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Hotels are Housing - Adding Visibility to America's Booming Precarious
Housing Solution

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Abstract

Housing plays a critical role in the well-being of any society. The homes and neighborhoods people grow up in shape identities, values, and opportunities for prosperity. Housing is not a basic right in the United States, and many low-income and marginalized populations are unable to access or secure conventional housing. Hotel housing, a form of housing where a hotel is a household's primary residence, offers shelter to anyone who can pay a weekly or even daily rate. This barrier-free access to housing is in high demand, and families across the country report hotels being their only housing option. The hospitality industry's 21st century transformation suggests that hotel housing is highly profitable, and hoteliers are building and operating hotels in areas specifically tailored to households excluded from conventional housing. Whether this is business savvy or exploitative, housing hotels provide shelter and independence for working class families, who otherwise would have nowhere to go.

The United States Government has taken a passive role in understanding hotel housing, demonstrated by the U.S. Census Bureau not enumerating the hotel-housed population, and state laws which frequently leave long-term hotel tenants legal standing unaddressed. Ignored by the government and largely unnoticed by popular culture, the hotel housing population is termed *invisible*. However, the canon of academic research for hotel housing is expanding, and a unifying thread of housing insecurity and cost burden calls for an increased understanding of this free-market housing response. Landlords of conventional rental properties set a low bar for America's working poor housing, and hotel housing's benefits and detriments must be more fully understood.

This thesis seeks to fill the research gap on housing hotels in several ways. Within this paper is an estimate of the number of people who use a hotel as their primary residence in the United States. The location of housing hotels is then analyzed, first for all housing hotels and then for economy and midscale extended-stay hotels (Low ESH), the hotel industry's most explicit form of hotel housing. Findings reveal hotel housing is moving from urban areas and into suburban and small-town peripheries. Low ESHs are concentrated in a handful of states, and even more concentrated at the county level. Demographic, economic, and neighborhood characteristics are then evaluated for Low ESH neighborhoods, finding interesting trends that require deeper analysis. The research concludes by recommending the demand for hotel housing be decreased, landlord-tenant legal rights be extended to long-term hotel residents, and further research be conducted. Dignified and secure hotel housing is possible, but visibility and accountability are essential precursors.

Abstract (Italian Version)

L'alloggio svolge un ruolo fondamentale per il benessere di qualsiasi società. Le case e i quartieri in cui le persone crescono plasmano identità, valori e opportunità di prosperità. L'alloggio non è un diritto fondamentale negli Stati Uniti e molte popolazioni a basso reddito ed emarginate non sono in grado di accedere o assicurarsi una residenza convenzionale. Il *hotel housing*, in cui un albergo è il domicilio principale di una famiglia, offre riparo a chiunque possa pagare una tariffa settimanale o in certi casi giornaliera. Questa modalità è molto richiesta e le famiglie di tutto il paese assicurano che gli hotel sono la loro unica opzione abitativa. La trasformazione del settore dell'ospitalità nel 21° secolo suggerisce che questo formato di hotel condominio è altamente redditizio e gli albergatori stanno costruendo o gestiscono hotel in aree appositamente studiate per le famiglie escluse dagli alloggi convenzionali. Che si tratti di affari o di sfruttamento, gli alloggi in hotel offrono riparo e indipendenza alle famiglie della classe operaia, che altrimenti non avrebbero nessun posto dove andare.

Il governo degli Stati Uniti ha assunto un ruolo passivo nella comprensione di questo fenomeno, come dimostrato dall'*U.S. Census Bureau* che non enumera la popolazione che vive negli hotel e le leggi statali che spesso lasciano irrisolto lo status degli inquilini degli hotel. Ignorata dal governo e in gran parte inosservata dalla cultura popolare, la popolazione che vive in alberghi è definita "invisibile". Tuttavia, la quantità di ricerca accademica su questa forma di residenza sta crescendo ed una pericolosa combinazione fra insicurezza abitativa e onere dei costi dell'affitto invita ad una maggiore comprensione di questa risposta abitativa del libero mercato. I proprietari di immobili in affitto convenzionali fissano un bassi standard di qualità per gli alloggi dei non abbienti negli Stati Uniti, e i vantaggi e i danni degli alloggi in hotel devono essere compresi in modo più completo.

