

AWAY FROM HOME

he global extended stay hotel market is currently valued at US\$54.5 billion, and is predicted to reach US\$166.5 billion by 2032*. Once seen as just a temporary place to stay while in between certain phases of life, the extended-stays market – which includes hotel or serviced apartments and co-living situations that offer a blend of hotel amenities with home-like features such as kitchens, separate living and sleeping areas, laundry facilities, and more - has undergone a transformation in recent years. No longer just a place to stay while one

ABOVE AND BELOW: Baccarat Hotel & Residences



is moving to a new city or country (or in between home renovations), in today's world, the serviced apartment has taken on a new lease of life. The shift has been bolstered by several factors, including the rise in remote and hybrid work, and the increasing amount of flexibility and globalisation in the way we live, work, and travel.

Riyadh, London, and Singapore remain some of the world's most popular locations for the extended stay market, but over the last year, the Middle East as a whole has witnessed an upsurge in demand. In Saudi Arabia, giga-projects including Diriyah, Neom, and Red

Sea include branded hotel residences as part of their recently-opened or upcoming offering, such as the Aman Wadi Safar, Armani Hotel Diriyah, Apartments by Marriott Bonvoy Sindalah, The Chedi Trojena, and Four Seasons Resort and Residences AMAALA at Triple Bay, to name just some. The latter follows another successful residential project from Four Seasons in neighbouring Qatar, with the opening of Four Seasons The Pearl-Qatar at the end of 2023. The property - a 19-story vertical resort in a prime location – offers 161 luxury seaside one-, two-, or three-bedroom apartments ranging from 105 to 280 sqm, and a whopping 60 per cent



of its guests are long-staying visitors. "Beyond providing exceptional experiences for short-term visitors, we've developed a distinctive rental programme catering to those relocating to Qatar for extended stays, as well as locals seeking a novel waterfront lifestyle," said the property's general manager, Mehdi Zaanoun.

Meanwhile, in the UAE, new openings and developmental signings from Dubai and Abu Dhabi to Ras Al Khaimah reflect the increasing interest. In Ras Al Khaimah, Marjan Island is slated to be home to a new property with branded residences from the iconic Nobu Hotels brand, and a JW Marriott, as well as a new Address Residences. Last year, the InterContinental Residences Abu Dhabi opened in the capital, while Rove Hotels made its residential debut with Rove Home Aljada in Sharjah. In Dubai, a staggering amount of new luxury branded properties with residential offerings are set to open their doors in the next several years, with the long list of exciting names including Jumeirah Marsa Al Arab, Six Senses The Palm, Mama Shelter Dubai, Rixos Dubai Islands Hotel & Residences, Baccarat Hotel & Residences, InterContinental Residences Dubai Business Bay, Fairmont Dubai Skyline, Ciel Tower, Bulgari Hotels & Resorts' Bulgari Lighthouse, and many more.

Long-standing serviced apartment brands are standing strong, with their

trusted reputations and seasoned know-how proving to be a boon amidst the heightened interest in the market. Vincent Miccolis, managing director of Middle East, Africa, Türkiye and India for The Ascott Limited – one of the world's leading companies in serviced residences – reported a remarkable 40 per cent increase in long-stay bookings in 2023 across the brand's portfolio in the Middle East, Africa, Türkiye, and Kazakhstan, compared to 2022.

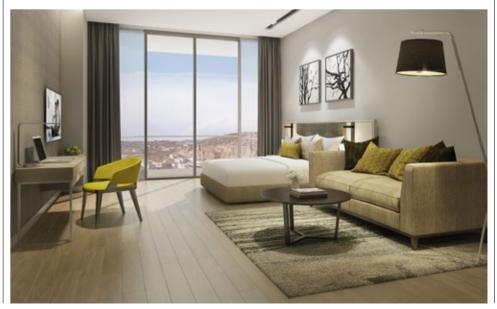
"[In] 2024, we expect long-stay bookings to continue rising as we've already recorded a 28 per cent increase in long-term stays in Q1 2024 compared to Q1 2023. Most notably, ABOVE: Apartments by Marriott Bonvoy BELOW: Vincent Miccolis

