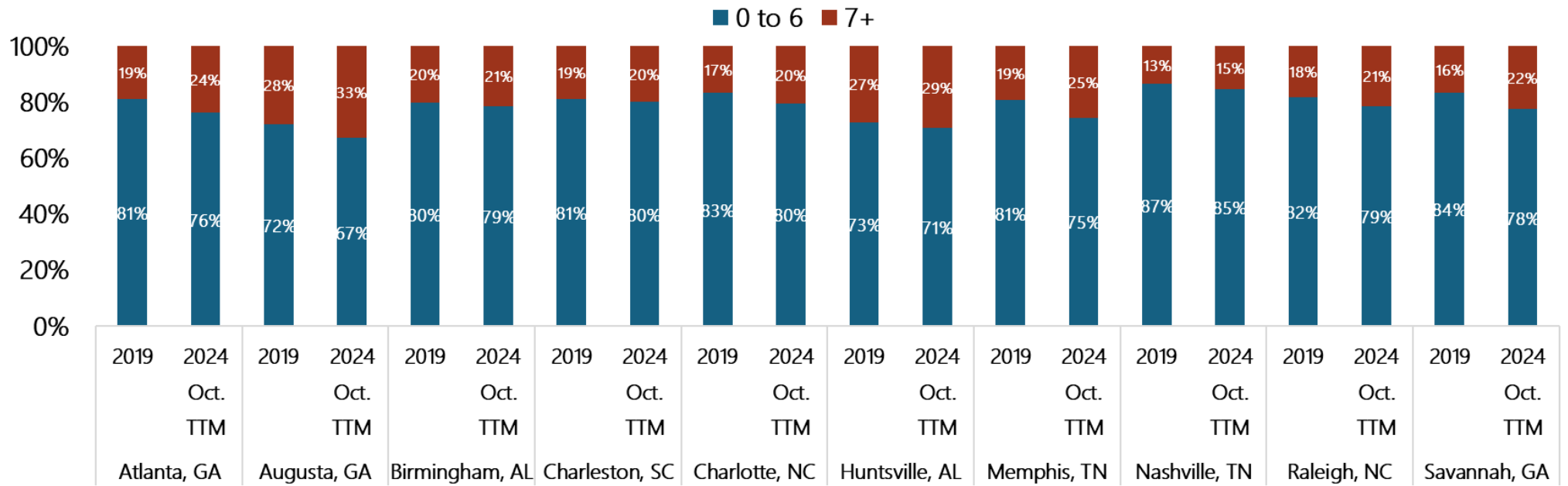
States Extended Stay Occupancy %: All have Occ % decline except Lower tier SC improves 2019 Full-Year vs. October 2024 T12M



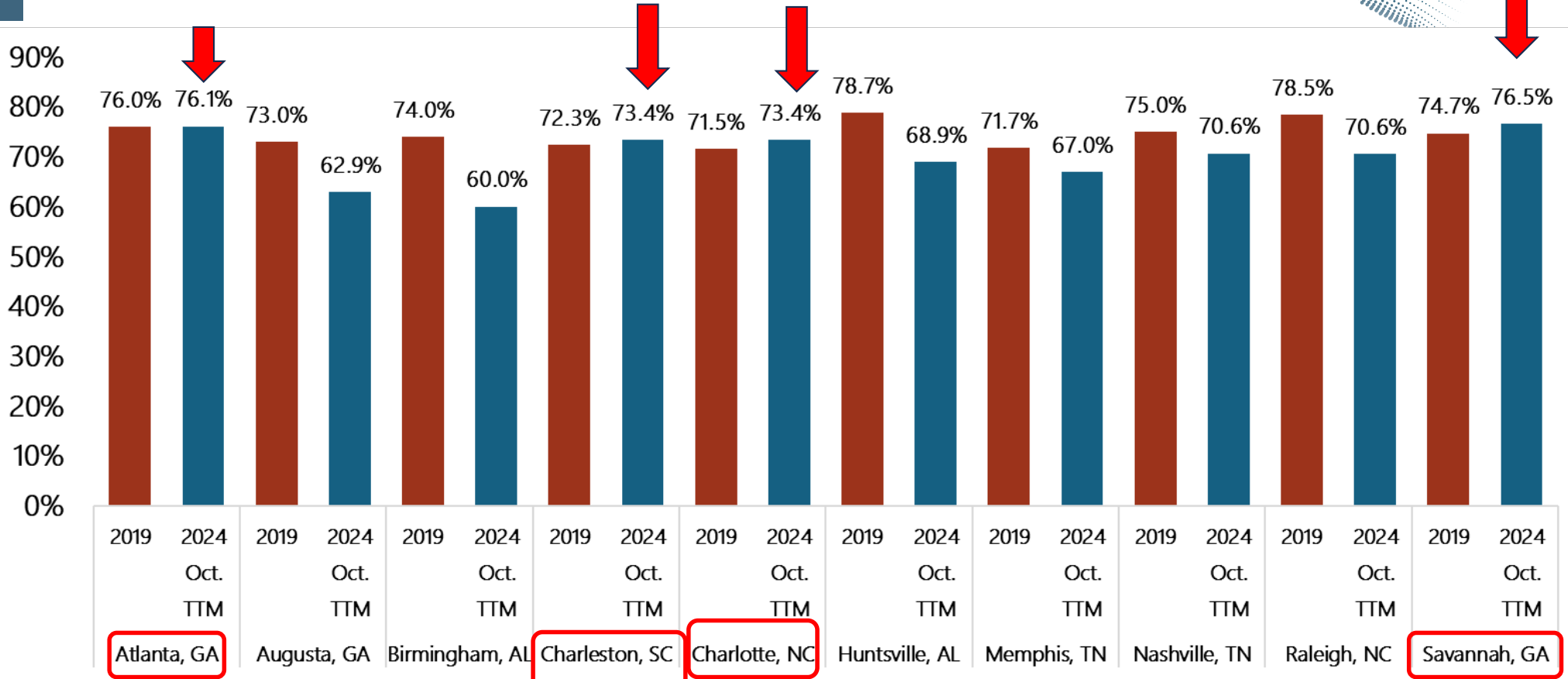
States Extended Stay ADR: Mid tier outpaces Lower tier Growth, except decline in GA 2019 Full-Year vs. October 2024 T12M



Extended Stay (All Brands): RN Demand % in Non-Extended Stay Hotels has grown in all markets
2019 Full-Year vs. October 2024 T12M



Extended Stay Occupancy %: Southern Markets had 4 ups and 6 downs
2019 Full-Year vs. October 2024 T12M



Extended Stay Market Selection Example—Markets in Georgia

Evaluating Supply vs. Demand

Extended Stay Market Selection Report - Georgia Submarkets											
Chain Scales: All											
April 2024 TTM											
State/Submarket		Demand Analysis									
		Guest-Paid ADR		Demand Size		% of Occupied Room Nights					
		7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	All Brands		ES Brands Only		Non-ES Brands Only	
		7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS
Total State		\$111.37	\$83.55	3,233,201	2,947,997	11.12%	10.14%	20.90%	36.62%	8.98%	4.33%
Downtown Savannah - Savannah, GA	GA	\$184.63	\$127.61	52,108	18,962	4.29%	1.56%	11.24%	6.12%	3.58%	1.09%
Amelia/St. Marys/St. Simons/Jekyll Islands, GA/FL	GA	\$159.95	\$116.61	8,528	4,906	4.20%	2.42%	7.52%	4.22%	3.10%	1.82%
I85 Northeast - Atlanta, GA	GA	\$107.00	\$79.30	99,945	123,620	12.59%	15.58%	21.10%	45.84%	9.63%	5.04%
ATL Airport - Atlanta, GA	GA	\$119.47	\$114.76	216,890	207,803	9.12%	8.74%	32.54%	24.67%	6.96%	7.27%
SAV Airport/Garden City - Savannah, GA	GA	\$122.03	\$92.44	154,226	178,390	16.72%	19.34%	25.30%	47.18%	12.95%	7.11%
Valdosta, GA	GA	\$101.52	\$95.04	40,776	32,154	9.63%	7.60%	20.22%	35.74%	8.21%	3.80%
Six Flags - Atlanta, GA	GA	\$94.50	\$80.18	119,842	88,131	16.95%	12.47%	26.66%	36.00%	15.15%	8.09%
Lagrange - Georgia South Area, GA	GA	\$84.96	\$91.34	31,968	19,488	18.70%	11.40%	33.04%	31.78%	14.03%	4.76%
North Georgia - Georgia North Area, GA	GA	\$101.81	\$83.71	101,050	48,635	14.41%	6.94%	28.49%	23.03%	13.74%	6.17%
I75 South - Atlanta, GA	GA	\$97.81	\$78.95	186,051	182,087	19.01%	18.60%	25.25%	49.98%	16.64%	6.68%
Town Center North Area - Atlanta, GA	GA	\$98.01	\$84.31	154,573	134,319	13.88%	12.06%	23.03%	35.92%	11.13%	4.88%
Albany - Georgia South Area, GA	GA	\$113.07	\$106.70	30,759	8,925	13.37%	3.88%				
Athens - Georgia North Area, GA	GA	\$120.70	\$105.84	29,693	16,023	7.90%	4.26%	14.81%	21.61%	6.47%	0.70%
Central Perimeter Area - Atlanta, GA	GA	\$122.35	\$78.74	100,773	112,248	9.64%	10.74%	19.51%	42.09%	6.49%	0.73%
Gwinnett Area - Atlanta, GA	GA	\$111.76	\$85.43	157,663	189,449	12.04%	14.47%	18.89%	39.23%	8.83%	2.83%
Cumberland/Central Cobb Area - Atlanta, GA	GA	\$100.80	\$67.79	159,843	210,105	9.59%	12.60%	17.64%	46.20%	7.55%	4.12%
Downtown Atlanta - Atlanta, GA	GA	\$169.56	\$80.83	122,165	23,301	4.63%	0.88%	13.45%	6.79%	4.15%	0.56%
Hinesville - Georgia South Area, GA	GA	\$81.98	\$64.66	32,413	21,403	21.43%	14.15%	25.49%	23.76%	20.15%	11.13%



Extended Stay Market Selection Example—Georgia markets Indexing where 7+ demand is high and supply of ES product is low