Questa tesi cerca di colmare il divario di ricerca su questo argomento in diversi modi. All'interno di questo documento c'è una stima del numero di persone che utilizzano un hotel come residenza principale negli Stati Uniti. Viene quindi analizzata la posizione di questi alberghi, prima per tutti gli alloggi e poi per gli hotel economici e di fascia media per soggiorni prolungati (*Low ESH*), la forma più esplicita di residenze alberghiere. I risultati rivelano che essi si stanno spostando dalle aree urbane alle periferie suburbane e delle piccole città. I *Low ESH* sono concentrati in una manciata di stati e ancora più concentrati a livello di contea. Le caratteristiche demografiche, economiche e di quartiere vengono quindi valutate per i quartieri con *Low ESH*, trovando tendenze interessanti che richiedono un'analisi più approfondita. La ricerca si conclude raccomandando di ridurre la domanda di alloggi in hotel, estendere i diritti legali del proprietario-inquilino ai residenti a lungo termine degli alberghi e condurre ulteriori ricerche. Il *hotel housing* dignitoso e sicuro è possibile, ma visibilità e responsabilità sono precursori essenziali.

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My father, Charles Lilley, tirelessly edited my many drafts. He also booked a fateful stay at an extended-stay hotel in December 2020. It was here, on a snowy Christmas Eve in an industrial exurb of Atlanta, I saw families and children living in our hotel complex. While there were many children, the only outdoor public space amenity was a smoker's bench. High-speed streets with no sidewalks surrounded the establishment. This was a midscale chain, and the rooms were comfortably furnished.

I have appreciation for the candid front desk manager, Reginald Woodard, who explained hotel housing to me for the first time, with empathy for the residents, and helped inspire this academic journey.

I wish to acknowledge all the previous research on hotel housing for their critical contributions to the field. Open-source platforms and publicly available data proved invaluable in my research process, and the World Wide Web continues to hold great potential for disrupting inequity.

This research was not possible without Melane Rueff and Duane Vinson of STR SHARE center. Mark Skinner, Partner at Highland Group, also contributed reports and a meeting to help me understand this phenomenon.

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I called and emailed dozens of hotel front desks, law firms, hotel corporate headquarters, census departments, and research firms in my academic pursuit. Thank you to all who responded, and all those too busy to respond because they were busy advocating for housing justice.

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In honor of my mother, Jan Manis, who was a labor union advocate, nurse, gardener, experimental chef and so much more.

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1. Introduction

“Normal family life cannot exist apart from a normal home”. – Edith Elmer Woods (Woods, 1931)

1.1. Background of Problem

American households using hotels as primary housing are gaining increasing attention in the 21st century. The US Census Bureau, academic journals, news publications, court cases, Hollywood and the hospitality industry are all providing documentation for this invisible population of American households. Although attention is increasing, there remains a great deal of unknowns around this housing types role and significance.

Tens of millions of Americans do not receive an annual wage sufficient to access conventional housing (Emmanuel et al., 2021). The United States does not build enough affordable homes, provide enough aid to low-income renters, or require the largest occupations to pay a living wage. Housing is not a basic right the United States, and conventional housing is out of reach for thousands of families. Given this reality, alternative housing arrangements are inevitable. Low-income or otherwise disenfranchised households are seeking shelter in a myriad of ways outside of the conventional rental and homeownership model. Alternative housing options include doubling up with family and friends, transitory shelters, living in their car, or staying at a hotel. The focus of this research is on hotel housing.

The COVID-19 pandemic increased interest on hotel-housed populations in a few ways. Social justice and legal interest increased, as eviction moratoria implemented by states during the pandemic often did not address or protect residents of hotels (Thompson, 2020). Meanwhile, the hotel industry, which “experienced the most devastating year on record in 2020”, saw an outlier in the extended-stay hotel segment (*AHLA’S State of the Hotel Industry*, 2021; Clough & Cross, 2021). The extended-stay segment, particularly the economy and midscale extended-stay hotel (Low ESH) segment, achieved “the highest performance results of any segment during the pandemic” (Fox, 2021). Low ESHs high occupancy and daily rates during the pandemic was attributed to hotels that operated “more as a temporary housing solution than a short-term stopover” (Clough & Cross, 2021). Residential hotel populations shielded the Low ESH segment from an industry-wide drop in 2020 revenue, yet residential hotel users are rarely acknowledged by hotel industry analysis and publications.

