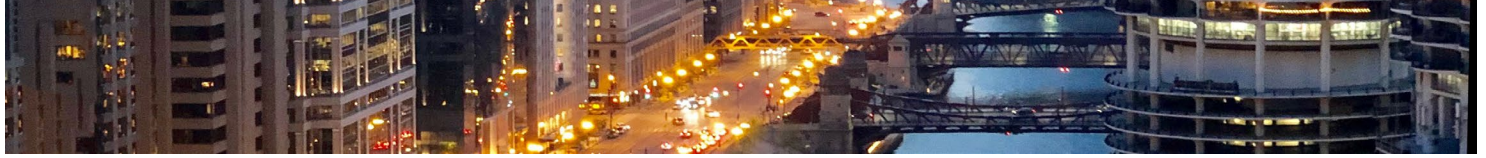




The Highland Group Reports

US Extended-Stay Hotels Bulletin: March 2025



Supply, demand, room revenue, ADR and RevPar performance metrics compared to March 2024 were better for extended-stay hotels than the overall hotel industry. Extended-stay hotel occupancy reported a larger contraction but the premium the segment achieves compared to the total hotel industry stayed within its long-term average range. Although metrics in March were relatively good, like the overall hotel industry, a decelerating trend in extended-stay hotel performance metrics appears to be emerging.

Extended-stay room nights available increased 3% in March 2025 compared to March 2024. The gain is partly attributable to mid-price segment brands Water Walk by Wyndham and Executive Residency by Best Western included in the database for the first time starting in May 2024 and January 2025 respectively. March marked 42 consecutive months of 4% or less supply growth and the calendar year change in supply has ranged from 1.8% to 3.1% for the last three years. These metrics are well below the long-term average. The 10.3% increase in economy extended-stay supply and relatively small changes in mid-price and upscale segment rooms is mainly due to conversions as new construction in the economy segment is estimated at about 3% of rooms open compared to one year ago. Supply change comparisons have been impacted by re-branding moving rooms between segments in our database, de-flagging of hotels which no longer meet brand standards, as well as the sales of some hotels to multi-family apartment companies and municipalities. Conversion activity should fall over the near term and the full calendar year 2025 increase in total extended-stay supply compared to 2024 will remain well below the long-term average.

Extended-Stay Hotel Room Night Supply: March

Segment	2024	2025	Change
Economy	3,671,399	4,049,088	10.3%
Mid-Price	7,336,663	7,530,940	2.6%
Upscale	7,194,294	7,167,756	-0.4%
Total	18,202,356	18,747,784	3.0%
Source: The Highland Group			

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Excluding last month, which the leap year in 2024 impacted, March's 3.3% increase in extended-stay hotel room revenues was the smallest monthly gain in six months. Comparatively, however, STR/CoStar reported overall hotel industry revenues increased only 1% compared to March 2024.

Extended-Stay Hotel Room Revenue (millions): March

Segment	2024	2025	Change
Economy	\$161.09	\$178.92	11.1%
Mid-Price	\$613.41	\$646.64	5.4%
Upscale	\$862.19	\$865.08	0.3%
Total	\$1,636.69	\$1,690.65	3.3%
Source: The Highland Group			

The 2.1% increase in extended-stay hotel demand in March was more than double the 0.8% gain STR/CoStar reported for the total hotel industry. When the additional day last year is considered for February, monthly extended-stay hotel demand has recorded a positive change in 27 of the last 28 months.

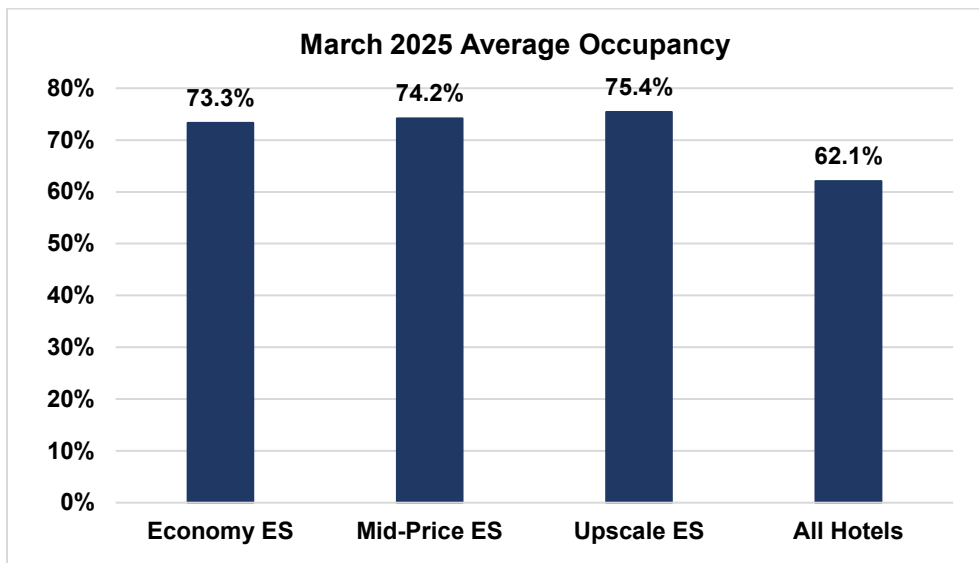
Extended-Stay Hotel Room Night Demand: March

Segment	2024	2025	Change
Economy	2,794,627	2,967,949	6.2%
Mid-Price	5,463,557	5,584,230	2.2%
Upscale	5,409,765	5,404,347	-0.1%
Total	13,667,949	13,956,526	2.1%
Source: The Highland Group			

The 0.9% decrease in extended-stay hotel occupancy in March was the third consecutive monthly decline. March's occupancy contraction was greater than the 0.4% occupancy loss STR/CoStar estimated for all hotels. Extended-stay hotel occupancy in March was 12.3 percentage points higher than the total hotel industry, which is consistent with the historical long-term average occupancy premium.

