

Intelligent Investment

UK Budget Hotels Survey 2026

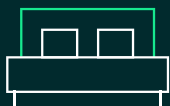
REPORT

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Introduction



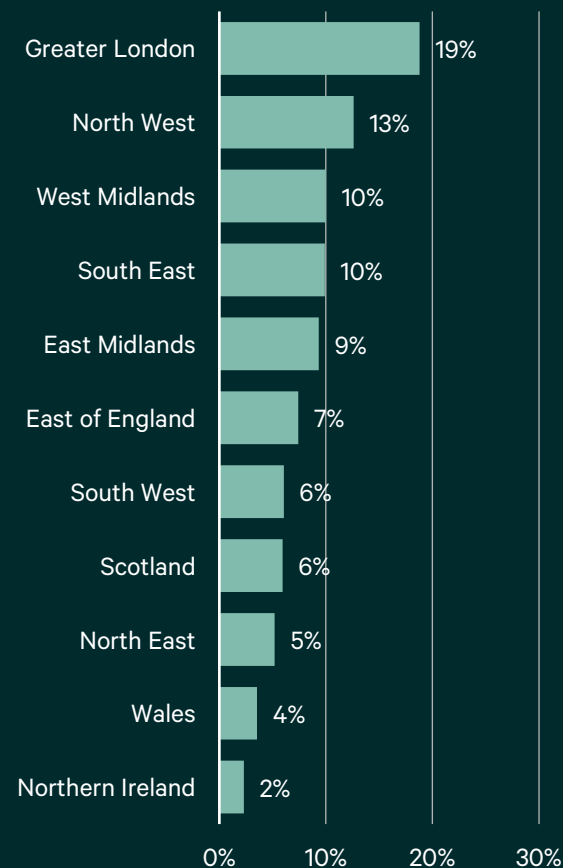
CBRE's Budget Hotels Survey 2026 surveyed 2,002 consumers across the UK to understand what would entice them to choose a limited-service/budget hotel* over other accommodation types.

Their responses provide a comprehensive view of consumer travel behaviour, appetite for budget accommodation, and the factors shaping booking decisions. Combined with our insights from the operator and investor landscape, the report examines:

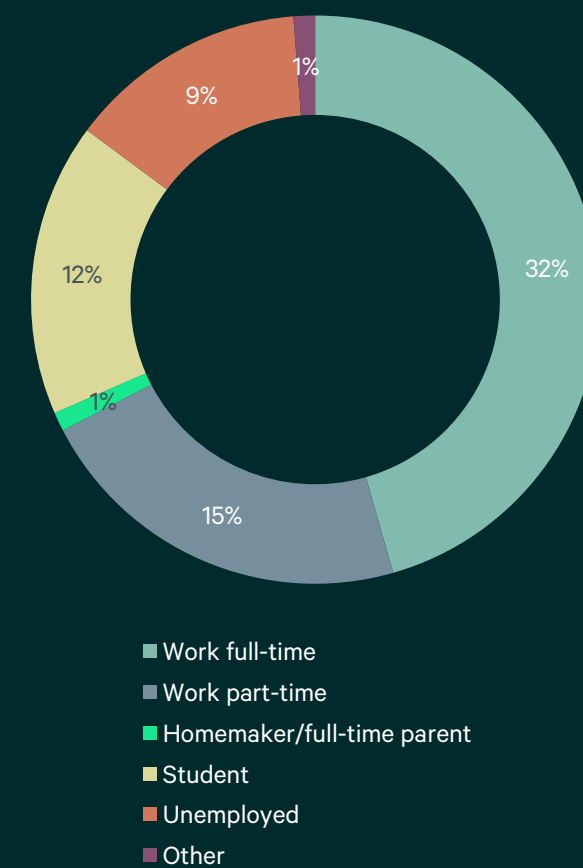
- Demand drivers that are supporting occupancy and RevPAR growth
- Consumer sentiment and factors driving demand for budget hotel accommodation
- Growth opportunities arising from AI and the conversion of redundant assets
- The emergence of pod and capsule hotel formats in the UK

*A budget hotel is defined as a hotel that provides a limited range of amenities and services at a lower price than a standard hotel in the area.

Where respondents live in the UK



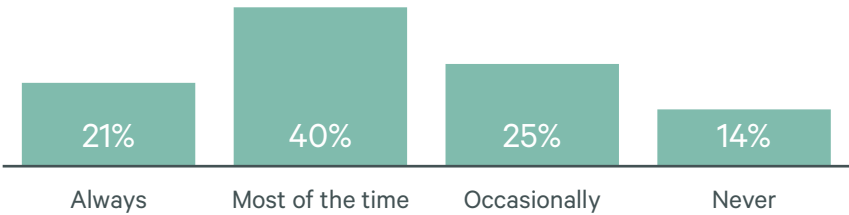
Respondent employment status



Survey highlights

Robust demand for budget hotels

61% of respondents ‘always’ or ‘most of the time’ choose a budget hotel for short trips



64% agree that they are likely to choose a budget hotel for future short trips

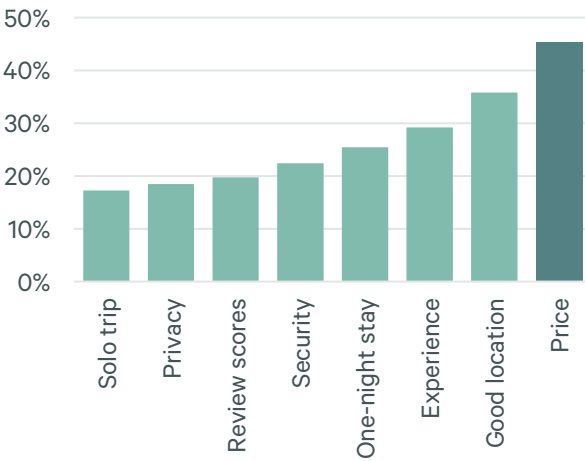


Consumer decision drivers

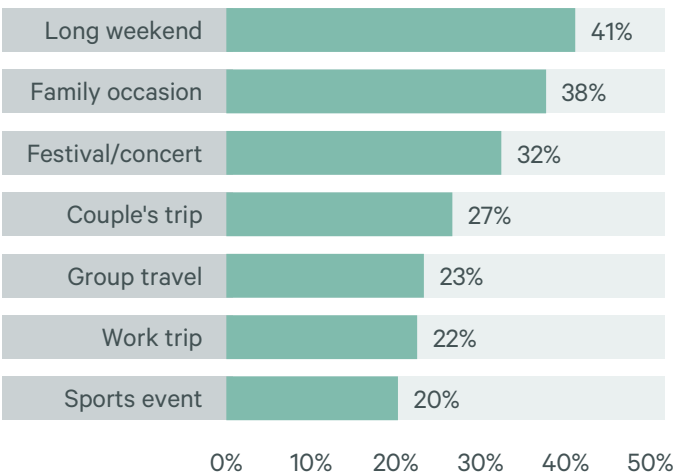
Top three factors influencing the choice of a budget hotel

-  Price
-  Cleanliness
-  Location

52% would consider staying in a pod or capsule hotel, with price the top influencing factor



Budget hotels serve a broad range of trip purposes



Key findings

01

DEMAND LONGEVITY

The sector is supported by strong demand drivers – sustained domestic and overseas tourism, a strong short-stay market, and value-seeking consumer behaviours. Rising long-haul travel costs are expected to further redirect demand towards domestic destinations, and the UK's strong cultural attributes position the sector to capture that spend.

02

A STANDARDISED VALUE PROPOSITION WITH BROAD APPEAL

Budget hotels facilitate travel for a broad demographic, making accommodation affordable for both business and leisure travellers. Price, location, cleanliness, and comfortable beds are the dominant factors influencing budget accommodation choice across age groups, reflecting the commercial logic of investing in a consistent core product rather than broadening amenity provision.

03

STRONG CONSUMER APPETITE FOR EMERGING FORMATS

Pod and capsule hotels are a new but growing segment of the UK's limited-service market. Despite their novelty, 52% of respondents across age groups would consider staying in one. An opportunity exists for first movers in the UK to benefit from growing consumer appeal and higher profits per square foot than traditional hotel rooms.

