

# After a Year of Growth Across Multiple Segments, Choice Hotels is the Challenger Brand in Upscale and Growth Leader in Extended Stay



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**Choice Hotels International, Inc.** →

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*Focus on Growth Brands and Markets Positions Choice Hotels for a Banner 2023*

ROCKVILLE, Md., Jan. 23, 2023 /PRNewswire/ -- As a legacy leader in upper midscale and midscale, **Choice Hotels International, Inc.** (NYSE: CHH)—one of the largest lodging franchisors in the world—made a series of strategic moves to position itself as the challenger brand to watch in upscale and the growth leader in extended stay. From the grand opening of the first **Everhome Suites** and opening of the 65th **Cambria Hotel**, to the brand relaunch of **Suburban Studios** and the acquisition of **Radisson Hotels Americas**, the Choice Hotels portfolio expanded in 2022 to 22 brands and nearly 7,500 hotels, representing nearly 630,000 rooms, in 46 countries and territories. The breadth of Choice Hotels brands across multiple segments provides a wide variety of options for developers looking to expand their portfolio of hotels.

**Led by Cambria Hotels and Ascend Hotel Collection, Choice is Rapidly Expanding in Upscale Now with Eight Brands including Radisson Brands**



Cambria Hotels has become the go-to challenger brand for developers looking to move to upscale with the flexibility to build at a reduced cost while retaining a design-forward experience. Spurred by a new, lower cost prototype designed for secondary and leisure markets, Cambria has been enthusiastically received by the developer community with 20 new agreements signed as of the end of the third quarter of 2022. There are currently 65 Cambria Hotels open, and as of the end of the third quarter, nearly 70 hotels in the pipeline across sought-after cities including Austin, Nashville, Denver, Spokane, and Rehoboth Beach. In 2022, the brand broke ground on eight new properties, including four new, custom builds.

"Cambria Hotels is hitting its stride, doubling in size as it has entered nearly 75% of top U.S. markets these past five years," said Mark Shalala, senior vice president of upscale brands development at Choice Hotels. "Despite the rise in interest rates and cost of materials, deal volume for Cambria has never been stronger. Our impressive growth, design flexibility, and strategic deployment of capital as direct investments in projects with our development partners is attracting more investors and top developers to the brand. As we enter 2023, we look forward to continuing to demonstrate the opportunity all our upscale brands, including Ascend Hotel Collection and new Radisson Hotel Americas properties, provide."

With the acquisition of Radisson Hotels Americas and its upscale hotels consisting of the Radisson Collection, Radisson RED, Radisson Individuals, Park Plaza, Radisson Blu, and Radisson hotels, Choice now has more than 80,000 rooms open or in the pipeline across this segment. Through the integration, we will continue to accelerate growth of the Radisson Americas brands by leveraging Choice's scale, network of owner and franchise relationships, and best-in-class digital platforms.

### **Four Distinct, Extended Stay Brands Driving Growth**

Choice's newest extended stay brand, **Everhome Suites**—which launched in 2020 as the industry's first new construction midscale extended stay offering in nearly a decade—is displaying exceptional performance since its first hotel, located in Corona, California, opened this past September. Developer demand for this brand, which is expected to expand, gained impressive traction with more than 30 additional projects added to the pipeline as of the end of the third quarter. Everhome reached an all-time high for development deals in 2022, securing a commitment with one of the largest extended stay investors in the nation to



develop more than 20 new Everhome Suites in Colorado, Arizona, Utah, Nevada and Florida. This transaction will help expand Everhome Suites' footprint over the next few years into high RevPAR markets. In addition to construction projects under way in Newnan, GA and Nampa, ID, the brand expects to commence projects in several locations including Arizona, California, Montana, Nevada, and Oregon.

"Owners and developers continue to seek Choice's proven service capabilities to help maximize return on investment while reducing total cost of ownership and meeting the needs of longer-staying guests. Our extended stay brands are a testament to this," said Ron Burgett, senior vice president of extended stay development at Choice Hotels. "There is no shortage of opportunity for investors in this desired segment. Demand for extended stay is nearly double the supply available."

After achieving nearly a 60%\* Gross Operating Profit in 2021, the award-winning **WoodSpring Suites**—ranked as the top economy brand in a 2022 Guest Satisfaction Index Study—is receiving increasingly strong interest from institutional investors, resulting in its pipeline expanding 68% from 2021 to 2022. Deals with prominent developers, including industry-leading real estate investment groups, resulted in 54 deals through the end of the third quarter of 2022, making this economy, extended stay hotel brand one of the fastest growing in the country.

A new name and modernization of **Suburban Studio's** look and feel in the first quarter of 2022 in addition to innovations like the proprietary kitchen-in-a-box design—a modular, low-cost design to transform transient rooms into extended stay hotels—resulted in the most contracts being awarded since the brand's acquisition nearly two decades ago.

Conversion brand **MainStay Suites** more than doubled its number of agreements with 93 hotels in the pipeline by the end of the third quarter of 2022.