Although Low ESHs performed exceptionally well during the pandemic compared to other hotel segments, their financial performance and growth has remained consistent since at least 2000, suggesting this *temporary* housing is not temporal on the United States housing continuum. Research and news publications have called extended-stay hotels “de facto housing for the working poor” and “de facto low-income senior housing” (Allen et al., 2019; LeBlanc, 2020). Hotels providing primary housing is acknowledged by the US Census Bureau, academia, and the hospitality industry. However, as of the writing of this report, it is publicly unknown how many people in the United States consider a hotel their primary residence (*Brief of Amicus Curiae—Efficiency Lodge, Inc.*, 2021; Frazier, 2021; Thompson, 2020). No estimate of the national hotel-housed population has been published since Groth in 1994.

A person’s primary residence, conventional or not, plays a paramount role in their well-being and access to opportunities. Planners, social workers, and housing and human rights advocates understand the importance of housing security and neighborhood quality. Precarious housing environments and causes

are extensively researched in these fields. While Low ESHs have always provided primary residency to low-income families, their resilient growth, documented hardship on families stuck in them, and increasing Wall-Street interest makes understanding this precarious housing-type immensely prevalent. Existing studies document contemporary residential hotel use in detail but lack a nationwide understanding of this housing phenomena.

To this authors knowledge, there is no publicly available data on where extended-stay hotels have proliferated at a national level. It is also not understood why extended-stay hotels are built in high concentrations in some areas and are non-existent in others. Dense concentrations of Low ESHs that provide primary residency to low-income households have been extensively researched in metropolitan Atlanta, but this author was unable to find any other location-specific non-journalistic reports exploring this phenomena (Allen et al., 2019; Lewinson & Esnard, 2015). However, news sources have reported that from California to Colorado to Florida, hotels are providing housing to families who cannot access conventional housing (Eckholm, 2009; Kanell, 2020).

Low ESHs are providing primary residency to an unknown number of households across the United States. Major chains are a visible along interstates, in suburbs and small towns. Whether society accepts hotels as housing or not, they offer dramatically lower barriers to housing access for marginalized families than conventional housing. Unlike conventional housing, hotels offer daily or weekly pay schedules, no credit or eviction history checks, a single bill for utilities and rent, and no application fees or large deposits. While wages are low, evictions are high, and housing for low-income households is overwhelmingly left to the private market, hotels, especially apartment style hotels like Low ESHs are an absolute lifeline for working families. If hotels are the only housing option available to countless families, then hotels can and should provide dignified housing to these households.

The forces causing Low ESHs to proliferate are beyond the control of urban planners and housing advocates. However, Low ESHs are increasingly part of America's housing continuum, and they deserve the same scrutiny and care as other forms of housing. Perhaps more, based on their record growth bullish investor focus.

The extended-stay hotel industry overwhelmingly maintains a facade that their hotel properties primarily serve transient guests. This provides no assurance that the hotel industry is taking an active role in ensuring the residential population their profits rely on is offered housing security and neighborhood quality and opportunity. Housing insecurity in the United States is increasing, and new housing solutions are an unavoidable outcome ("The State of the Nation's Housing 2020," 2020).

The first few decades of Low ESHs providing primary housing to Americans has resulted in incredible profit for hoteliers and oppressive cost burdens for families. However, this precarious housing solution is unmatched in its accessibility, and hoteliers are responding to the 21st century housing crisis in ways novel to housing advocates and planners. Considering the severe landlord-tenant inequity seen in the low-income rental market, it cannot be concluded that hoteliers are providing a housing experience worse than what conventional landlords provide (Desmond, 2017). In fact, franchised hotels offer industries of scale and standardization, something absent in the highly scattered and unequal low-income rental market.

