



## **INTRODUCTION TO THIS DOCUMENT**

**Serviced Apartment News reveals that extended-stay properties are faring better than full-service hotels, with COVID-19 generating new sources of long stay demand from key workers**

## **OUR TAKE-AWAYS:**

### **This is what we learned from this document:**

- **Extended-stay properties have shown resilience against the COVID-19 pandemic compared to the over-all hotel industry. The majority of extended-stay operators have been able to keep properties open.**
- **Their long-stay model easily lends itself to social distancing and in some cases extended-stay properties have been repurposed as housing for key frontline workers.**

[servicedapartmentnews.com](https://www.servicedapartmentnews.com)

# COVID-19 creates demand for extended-stay sector - SAN

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4-5 minutes

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Extended-stay properties are showing resilience against the COVID-19 pandemic with the majority remaining opening or repurposed for housing key workers.

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Earlier this month, [SAN polled 36 operators](#) of varying size from around the world, and found that only 30 per cent of operators have closed buildings, and 58 per cent have not laid off staff.

The [US extended-stay sector](#) has shown resilience against COVID-19 with brands like AKA keeping all 10 of its properties open and with occupancy at each location.

President, Larry Korman, said: “We have learned that “sticking to our knitting” has been the right decision for our brand. As a luxury long stay brand, who focuses on weekly, monthly, and semi-annual stays, it is easy to get distracted by the hotel model, whose rewards include a shorter sales cycle, a plethora of dials to turn to drive revenues quickly, and the glamour that comes with the luxury hotel experience. By remaining focused on the long stay model, we have

been able to maintain stability and witness the transient hotel consumers' newly-born appreciation and understanding of our offering.”

“My advice is to prioritise frequent and consistent communication with your team and residents/guests to ensure everyone can feel a sense of comfort, order and confidence in their surroundings. Disruptions can cause a sway in organisations and may impact team morale. It's important to enhance direct leadership support of your front line team members who regularly engage and care for your customers. They are the ones creating and maintaining the all-encompassing resident experience.”

Preliminary data for economy extended-stay hotels in the US indicate a 10 to 15 per cent RevPAR decline in March 2020 compared to March 2019.

This compares with the overall hotel industry which has a 49 per cent RevPAR decline for the running 28 period ending March 28, according to STR.

In the UK, brands such as Locke and SACO have also been able to keep the majority of its properties open. Stephen McCall, CEO of parent company edyn, said: “We have temporarily closed Locke at Broken Wharf and a handful of properties across the edyn portfolio, though for many people we are their home. So, in-line with UK Government guidance, we can keep the vast majority of our Locke and SACO properties open throughout the UK, as a sanctuary for our long-stay residents. I'm proud to share this also means we're able to support NHS and government efforts to house key workers, or those that need a place to stay if their permanent home isn't available.”

“Our long-stay business model lends itself to social distancing. At Locke, we have introduced touchless check-in and check-out, plus ‘no-contact’ housekeeping that delivers fresh linen and cleaning products to your door. The on-property teams are in direct (digital) contact with each guest to regularly check-in on their wellbeing and are organising door drops of supplies too, if needed. In our London properties, we have reformed our food and drink offering to create a grocery delivery service for guests and local community, and created a food bank that aims to support 100 people each week.”

Longer-term stays are becoming increasingly popular, with [Airbnb recently announcing a pivot](#) to capture this demand. The shift is motivated by a 20 per cent increase in extended-stay bookings on its platform compared to the same period in 2019.

Already in 2020, Airbnb has seen bookings for more than 600 day; the longest booking made so far this year was more than 700 days.