As a leader in the segment, Choice has enhanced the extended-stay operating model to help maximize developers' return on investment and offers best-in-class design, industry-leading tailored support, and dedicated sales training.

## **Forward-Looking Statement**

This communication includes "forward-looking statements" about future events, including anticipated development and hotel openings. Such statements are subject to numerous risks and uncertainties, including construction delays, availability and cost of financing, and the other "Risk Factors" described in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, any of which could cause actual results to be materially different from our expectations.

## **\*Addendum**

See WoodSpring Franchise Disclosure Document ("FDD") dated April 1, 2022, as amended August 10, 2022. For the 247 hotels that were included in the 2021 performance sample for the FDD, 124 or 50.2% met or exceeded this Gross Operating Profit percentage. INDIVIDUAL RESULTS MAY VARY. This is not an offering. No offer or sale of a franchise will be made except by an FDD first filed and registered with applicable state authorities. You can obtain a copy of the FDD by contacting Choice Hotels International at 1 Choice Hotels Circle, Suite 400, Rockville, MD 20850, [development@choicehotels.com](mailto:development@choicehotels.com).

## **About Choice Hotels®**

Choice Hotels International, Inc. (NYSE: CHH) is one of the largest lodging franchisors in the world. With nearly 7,500 hotels, representing nearly 630,000 rooms, in 46 countries and territories as of September 30, 2022, the Choice® family of hotel brands provides business and leisure travelers with a range of high-quality lodging options from limited service to full-service hotels in the upper upscale, upper mid-scale, midscale, extended-stay, and economy segments. The award-winning Choice Privileges® loyalty program offers members a faster way to rewards, with personalized benefits starting on day one. For more information, visit [www.choicehotels.com](http://www.choicehotels.com).

## **About Cambria® Hotels**

The Cambria Hotels brand is designed for the modern traveler, offering guests a distinct experience with simple, guilt-free indulgences allowing them to treat themselves while on the road. Properties feature compelling design inspired by the location, spacious and comfortable rooms, flexible meeting space, and local, freshly prepared food and craft beer. Cambria Hotels

is rapidly expanding in major U.S. cities, with hotels open in New York, Chicago, Los Angeles, Washington, D.C., Nashville, and Phoenix. There are currently 65 Cambria hotels open and nearly 70 hotels in the pipeline. To learn more, visit [www.choicehotels.com/cambria](http://www.choicehotels.com/cambria).

### **About WoodSpring Suites®**

WoodSpring Suites hotels offer extended stay guests a welcoming environment and straightforward stay – all affordably priced. Franchised by Choice Hotels, WoodSpring Suites is the nation's fastest-growing economy extended stay hotel brand. Each property is newly constructed and built to anticipate the needs of travelers looking for a longer-term stay. Properties feature all-suite rooms with fully equipped kitchens, flexible workspaces, and guest laundry facilities. There are more than 200 WoodSpring Suites hotels open in 32 states and 205 hotels in the pipeline across the U.S. as of September 30, 2022. For more information, visit [www.woodspring.com/ourbrand](http://www.woodspring.com/ourbrand).

### **About Everhome Suites**

The Everhome Suites brand, franchised by Choice Hotels, allows guests to build life on their terms during longer-term stays. The newly constructed hotels are designed to help maintain routine on the road with apartment-style suites that have fully equipped kitchens and customizable "me" spaces, including workstations, full-size closets, additional storage and spa-like bathrooms. Properties feature modern and sophisticated public spaces with fitness centers, guest laundry facilities and 24/7 self-service marketplaces with a variety of hot and cold breakfast options. For more information, visit [www.media.choicehotels.com/everhome-suites](http://www.media.choicehotels.com/everhome-suites).

### **About MainStay Suites®**

MainStay Suites is an extended-stay hotel option that allows guests to live like home whether they're away for a week or a month. Each property offers a unique and distinctive experience for customers at an affordable price. Travelers can maintain their lifestyle during their stay with attractive amenities including residential style suites, free high-speed internet access, free continental breakfast, fitness center and weekly housekeeping and guest laundry services. There are more than 100 MainStay Suites properties open across the United States, with 93 in the pipeline as of September 30, 2022. To learn more, visit [www.choicehotels.com/mainstay](http://www.choicehotels.com/mainstay).

## **About Suburban Studios**

Suburban Studios, a next generation extended stay product from Choice Hotels, offers developers access to the extended stay category through flexible conversion options.

Suburban's Longer Stays Made Easy philosophy provides value-conscious, long staying guests with friendly service and clean, spacious guestrooms equipped with in-room kitchens. Guests have access to free high-speed internet, 24/7 laundry facilities and bi-weekly housekeeping.

There are more than 70 Suburban Extended Stay Hotels open, with 30 Suburban Studios in the pipeline as of September 30, 2022. For more information, visit [www.choicehotelsdevelopment.com/brands/#suburban](http://www.choicehotelsdevelopment.com/brands/#suburban).

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