An existing study shows that Low ESHs are located in areas with decent car-free accessibility (Lewinson & Esnard, 2015). Detached single-family homes in monofunctional zoned neighborhoods make up 75% of residential land in the United States (Badger & Bui, 2019). This form of housing is largely car-

dependent and lacks the livability features that mixed-use zoning provides. With a significant aging population, millions of car-dependent baby-boomers will struggle to access services in the mono-zoned neighborhoods prevalent today. As cities race to overturn the racist mono-zoning policies that strangles their ability to create more livable neighborhoods and affordable housing, ESHs may already offer housing in relatively more livable neighborhoods (Badger & Bui, 2019).

According to a prominent residential hotel researcher, one to two million people lived in hotels in the United States in 1990 (Groth, 1994, p. 1). People “stuck” living in hotels is reported as a crisis, but it is not a new occurrence. The fact that apartment style hotels like low ESHs are proliferating is perhaps better for households who would otherwise occupy a non-apartment style hotel. As Madden and Marcuse (2016) report in the book *In Defense of Housing*, “for the oppressed, housing is always a crisis” (Madden & Marcuse, 2016, p. 10). Housing for marginalized populations will remain a crisis as long as housing is not considered basic right.

In 1872, Frederick Engels wrote *The Housing Question*, and provided an astute and longitudinal observation of housing for marginalized populations:

The so-called housing shortage, which plays such a great role in the press nowadays, does not consist in the fact that the working class generally lives in bad, overcrowded, and unhealthy dwellings. This shortage is not something peculiar to the present; it is not even one of the sufferings peculiar to the modern proletariat in contradistinction to all earlier oppressed classes. On the contrary, all oppressed classes in all periods suffered more or less uniformly from it (Engels, 1872, p. 14)

The housing quality and insecurity marginalized populations face is no accident. Systemic white supremacist policies have shaped American cities and laws, and housing remains a central pillar of oppression. American urban planners’ racist legacy cannot be denied. Ensuring dignified housing for all is an explicit responsibility of the contemporary profession. Housing either provides opportunities and wealth creation, or shackles that maintain the status quo. It is uncertain what role hotel housing in the 21st century will play. Comprehensively understanding and acknowledging this form of housing is a minimal first step a housing advocate can take.

1.2. Research Questions and Objectives

A significant research gap exists in understanding contemporary hotel housing in the United States. The objectives of this paper are far reaching but seek to primarily answer four pressing knowledge-gaps related to hotels providing primary residence. First, how many people possibly use hotels as a primary residence in the United States today? Studies estimate 30,000 to 47,000 people may live in hotels in metropolitan Atlanta, where the most hotel housing research has occurred. What about the rest of the United States? A national population estimate has not been publicly reported since Groth in 1994. The author considers someone a resident of a hotel when they do not have another home elsewhere. This follows the methodology taken by the U.S. Census Bureau in tabulating transitory location inhabitants (*2020 Census Transitory Location Definitions*, 2020).

Further, it is unknown if metropolitan Atlanta is an outlier in hotel housing or a bellwether of a greater national trend. The second objective is to analyze where Low ESHs are located in the United States. Are they more prevalent in certain states? Are they densely clustered, as seen in Norcross, Georgia, or

spread another way? Truly understanding the scope of contemporary hotel housing requires a nationwide perspective.

The third objective seeks to understand the neighborhood and county characteristics of areas with high concentrations of Low ESHs. This is important because this segment is growing very fast, and Low ESHs are becoming more common in America's urban fabric. Analyzing the neighborhoods where Low ESHs are located or clustered can add evidence that these hotel properties are profiting from households unable to access conventional housing. Since inception, Low ESHs have acted like apartment complexes and charged hotel prices (Skinner & Berg, 1997). Wall Street and hoteliers' feverish excitement surrounding Low ESHs affirms this business model is highly profitable and growth will continue. The United States has a history of exploiting the working poor, and firms that engage in this exploitation need to be held accountable (Hatcher, 2016).

