



# Rise of Affordable Lifestyle Hotel Brands

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JLL Hotels Research

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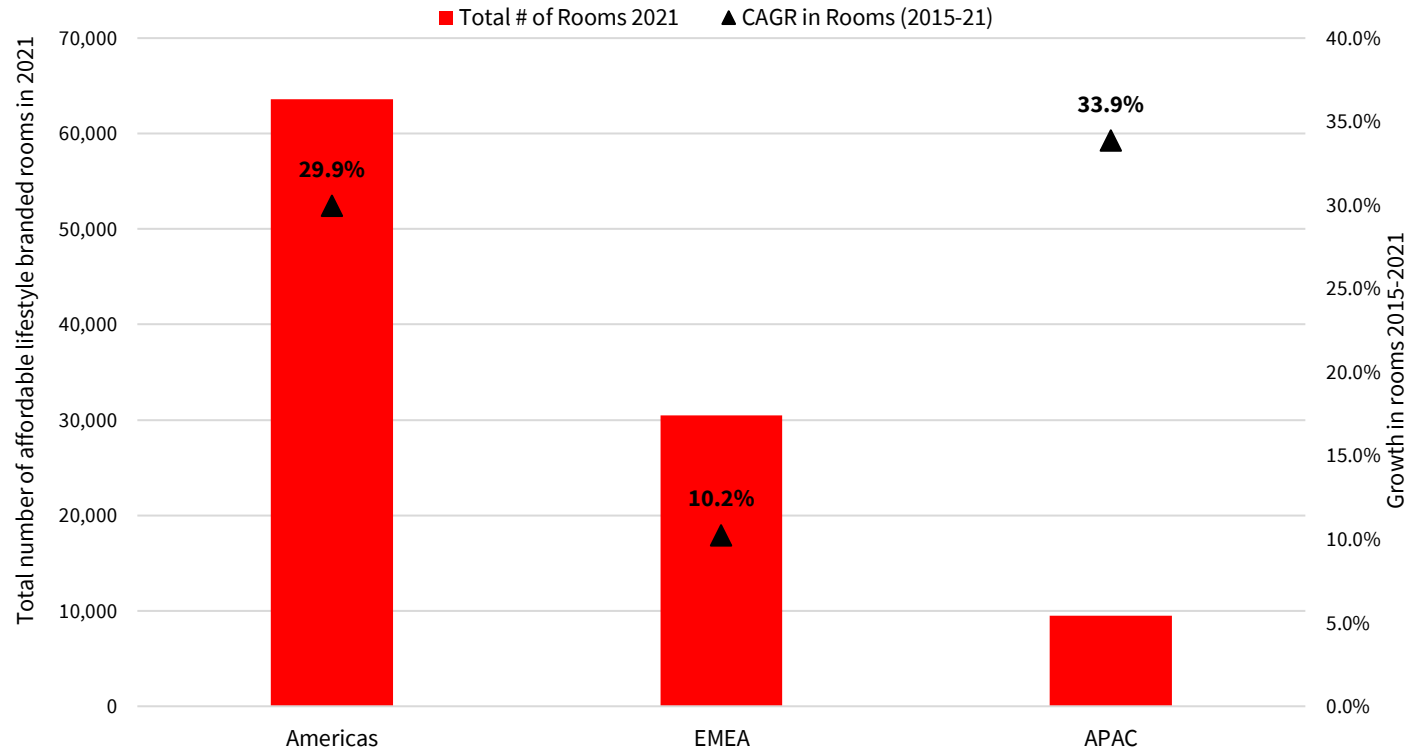
The affordable lifestyle brand sector has experienced significant growth since 2015 with the total global number of hotel rooms more than tripling to 103,600.

**21.7%**

The total number of affordable lifestyle branded rooms has increased by 21.7% globally on 2015 levels.

- The trend is driven by three factors:
  1. Major parent hotel companies are launching new brands in response to changing guest expectations.
  2. Traditional hotel real estate is adapting to fit increasingly cluttered urban areas.
  3. Hotel operators are looking to compete with the alternative accommodation space.
- Affordable lifestyle brand hotels typically feature smaller rooms with larger common areas. This encourages guests to spend more time outside their rooms, either co-mingling in the lobby or restaurant/bar (most affordable lifestyle hotels prioritize beverage sales).
- These hotels appeal to investors due to their smaller footprints, often shorter construction timelines, and ability to appeal to both business and leisure travelers.
- As the lodging industry continues its recovery, look for these hotels to driver higher profitability due to their increased ancillary revenue and limited reliance on group demand.

**Total Number of Affordable Lifestyle Branded Rooms by Region & Growth in Rooms 2015-2021**



*Note: Growth represents the compounded annual growth rate from 2015 to 2021*

The affordable lifestyle brand sector has accounted for nearly 2% of all hotel rooms opened globally since 2015.

# 3.8%

Of the nearly 1.1M hotel rooms currently under construction globally, 3.8% are in the affordable lifestyle sector.

- Ten new affordable lifestyle brands have launched since 2015, five of which come from the industry’s biggest parent companies including Best Western (GLO and Vib), Hilton (Motto and Tru by Hilton), and IHG (Avid). This growth in brands, particularly from the industry’s major players, demonstrates the expected long-term demand among guests.
- This trend is particularly salient in the Americas, with 8.4% of total hotels under construction comprised of affordable lifestyle. This growth is being driven by brands like Avid, element, and Tru by Hilton signaling increased consumer demand for these products.
- In EMEA, affordable lifestyle makes up 3.0% of total hotel rooms under construction. Growth in this sector has historically been subdued in the region due to a well-established hostel market; however, brands such as MOXY have begun to grow in dense urban areas as investors are able to capitalize on small footprints.
- While affordable lifestyle comprises only 2.4% of total hotel rooms under construction in APAC, it’s important to note that the sector was nearly non-existent in the region in 2015 with only 1656 hotel rooms open. Today, there are nearly 10,000 affordable lifestyle rooms with another 11,000+ under construction.

**Proportion of Affordable Lifestyle Branded Rooms by Region**



# Thank You

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