04

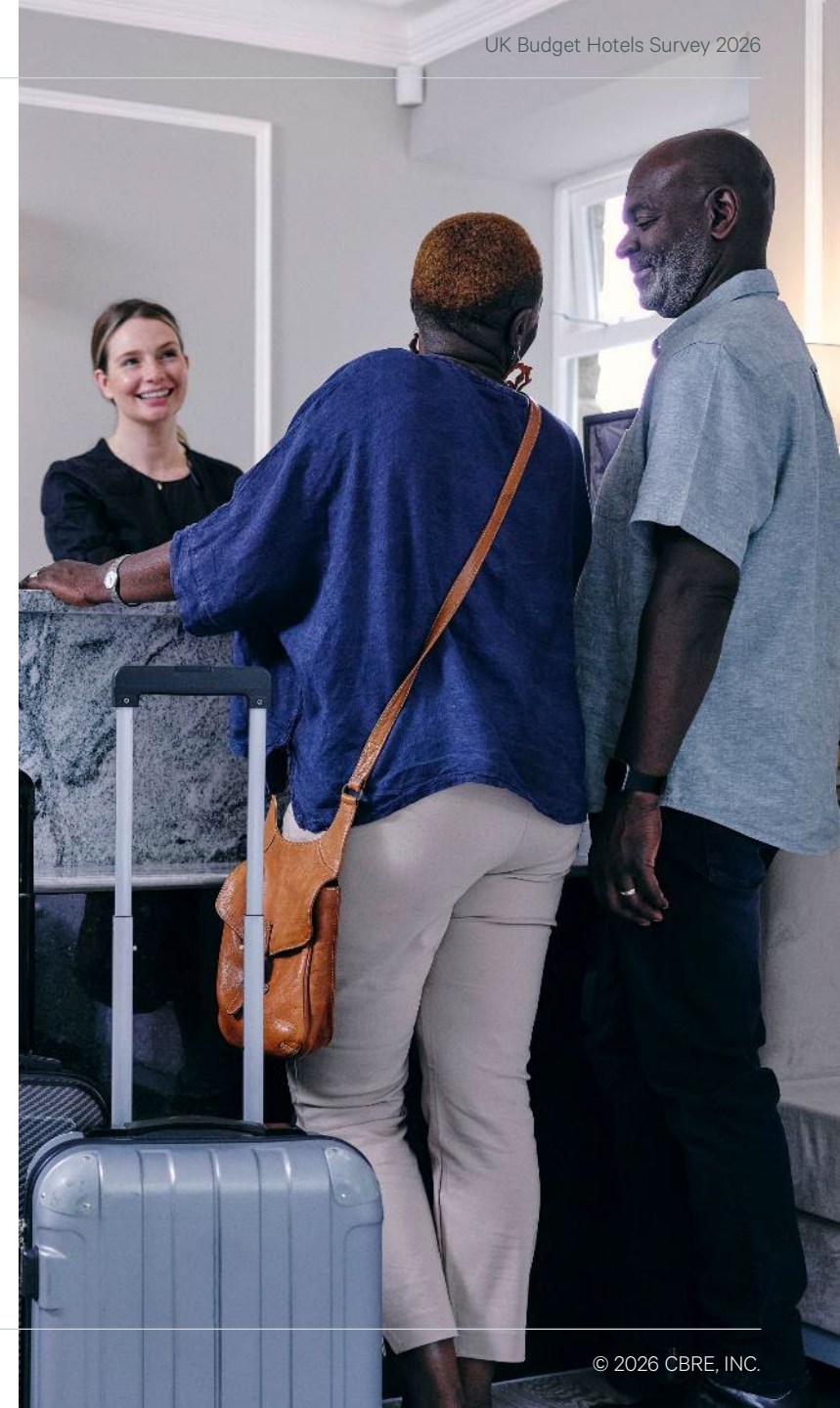
GROWTH OPPORTUNITIES IN CONVERSION, CONSOLIDATION, AND AUTOMATION

The budget hotel segment is creating a growing pipeline of investment opportunities as operators expand through the repurposing of redundant commercial real estate, acquisitions, and new developments. This trend is further strengthened by AI-enabled operational efficiencies. The budget model is structurally well-suited to AI and automation, with guests typically staying for shorter periods and valuing efficiency.

05

A DEFENSIVE OPERATIONAL MODEL

Rising labour, utility, business rates, and construction costs are increasing pressure across hospitality, but budget hotels are structurally well-positioned to manage these challenges. Limited-service operations and automated processes support lower operating costs, while compact room formats drive higher revenue generation per sq ft and improve development economics.



The background image is a blurred photograph of a modern interior. In the foreground, there's a white, textured surface, possibly a bed or a large cushion. In the background, a man in a dark green sweater and dark pants stands by a large glass door or window, looking out at a lush, green outdoor area with trees and a white fence. The interior has a dark wooden ceiling and a white wall. A blue chair is partially visible on the right side.

01

Market fundamentals

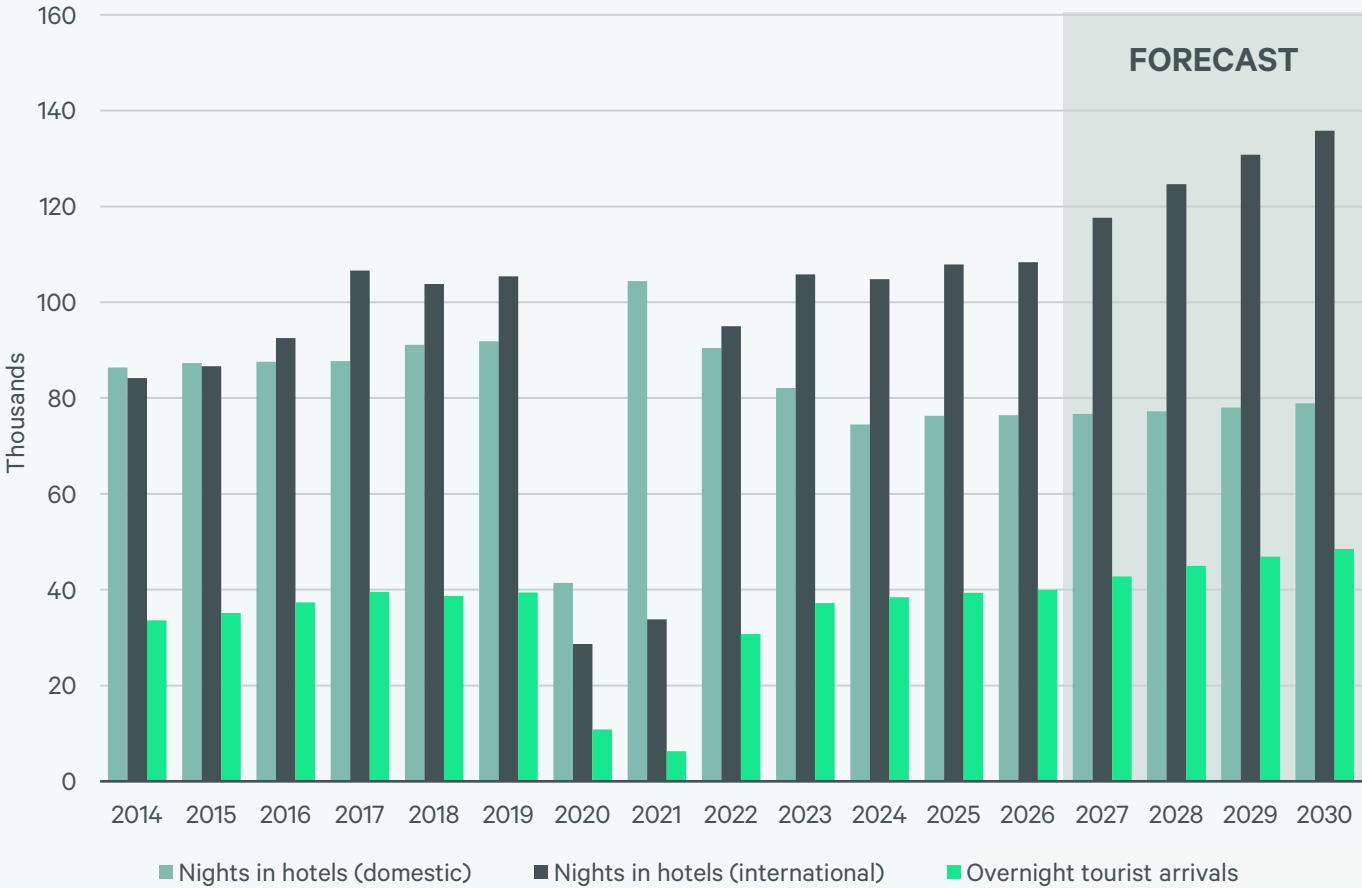
Growth in tourism is supporting the hotel sector

The economy and budget segments account for approximately [30% of the total UK hotels market, with budget hotels generating c. £11.5bn in annual revenue](#) growing faster than the wider hotels market. Demand for short breaks, cost-conscious travel, and increasing professionalisation of budget accommodation have been driving consolidation of the sector. According to Tourism Economics, over 184,000 overnight hotel stays were recorded in 2025, an increase of 2.6% compared to 2024, but 6.8% down on pre-pandemic levels. International overnight tourist arrivals are forecast to grow 23% by 2030 and surpass 2019 levels in 2026, showing robust demand for the UK’s hotel sector from both international and domestic markets. [In CBRE’s 2026 European Hotel Investor Intentions survey](#), supply and demand dynamics were the key reason investors cited hotels as an attractive investment (42%).

Although some budget establishments saw a slight dip in performance in H2 2025, the budget hotels segment established itself as a major, high-growth hospitality segment. Strong demand continues from both business and leisure travellers looking for cost-effective overnight stays in prime locations. Indeed, operators are positioning themselves to meet demand as, according to CoStar, 10,000 midscale and economy beds are under construction or in the planning stage across the UK.

A shift in business travel since the COVID-19 pandemic has favoured the budget segment of the industry. Corporate travel budgets have experienced widespread cuts due to macroeconomic pressures and stricter cost-management measures. Stricter budgets and limited luxury or non-essential additions favour limited-service hotels, a shift that appears to be long-lasting rather than cyclical. If the hotel is in a desirable location, then a competitive price and no-frills offering will entice business travellers to the segment.

Figure 1: UK nights in hotels and overnight tourist arrivals (all hotel classifications)



Source: Tourism Economics

Occupancy set to hold firm amid tighter margins

Budget hotels have been experiencing fluctuating demand. The segment has been vulnerable to tighter consumer spending and rising operational and labour costs, resulting in tighter profit margins. Multiple cost pressures include increases in employer National Insurance contributions, the National Living Wage, business rates, and product costs. With costs rising faster than revenues, margins remain squeezed even where occupancy remains buoyant.