Extended Stay Market Selection Report - Georgia												
Chain Scales: All												
April 2024 TTM												
State/Submarket	Submarket Index vs. State						Supply Analysis				Market Opportunity Index	
	All Brands		ES Brands Only		Non-ES Brands Only		% of Room Supply		Submarket Index vs. State		Market Opportunity Index	
	7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	ES Brands	Non-ES Brands	ES Brands	Non-ES Brands		
Total State	N/A	N/A	N/A	N/A	N/A	N/A	16.28%	83.72%	N/A	N/A	N/A	N/A
Downtown Savannah - Savannah, GA	39	15	54	17	40	25	8.65%	91.35%	53	109	75	47
Amelia/St. Marys/St. Simons/Jekyll Islands, GA/FL	38	24	36	12	35	42	22.15%	77.85%	136	93	25	31
I85 Northeast - Atlanta, GA	113	154	101	125	107	116	22.39%	77.61%	138	93	78	85
ATL Airport - Atlanta, GA	82	86	156	67	78	168	8.19%	91.81%	50	110	154	334
SAV Airport/Garden City - Savannah, GA	150	191	121	129	144	164	28.53%	71.47%	175	85	82	94
Valdosta, GA	87	75	97	98	91	88	9.48%	90.52%	58	108	157	151
Six Flags - Atlanta, GA	152	123	128	98	169	187	13.89%	86.11%	85	103	198	219
Lagrange - Georgia South Area, GA	168	112	158	87	156	110	23.95%	76.05%	147	91	106	75
North Georgia - Georgia North Area, GA	130	68	136	63	153	142	3.73%	96.27%	23	115	669	622
I75 South - Atlanta, GA	171	183	121	136	185	154	24.14%	75.86%	148	91	125	104
Town Center North Area - Atlanta, GA	125	119	110	98	124	113	21.01%	78.99%	129	94	96	87
Albany - Georgia South Area, GA	120	38					8.65%	91.35%	53	109		
Athens - Georgia North Area, GA	71	42	71	59	72	16	15.45%	84.55%	95	101	76	17
Central Perimeter Area - Atlanta, GA	87	106	93	115	72	17	22.62%	77.38%	139	92	52	12
Gwinnett Area - Atlanta, GA	108	143	90	107	98	65	28.77%	71.23%	177	85	56	37
Cumberland/Central Cobb Area - Atlanta, GA	86	124	84	126	84	95	19.29%	80.71%	118	96	71	80
Downtown Atlanta - Atlanta, GA	42	9	64	19	46	13	4.58%	95.42%	28	114	164	46
Hinesville - Georgia South Area, GA	193	140	122	65	224	257	22.22%	77.78%	137	93	164	188

Extended Stay Market Selection Example

Evaluating at the Submarket Level - Atlanta

Extended Stay Market Selection Report - Atlanta, GA

Chain Scales: All

May 2024 TTM

Market/Submarket	Guest-Paid ADR		Demand Size		Demand Analysis					
	7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	All Brands		% of Occupied Room Nights		Non-ES Brands Only	
					7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS
Total Market	\$113.67	\$83.97	1,846,120	1,783,337	10.30%	9.95%	20.58%	37.29%	7.97%	3.77%
Central Perimeter Area - Atlanta, GA	\$121.40	\$78.91	101,118	115,177	9.58%	10.91%	19.64%	41.89%	6.28%	0.75%
Town Center North Area - Atlanta, GA	\$98.37	\$84.19	159,056	137,347	14.04%	12.12%	22.32%	34.71%	11.36%	4.81%
Gwinnett Area - Atlanta, GA	\$110.83	\$84.71	155,362	185,080	11.84%	14.11%	18.68%	38.51%	8.66%	2.75%
I85 Northeast - Atlanta, GA	\$106.19	\$78.30	98,442	120,734	12.53%	15.36%	21.34%	45.37%	9.42%	4.80%
I85 South - Atlanta, GA	\$107.78	\$89.12	118,183	104,491	16.55%	14.64%	20.32%	43.74%	15.36%	5.41%
GA 400 North - Atlanta, GA	\$106.95	\$77.39	120,189	163,473	9.94%	13.52%	19.18%	43.95%	6.32%	1.60%
Midtown Atlanta - Atlanta, GA	\$169.94	\$132.40	55,067	21,724	6.44%	2.54%	15.24%	11.07%	4.59%	0.75%
I75 South - Atlanta, GA	\$97.71	\$78.88	186,130	185,223	18.92%	18.83%	24.80%	50.98%	16.68%	6.53%
ATL Airport - Atlanta, GA	\$119.48	\$113.63	211,190	195,735	8.90%	8.25%	31.40%	24.63%	6.81%	6.72%
Peachtree Corners Area - Atlanta, GA	\$111.18	\$69.02	51,079	58,799	12.28%	14.13%	22.81%	33.48%	9.33%	8.72%
Six Flags - Atlanta, GA	\$94.63	\$79.63	120,114	87,586	17.02%	12.41%	27.05%	36.11%	15.13%	7.94%
Downtown Atlanta - Atlanta, GA	\$171.87	\$76.76	124,591	22,606	4.65%	0.84%	13.37%	6.07%	4.18%	0.56%
Cumberland/Central Cobb Area - Atlanta, GA	\$101.23	\$67.42	156,822	210,103	9.44%	12.65%	17.60%	45.84%	7.35%	4.11%
North Lake/Stone Mountain Area - Atlanta, GA	\$88.49	\$76.40	41,542	54,749	13.42%	17.69%				
Buckhead - Atlanta, GA	\$149.38	\$98.78	72,710	52,682	5.70%	4.13%	17.35%	23.45%	3.68%	0.78%
I20 East - Atlanta, GA	\$94.08	\$87.70	74,525	67,828	16.21%	14.75%	19.58%	37.79%	15.21%	7.93%



Extended Stay Market Selection Example—Submarkets in ATL

Indexing where 7+ demand is high and supply of ES product is low

Extended Stay Market Selection Report - Atlanta, GA

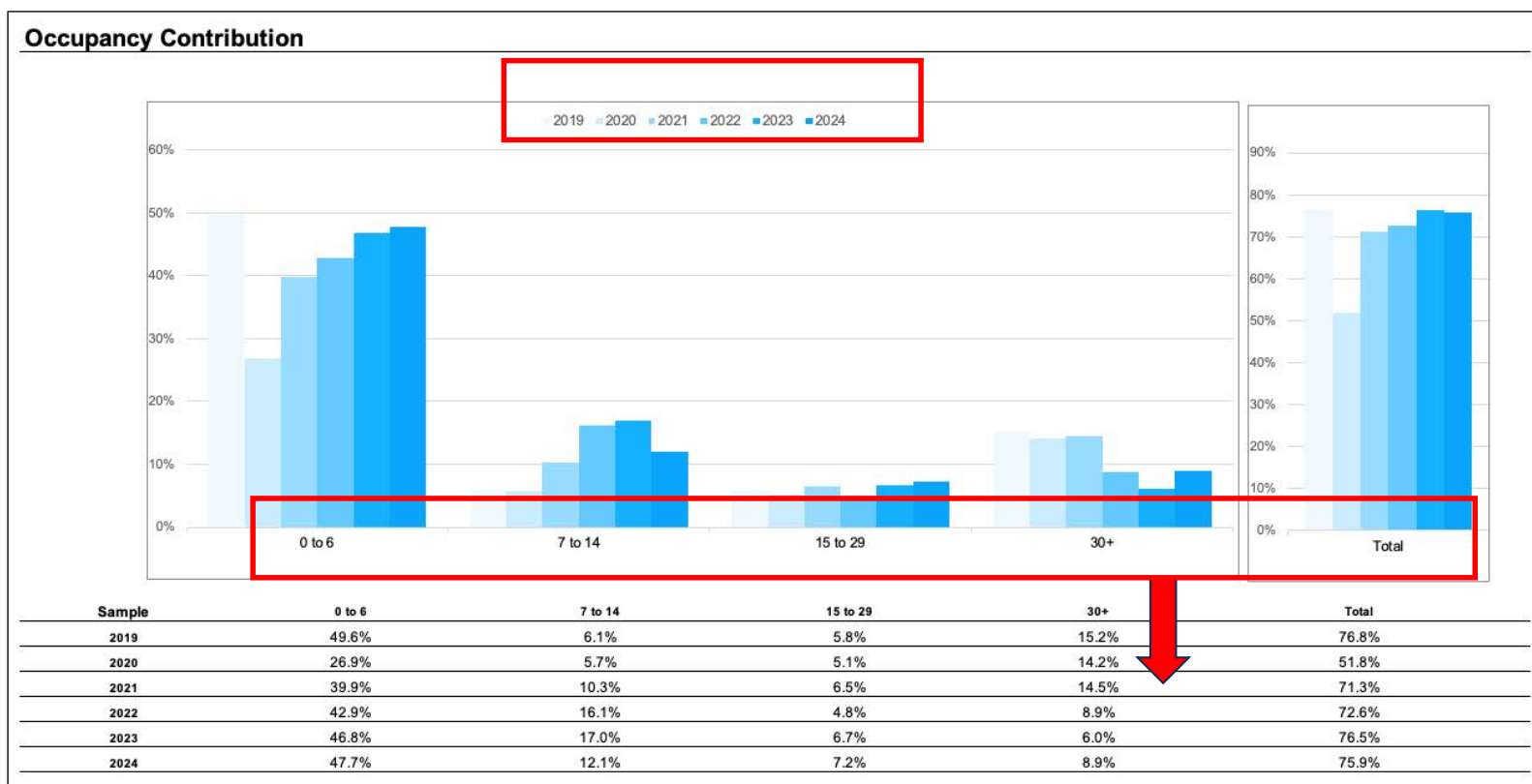
Chain Scales: All

May 2024 TTM

Market/Submarket		Demand Analysis						Supply Analysis				Market Opportunity Index	
		Submarket Index vs. Market						% of Room Supply		Submarket Index vs. Market			
		All Brands		ES Brands Only		Non-ES Brands Only							
		7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	7 to 29 LOS	30+ LOS	ES Brands	Non-ES Brands	ES Brands	Non-ES Brands	7 to 29 LOS	30+ LOS
Total Market		N/A	N/A	N/A	N/A	N/A	N/A	16.74%	83.26%	N/A	N/A	N/A	N/A
Central Perimeter Area - Atlanta, GA	Atlanta, GA	93	110	95	112	79	20	22.62%	77.38%	135	93	58	15
Town Center North Area - Atlanta, GA	Atlanta, GA	136	122	108	93	142	128	22.11%	77.89%	132	94	108	97
Gwinnett Area - Atlanta, GA	Atlanta, GA	115	142	91	103	109	73	28.59%	71.41%	171	86	64	43
I85 Northeast - Atlanta, GA	Atlanta, GA	122	154	104	122	118	127	22.68%	77.32%	135	93	87	94
I85 South - Atlanta, GA	Atlanta, GA	161	147	99	117	193	144	19.26%	80.74%	115	97	167	125
GA 400 North - Atlanta, GA	Atlanta, GA	97	136	93	118	79	42	25.61%	74.39%	153	89	52	28
Midtown Atlanta - Atlanta, GA	Atlanta, GA	63	26	74	30	58	20	17.64%	82.36%	105	99	55	19
I75 South - Atlanta, GA	Atlanta, GA	184	189	120	137	209	173	24.10%	75.90%	144	91	145	120
ATL Airport - Atlanta, GA	Atlanta, GA	86	83	153	66	85	178	8.31%	91.69%	50	110	172	359
Peachtree Corners Area - Atlanta, GA	Atlanta, GA	119	142	111	90	117	232	18.71%	81.29%	112	98	105	207
Six Flags - Atlanta, GA	Atlanta, GA	165	125	131	97	190	211	13.89%	86.11%	83	103	229	254
Downtown Atlanta - Atlanta, GA	Atlanta, GA	45	8	65	16	52	15	4.57%	95.43%	27	115	192	55
Cumberland/Central Cobb Area - Atlanta, GA	Atlanta, GA	92	127	86	123	92	109	19.30%	80.70%	115	97	80	95
North Lake/Stone Mountain Area - Atlanta, GA	Atlanta, GA	130	178					11.10%	88.90%	66	107		
Buckhead - Atlanta, GA	Atlanta, GA	55	42	84	63	46	21	13.44%	86.56%	80	104	58	26
I20 East - Atlanta, GA	Atlanta, GA	157	148	95	101	191	211	18.64%	81.36%	111	98	171	189



