



Marriott International Announces Plans to Expand in Affordable Midscale Segment with New Extended Stay Lodging Brand

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Building Off Industry Leadership in Extended Stay, Marriott International Plans to Launch Affordable Midscale Extended Stay Offering in U.S. & Canada

BETHESDA, Md., June 5, 2023 /PRNewswire/ -- Marriott International, Inc. (Nasdaq:MAR) announced today, in connection with the 2023 NYU International Hospitality Industry Investment Conference, its plans to further expand in the affordable midscale lodging segment, following its recent entry into the segment with City Express by Marriott in Latin America. Consistent with the company's approach to meeting the needs of guests with regionally relevant lodging products for every stay purpose, Marriott is announcing its plans to launch a new brand, which has not yet been named, but is currently being referred to as Project MidX Studios. The affordable midscale extended stay brand is intended to deliver reasonably priced modern comfort for guests seeking longer stay accommodations in the U.S. & Canada.



"Marriott has long believed in having the right accommodations in compelling destinations at the right price point. Whether our guests are traveling for business, leisure or a mix of both, our portfolio of 31 brands offers something for everyone. As consumers look for new, flexible accommodation solutions, we are thrilled to announce our plans to launch an affordable midscale extended stay offering to meet the needs of guests seeking long-term comforts at a moderate price point," said Marriott International President and CEO Anthony Capuano.

As the leader in extended stay lodging with brands like Residence Inn by Marriott, Element by Westin, TownePlace Suites by Marriott, Marriott Executive Apartments and more recently, [Apartments by Marriott Bonvoy](#), Project MidX Studios reflects the company's deep experience and learnings from its guests, owners, and franchisees. Marriott incorporated this input to create a brand that will deliver a great guest experience while reducing building and operating costs for owners and franchisees.

"Based on everything we've seen and heard, our team is excited about Marriott's entry into the affordable midscale segment, where Concord has been engaged for many years," said Mark Laport, President and Chief Executive Officer, Concord Hospitality. "In collaboration with Whitman Peterson, we expect to break ground on three Project MidX Studios this year, with anticipated openings in late 2024 or early 2025. Marriott's track record in extended stay and strong owner value proposition are compelling and driving our interest in growing this brand within our portfolio."

"With Project MidX Studios, we are focused on enhancing the breadth of our portfolio through the creation of a product specially designed for the affordable midscale extended stay tier—from the physical product to the operating model. The team created Project MidX Studios to reach both new customers and new markets. We are excited to join forces with Concord Hospitality and Whitman Peterson on our first three projects and are in discussions with owners for more than 250 new development opportunities under this brand," said Leeny Oberg, Chief Financial Officer and Executive Vice President, Development for Marriott International.

Benefits to Owners

Project MidX Studios, expected to be Marriott's most affordable cost-per-room product in the U.S. & Canada, is designed to enable accelerated speed-to-market with a low cost to build. The prototype model targets a build cost of \$13 million to \$14 million, requiring approximately 54,000 square feet of total building area for 124 studios. The brand is also expected to have a light operational cost model for owners and franchisees.

The brand will be part of the company's award-winning Marriott Bonvoy loyalty platform with over 180 million members. It will leverage Marriott's world class Global Sales Organization, including Marriott's dedicated Extended Stay sales team, and strong digital platforms like [Marriott.com](#) and the Marriott Bonvoy mobile app, to generate direct bookings. The new brand is expected to have tailored Marriott Bonvoy redemption options appealing to the target guest.

"Marriott has been working closely with owners and franchisees to develop a product that has a compelling value proposition and a highly efficient operating model," said Noah Silverman, Marriott International's Global Development Officer for U.S. & Canada. "With trends towards longer-stay travel and increased work flexibility, Marriott is utilizing its experience in extended stay to deliver a fresh solution to meet the needs of a growing customer base, backed by Marriott's powerful demand engines and revenue systems. With our plans for Project MidX Studios, we will have an extended stay product in every lodging tier—from affordable midscale to upper upscale and luxury—for our customers and our owners and franchisees."

Benefits to Customers

Project MidX Studios will deliver a streamlined, light-touch, digital-first operating model that focuses on the needs of a budget conscious consumer, with conveniences like pay-and-go retail and check-in with Marriott Mobile Key. The brand is designed for guests in search of affordable, flexible accommodations for an extended stay, typically 20+ nights or more, who are seeking to pay around \$80 per night, depending on the market and

demand.

With a smart, modern, and functional design, Project MidX Studios will include spacious suites offering both single or double queens, in-room kitchens and ample closet space. They will feature on-site guest laundry, gym, and pet-friendly facilities—and come with the company's unwavering commitment to comfort, care, and cleanliness.

To learn more about Project MidX Studios, visit (www.marriottdevelopment.com).

Note on forward-looking statements

This press release contains "forward-looking statements" within the meaning of federal securities laws, including statements related to planned brand launches; growth expectations and opportunities; opportunities to reach new customers; expected brand features and room rates; expectations for inclusion of the brand in Marriott Bonvoy; opportunities and benefits for customers, owners and franchisees; customer demand trends and expectations; expectations related to product cost and operating model; and similar statements concerning anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous evolving risks and uncertainties that we may not be able to accurately predict or assess, including the risk factors that we identify in our Securities and Exchange Commission filings, including our most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release. We make these statements as of the date of this press release, and we undertake no obligation to publicly update or revise these statements, whether as a result of new information, future events or otherwise.

Marriott International, Inc. (NASDAQ: MAR) is based in Bethesda, Maryland, USA, and encompasses a portfolio of more than 8,500 properties under 31 leading brands spanning 138 countries and territories. Marriott operates and franchises hotels and licenses vacation ownership resorts all around the world. The company offers Marriott Bonvoy®, its highly awarded travel program. For more information, please visit our website at www.marriott.com, and for the latest company news, visit www.marriottnewscenter.com. In addition, connect with us on [Facebook](#) and @MarriottIntl on [Twitter](#) and [Instagram](#).

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Christin Fernandez, Director of Strategic Communications and Media Relations, Marriott International, Newsroom@marriott.com