Positively for budget hotels, occupancy is forecast to grow at an average of 0.8% per annum over the next three years, and Average Daily Rate (ADR) is expected to grow 1.2%. Sustaining occupancy levels is vital for preventing declines in RevPAR and maintaining profitability as budget hotel operators rely on high turnover to offset operating costs. However, budget operators must be careful not to reduce ADRs solely to achieve full occupancy. Higher occupancy at a reduced ADR may mean higher variable costs, such as increased housekeeping, energy usage, and breakfast supplies. Sustaining occupancy at a higher rate will help maintain profits.

Figure 2: RevPAR growth composition – Regional UK midscale and economy

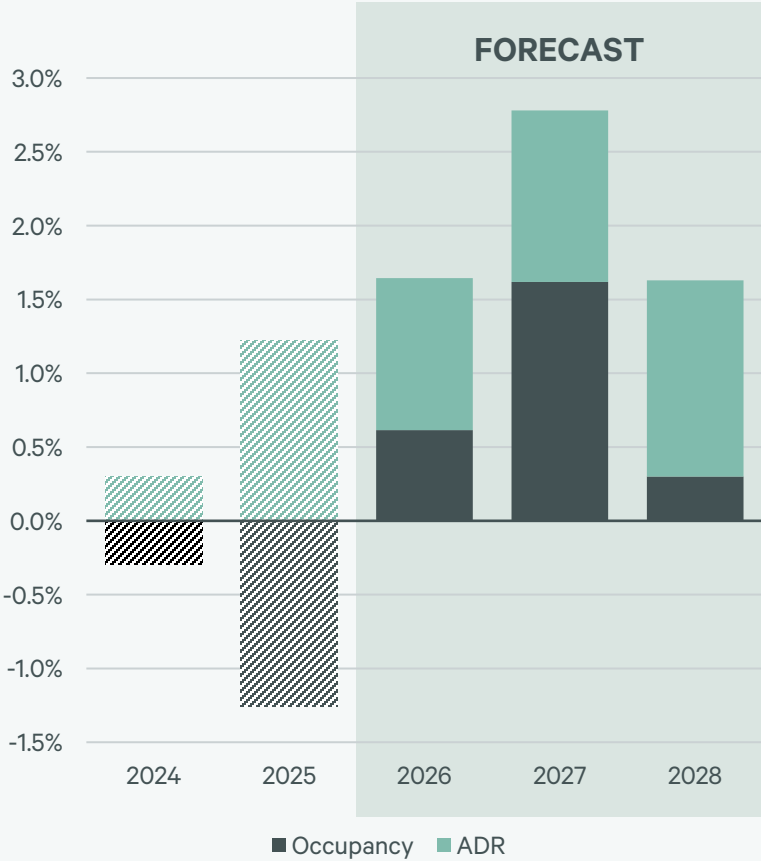
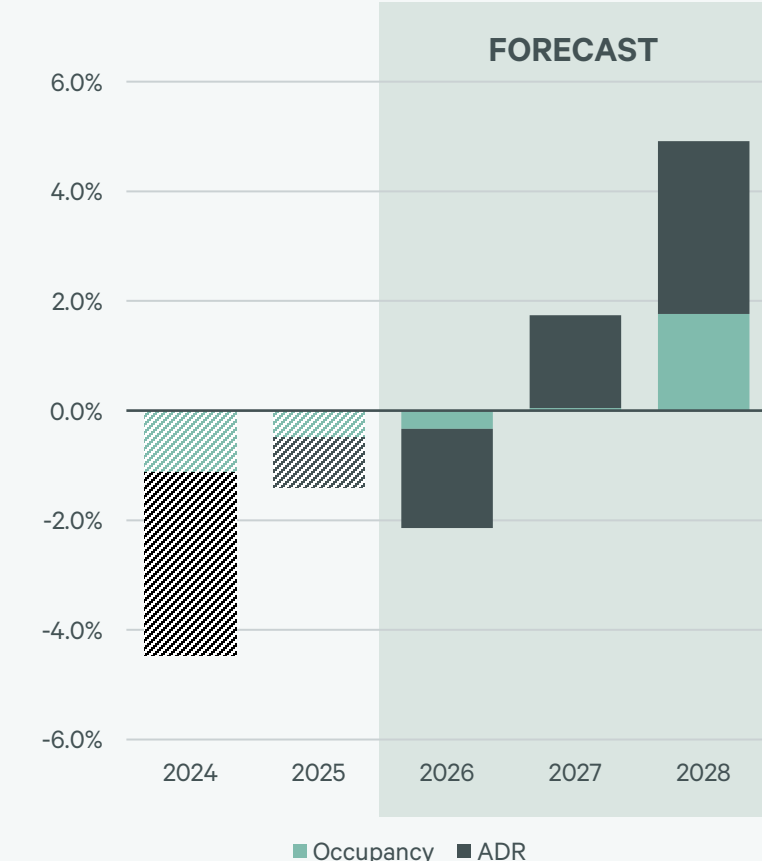


Figure 3: RevPAR growth composition – London midscale and economy



Source: CoStar

Opportunities to scale

The UK is the largest budget hotel market in Europe and is highly concentrated. Together, the two largest operators, Premier Inn and Travelodge, operate more than 2,200 properties and approximately 190,000 rooms across the country, accounting for over 60% of market share by room capacity and number of sites.

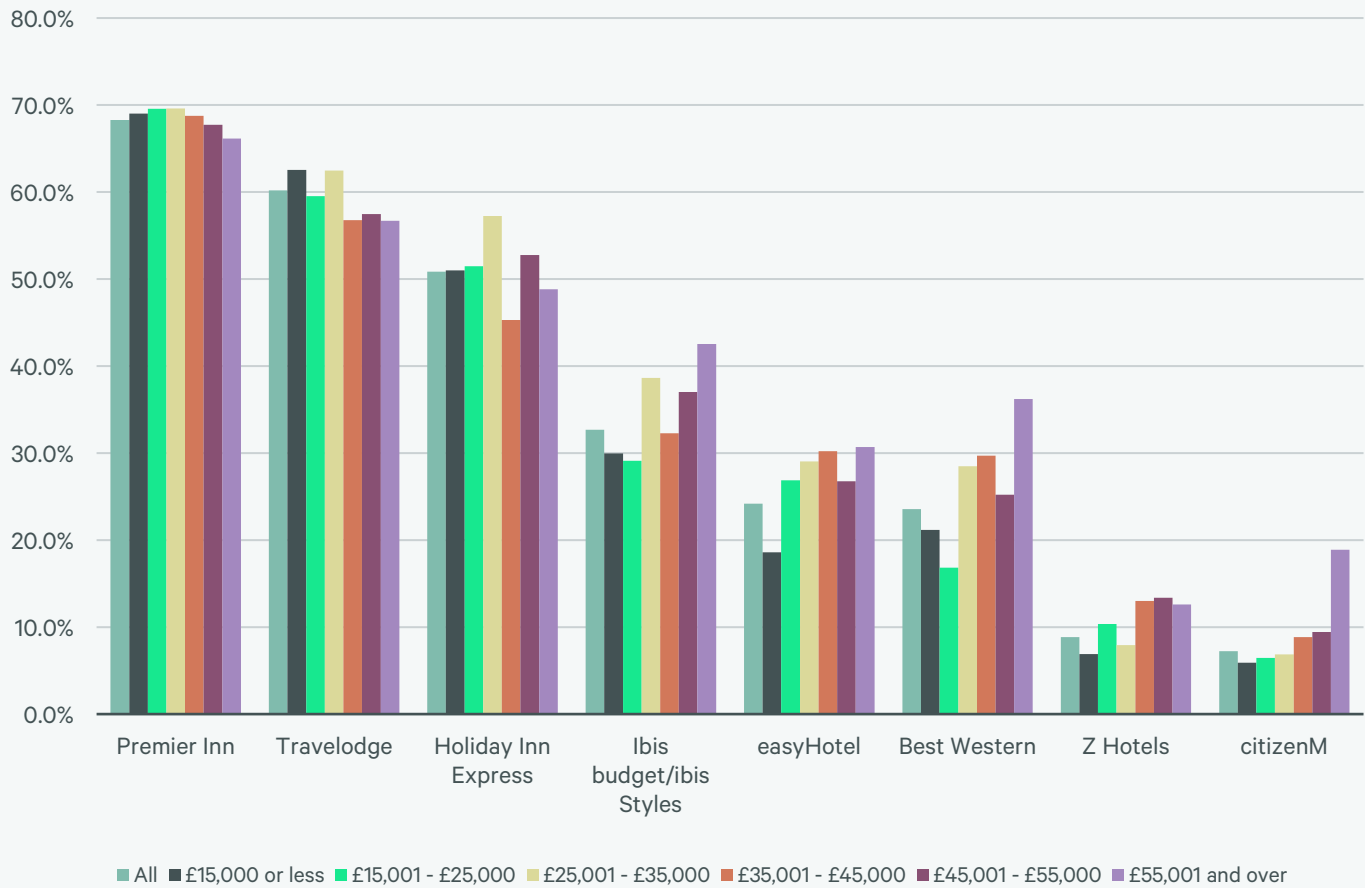
It is therefore unsurprising that the majority of survey respondents had heard of Premier Inn (63%) and Travelodge (54%).

Major budget operators have been expanding through acquisitions, conversions, and new developments. Furthermore, unlike mid-range and luxury hotels, budget hotels do not require the same initial capital investment. Centralised procurement, standardised designs, and lower staffing numbers mean operators can replicate a successful operation across multiple markets.