Selected Comp Set Trendline by Length of Stay Tiers 1-4 Occupancy Contribution

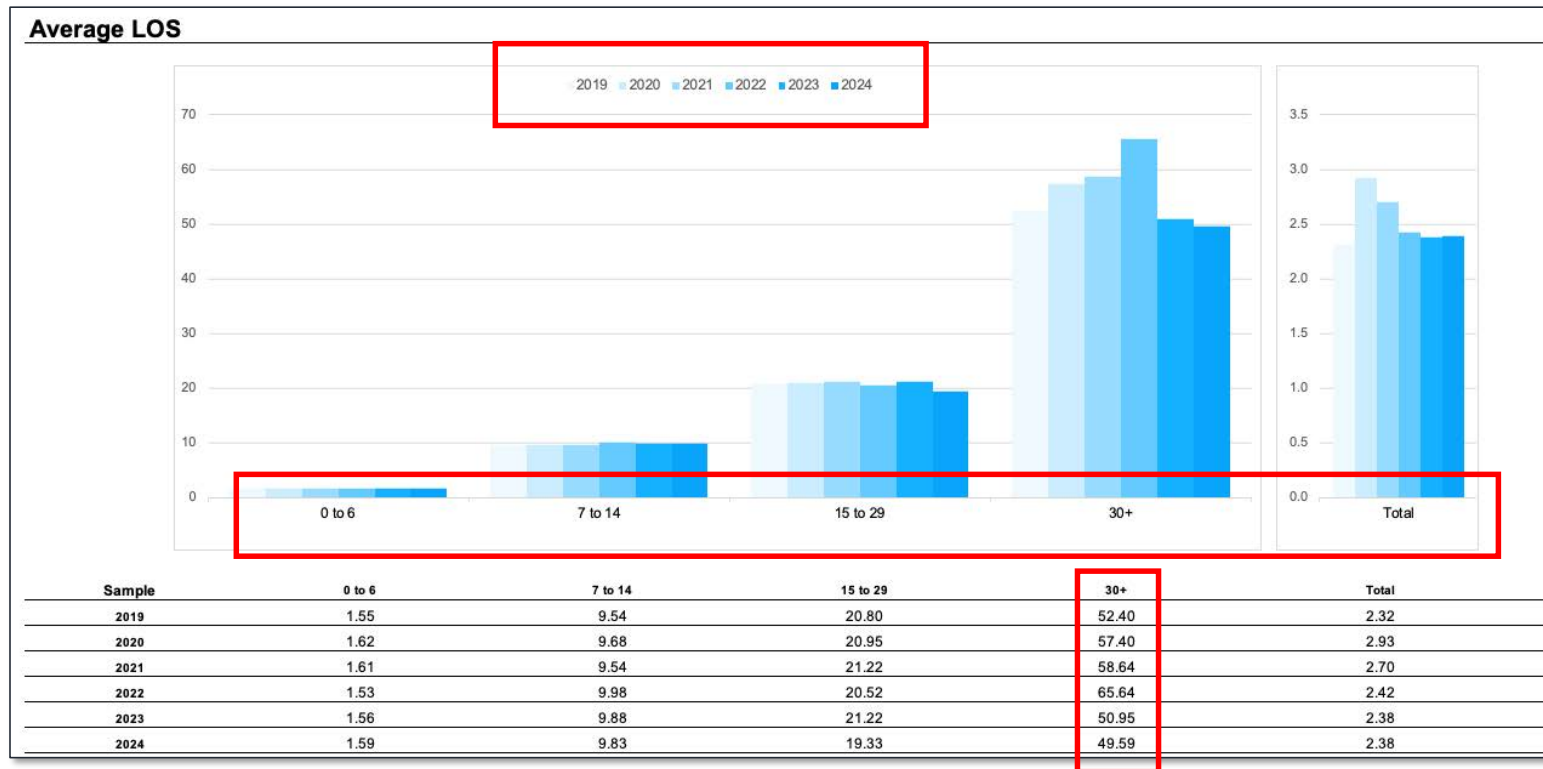


Selected Comp Set Trendline by Length of Stay Tiers 1-4 Hotel Collected ADR



Selected Comp Set—2019-2024

Trendline by Length of Stay Tiers 1-4 – Average Length of Stay



Extended Stay Underwriting Output

Traditional Method Example

Historical/Projected Comp Set
Utilization Analysis | Midscale
Extended Stay Hotel

	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023	TTM 2024	Fcst 2024	Jul YTD 2023	Jul YTD 2024	Fcst 2025	Year 1 Jan-26	Year 2 Jan-27	Year 3 Jan-28	Year 4 Jan-29	Year 5 Jan-30					
Competitive Set																				
Occupancy	80.4%	69.9%	88.3%	78.5%	79.6%	77.9%	77.5%	81.3%	78.3%	78.0%	79.0%	80.0%	80.0%	80.0%	80.0%					
% Growth		-13.1%	26.3%	-11.2%	1.4%	-2.1%	-2.6%		-3.6%	0.6%	1.3%	1.3%	0.0%	0.0%	0.0%					
ADR	\$96	\$80	\$96	\$110	\$113	\$111	\$110	\$116	\$112	\$112	\$114	\$117	\$120	\$123	\$126					
% Growth		-16.8%	20.7%	13.9%	3.4%	-2.1%	-3.1%		-3.4%	1.8%	2.2%	2.5%	2.5%	2.4%	2.0%					
RevPAR	\$77	\$56	\$85	\$86	\$90	\$87	\$85	\$94	\$88	\$87	\$90	\$94	\$96	\$99	\$101					
% Growth		-27.7%	52.5%	1.2%	4.9%	-4.2%	-5.6%		-6.9%	2.5%	3.5%	3.8%	2.5%	2.4%	2.0%					
Occ Penetration											92.4%	100.0%	103.8%	103.8%	103.8%					
ADR Penetration											95.4%	95.4%	95.4%	95.4%	95.4%					
RevPAR Pen.											88.2%	95.4%	99.0%	99.0%	99.0%					
Midscale Extended Stay Hotel																				
Occupancy	CONSTRUCTION															73.0%	80.0%	83.0%	83.0%	83.0%
% Growth																	9.6%	3.7%	0.0%	0.0%
ADR																\$109	\$112	\$115	\$118	\$120
% Growth																	2.5%	2.5%	2.4%	2.0%
RevPAR																\$80	\$90	\$95	\$98	\$100
% Growth		12.3%	6.3%	2.4%	2.0%															



Extended Stay Underwriting Output

Example Using Kalibri Labs LOS Segmentation

Competitive Supply | Estimated 2023 Performance | Economy Ext. Stay Hotel



HOTELS	ROOMS	OPEN	OCC.	ADR	REVPAR	SEGMENTATION				REVPAR PENETRATION
						0-6	7-14	15-29	30+	
EXT. STAY HOTEL 1	85	17-Apr	60 % -65 %	\$ 115- \$ 120	\$ 65- \$ 70	40.00%	15.00%	12.50%	32.50%	105 % -110 %
EXT. STAY HOTEL 2	122	22-Jul	75 % -80 %	\$ 75- \$ 80	\$ 60- \$ 65	22.50%	12.50%	17.50%	47.50%	95 % -100 %
EXT. STAY HOTEL 3	51	23-Aug	40 % -45 %	\$ 80- \$ 85	\$ 30- \$ 35	30.00%	15.00%	20.00%	35.00%	50 % -55 %
EXT. STAY HOTEL 4	121	6-Sep	60 % -65 %	\$ 110- \$ 115	\$ 65- \$ 70	53.00%	14.00%	8.00%	25.00%	105 % -110 %
EXT. STAY HOTEL 5	84	7-Sep	65 % -70 %	\$ 110- \$ 115	\$ 75- \$ 80	57.50%	12.00%	7.00%	23.50%	120 % -125 %
EXT. STAY HOTEL 6	107	Jan-97	75 % -80 %	\$ 80- \$ 85	\$ 60- \$ 65	25.00%	12.00%	8.00%	55.00%	95 % -100 %
TOTALS / AVGS	570		66.62%	\$95.77	\$63.80	37.03%	13.08%	11.46%	38.43%	

HOTELS	FAIR MARKET SHARE	MARKET PENETRATION					MARKET PENETRATION AS A % of FMS				
		TOTAL	0-6	7-14	15-29	30+	TOTAL	0-6	7-14	15-29	30+
EXT. STAY HOTEL 1	14.90%	13.40%	14.50%	15.40%	14.70%	11.36%	90.07%	97.29%	103.32%	98.24%	76.16%
EXT. STAY HOTEL 2	21.40%	24.90%	15.10%	23.80%	38.00%	30.79%	116.34%	70.69%	111.22%	177.65%	143.78%
EXT. STAY HOTEL 3	8.90%	5.30%	4.30%	6.10%	9.30%	4.86%	60.05%	48.64%	68.88%	104.79%	54.68%
EXT. STAY HOTEL 4	21.20%	19.40%	27.70%	20.80%	13.50%	12.61%	91.27%	130.63%	97.72%	63.71%	59.37%
EXT. STAY HOTEL 5	14.70%	15.20%	23.60%	14.00%	9.30%	9.30%	103.13%	160.13%	94.64%	62.99%	63.06%
EXT. STAY HOTEL 6	18.80%	21.70%	14.70%	19.90%	15.20%	31.07%	115.59%	78.03%	106.08%	80.69%	165.41%

Sources: Kalibri Labs, Woodworth Core Group

Note: EXT. STAY HOTEL 3 reflects a partial year of operations

Extended Stay Underwriting Output

Example Using Kalibri Labs LOS Segmentation (continued)