Extended-Stay Hotel Occupancy: March

Segment	2024	2025	Change
Economy	76.1%	73.3%	-3.7%
Mid-Price	74.5%	74.2%	-0.4%
Upscale	75.2%	75.4%	0.3%
Total	75.1%	74.4%	-0.9%
Source: The Highland Group			



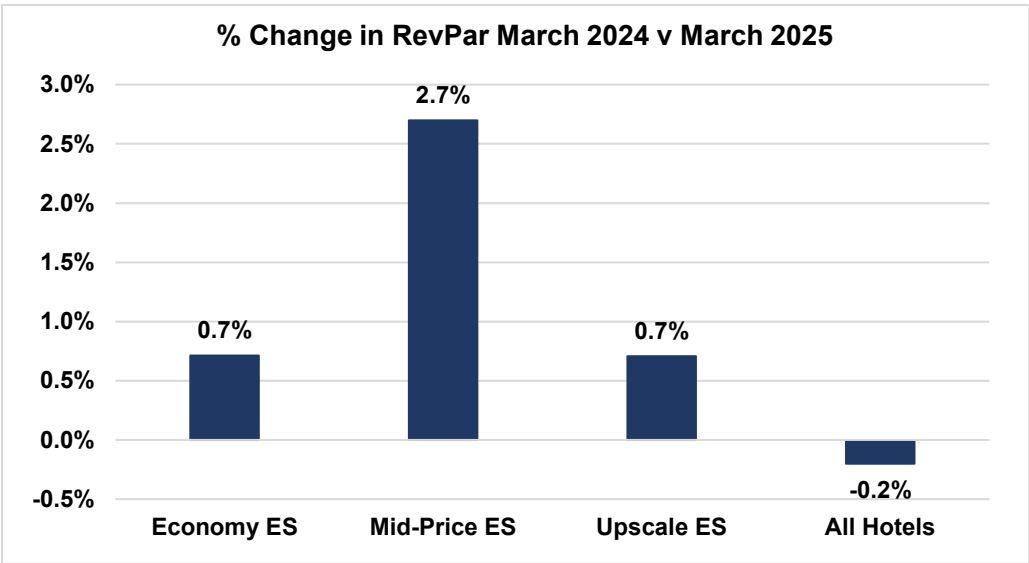
Sources: STR/CoStar
The Highland Group

Extended-stay hotel ADR increased for the twelfth successive month in March and the gain was well above the 0.2% increase STR/CoStar reported for the overall hotel industry. Compared to corresponding classes of all hotels, all extended-stay hotel segments posted higher ADR growth in March.

Extended-Stay Hotel Average Rate: March			
Segment	2024	2025	Change
Economy	\$57.64	\$60.29	4.6%
Mid-Price	\$112.27	\$115.80	3.1%
Upscale	\$159.38	\$160.07	0.4%
Total	\$119.75	\$121.14	1.2%
Source: The Highland Group			

Extended-stay hotel's 0.3% RevPar increase in March was the eleventh monthly gain in the last 12 months. Although it was the smallest monthly growth in the last six months, the increase compares favorably to the 0.2% decline STR/CoStar reported for the overall hotel industry. The gain in total extended-stay hotel RevPar in March was lower than the individual segment increases because the economy segment's share of extended-stay room supply was significantly higher in March 2025 compared to March 2024.

Extended-Stay Hotel RevPar: March			
Segment	2024	2025	Change
Economy	\$43.88	\$44.19	0.7%
Mid-Price	\$83.61	\$85.86	2.7%
Upscale	\$119.84	\$120.69	0.7%
Total	\$89.92	\$90.18	0.3%
Source: The Highland Group			



Sources: STR/CoStar
The Highland Group

Definitions/Database

Extended-Stay Hotel – A hotel with a fully equipped kitchenette in each guest room, which accepts reservations and does not require a lease.

The database used in the estimates and projections in this report included the extended-stay brands in the table following. There are independent extended-stay hotels that were not included, but the sample represents the great majority of extended-stay rooms in the US. Estimates are based on all hotels in each brand or company. Changes from period to period are not based on same store data. Therefore, the statistics in this report can differ slightly from other sources of this information including company financial reports.

Price segments reflect a \$60 spread in average daily rates between the segments. The segments are for comparison only. There is a significant difference in clientele and other characteristics among hotels within the ranges.

Extended-Stay Brands by Average Daily Rate Range		
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	Executive Residency by Best Western	Intown Suites
Staybridge Suites (IHG)	Hawthorn Suites by Wyndham	LivAway Suites
	Home 2 Suites by Hilton	Other Independents
	Hyatt Studios	Savannah Suites
	LivSmart Studios by Hilton	Studio 6
	Mainstay Suites Extended Stay by Choice Hotels	Suburban Studios by Choice Hotels
	My Place	Sure Stay Studio by Best Western
	Sonesta Simply Suites	WoodSpring Suites Extended Stay by Choice Hotels
	stayAPT Suites	
	StudioRes by Marriott	
	TownePlace Suites by Marriott	
	Water Walk by Wyndham	

Source: The Highland Group

The Highland Group prepared this bulletin on extended-stay lodging in the United States as a service to the industry. We are grateful to the extended-stay hotel chains and owners that contributed information and trust that the results will be useful. While accurate to the best of our knowledge on April 23, 2025, we do not warrant the accuracy of any information presented, nor do we warrant that any projections will be achieved. This information should not be relied upon to make any investment or management decision, without further research and analysis.