For developers, budget hotels offer advantages in construction as operational complexity is minimised. Budget hotels offer higher room-to-space ratios where developers prioritise homogeneous, high-density layouts that utilise the square footage effectively. Furthermore, the lean operating model has made budget hotels particularly attractive to institutional investors and regional developers seeking growth opportunities. This has contributed to the scaling of new UK budget brands such as Z Hotels and Spark by Hilton over the past decade.

Across the survey sample, brand recognition increases with age for the top four budget hotel brands, likely due to longer exposure. Income, as shown in the chart, has little impact on brand recognition, meaning a recognisable product can appeal to all age groups and demographics. This means that budget hotels may carry lower demand risk than other real estate asset classes. For investors, this translates into a more defensive income profile than other hotel segments whose revenue is more sensitive to corporate travel cutbacks and consumer confidence. Occupancy remains broadly stable, the demand base is broader, and the operating model is leaner.

Figure 4: Which limited-service/budget hotel brands have you heard of? (Responses by income bracket)



Source: CBRE UK Budget Hotels Survey, CBRE & Censuswide, May 2026

02

Consumer sentiment and decision drivers

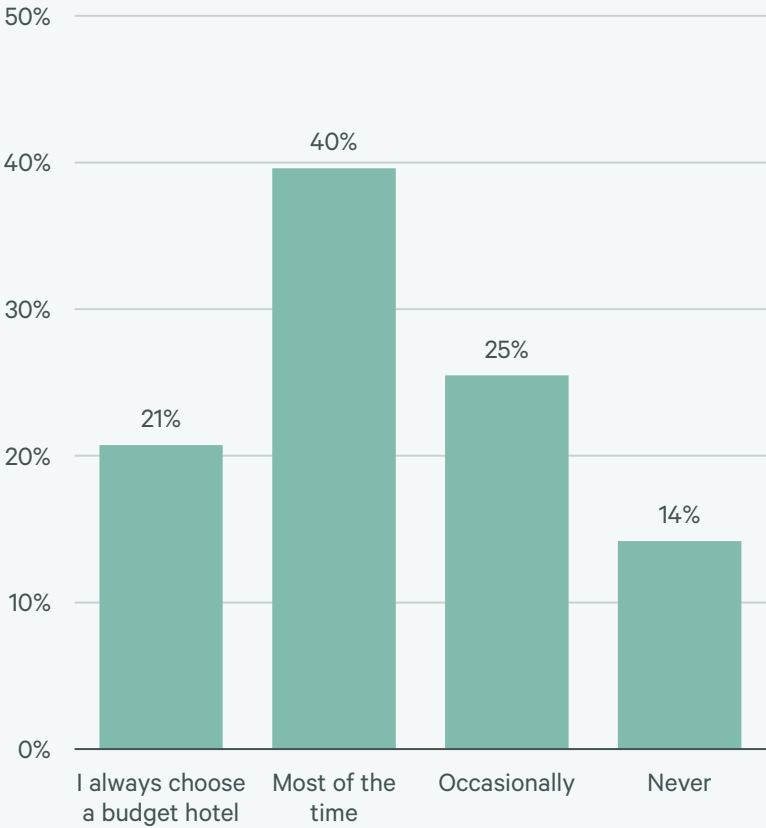


Rising costs reinforce demand for budget hotels

Ongoing cost-of-living pressures have raised the overall cost of travel and limited discretionary spending. As a result, consumers are opting for shorter trips and trading down on accommodation to improve affordability and preserve discretionary spend elsewhere. Budget hotels are well-positioned to capture spend from leisure and business travellers, who prioritise value and a reliable service offering, supporting occupancy across the working week and weekends alike. There is a clear and sustained need for budget hotel provision within urban cores and key tourism cities, and high usage among younger cohorts is a further positive signal for long-term demand.

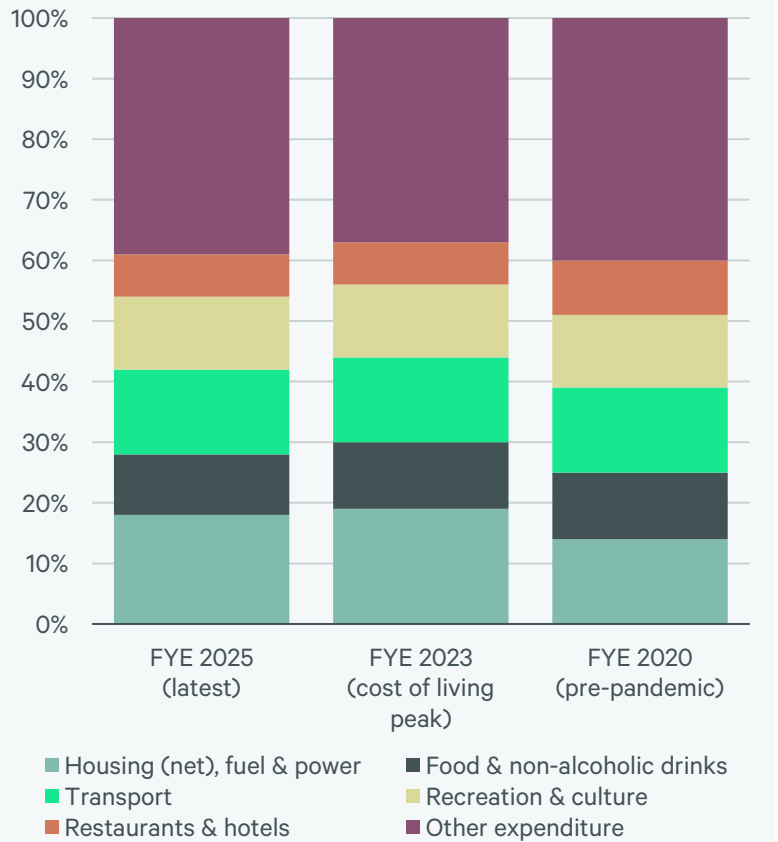
Future intentions to stay in budget hotels are strong across age groups, with 64% agreeing that they are likely to choose one for future trips. As the cost of long-haul travel rises, domestic short breaks are expected to increase further. This trend is being driven in part by an increase in global jet fuel prices, which are up 80.5% year-on-year due to supply disruptions following the conflict in Iran. Despite the squeeze on household incomes, appetite for travel has proved resilient: ONS data shows spending on package holidays abroad rose 14% in real terms in FYE 2025, concentrated among higher-income households. For cost-conscious travellers, budget and limited-service hotels have become an affordable route to travel. Budget hotels offer a clean, well-connected room at a price point that fits a tighter household budget.

Figure 5: Frequency of choosing a budget hotel for short trips/city breaks (1–5 days)



Source: CBRE UK Budget Hotels Survey, CBRE & Censuswide, May 2026

Figure 6: UK household expenditure: share of weekly spend by category



Source: ONS
Note: Package holidays abroad, which bundle flights and hotel, and international airfares are classified by ONS as “Other expenditure”

Standardised value and location are key priorities

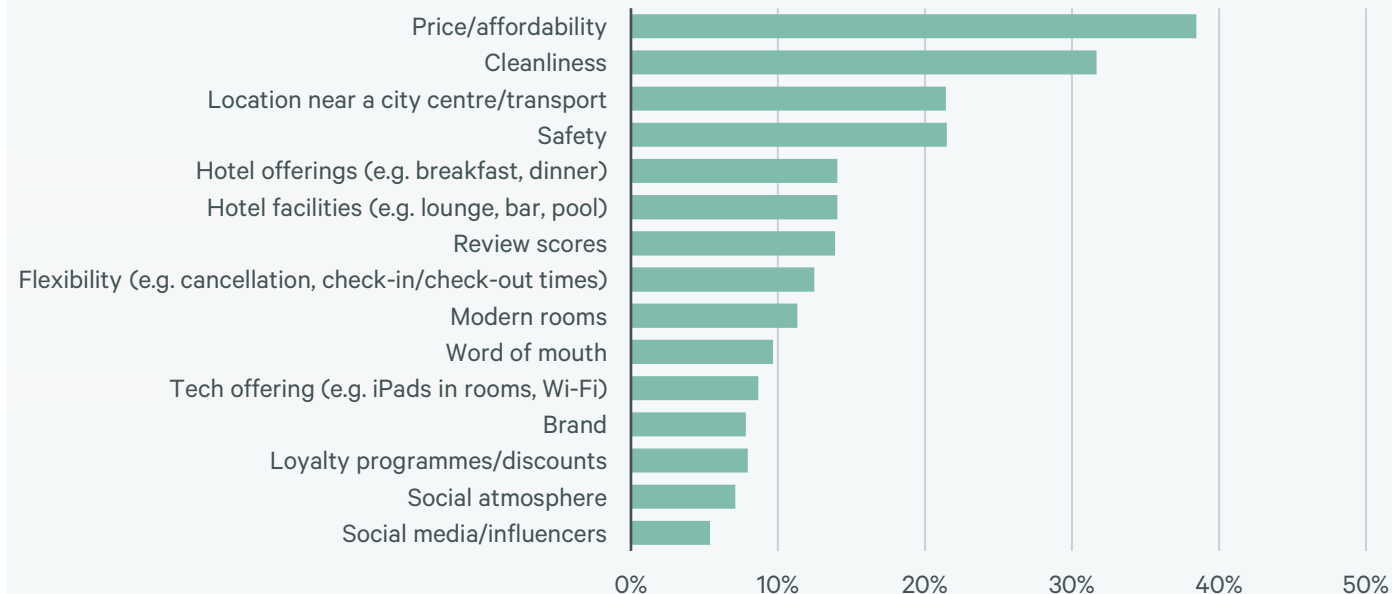
Across our survey area, price, cleanliness, and location were the most influential factors in budget hotel selection, reflecting the subsector's core value proposition. Wi-Fi and comfortable beds are also prioritised in-hotel features. A key difference between the luxury and budget segments of the hotels market is the level of amenities provided. Basics, not extensive offerings or facilities, are what budget travellers are looking for.