Estimated Growth in Total Demand | Economy Extended Stay Hotel



YEAR ¹	0-6		7-14		15-29		30+		TOTAL	
	NIGHTS	GROWTH %	NIGHTS	GROWTH %	NIGHTS	GROWTH %	NIGHTS	GROWTH %	NIGHTS	GROWTH %
2023	53,500	-	19,200	-	16,700	-	58,100	-	147,500	-
2024 ²	58,800	9.90%	19,200	0.20%	16,100	-3.70%	65,100	12.00%	159,200	7.90%
2025	62,200	5.90%	19,900	3.90%	16,700	3.90%	68,800	5.70%	167,600	5.40%
2026	65,300	4.90%	20,700	3.90%	17,200	2.90%	72,100	4.80%	175,300	4.50%
2027	68,800	5.40%	22,400	8.00%	18,200	5.80%	80,200	11.20%	189,600	8.10%
2028	70,100	1.90%	22,800	1.90%	18,600	1.90%	82,300	2.70%	193,800	2.20%
2029	71,500	1.90%	23,200	1.90%	18,900	1.90%	83,800	1.80%	197,400	1.90%
2030	72,200	1.00%	23,400	0.90%	19,100	0.90%	84,600	0.90%	199,300	0.90%
2031	72,900	1.00%	23,600	0.90%	19,300	0.90%	85,400	0.90%	201,200	0.90%

¹ 2023 reflects a calendar year ending December 31; all other years are fiscal, ending June 30

² 2024 incorporates actual performance through July

Sources: Kalibri Labs, Woodworth Core Group



Extended Stay Underwriting Output

Example Using Kalibri Labs
LOS Segmentation
(continued)

Estimated Segmentation Ramp up in 2023 \$
Economy Extended Stay Hotel



Sources: Kalibri Labs, Woodworth Core Group

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YEAR 1	RN%	ADR DISCOUNT	OCC %	ADR	RevPAR
0-6	27%	-	20.9%	\$118.00	\$24.75
7-14	18%	-20%	13.7%	\$94.50	\$13.00
15-29	11%	-22.5%	8.4%	\$91.50	\$7.75
30+	44%	-27.5%	33.9%	\$85.50	\$29.00
Total	100%		73.1%	\$96.59	\$70.75

YEAR 1	RN%	ADR DISCOUNT	OCC %	ADR	RevPAR
0-6	24%	-	18.4%	\$120.00	\$22.00
7-14	18%	-20%	13.9%	\$96.00	\$13.50
15-29	11%	-22.5%	8.8%	\$93.00	\$8.25
30+	47%	-27.5%	36.0%	\$87.00	\$31.25
Total	100%		75.6%	\$97.48	\$73.75

YEAR 1	RN%	ADR DISCOUNT	OCC %	ADR	RevPAR
0-6	22%	-	17.2%	\$122.00	\$21.00
7-14	18%	-20%	13.9%	\$97.50	\$13.50
15-29	11%	-22.5%	8.8%	\$94.50	\$8.25
30+	48%	-27.5%	36.9%	\$88.50	\$32.25
Total	100%		76.6%	\$98.33	\$75.50



Demystifying the Digital Market & Guide to Commercial Strategy

- Released in partnership with Hotel Business; 100% industry sponsored
- Certification is designed for above property and on-property: operations, finance, commercial and owners/asset managers
- Book & Certification partners: HSMIAI, HFTP, AAHOA, HAMA



New Builds, Conversions, Underwriting for Extended Stay



Cindy Estis Green
Kalibri Labs



Kerry Ranson
Raines



Philip Cox
Cox Universal Group



David Perrin
Hunter Hotel Advisors



Ryan Maher
Noble Investment Group



Ben Brunt
Noble

Brand Selection, Chain Scale, and Operating Strategies



Cindy Estis Green
Kalibri Labs



Jason Ballard
Hyatt Studios



David Wilner
Wyndham



Frank McFadden
Hilton



Ron Stewart
Marriott



Robert Scribner
Choice



ESLA DEVELOPMENT &
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December 4, 2024

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December 4, 2024

“I’m Open, Now What?”

Metrics for Extended Stay Operations

Jennifer Hill
VP, Commercial Strategy
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Extended Stay Metrics



Extended Stay Metrics – What's different?

ESOCC (Extended Stay Occupancy)

- Tracks stays 7+ nights separately from traditional occupancy
- Critical for understanding true extended stay capture vs. transient business
- ESOCC portion is a subset of total occupancy

Length of Stay Contribution (LOS)

- Measures revenue contribution by stay length segments
- Helps optimize between extended stay vs. short-term revenue
- Target mix is typically 50% or higher from stays 7+ nights

Cost Per Occupied Room (CPOR)

- Decreases with longer stays due to reduced turnover

RevPAR Index

- Traditional RevPAR comparisons may show lower performance due to lower ADR
- Must establish most profitable business mix based on ESOCC demand
- Need to factor in reduced operating costs and customer acquisition costs
- Extended stay properties often show higher GOP despite lower RevPAR

Extended Stay Metrics

How is ESOCC calculated?

Example:

114 rooms x 30 days = 3,420 available room nights
1,514 nights from guests staying 7+ nights
893 nights from guests staying less than 7 nights
2,407 total nights sold

Traditional Occupancy

$$(2407 / 3420) \times 100 = 70.4\%$$

ESOCC

$$(1514 / 3420) \times 100 = 44.3\%$$

Traditional Occupancy

$$(\text{Total room nights sold} / \text{Total available room nights}) \times 100$$

ESOCC

$$(\text{Room nights from stays of 7+nights} / \text{Total available room nights}) \times 100$$

Total Occupancy Example – Ramp Up


LOS
All

Metric	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change #
COPE RevPAR ⓘ	\$53.61	-	▲\$53.61
COPE ADR ⓘ	\$76.17	-	▲\$76.17
Occupancy ⓘ	70.4%	-	▲70.4%
Cost per Room Night ⓘ	\$3.70	-	▲\$3.70
Loyalty Percentage ⓘ	38.0%	-	▲38.0%
COPE Revenue ⓘ	\$183,350	-	▲\$183,350
Room Nights ⓘ	2,407	-	▲2,407

Extended Stay Occupancy Example – Ramp Up

LOS
7 - 14, 15 - 29, 30+


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Overall			
			
Metric	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change #
COPE RevPAR ⓘ	\$31.81	-	▲ \$31.81
COPE ADR ⓘ	\$71.86	-	▲ \$71.86
Occupancy ⓘ	44.3%	-	▲ 44.3%
Cost per Room Night ⓘ	\$2.17	-	▲ \$2.17
Loyalty Percentage ⓘ	32.9%	-	▲ 32.9%
COPE Revenue ⓘ	\$108,794	-	▲ \$108,794
Room Nights ⓘ	1,514	-	▲ 1,514

Total Occupancy Example - Stabilized

LOS
All

Metric	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change #
COPE RevPAR ⓘ	\$77.47	\$79.10	▼-\$1.64
COPE ADR ⓘ	\$108.69	\$115.95	▼-\$7.26
Occupancy ⓘ	71.3%	68.2%	▲3.0%
Cost per Room Night ⓘ	\$10.50	\$8.24	▲\$2.26
Loyalty Percentage ⓘ	62.6%	69.9%	▼-7.4%
COPE Revenue ⓘ	\$244,020	\$249,180	▼-\$5,159
Room Nights ⓘ	2,245	2,149	▲96

Extended Stay Occupancy Example - Stabilized

LOS

7 - 14, 15 - 29, 30+



Metric	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change #
COPE RevPAR ⓘ	\$31.20	\$42.46	▼-\$11.26
COPE ADR ⓘ	\$93.70	\$103.04	▼-\$9.34
Occupancy ⓘ	33.3%	41.2%	▼-7.9%
Cost per Room Night ⓘ	\$6.10	\$5.38	▲\$0.71
Loyalty Percentage ⓘ	77.6%	76.1%	▲1.6%
COPE Revenue ⓘ	\$98,294	\$133,751	▼-\$35,457
Room Nights ⓘ	1,049	1,298	▼-249


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Extended Stay – The First Year

First year occupancy patterns typically differ from stabilized years in several ways

First 3-6 months

- Often more transient business as the sales team builds relationships with corporate accounts
- Shorter ALOS as the property relies on OTA bookings and walk-ins to build base occupancy
- Lower ESOCC as extended-stay contracts and relationships haven't fully developed
- Team may take shorter stays at higher rates to establish market presence

Months 6-12

- ALOS typically begins increasing as corporate accounts and relocation contracts get established
- Government/military contracts often take 6+ months to secure
- Local extended-stay demand may shift from older properties once they discover the new option
- Healthcare contracts (traveling nurses, etc.) can take 2-3 contract cycles to establish

Pre-existing demand factors that can accelerate ramp-up

- Major infrastructure/construction projects in the area that were using traditional hotels
- Corporate accounts frustrated with older extended-stay inventory
- Government contractors scattered across multiple properties who prefer to consolidate
- Healthcare systems with consistent needs but limited purpose-built options

Extended Stay Considerations – Moving toward stabilization



Location Specifics

- Proximity to medical campuses or research facilities
- Distance from major corporate office parks/developments with ongoing consulting needs
- Access to military bases or government facilities
- Visibility and ease of access from major highways

Competitive Landscape

- Age of existing extended-stay inventory in the market
- Recent corporate relocations to the area
- Whether competitors are true purpose-built or converted properties
- Price positioning relative to older extended-stay inventory

Extended Stay Considerations – Moving toward stabilization

Market Demand Drivers

- Major construction/infrastructure projects with 12+ month timelines
- Corporate expansion announcements made during development
- Film/TV production schedules in the area
- Disaster recovery or insurance contracts from recent events

Sales Team Experience

- Whether the sales team has existing relationships with extended-stay clients
- Experience level with government contracting processes
- Connections to local relocation companies
- Understanding of market-specific extended-stay rate thresholds



Extended Stay

Operational considerations around profitable business mix

Guest Acquisition Costs

- Extended stays typically have lower marketing/OTA costs
- Corporate accounts often book direct once relationships are established
- Repeat guests from project-based work can lead to multi-year relationships
- Less daily revenue but higher profit margins per occupied room night

Market-Specific Considerations

- Government per diem rates often set the baseline for contractor pricing
- Healthcare contract rates need to account for more frequent unit refreshes
- Construction project rates should factor in higher maintenance costs
- Film industry rates might command premium due to predictable lengths of stay

Contract Structure

- Including/excluding specific services in corporate rates
- Setting terms for rate adjustments during peak seasons
- Structuring cancellation policies that protect against sudden project changes

I'm Open ... Now What?



A bit about our hotel...

