Choice Hotels Introduces Everhome Suites To Help Developers Build A Strong Portfolio And Empower Guests' Success On The Road

Industry's Newest Extended-Stay Brand in Nearly a Decade Breaks Ground on Inaugural Hotel Outside of Los Angeles

ROCKVILLE, Md., Jan. 27, 2020 /PRNewswire/ -- Choice Hotels International, Inc. (NYSE: CHH) today introduced Everhome Suites, a new-construction midscale extended-stay brand offering with customizable, apartment-style accommodations that empower guests to adapt their environment to the way they live and work during longer-term stays.

The company celebrated the brand launch by breaking ground inCorona, California on the first hotel expected to display the Everhome Suites brand and announcing multi-unit development agreements for 13 hotels in the Austin, Texas and Los Angeles markets — all of which are also anticipated to adopt the Everhome Suites brand. Choice Hotels expects to open the first Everhome Suites hotel in 2021.

"Nobody knows the popular midscale segment better than Choice — the company that started it," said Patrick Pacious, president and CEO, Choice Hotels. "We more than tripled the size of our extended-stay portfolio over the past two years and now have over 400 hotels across our well-known brands: WoodSpring Suites, MainStay Suites and Suburban Extended Stay. With rooms and public spaces designed to be just as flexible as guests are, backed by our proven extended-stay operating model, Everhome Suites provides franchisees with another opportunity to capitalize on one of the fastest-growing segments of the hotel industry."

Purpose-built to help developers build a diversified portfolio and help drive owner returns during all stages of the lodging cycle, Everhome Suites offers a low cost-to-build, flexible prototype and lean operating model. According to research conducted by Choice Hotels' Business Intelligence Group and The Highland Group, economy and midscale extended-stay hotels have a nearly 20-year history of high guest occupancy rates, even during economic downturns. During both the 2001 and 2007-09 U.S. declines, for example, the overall hotel industry experienced occupancy rates of approximately 60% and 55%, respectively. At the same time, however, the economy and midscale extended-stay hotel segments achieved occupancy rates of over 70% and 65%, respectively, showing their relative resiliency in varied economic climates.

"There's a reason institutional capital and smart investors are drawn to Choice's extended stay brands: our proprietary operating model can help drive higher margins, occupancy rates and anticipated returns in practically any economic environment," said David Pepper, chief development officer, Choice Hotels. "Developers recognize our long track record of extended-stay success and our brands are in high demand — Choice Hotels brands represent nearly 20% of the industry's total extended-stay room count pipeline, according to data from STR."

Everhome Suites allows guests to live as they want during extended trips with comfort, convenience and stability. The prototype is crafted to anticipate the needs of today's extended-stay guests by offering amenities that help them maintain routine on the road, including:

- Spacious studio and one-bedroom apartment-style layouts to suit guests' needs. All rooms feature a combination of defined spaces that separate work from play and customizable "me" space with:
  - Rolling, variable height workstation – perfect for finishing up work ergonomically or sitting down for dinner.
  - Full-size closet and additional open and closed storage so guests can stay organized for the days ahead.
  - Spa-like bathrooms with ample counter space and high-quality fixtures.
  - Pet-friendly options so guests can bring their favorite companions on the road.
- Fully equipped kitchens to support guests' health and wellness lifestyles, including:
  - Appliances, like full-sized refrigerators, dishwashers, stovetops and microwaves.
  - Everything they need to prepare and enjoy a home-cooked meal: flatware, cookware and plenty of counter space.

    - "Extras" to tackle just about any recipe: small appliances, such as blenders, crockpots and electric tabletop grills will be available to rent at the front desk.
- Modern and sophisticated public spaces, including:
    - Multipurpose lobby areas that allow guests to eat, work or relax.
    - Fully outfitted, spacious fitness centers with cardio and strength training equipment.
    - Business centers with printing capability.
    - Libraries and guest laundry facilities.
    - 24/7 self-service marketplaces with a variety of hot and cold breakfast options.
    - Outdoor pools at some hotels, depending on the market.
- Design options that take their cues from local culture, including murals by hotel entrances and public space artwork depicting the surrounding area.

"The demand for hotel stays of seven-plus nights is nearly 20% of all room nights sold, yet only 9% of the supply is in the extended-stay segment, according to data from The Highland Group and Kalibri Labs. Everhome Suites sets out to capture this unmet demand with fresh, modern hotels that satisfy value-conscious consumer preferences for longer-term stays," said Anna Scozzafava, vice president, brand strategy and operations, extended stay, Choice Hotels. "Our target guest is driven to be successful personally and professionally, and we designed Everhome Suites to empower them to live and work more efficiently on the road so they can tackle whatever comes next."

Choice Hotels will offer the following to help hotel developers build a strong and successful portfolio with Everhome Suites:

- A successful area development model, which gives developers the freedom to grow in their desired market.
- Proprietary site-modeling tool to help developers select the right location for their hotel.
- Turnkey development support and flexible prototypes to bring projects to market quickly.
- An extremely competitive cost per key.
- Proven operating model that helps keep hotels easy and affordable to run.
- A brand that accommodates market needs.

"There is no better time to invest in extended stay than now," said Ron Burgett, senior vice president, franchise development, extended stay, Choice Hotels. "Whether you're looking to build a new construction hotel or convert an existing asset, whether your price point is aligned with economy or midscale brands, or whether you want to sign a single franchise agreement or enter into a multi-unit development agreement, Choice has an extended-stay brand for you."

For more information on Everhome Suites, visit https://media.choicehotels.com/everhome-suites.

For more information on Everhome Suites development opportunities, go to https://choicehotelsdevelopment.com/everhome-suites.

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, business centers, libraries, guest laundry facilities and 24/7 self-service marketplaces with a variety of hot and cold breakfast options. For more information, visit https://media.choicehotels.com/everhome-suites.

About Choice Hotels

Choice Hotels International, Inc. (NYSE: CHH) is one of the largest lodging franchisors in the world. With more than 7,000 hotels, representing nearly 575,000 rooms, in over 40 countries and territories as of September 30, 2019, 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 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, new brand acceptance and the other "Risk Factors" described in our Annual Report on Form 10-K, 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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Additional assets available online: Photos (3) Video (1)

https://stage.mediaroom.com/choicehotels/2020-01-27-Choice-Hotels-Introduces-Everhome-Suites-To-Help-Developers-Build-A-Strong-Portfolio-And-Empower-Guests-Success-On-The-Road