

Choice Hotels' Extended Stay Portfolio Continues To Achieve Resilient Performance

Extended Stay Brands Expand Domestic Portfolio by 44 Hotels to nearly 450 in 2020, and Reach Domestic Pipeline of over 315 Hotels

ROCKVILLE, Md., March 12, 2021 /PRNewswire/ -- [Choice Hotels International, Inc.](#)'s (NYSE: CHH) extended stay portfolio, which includes economy brands [WoodSpring Suites](#) and [Suburban Extended Stay](#) as well as midscale brands [MainStay Suites](#) and [Everhome Suites](#), continued in 2020 to outperform the industry amid the COVID-19 pandemic. The success of Choice Hotels' extended stay brands and strong developer interest reaffirms that the company's strategic commitment and continued investments in this highly cycle-resilient segment are driving a competitive advantage.

Choice Hotels' extended stay brands — led by WoodSpring Suites, the company's largest brand in the segment — demonstrated their resilient performance last year with notable gains, including:

- In fourth quarter 2020, the extended stay portfolio outperformed the industry's revenue per available room (RevPAR) change by 49 percentage points and achieved RevPAR index share gains of 14 percentage points versus its local competitors, year-over-year. The portfolio achieved average weekly occupancy rates of over 70% since the onset of the pandemic in mid-March through December 31, 2020 — exceeding the industry weekly average by 30 percentage points.
- **WoodSpring Suites** achieved an average occupancy rate of 72% for 2020, compared to the U.S. hotel industry average of 44%. Further, WoodSpring experienced year-over-year RevPAR growth of 2% in December.
- **MainStay Suites** captured more than 20 percentage points in RevPAR index share gains versus its local competitors, year-over-year, both for fourth quarter and for full year 2020.
- **Suburban Extended Stay** experienced year-over-year occupancy increases throughout the second half of the year, with a 210 basis points gain in fourth quarter 2020.

"Our strategy to focus on the extended stay segment continues to pay off, as evidenced by our brands' resiliency and outperformance compared to the industry in this unprecedented environment," said Ron Burgett, senior vice president, franchise development, extended stay, Choice Hotels. "Hotel developers recognize the value of our brands, which is why we awarded nearly 110 extended stay franchise agreements last year, validating our strategic focus on the segment. Choice gained key insights from the WoodSpring Suites brand when it was acquired over three years ago, and has successfully leveraged those learnings. We're optimistic about the growth potential of our extended stay portfolio in both new construction and conversion opportunities."

In addition to the outperformance of Choice Hotels' extended stay brands against the industry and driving gains versus local competitors throughout 2020, the portfolio continues to rapidly expand:

- WoodSpring Suites, MainStay Suites and Suburban Extended Stay combined to open 44 hotels last year to reach nearly 450 domestic hotels. The extended stay portfolio has almost quadrupled in size over the last five years and now represents nearly 8% of the company's total domestic portfolio.
- The extended stay domestic pipeline reached over 315 hotels as of December 31, 2020, with planned development across the country in major markets. Choice recently signed the [largest multi-unit transaction](#) in MainStay's history, which significantly increased the brand's presence in the extended stay segment. Last year alone, MainStay's domestic portfolio expanded to 90 hotels open, a 23% increase year-over-year, and experienced the highest number of hotel openings in a year in the brand's history. In addition, the company saw an over 40% increase in domestic franchise agreements activity for

Suburban brand for full year 2020 versus the prior year.

- Choice's newest brand, Everhome Suites launched last year as the first brand to enter the midscale extended stay space in nearly a decade. Choice awarded four Everhome franchise agreements in December alone, highlighting increased interest in the new brand.

"Our extended stay brands are purpose-built for long-term guests, and the demand for long-term rooms in various stay occasions, such as colleges and universities, has increased along with requirements for social distancing," said Anna Scozzafava, vice president and general manager, extended stay, Choice Hotels. "We're proud to offer hotels that suit guests' needs and lifestyles, irrespective of the travel landscape. Our brands are designed to provide comfort, convenience and in-room features that are essential when away for a night, a week, a month, or longer — including kitchens, onsite laundry facilities and food and beverage options that meet extended stay guests' preferences while enabling owners to operate efficiently and maintain margins regardless of the economic climate."

For more information about Choice's extended stay development opportunities, visit choicehotelsdevelopment.com.

About Choice Hotels®

Choice Hotels International, Inc. (NYSE: CHH) is one of the largest lodging franchisors in the world. With more than 7,100 hotels, representing nearly 600,000 rooms, in over 40 countries and territories as of December 31, 2020, the Choice® family of hotel brands provide business and leisure travelers with a range of high-quality lodging options from limited service to full-service hotels in the upscale, midscale, extended-stay and economy segments. The award-winning Choice Privileges® loyalty program offers members benefits ranging from everyday rewards to exceptional experiences. For more information, visit www.choicehotels.com.

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

This is not an offering. No offer or sale of a franchise will be made except by a Franchise Disclosure Document first filed and registered with applicable state authorities. A copy of the Franchise Disclosure Document can be obtained through contacting Choice Hotels International at 1 Choice Hotels Circle, Suite 400, Rockville, MD 20850, development@choicehotels.com.

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