- 105 rooms
- Large metropolitan suburban area
- Annual ADR of ~\$95



Performance vs. Primary Benchmark

All length of stay (LOS)

LOS

All

▼

Metric	Subject			Primary Benchmark		
	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change %	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change %
COPE RevPAR ⓘ	\$77.47	\$79.10	▼ -2.1%	\$93.44	\$90.61	▲ 3.1%
COPE ADR ⓘ	\$108.69	\$115.95	▼ -6.3%	\$127.08	\$130.67	▼ -2.7%
Occupancy ⓘ	71.3%	68.2%	▲ 4.5%	73.5%	69.3%	▲ 6.0%
Cost per Room Night ⓘ	\$10.50	\$8.24	▲ 27.4%	\$11.32	\$11.35	▼ -0.3%
Loyalty Percentage ⓘ	62.6%	69.9%	▼ -10.5%	73.6%	68.8%	▲ 7.0%
COPE Revenue ⓘ	\$244,020	\$249,180	▼ -2.1%	\$1,892,101	\$1,834,770	▲ 3.1%
Room Nights ⓘ	2,245	2,149	▲ 4.5%	14,889	14,041	▲ 6.0%

Performance vs. Primary Benchmark

Extended Stay Occ (ESOCC)

LOS
7 - 14, 15 - 29, 30+

Metric	Subject			Primary Benchmark		
	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change %	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change %
COPE RevPAR ⓘ	\$31.20	\$42.46	▼ -26.5%	\$13.52	\$13.33	▲ 1.4%
COPE ADR ⓘ	\$93.70	\$103.04	▼ -9.1%	\$116.51	\$121.05	▼ -3.7%
Occupancy ⓘ	33.3%	41.2%	▼ -19.2%	11.6%	11.0%	▲ 5.4%
Cost per Room Night ⓘ	\$6.10	\$5.38	▲ 13.2%	\$7.64	\$6.66	▲ 14.8%
Loyalty Percentage ⓘ	77.6%	76.1%	▲ 2.1%	76.0%	65.4%	▲ 16.1%
COPE Revenue ⓘ	\$98,294	\$133,751	▼ -26.5%	\$273,803	\$269,934	▲ 1.4%
Room Nights ⓘ	1,049	1,298	▼ -19.2%	2,350	2,230	▲ 5.4%

Performance by Rate Category Year-Over-Year

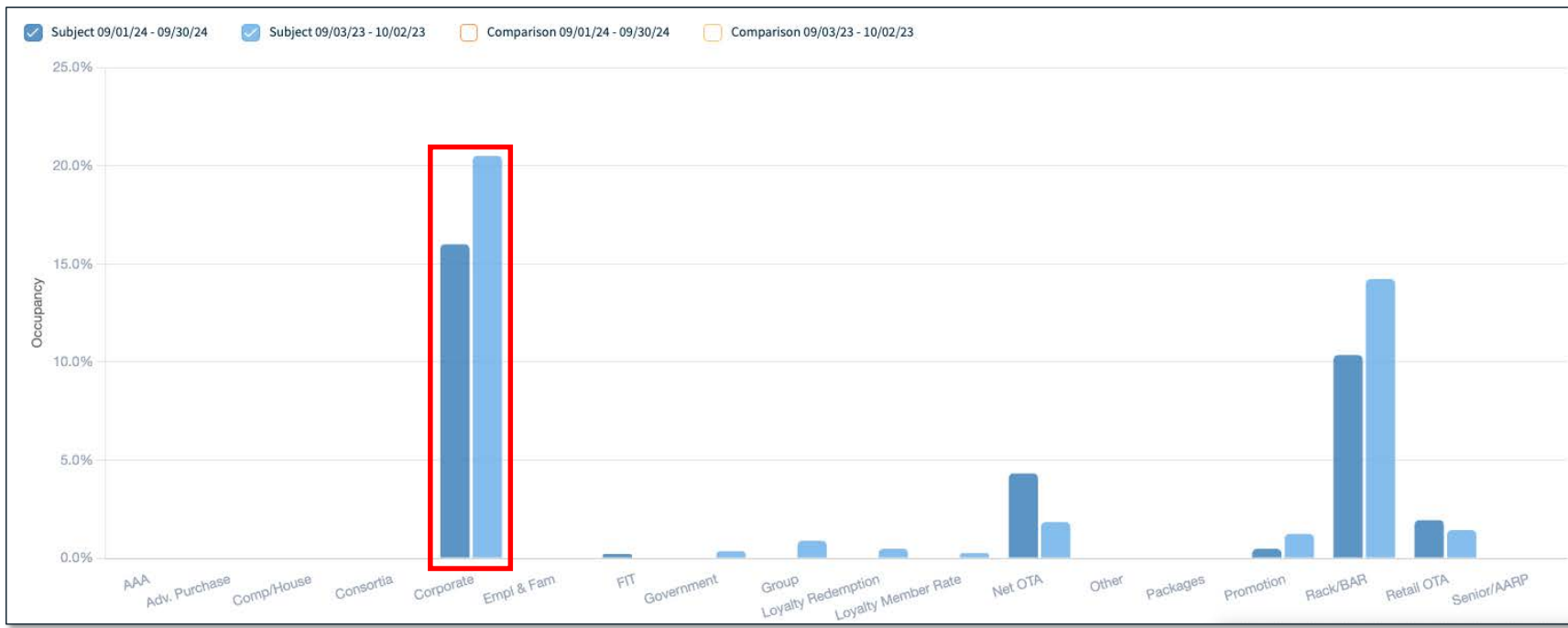
ESOCC, Subject Hotel Only



LOS

7 - 14, 15 - 29, 30+

▼












Corporate Rate Category Performance vs. Primary Benchmark

ESOCC, sorted by growth in competitors

LOS

7 - 14, 15 - 29, 30+

		Subject						Primary Benchmark					
		Revenue			ADR			Revenue			ADR		
Account Name	Code	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change %	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change %	09/01/24 - 09/30/24 ↓	09/03/23 - 10/02/23	Change %	09/01/24 - 09/30/24	09/03/23 - 10/02/23	
<input type="checkbox"/> 								>		≥ 0			
<input type="checkbox"/> Corpay	CA95146351	\$95	-	▲ ∞	\$95.00	-	▲ ∞	\$9,556	\$2,368	▲ 303.6%	\$80.31	\$74.00	
<input type="checkbox"/> Reed Elsevier	CA5100001	-	-	-	-	-	-	\$6,262	-	▲ ∞	\$97.84	-	
<input type="checkbox"/> Hotel Engine	CA7200066	-	-	-	-	-	-	\$4,196	-	▲ ∞	\$119.87	-	
<input type="checkbox"/> CRS Temporary Housing	CA2300013	-	-	-	-	-	-	\$3,191	\$3,109	▲ 2.6%	\$122.72	\$148.07	
<input type="checkbox"/> Environmental Tectonics	CA9570848	-	-	-	-	-	-	\$3,132	-	▲ ∞	\$97.88	-	
<input type="checkbox"/> Temporary Housing Directory	CA2300015	-	-	-	-	-	-	\$3,095	-	▲ ∞	\$134.56	-	
<input type="checkbox"/> PepsiCo	CA3100118	-	-	-	-	-	-	\$2,133	-	▲ ∞	\$92.76	-	
<input type="checkbox"/> Milan Laser	CA9516354	-	-	-	-	-	-	\$1,943	-	▲ ∞	\$107.96	-	

Items per page:

25

1 - 17 of 17

Corporate Account Detail

ESOCC; Corpay Account Summary

LOS

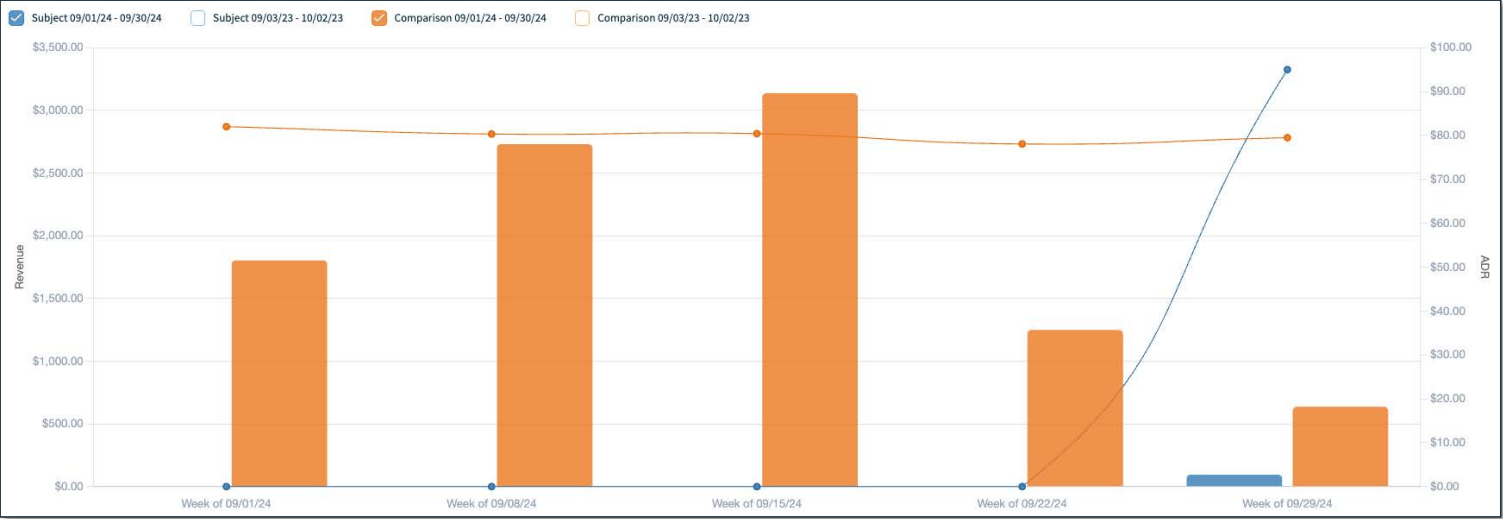
7 - 14, 15 - 29, 30+

[List of Accounts](#) > Corpay - CA95146351: Account Summary

Metric	Subject			Primary Benchmark		
	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change #	09/01/24 - 09/30/24	09/03/23 - 10/02/23	Change #
COPE Revenue ⓘ	\$95	-	▲ \$95	\$9,556	\$2,368	▲ \$7,188
COPE ADR ⓘ	\$95.00	-	▲ \$95.00	\$80.31	\$74.00	▲ \$6.31
Occupancy ⓘ	0.0%	-	▲ 0.0%	0.6%	0.2%	▲ 0.4%
Cost per Room Night ⓘ	\$0.00	-	\$0.00	\$1.01	\$0.00	▲ \$1.01
Loyalty Percentage ⓘ	0.0%	-	0.0%	25.3%	0.0%	▲ 25.3%
COPE RevPAR ⓘ	\$0.03	-	▲ \$0.03	\$0.47	\$0.12	▲ \$0.35
Room Nights ⓘ	1	-	▲ 1	119	32	▲ 87

