

Extended Stay Hotels

Mike Jones spends about 100 days a year on the road in his work as an executive at a chemical company. Traveling from his home in North Carolina to as far as Malaysia and Thailand, he prefers extended-stay hotels.

They offer an atmosphere that feels more like home, but with the reliability of a national chain, he said.

Experts say these hotels are becoming increasingly attractive to business travelers. Occupancy rates at extended-stay hotels have increased to 76 percent in 2014, from 64 percent in 2009, according to Smith Travel Research.

"There are bigger closets, a kitchen, more room and convenience," said Bjorn Hanson, a professor at the Preston Robert Tisch Center for Hospitality and Tourism at New York University. They have gained visibility since the recession because they also offer discounts for longer trips and, typically, free breakfast.

As they evolve to attract a younger and more urban clientele staying for shorter periods, and as business travelers also gravitate toward accommodations with a homey atmosphere, extended-stay hotels are having a moment.

"A typical stay used to be two or three weeks," said Brian McGuinness, global brand leader for Element Hotels. "Now it's four to five days."

The hotels are straying from their suburban office-park roots and establishing themselves in larger cities. And to woo the business traveler, they are engaged in an arms race of sorts, piling on guest amenities, like fitness centers and 24-hour business centers, once reserved for traditional hotels.

"They want to be residential in their approach," with grocery shopping, a manager's reception and staff that gets to know guests, said Mark Skinner, a partner at the Highland Group, a consulting firm. "It's an apartment-type feel."

Operators are scrambling to catch up with demand. The number of units under construction is up 58 percent from a year ago, Mr. Skinner said. As they migrate into cities, extended-stay hotels are trying to shed their utilitarian image.

Jan Freitag, a senior vice president at Smith Travel Research, said he was not surprised by the hotels' evolution. "Hotels are more than just a bed and bath," he said. "They are the social hub of the neighborhood."

In this context, he said, it only makes sense to have a hip boutique atmosphere.

For example, the hotels are embracing thematic food and beverage offerings. Residence Inn recently introduced a social hour called Mix that encourages guest interaction with gatherings around a fire pit and food trucks with local cuisine. While guests purchase food, beers from microbreweries are on the house.

Staybridge Suites, the extended-stay branch of the InterContinental Hotels Group, offers a social hour with free appetizers. The hotel welcomes pets for a fee. A laundry room and storage lockers are also available free.

At Element Hotels, social hour generally includes organic wines and healthy snacks.

The hotels have an environmental theme with bamboo flooring and [energy-efficient lighting](#). Art on the walls is mounted on a base made from recycled tires. Even the paint is not overlooked: The hotel uses paints with low volatile organic compounds, which it says improves air quality for guests and staff.

[Hilton](#)'s Homewood Suites and Home2 Suites are pushing into urban areas. The two brands have a combined 19 properties in or near cities. Homewood Suites expects to open an additional dozen properties in metropolitan areas by 2016, and Home2 Suites expects to open another six.

Element Hotels said it expected to open more than 20 properties in the United States and Canada by 2018. And at Residence Inn, about 80 hotels expected to open in the next three years will be in urban areas.

There is a flip side to the push into cities, though: Once business travelers reach their destinations, they may vie with vacationing families for amenities.

On a recent two-night stay at a Residence Inn in downtown Chicago, Richard Lawrence, a title insurance executive, said that when he tried to get breakfast, "there were lots and lots of families, lots and lots of noise and few, if any, tables because of it."

Some say the notion that extended-stay hotels offer the comforts of home for business travelers exists largely in the eyes of hoteliers. Sandi Patterson, an executive at Xerox, said during a recent stay at a Staybridge Suites in Austin, Tex., that the check-in was efficient, but that the wine ran out at the social hour and a staircase door near her room was noisy.

"A bed-and-breakfast is much more at home," she said. "This definitely felt like a hotel stay."

The increase in business traveler patronage at extended-stay hotels has come despite a push by Airbnb to attract the same clientele. About 10 percent of Airbnb's customers are business travelers who stay an average of seven nights, the company said.

But extended-stay hotels have managed to buck the trend, their executives say, by offering consistency. Guests want to be reassured that if there is "a big presentation to important client, if there is any problem along the way, someone is going to help me out," said Diane Mayer, vice president and global brand manager at Residence Inn.

Mr. Jones, the chemical company executive, said he continued to be a fan of the extended-stay hotels. "Business travel is quite complicated on a modest budget with overcrowded planes and driving rental cars in cities you've never seen before," he said. An extended-stay hotel "simplifies business travel, gets rid of the distractions and lets you get a good night's sleep."