Major budget hotel operators deliver a consistent, standardised value proposition across their portfolios by implementing uniform room specifications, branding, quality assurance, and operational processes. This standardisation drives cost efficiency, which is critical in enabling operators to offer affordable accommodation while maintaining consistent brand standards.

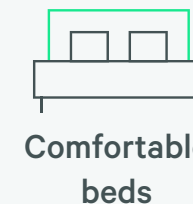
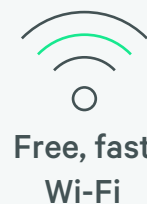
Budget hotels capture demand through location. With a standardised product offering, a largely fixed cost structure, and constrained new supply, location has become a primary determinant of operational performance and asset value. Consequently, competition among investors and operators for viable sites has intensified, with site viability increasingly determining which schemes progress, rather than brand differentiation or product specification.

For investors and operators, consumer priorities reinforce the importance of cost control, location, and a consistent core product. Capital and operational expenditure are most effectively directed towards maintaining asset quality and room standards, and improving operational efficiency, rather than expanding amenity provision. Alternative revenue optimisation opportunities include reducing reliance on online travel agents (OTAs) and leveraging direct booking channels, thereby improving profitability through lower commission costs. Online reputation management also remains critical as review scores have become a key determinant of booking conversion.

Figure 7: Top factors influencing choice to stay in a budget hotel



Which in-hotel features are a must in a budget hotel?



Source: CBRE UK Budget Hotels Survey, CBRE & Censurwide, May 2026

Budget hotels meet consumer price expectations

Respondents are able to pay an average of £79 per person per room (pp/pr) for overnight accommodation in the UK. Assuming double occupancy among leisure customers, this equates to approximately £159 per room per night (pr/pn). While this budget is sufficient to access hotels in Birmingham and Manchester, it falls below ADRs in Edinburgh, and, more notably, London. This demonstrates the increased pricing power held by operators in these markets, where occupancy levels remain stable and supply is constrained. Older age cohorts are able to spend more on UK accommodation, providing greater flexibility to absorb London and Edinburgh pricing. However, younger cohorts face a tighter affordability ceiling, making economy accommodation a necessity in higher-cost markets. **Across all cities, respondents’ budgets can accommodate limited-service and budget hotel options,** underscoring the essential role that budget hotels play in making travel accessible.

From a revenue management perspective, operators are typically cautious about ADR reductions as a mechanism to drive occupancy. OTAs and price comparison platforms have heightened rate transparency, meaning price reductions can reset customer expectations and make subsequent rate increases more challenging without risking reputational damage. Instead, operators can employ targeted discounting through closed channels, such as member-only rates, loyalty programmes, direct booking incentives, or room-only packages, enabling them to appeal to price-sensitive travellers while protecting RevPAR.

Figure 8: Difference between mean £ (pr/pn) respondents are able to spend on overnight accommodation in the UK and 12-month ADRs (March 2025–2026)



Source: CBRE Research, CoStar, CBRE UK Budget Hotels Survey, CBRE & Censuswide, May 2026

A woman with long brown hair, wearing a black blazer over a white shirt and dark tie, is smiling and talking on a black telephone. She is holding the receiver to her ear with her right hand. The background is a blurred office environment with warm lighting. On the left side of the image, there is a vertical green line and the text '03 Emerging formats' in white.

03

Emerging
formats



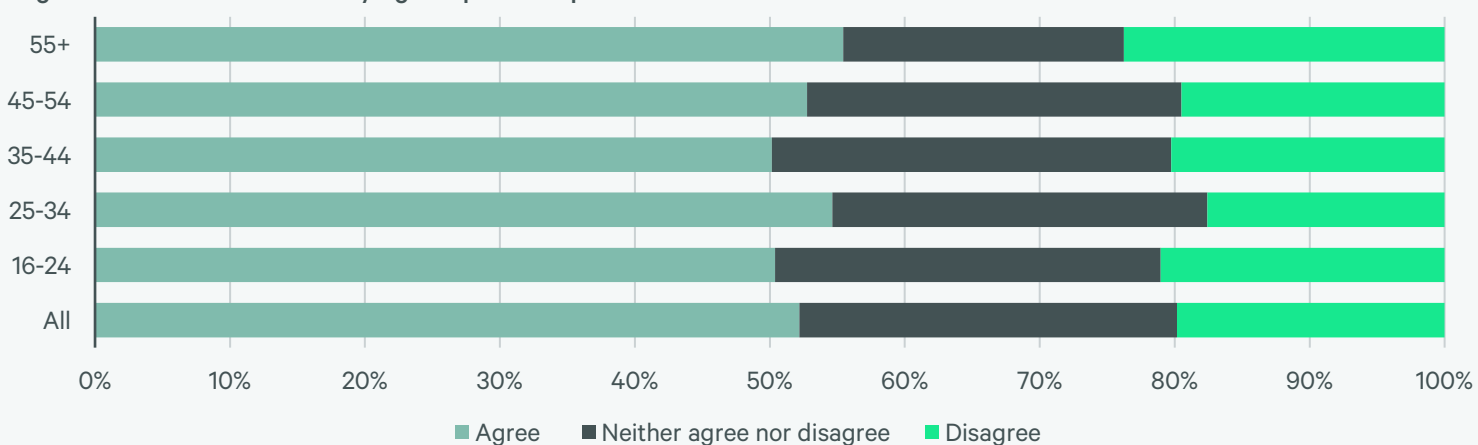
Appetite for pod hotels is ahead of supply

The capsule hotel concept began in Japan as a form of urban accommodation designed to provide lower-cost stays to travellers through efficient use of space. Pod hotels are now a core component of Asia's hospitality offering, typically in city centres or near major transport hubs. The capsule market is further supported by solo travel and space constraints in urban centres. Although relatively new to Europe, capsule hotel development has been increasing at major transport hubs.

As highlighted earlier [in the report](#), modern travellers are prioritising price, cleanliness, and location over amenities, prompting the capsule hotel concept to expand beyond Asia into major destination hubs like London. Zedwell opened the UK's largest capsule hotel on Piccadilly Circus, London, with 1,000 capsules in 2025.

Given the novelty of the concept in the UK, appetite among respondents to stay in a capsule hotel is high, with 52% of respondents saying they would consider staying in one. Appetite does not vary significantly by age. From an operator's perspective, the capsule hotel generates higher profits per square foot than traditional hotel rooms. Higher space utilisation can improve development viability in locations where the economics of traditional hotel schemes are challenging to justify. Utilising the room space efficiently also allows for high guest turnover with minimal overheads and low staffing requirements.

Figure 9: 'I would consider staying in a pod or capsule hotel'



Source: CBRE UK Budget Hotels Survey, CBRE & Censuswide, May 2026

Novelty attracts travellers to pod hotels, while value retains them

Solo travellers account for the largest share of stays in pod hotels globally as the concept is geared towards them. Solo travellers also had a higher average spend per trip (£361 pt/pp vs £320 pt/pp), highlighting the strong revenue potential from this cohort. Demand for newly emerging formats is also being driven by group travellers who value the privacy of sleeping capsules without sacrificing the social aspect of hostels. The combination of individual privacy and communal amenities broadens the appeal of the concept across traveller cohorts.

Across our survey area, price, location, and experience are the top factors for considering a pod or capsule hotel. Hotel operators have been at the forefront of responding to the growth of the experience economy by introducing innovative accommodation concepts designed to deliver memorable and unique guest experiences. However, as leisure budgets are being squeezed, travellers have become more selective in how and where they allocate their budgets.

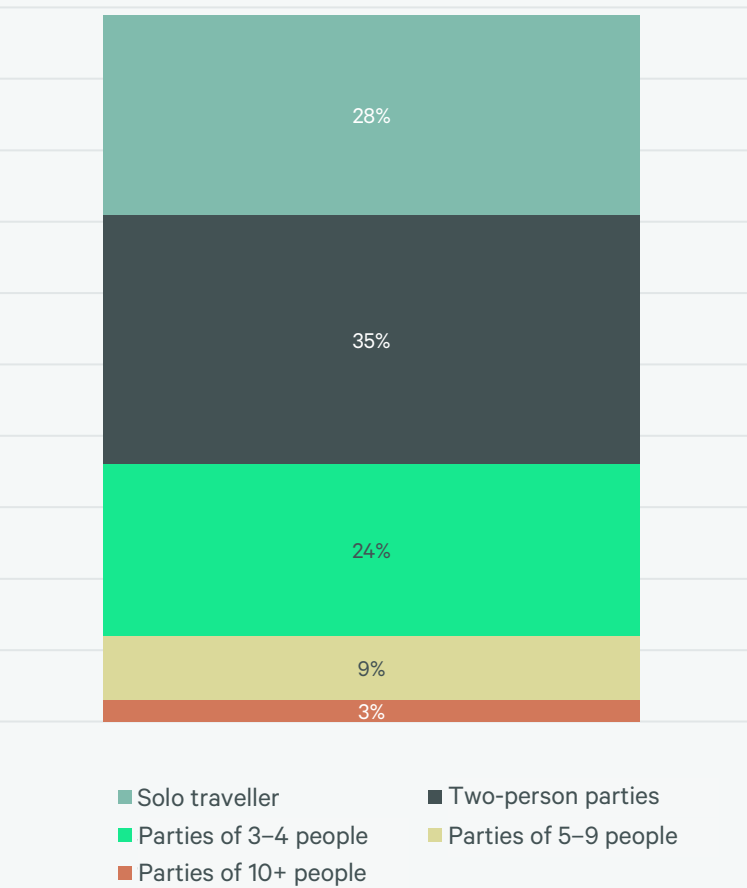
While immersive and unique experiences may entice travellers to new-concept hotels, value for money, location, and overall convenience will ultimately drive repeat custom. Repeat custom will be critical in enabling pod or capsule hotels to evolve from a niche hospitality offering into a widely accepted and cost-effective option for solo travellers, as demonstrated in Japan.