Corporate Account Detail

ESOCC; Agency and Contact Information



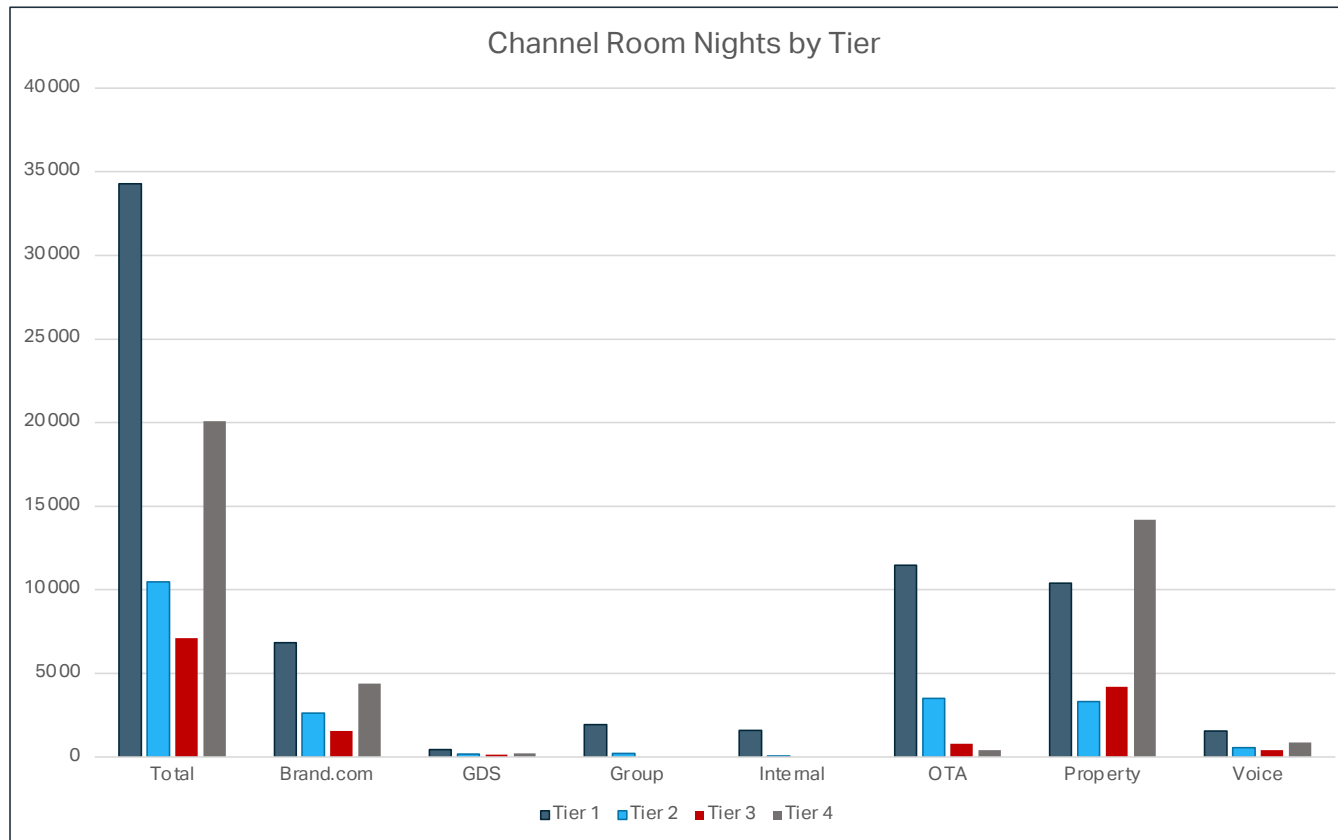
Subject			Primary Benchmark	
Contact Info ⓘ			Revenue	
Business Info			09/01/24 - 09/30/24	09/03/23 - 10/02/23
Name	Website	Address	\$5,089	\$2,368
Clc Lodging	http://www.clclodging.com	8111 E 32nd St N Ste 300 Wichita, KS 67226-2619 USA		
Contact Info				
Phone	Fax	Email		
+001 (800) 845-9863	+001 (316) 636-9258	brian.mischler@fleetcor.com		

Sample Performance Data by Extended Stay Tier



Channel Performance by Tier: Room Night Distribution

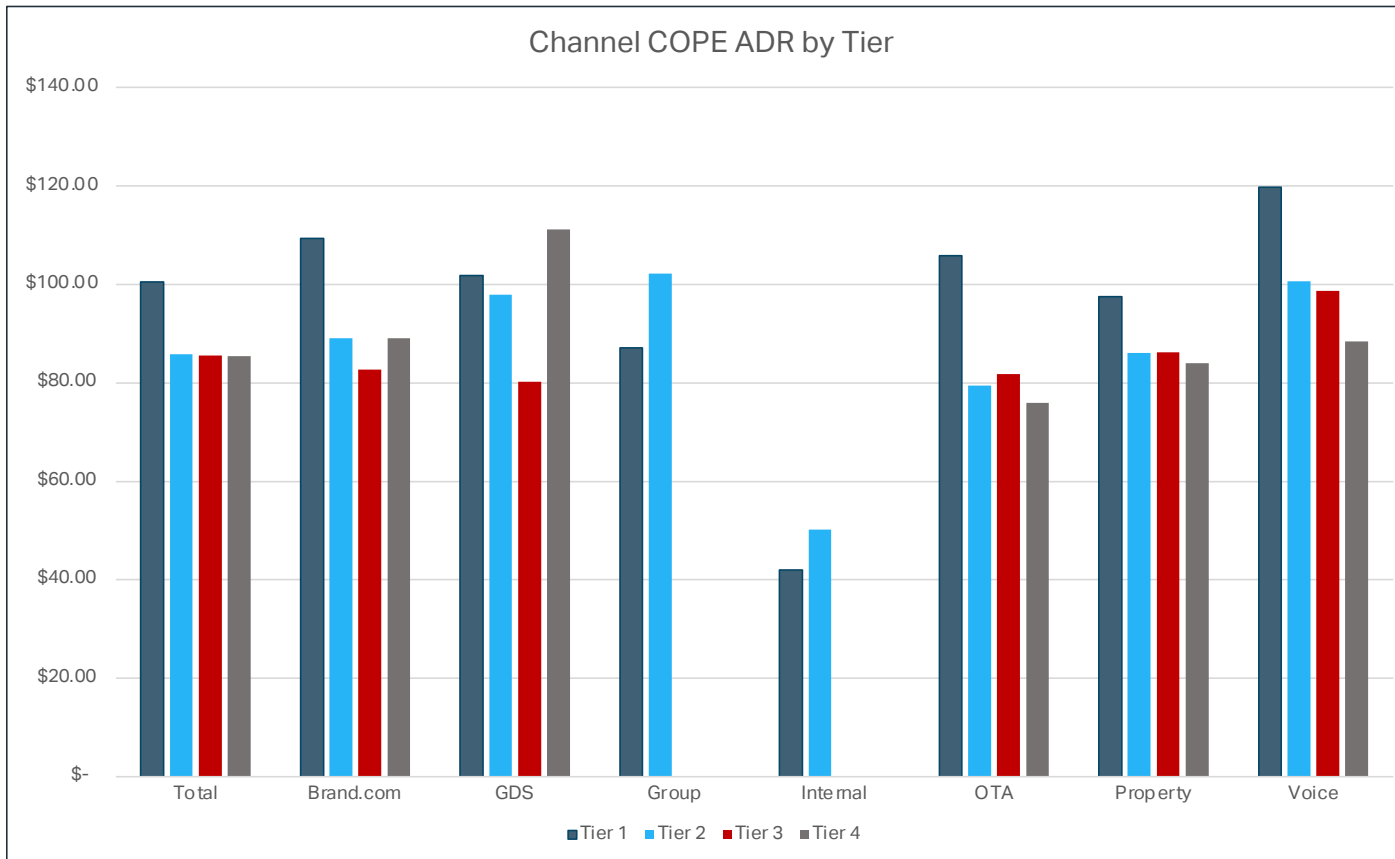
Tier 1 dominates with 47.7% of room nights, led by OTA and Property channels



Tier 1 0-6 nights
Tier 2 7-14 nights
Tier 3 15-29 nights
Tier 4 30+ nights

Channel COPE ADR Performance by Tier

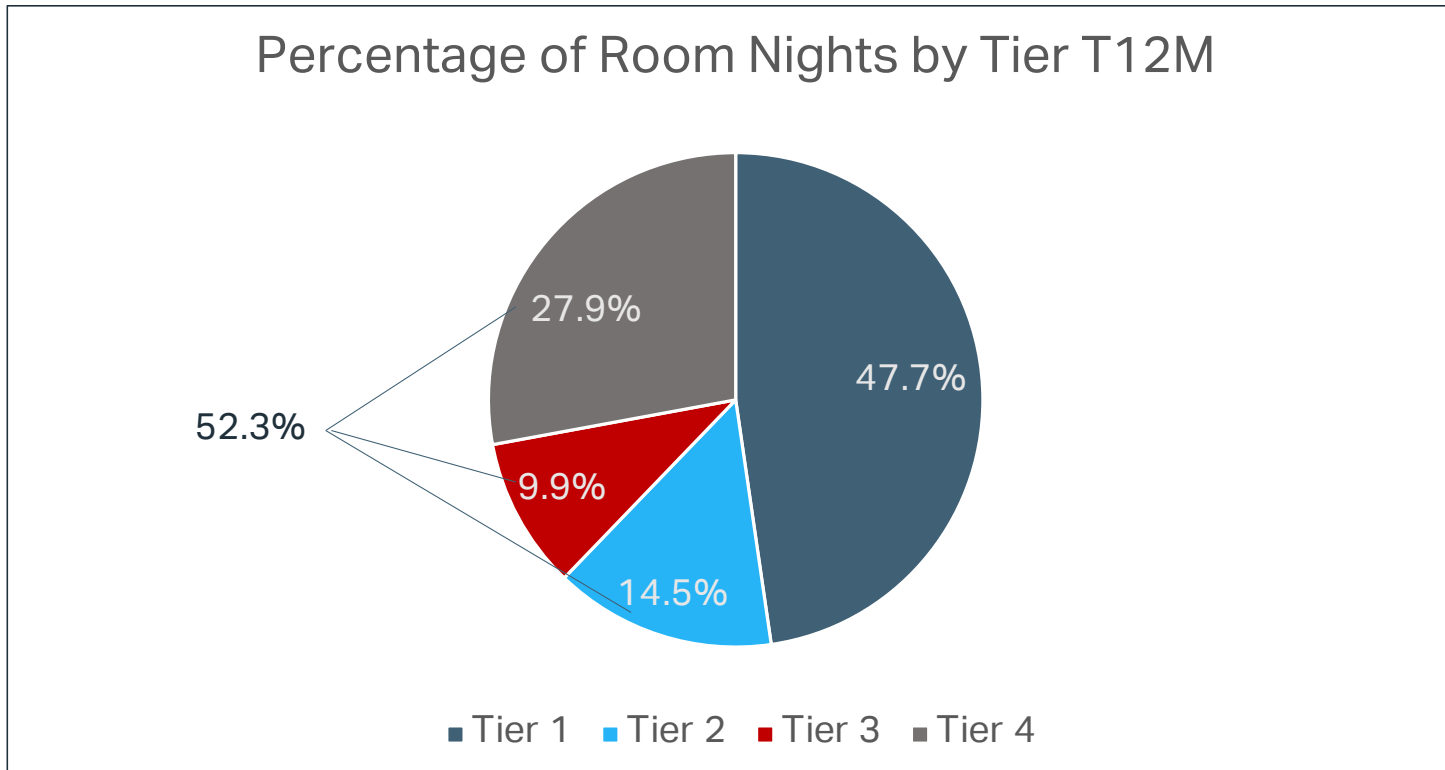
Voice channel leads with highest COPE ADR (\$119.70), followed by GDS (\$101.84) in Tier 1