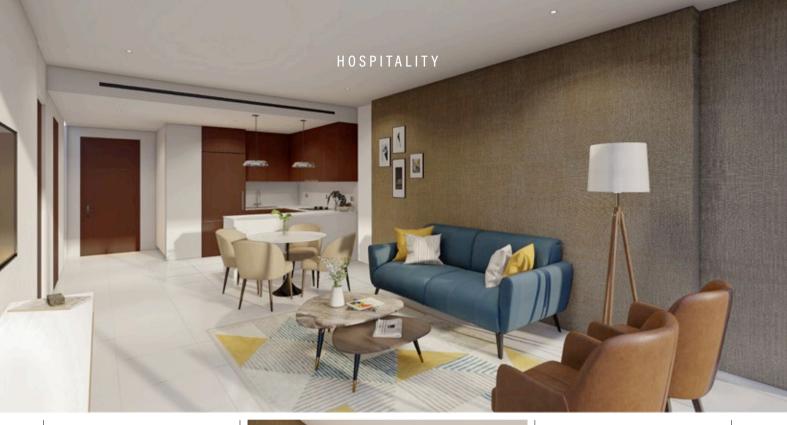
BOTTOM: Apartment studio at Citadines Abha, Saudi Arabia



Riyadh, Al Khobar, Doha, Manama, and Nairobi. These are vital business hubs in the region for significant infrastructure projects and economic developments, and corporate workers are increasingly opting for extended stay accommodation. We've also witnessed an increase in long-term bookings from families seeking spacious accommodations in these popular destinations during medium to long-term holiday periods such as Eid Al-Fitr, Eid Al-Adha, and school breaks. The combination of the region's growing business and leisure drivers has created demand for long-term stays amongst corporate travellers, leisure guests, and digital nomads," Miccolis says, explaining that Ascott is well-placed to capitalise on this trend with its unique hotel-in-residence hybrid model, which combines many of the amenities and services offered by a hotel with the homely comforts and conveniences of a modern serviced apartment. Ascott achieved record success in terms of fee earnings and property openings in 2023, with nearly 9,600 units turning operational and 77 new properties across all brands also having been signed during the 2023 financial year.

this year, we've observed a surge in long-term bookings from business travellers in our properties in Dubai,





The UAE has topped rankings for the best places in the world for remote workers and digital nomads for the past few years consecutively. With the property boom in the Middle East's real estate market having led to exceptionally high price points of late, a growing number of residents are also opting for hotel apartments rather than a traditional apartment rental, claiming that the former can offer them more convenience, less stress, and a strong sense of support and community. For many, the association of a trusted brand is another part of the appeal.

The rise of 'bleisure' has also seen numerous business travellers opt to extend their trips to incorporate some personal time, sometimes even bringing their loved ones along for the ride.

"The hotel apartment concept is particularly convenient for families with kids due to the inclusion of a kitchenette," says Bruno Hivon, general manager of Staybridge Suites in Dubai's Business Bay. Part of IHG Hotels & Resorts' Suites collection, the property just opened this year. "Families traveling together can opt for the one-bedroom and two-bedroom units instead of interconnecting rooms, offering greater convenience and additional living space for comfort. Extended stays in hotel apartments are also ideal for individuals relocating into or out of Dubai, providing ample time to find





FROM TOP: The living room and a bedroom in Staybridge Suites; Bruno Hivon

a suitable long-term accommodation, be it an apartment or villa, without the stress of making rushed decisions. Moreover, it's an excellent option for individuals on short to medium-term assignments (one to six months or more) who prefer to travel light. The units are fully furnished and serviced, eliminating the need to sign leases or set up utilities like DEWA, making the experience much more convenient," says Hivon.

Premier Inn – the UK's largest hotel brand, which currently has seven locations in Dubai and two hotels in Abu Dhabi – has also seen a recent uptick in interest. "Premier Inn Middle East has witnessed an increase in demand for long-stay accommodation in the market, likely influenced by Dubai's rising rental prices. Our guests prioritise factors such as location, value for money, quality sleep, reliable internet, and good food and beverage options, all of which Premier Inn is renowned for," says Eduard Jimenez, the brand's regional commercial director.

"For many, our hotels serve as a temporary home upon arrival, offering flexibility and affordability without the commitment of a long-term lease or additional utility expenses. Through tailored offerings like monthly rates and F&B discounts, particularly during the summer months, Premier Inn caters to these needs, ensuring a seamless and comfortable experience for our guests," Jimenez says.

With a 2024 Deloitte report on Middle East Real Estate Predictions noting a 1.4 per cent year-to-date increase in Dubai's population, and the number of international tourist arrivals in the UAE forecast to increase by at least 17.3 million arrivals between 2024 and 2029, one thing is clear: Whether it's from a serviced residences specialist, a luxury hotel brand, or a new player in the game, the extended stay market is one to keep an eye on in the coming years. Watch this space.