Figure 10: Influencing factors for staying in a newly emerging format



Source: CBRE UK Budget Hotels Survey, CBRE & Censuswide, May 2026

Figure 11: Party size (share of trips)



Source: CBRE UK Budget Hotels Survey, CBRE & Censuswide, May 2026

A person is packing a yellow suitcase with clothes. The person's hands are visible, and they are wearing a watch. The suitcase is open, and various items of clothing are being placed inside. The background is blurred, showing an indoor setting.

04

Conversion and automation opportunities

Conversion of redundant assets to hotels

Consolidation is accelerating across cities previously dominated by independent hotels. Budget hotel chains, in particular, are increasing their share of the UK hotel market through the conversion of redundant properties. Operators have been converting redundant assets to increase brand penetration, raise performance expectations, and support the further professionalisation and standardisation of the sector. A notable trend in recent years is the transformation of [low-quality offices and department stores into hotels and mixed-use assets](#). Since 2022, just under 1.3m sq ft of central London office space has been bought with the intention of converting to hotels. Compared with new developments, conversions benefit from lower exposure to construction cost inflation and faster delivery timelines.

After London, Edinburgh leads the way in terms of overnight visitor numbers. Edinburgh is a city with high barriers to entry due to planning and heritage constraints and limited supply of suitable buildings, so hotel investors and operators have been targeting office conversions to absorb visitor demand for overnight accommodation. Over 223,000 sq ft of redundant Edinburgh office space has been purchased with the intention of converting to hotels. The City of Edinburgh Council has granted planning permission for the conversion of the 65,350 sq ft vacant office building Capital House in the centre of Edinburgh into a 195-bedroom **Premier Inn**. Budget boutique brand **Point A Hotels** opened its second Edinburgh property in July 2026 on the site of the former head office of the Scottish Widows Fund and Life Assurance Society.

Tightening planning restrictions and economic viability can act as a barrier to redevelopment. Planning permission is needed from the local authority as the planning use class must change from office (use class E) to hotels (C1). Moreover, as many local councils have increased scrutiny of short-term lets (STLs), the conversion of redundant assets to hotels further contributes to the local economy. Revitalised commercial districts create employment, generate business rates revenue, and encourage consumer spending and increased footfall.

Figure 12: Office-to-hotel conversions, UK

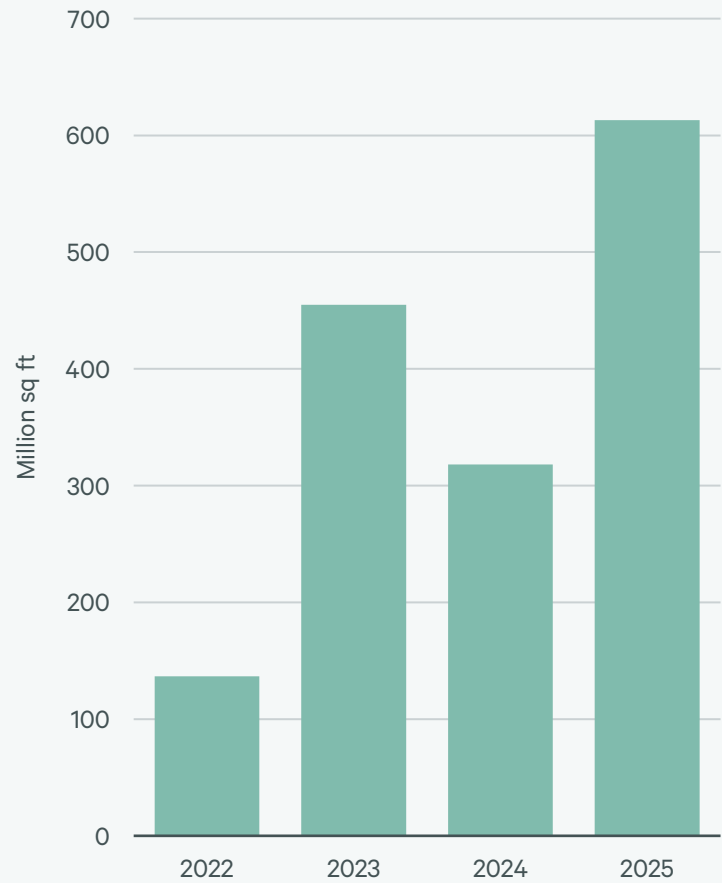
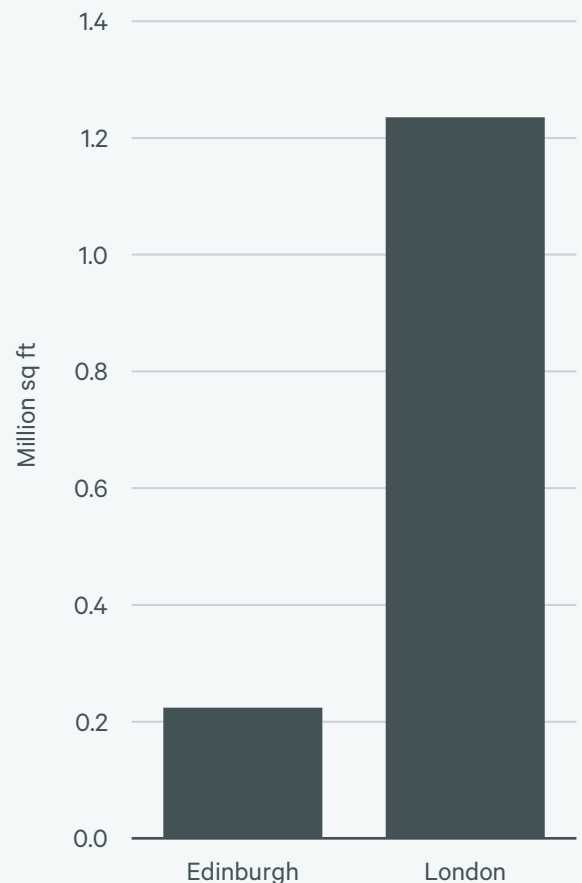


Figure 13: Office-to-hotel conversions, 2022–2025



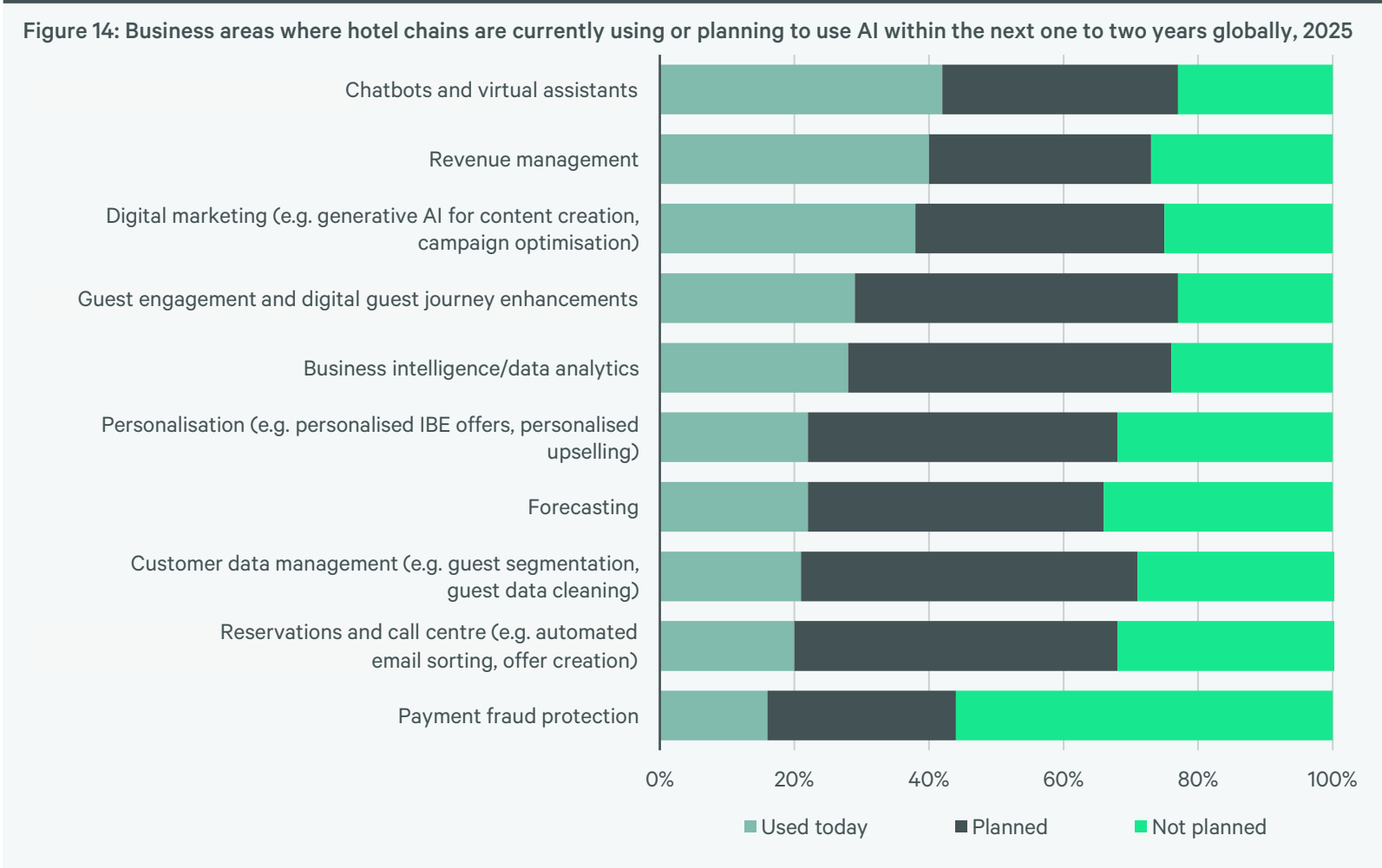
Source: CBRE Research

AI driving operational efficiency and customer experience

HOW CAN OPERATORS LEVERAGE AI?