Tier 1 0-6 nights
Tier 2 7-14 nights
Tier 3 15-29 nights
Tier 4 30+ nights

Room Night Distribution Across Tiers

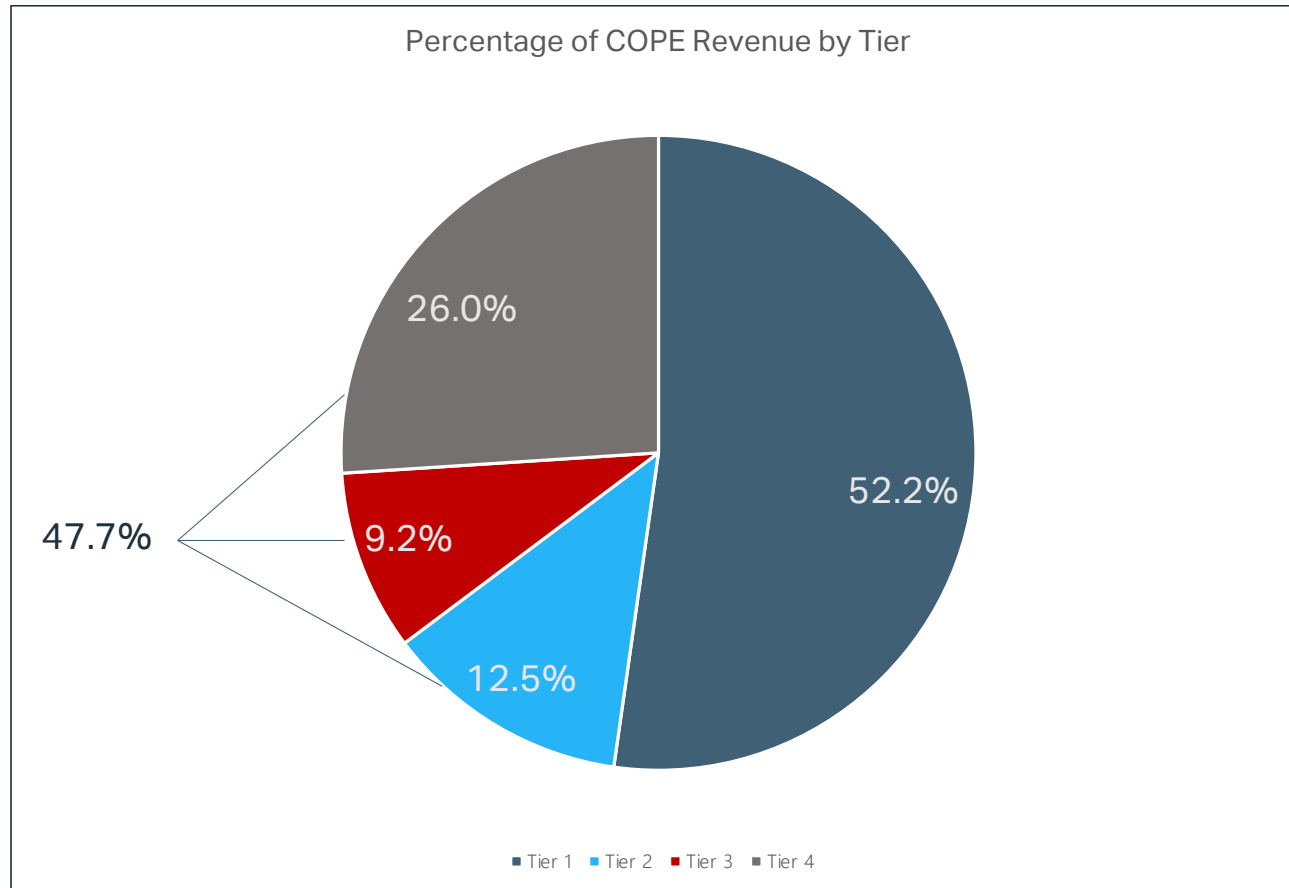
Tiers 2-4 represent 52.3% of total room nights



Tier 1 0-6 nights
Tier 2 7-14 nights
Tier 3 15-29 nights
Tier 4 30+ nights

Distribution of Revenue Across Tiers

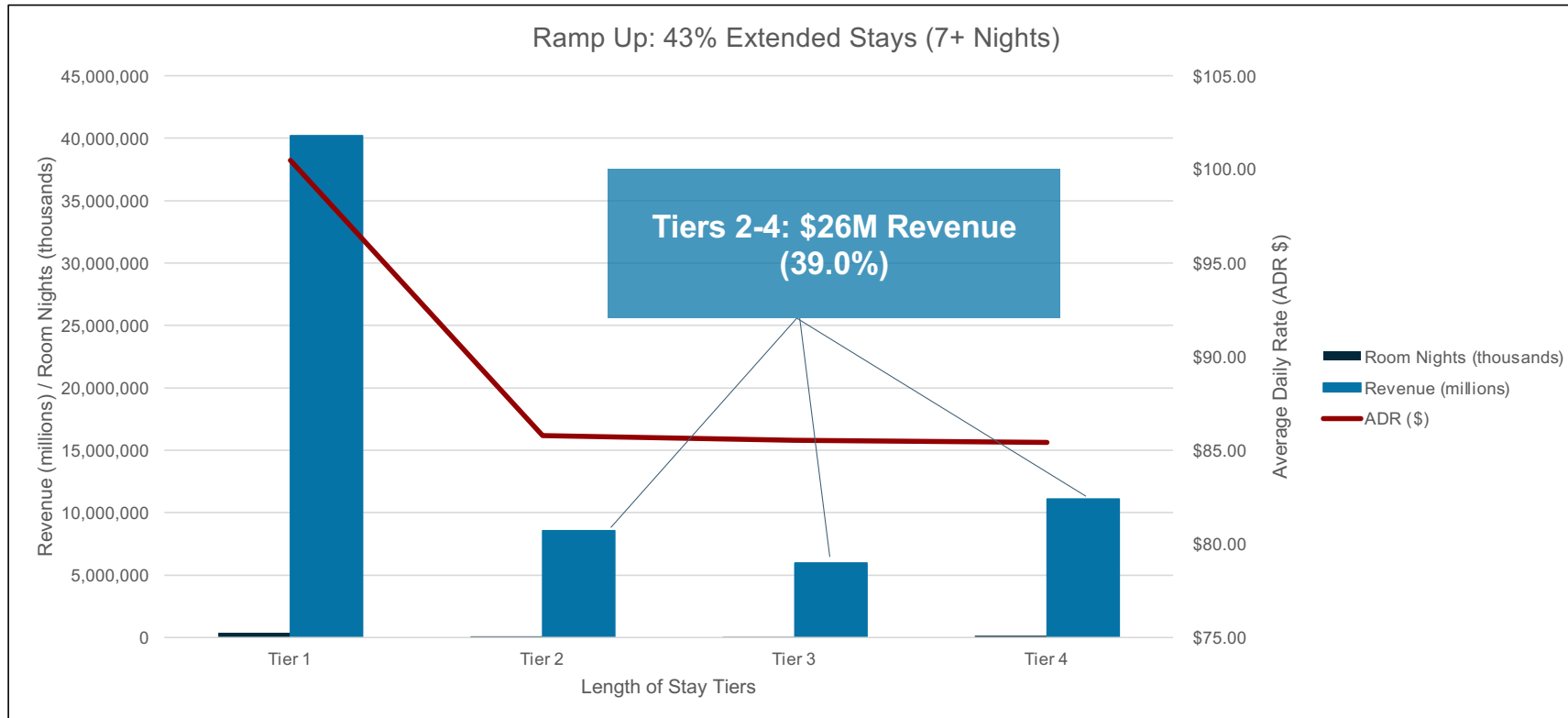
Tier 1 drives majority of revenue at 52.2%, with Tier 4 contributing 26.0%



Tier 1 0-6 nights
Tier 2 7-14 nights
Tier 3 15-29 nights
Tier 4 30+ nights

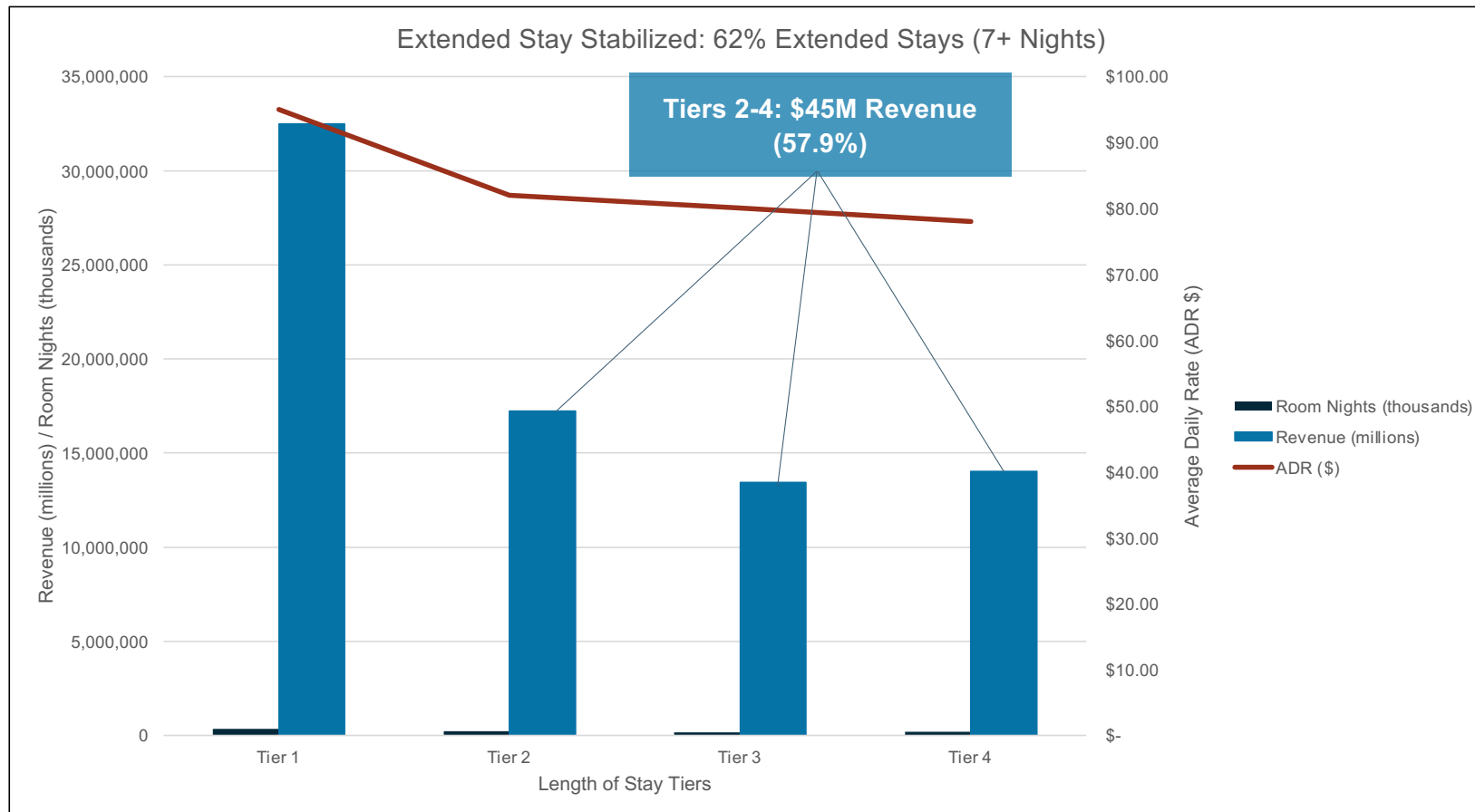
Distribution of Revenue Across Tiers

High short-stay concentration with higher ADR



Distribution of Revenue Across Tiers

Balanced distribution optimized for extended stays





Corpay[^]



ESLA

Extended Stay Lodging Association

Joff Romoff
December 4, 2024

Agenda

1 Overview of Corpay's Lodging Payments Group

- Workforce
- Airline
- Insurance

2 Revenue Management

3 Loyalty

Workforce Travel – Boots, Not Suits



Large Market Size

\$40B

(Annual Spend)



ESLA

Corpay Lodging goes to market with different brands



America's workforce lodging leader

- Simplified travel management solutions for **small and medium** businesses
- Custom **enterprise** travel solutions
- Best in class **support**
- **Specialized services** for all business travel needs:
 - Project based
 - Long term stays
 - Large groups
 - Emergency / Disaster response



Solutions that transform aviation operations

- End-to-end automation of the **crew layover** process (hotel and transport)
- Management of **disrupted passengers** (hotels, meals, transportation, and ticket re-bookings)
- Digitalizing of **airport and aircraft operations** for a streamlined experience for travelers and airlines
 - Mobile airport operation center
 - Digital baggage reconciliation
 - Digital billing and



Nation's leading temporary housing provider for displaced families

- Personalized attention to relocate **displaced families** due to damage or catastrophic events
- Temporary accommodation for **catastrophe teams**
- **"Boots on the Ground"** – Experienced ALE CAT team members deployed to affected sites within 24 hours to support **adjusters**
- Industry's **1st app** designed specifically for displaced homeowners



The global experts in workforce travel

- Manage your Workforce **travel, accommodation & expenses** with ease
- Built for the **workforce traveler**
- Over 2 million properties
- No travel management fees
- **RoomexPay** offer travelers an expense solution for hotel allowances, parking or meals with auto top-up and easy receipt capture

36M RN per year










Annual spend of **\$4B**

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Workforce Travel – Who are these customers?





Segments	Details and Considerations to serve these customers
Construction	<ul style="list-style-type: none"> Construction workers with specialized skills Examples: Cell phone tower erectors, bleacher and stadium-seating installers
Transportation & Logistics	<ul style="list-style-type: none"> Examples: Railroad track maintenance workers who spend weeks on a remote section of tracks, newly manufactured School bus delivery Duty of care responsibilities, union compliance requirements
Business Service	<ul style="list-style-type: none"> Examples: Craft artists (e.g., sneaker shoe trader) who travel to exhibitions, Professional training groups which deliver courses at multiple office locations around the country
Airlines	<ul style="list-style-type: none"> Examples: Crews with rest requirements during a layover in a different country, Distressed passengers, Crew IROP – Interrupted Operations Customer experience requirements for airlines, Union rules for crews, transportation to/from hotel & airport
Displaced Homeowners	<ul style="list-style-type: none"> Homeowner policyholders which are customers of major insurance companies Many changes and updates to length of stay – average of 7 changes with stays ranging from weeks to months Multiple rooms for family members, different lengths of stay for different rooms (e.g., college student home during vacation break)

Key Needs of Workforce Travelers

Stop Spending Time		Avoid	
	Researching hotels		Unauthorized hotel usage & charges
	Negotiating rates		Out of policy and budget surprises
	Tracking down folios		Credit card fraud
	Auditing invoices		
	Disputing incorrect charges		
	Researching hotels		

ESLA

Overview - Our group serves specific segments of the market with specialized services

	Workforce Crews	Airlines	Insurance
Market Size (Global Annual Spend)	\$23B	\$13B	\$4B
Customer Profiles & Key Segments	  <ul style="list-style-type: none"> • SMBs – Individual travelers (e.g., Truckers) • Medium Size Companies – Project-based Crews (e.g., Construction) • Large Enterprise Accts (e.g. Railroads) • Emergency (e.g., Red Cross) 	 <ul style="list-style-type: none"> • Crew • Distressed Passengers • SaaS 	 <ul style="list-style-type: none"> • Home Insurance Policyholders • Insurance Adjusters
Specialized Needs	<ul style="list-style-type: none"> • Expense control - negotiated rates • Hotel filters – ex: truck parking, kitchen • LRA and 24-hour LOS and 24/7 support • Duty of care 	<ul style="list-style-type: none"> • Compliance with union contracts • Rapid fulfillment 	<ul style="list-style-type: none"> • Longer-term stays • Consolidated, error-free invoicing
Typical Transaction	<ul style="list-style-type: none"> • Many walk-ins • Short stays with short booking windows on average • Recurring (project-based) stays • Direct bill and virtual credit card 	<ul style="list-style-type: none"> • Direct bill to the airline 	<ul style="list-style-type: none"> • Direct bill to the insurance company

Agenda

- 1 Overview of Corpay's Lodging Payments Group
 - Workforce
 - Airline
 - Insurance
- 2 **Revenue Management**
- 3 Loyalty

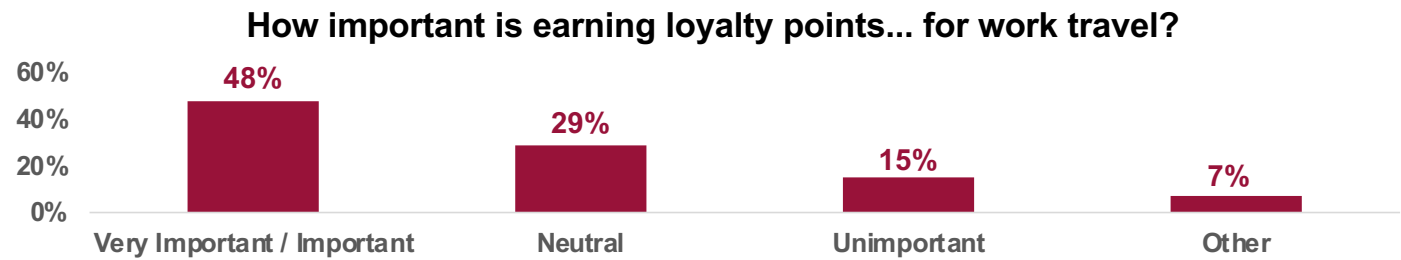
Revenue Management - Different customer needs determine willingness to pay

	Example Customer Groups			
	Workforce Crews	Airlines Crews	Airlines Distressed Pax	Insurance Policyholder Family
Booking Window	2 Days	30 Days (Scheduled)	Same Day	Same Day
Length of Stay	2 Days	1+ Day	1 Day	45 Days 7 Months for LTH (Long-Term Housing)
Revenue Management Implications	<ul style="list-style-type: none">• Drive incremental revenue with shorter booking window	<ul style="list-style-type: none">• Steady, ongoing and predictable revenue	<ul style="list-style-type: none">• Distressed passengers can very positively impact last-minute revenues	<ul style="list-style-type: none">• Use extended stay hotel product to lower cost of servicing

Agenda

- 1 Overview of Corpay's Lodging Payments Group
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We recently completed a customer survey regarding Loyalty
(September - October 2024)



94% of individual travelers belong to at least one loyalty program

- 65% belong to 2-3 programs
- 8% belong to more than 3



Importance of loyalty increasing, but...

- Only 4 out of 10 companies are enrolled in a loyalty program
- Price / Savings and Location outweigh loyalty programs when selecting a lodging provider

For Workforce travel, 5 hotel loyalty programs lead in enrollments, with over 50%

Please select the hotel loyalty programs you are currently enrolled in.
(select all that apply)

Hotel Loyalty Program	Traveler	Travelers and Booker	Total
Choice Privileges	58%	62%	60%
Hilton Honors	55%	61%	59%
IHG One Rewards	55%	57%	56%
Wyndham Rewards	55%	55%	55%
Marriott Bonvoy	49%	52%	51%
Best Western Rewards	32%	43%	39%
World of Hyatt	15%	19%	18%
Red Roof RediRewards	13%	11%	12%
Sonesta Travel Pass	8%	4%	6%
Other (please specify)	1%	10%	6%

Loyalty - Distinct customer needs open loyalty opportunities

	Example Customer Groups			
	Workforce Crews	Airlines Crews	Airlines Distressed Pax	Insurance Policyholder Family
What Matters to Customers	Crew managers eager to use loyalty and rewards as perks	Certain airline crews able to choose where they stay	Immediate lodging need	Immediate lodging need and longer stay
Benefits and Implications Related to Loyalty	Rates with loyalty points enable managers to avoid expensive turnover	Loyalty programs and benefits have increase relevance	Loyalty benefits can be the deciding factor in quick, last-minute decision	Low-cost acquisition vehicle for new loyalty members, many of which offer higher share-of-wallet and higher lifetime customer value

Summary – Workforce travel represents opportunity for hotel owners

Owners benefit from workforce travel**Drives revenue management**

- Volume – millions of annual room nights
- Frequency
- Long stays

**Supports loyalty**

- Low cost of acquisition
- Achieve higher share of wallet and higher customer lifetime value



Customer Acquisition – Finding the Most Profitable Mix



Cindy Estis Green
Kalibri Labs



Arturo Jiménez
ARK Hospitality



Jenny Meyer
Choice Hotels



Kimberly Rowell
Five Star Hospitality



Brian Macaluso
Sonesta

Extended Stay Operational Efficiencies



Cindy Estis Green
Kalibri Labs



Liz Uber
Extended Stay America



Douglas Artusio
ESLA



Arturo Jiménez
ARK Hospitality



Nan Cummings
Intermountain

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industry insights, and a
thriving community!

Developers, Owners, Property Managers
JOIN for **FREE** today!