- **Revenue management:** AI can analyse booking data to adjust room rates and target pricing.
- **Personalised guest communications:** Chatbots and virtual assistants can handle routine requests, helping to reduce wait times and personalise communications to enhance the guest experience. Predictive maintenance: data on check-in patterns, occupancy, and guest preferences can be used to anticipate stock and maintenance requirements.
- **Administrative and scheduling support:** AI can support staff rotas, procurement, accounting, and forecasting costs and profits.
- **Visibility:** Forward-thinking operators are structuring and standardising their data to improve AI-driven discovery, as traditional keyword-based search becomes less dominant.

Hotel operators are most commonly leveraging AI through chatbots and virtual assistants, revenue management, and digital marketing. Against a backdrop of rising operating costs, AI can improve productivity and optimise resource allocation, helping to protect margins. It can also enhance operational efficiency, market visibility, and improve the guest experience. Together, these benefits enable operators to maintain competitive pricing and differentiate their offering from alternative accommodation options such as STLs.



Source: Statista 2025: Business areas where hotel chains are currently using or planning to use artificial intelligence (AI) within the next one to two years worldwide in 2025, CBRE Research

Budget hotels are best placed to automate

Two of the primary reasons consumers select budget hotel accommodation are **competitive pricing** and **quick and easy check-in/out** – both areas where AI can deliver meaningful support.

AI-driven automation is already widely adopted across budget hotel chains and aligns well with the operating model. Operators can reduce staff overheads, while still satisfying their clientele who tend to stay for shorter periods, value efficiency, and may be happy to forgo the guest interaction that customers staying in a luxury chain would expect. By facilitating leaner staffing models, AI has the potential to provide operators and investors with improved Gross Operating Profit (GOP) margins and a degree of protection against upward wage pressures.

Hotel chain Yotel has embedded smart technology at the core of its standardised guest offering. Through an app, guests can check in, generate digital room keys, submit service requests to generative AI, and access relevant local information. In some branches, AI robots store luggage, make room deliveries, and interact with guests. As convenience and efficiency remain key priorities for budget travellers, the sector is likely to continue its shift towards self-service models, with AI playing a central role.

Reasons consumers choose a budget hotel over other accommodation options



Better price (48%)

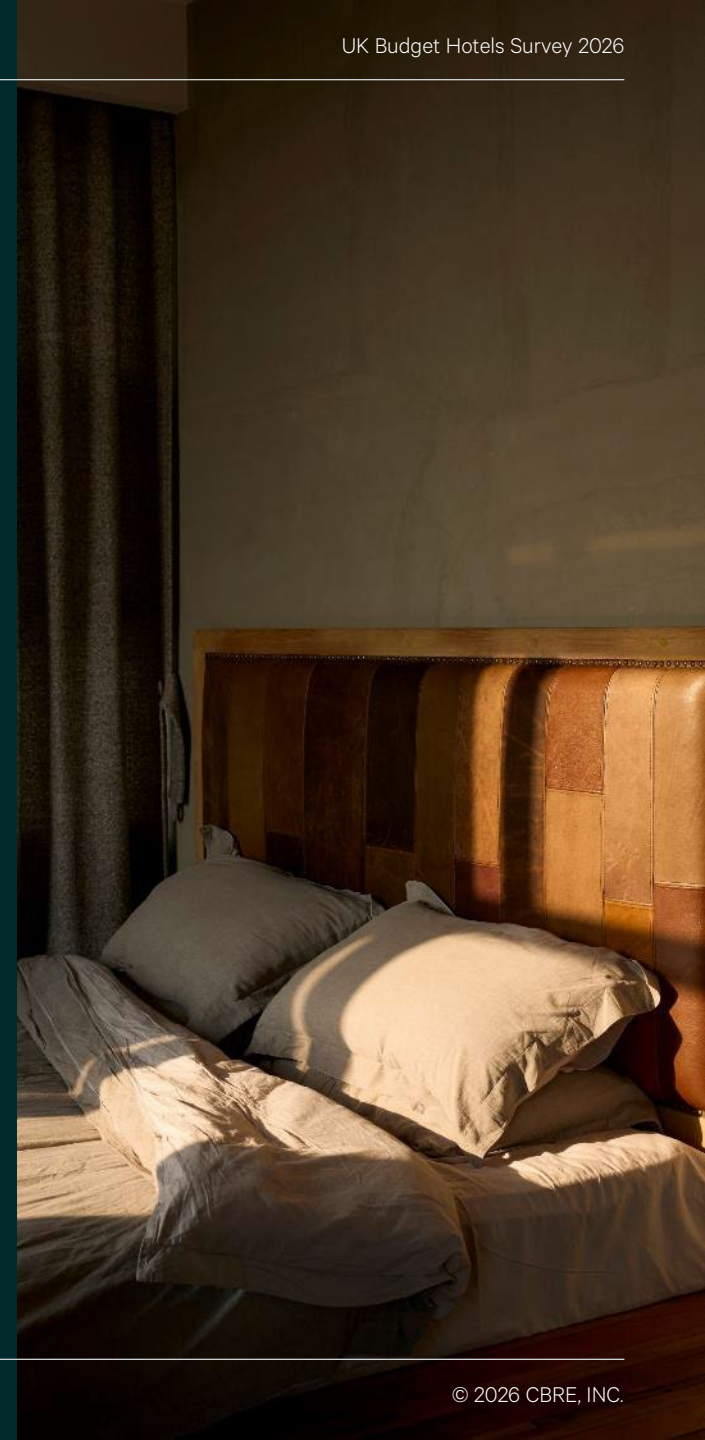


Quick and easy check-in/out (25%)

How operators can leverage AI to meet this consumer priority

AI-powered **revenue management systems** continuously analyse real-time and historical occupancy data, competitor pricing, and demand trends to dynamically adjust room rates and match rooms to customers based on revenue potential and likelihood of sales conversion. This can strengthen operators' ability to maintain competitive pricing without compromising profitability.

AI and technology are increasingly being deployed to **streamline the check-in/out process**. Solutions include pre-arrival online check-in, AI-enabled self-service desks, virtual assistants, and mobile room keys. Leveraging behavioural and customer data, chatbots can further enhance the customer experience through personalisation.



05

Structural advantages of budget models



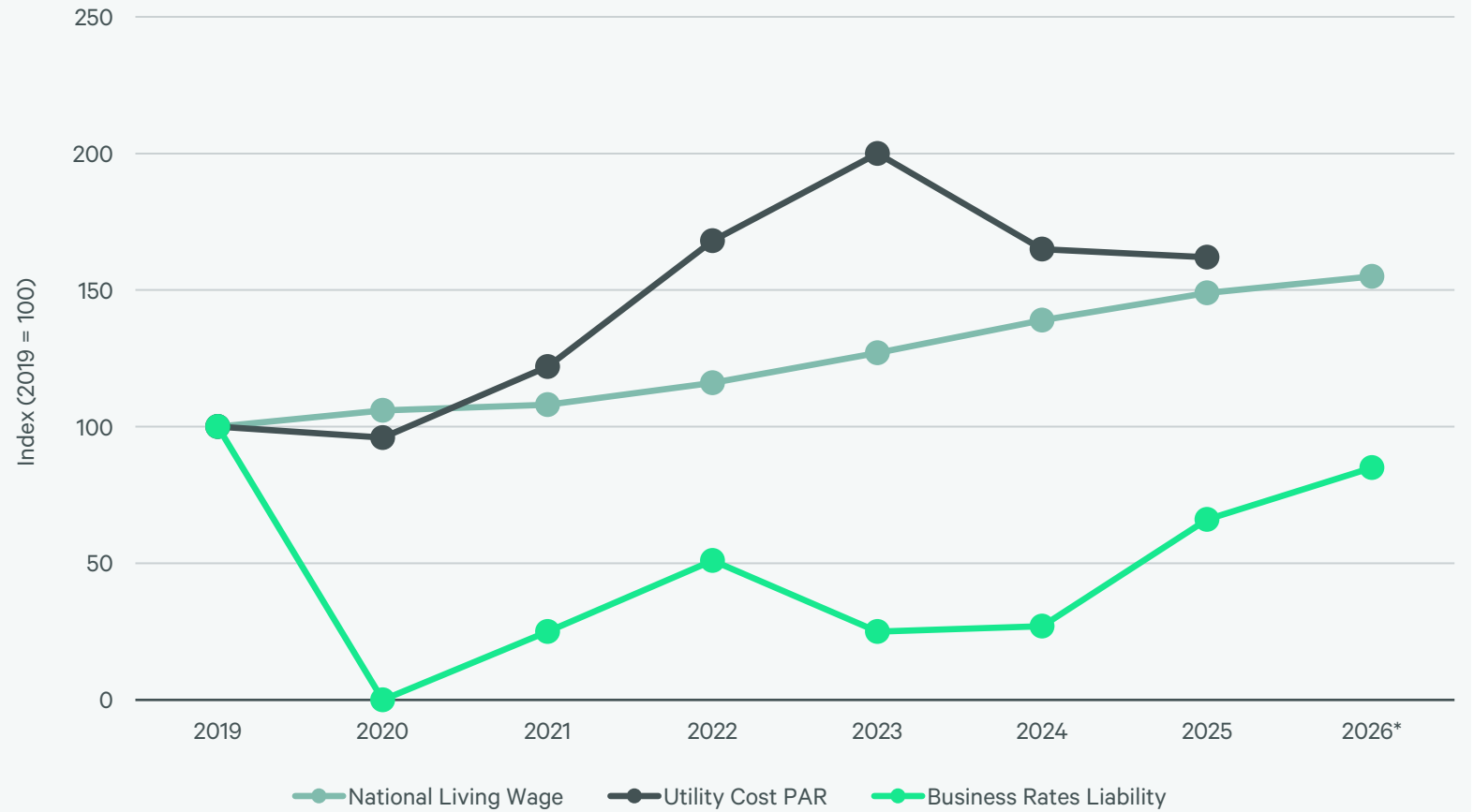
Limited-service models absorbing rising costs

The [National Living Wage](#) has risen 87% over the last decade, with employer National Insurance Contributions (NIC) also rising from 13.8% to 15% in April 2025. Hospitality businesses are expected to absorb an additional £1.9bn in higher wage costs, £1bn in additional NIC liabilities, and £500m in increased business rates following the reduction in rates relief from 75% to 40%. Industry trade body [UKHospitality](#) estimates that National Insurance increases alone will cost the hospitality industry £3.4bn.

Cost pressures have been compounded by business rates and rising utility expenses, creating additional challenges for hospitality operators already operating on thin margins. Together, rising utilities and the withdrawal of rates relief represent a structural addition to the fixed cost base. Unlike labour, neither can be reduced by changing the operating model. The energy unit price and the business rates liability are externally determined by markets and government policy, respectively. Persistently elevated costs have been difficult to offset through room rate alone, particularly for regional properties where RevPAR growth has been more constrained.

Limited-service models help budget hotel operators address these cost pressures. Operators are simplifying their offering by minimising the F&B offering, reducing front-desk hours, automating check-in, and consolidating maintenance. These operational efficiencies help protect margins by reducing exposure to wage costs and food inflation, positioning the budget hotel segment as a relatively defensive proposition for investors.

Figure 15: Key cost pressures in the UK hotel sector



Source: National Living Wage: HMRC published rates. Index rebased to 2019 (£821/hr = 100), HotStats (utility cost Per Available Room), business rates liability: Illustrative index based on the standard NNDR multiplier (HMRC/VOA) adjusted for the retail, hospitality and leisure relief rate each year.

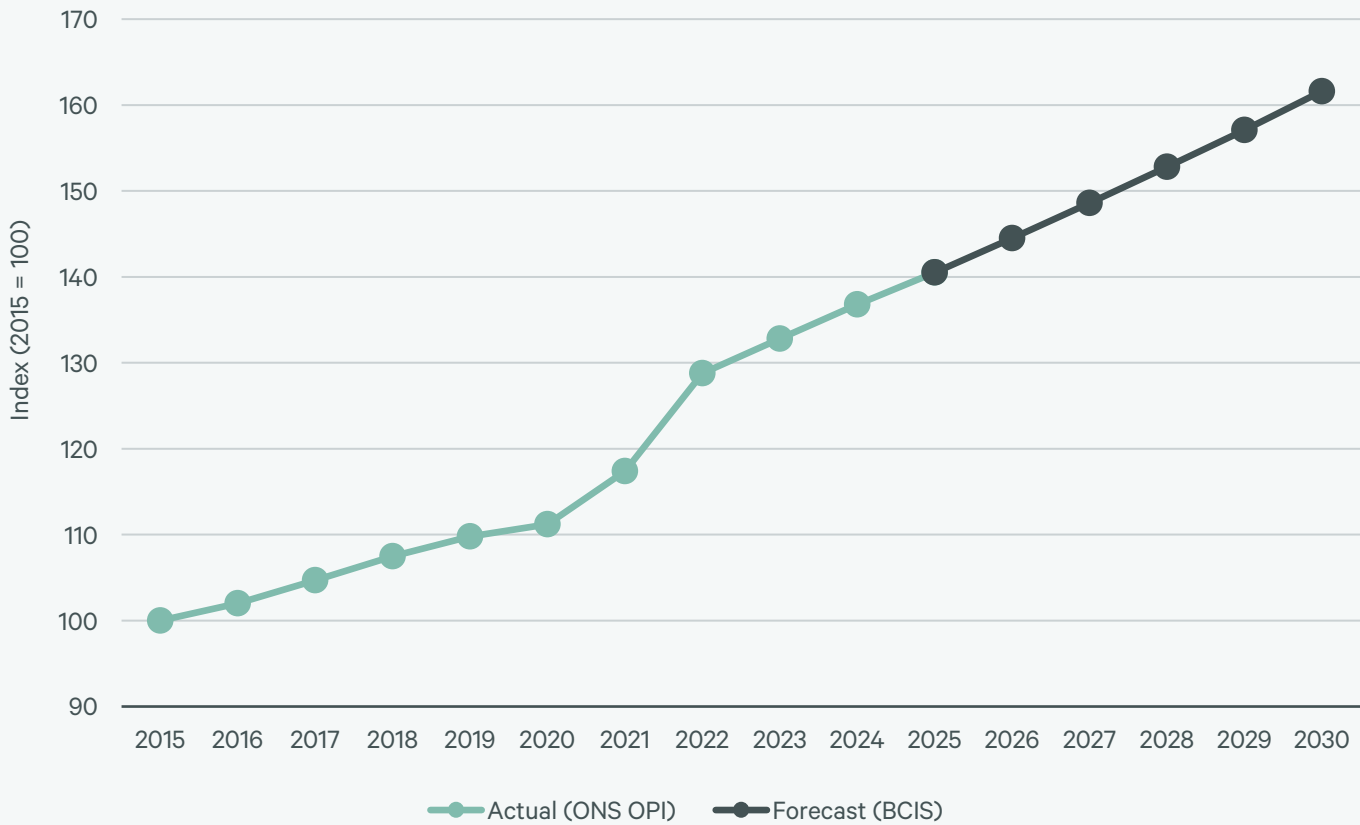
The development case for compact hotel models

Hotel development viability has been under sustained pressure for over a decade, but the period since 2020 has been markedly different. [Construction material costs in the UK rose by 60% between 2015 and 2022](#), with concrete, steel, insulation, and timber among the worst affected. BCIS tender price inflation peaked at 10.3% in spring 2022 as post-pandemic demand collided with constrained supply chains and acute labour shortages. By Q3 2025, build costs had risen a further 21.8% from Q3 2021 levels, significantly outpacing average sales value growth of 13.1% over the same period. BCIS forecasts [a further 15% rise in tender prices by 2030](#). Against this backdrop, operators such as Hub by Premier Inn, Z Hotels, and Point A Hotels have adapted their development strategies by prioritising compact room formats, which have increasingly become the default model for limited-service urban hotels.

The evolution of the compact hotel model reflects a shift in development economics. Where build costs per square foot cannot be reduced materially, developers are increasingly focused on extracting more revenue-generating rooms from the same floorplate. Compact rooms, ranging from 118 to 151 sq ft, are designed to deliver the core requirements of modern travellers while optimising space efficiency and generating comparable revenue from a significantly smaller floor area. This logic underpins the rapid growth of compact and pod hotel formats across the UK. Hub by Premier Inn, [which opened its first property in London's Covent Garden in 2015](#), has standard rooms of [123 sq ft, approximately 45% smaller than a standard Premier Inn room](#). Ultimately, the greater number of rooms per floor means more revenue per square foot and a lower cost base to operate.

In an environment of persistently rising construction costs, the compact hotel model provides an attractive development and investment proposition, supporting scheme viability and stronger returns on capital.

Figure 16: UK Construction Cost Index



Source: ONS Construction Output Price Indices (OPI) bulletins, 2015–2025 (annual rate, 12 months to December each year; 2016 estimated at 2.0%); BCIS All-in Tender Price Index: 15% cumulative forecast 2025–2030.

A photograph of a hotel room interior. Two beds are visible, each with white linens and a dark blue throw blanket. The headboard is made of dark wood panels. A window with dark curtains is in the background. A green vertical line is on the left side of the image.

06

Conclusions

Implications for hotel investors and operators

The budget hotel segment combines resilient demand, attractive development economics, and emerging growth formats, creating multiple avenues for income and value creation.

01

Invest behind growing demand for value-led accommodation driven by rising international arrivals, forecast occupancy growth, and sustained consumer preference for budget hotels.

03

Prioritise limited-service operating models that offer resilient income characteristics and appeal to value-seeking consumers.

02

Use conversions and compact formats to unlock development opportunities, increasing room density, and improving viability in a high-cost construction environment.

04

Explore pod hotels as an emerging growth segment, leveraging strong consumer interest and efficient use of space to maximise returns.



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