The final and related objective is to begin to understand the neighborhood quality of areas where Low ESHs are located. Given more than a million people are estimated to currently call a hotel their primary residence, hotel locations must be understood from a neighborhood perspective. Research and news reports suggests people who use a hotel as their primary residence are severely cost burdened, food insecure, and vulnerable to homelessness. (Allen et al., 2019; Guittar, 2017). Other research suggests Low ESHs are often located near commercial districts or hospital complexes and may offer better neighborhood accessibility than conventional housing, particularly for older adults (Lewinson & Esnard, 2015). Given the severity and resilience of housing insecurity in the United State, it is reasonable to assume hotels will continue to provide primary housing to marginalized populations. Housing-security and neighborhood quality is essential for reducing America's extreme inequality. Books like *Evicted* (2017) make it clear the conventional housing accessible to marginalized populations frequently lacks housing-security and is concentrated in impoverished neighborhoods. Dignified housing and tenant protection is largely absent for America's working poor, so there is value in researching this alternative form of housing and weighing its merits against the extremely low bar set by landlords.

Substantial more research is required to fully understand and interpret the analysis relating to neighborhood characteristics. The results of objectives three and four are presented to encourage further research and make some preliminary conclusions.

The overall objective of this paper is to increase awareness of hotel housing.

2. Literature Review

This chapter compiles academic, industry, and legal understandings of the hotel as housing phenomena. First, a historical review of residential hotel use is examined, followed by the U.S. Census Bureau's efforts to enumerate this population. The contemporary experience of hotel living is then explored. The legal status of hotel residents is then reviewed as well as a summary of an amicus curiae brief arguing that people whose primary address is a hotel deserve tenant protections. A selection of news excerpts documenting low-income households living in hotels across the country concludes the chapter.

2.1. The Hotel Industry

2.1.1. Hotel Industry Summary and Metrics

Hotels are a major industry in the United States. According to The American Hotel & Lodging Association (AHLA), prior to the COVID-19 Pandemic, hotels supported more than 1 in 25 American jobs and contributed \$660 billion annually to U.S. GDP. The hotel industry is growing, with industry sales increasing 43.5% from 2010 to 2019. As of 2018, there were approximately 55,900 hotel properties with 5.3 million rooms in the United States. (Economics, 2019, p. 20).

Occupancy Rate, Average Daily Rate (ADR), and Revenue Per Available Room (RevPAR) are key metrics to understanding hotel economic performance (Hotelogix, 2021). Occupancy Rate is calculated by the number of occupied rooms divided by the number of available rooms physically existing in a hotel. ADR measures the average daily rate paid for rooms sold. RevPAR measures revenue over a period of time (Hotelogix, 2021). There are no hotel metrics to understand the quality of housing provided to long-term residents.

The Covid-19 Pandemic significantly damaged the overall hotel industry. AHLA, using Oxford Economics data, estimates "more than 670,000 direct hotel industry operating jobs and nearly 4 million jobs in the broader hospitality industry were lost due to the pandemic" (*AHLA'S State of the Hotel Industry*, 2021). The average occupancy rate dropped to 44% and ADR decreased for the first time since 2010 (Frazier, 2021; *STR.Com*, n.d.). As later analysis will show, not all segments of the hotel industry suffered equally from the pandemic.

2.1.2. Hotels Defined

A variety of hotel properties and rooms exist. *Merriam Webster* dictionary defines a hotel as "an establishment that provides lodging and usually meals, entertainment, and various personal services for the public" (Merriam Webster, n.d.). The hotel unit minimum requirement is a room furnished with a bed and access to sanitary facilities.

Some hotels cater specifically to longer-term guests. Extended-stay hotels are typically *apartment style*, minimally containing a room furnished with a bed, a private bathroom, and a kitchenette (Brownrigg, 2006, p. 44). A great variety exists in terms of unit layout, but to be classified as an extended-stay by Smith Travel Research (STR), the hotel must offer weekly or monthly rates. This differs from All-Suites, another apartment style hotel, which STR defines as a "property with guestroom inventory exclusively consisting of rooms offering more space and furniture than a typical hotel room, including designated

living area or multiple rooms” (*STR.Com*, n.d.). These two apartment style hotel segments have seen impressive growth since the start of the 21st century.

To operate as a hotel in the United States, properties must provide housekeeping services, change the linens (sheets and towels), collect trash, handle mail and messages, and provide at least some limited hours of reception service. Extended-stay and all-suite hotels often offer “limited services” in comparison to standard hotels, such as less frequent housekeeping and linen exchange (Brownrigg, 2006, p. 44).

2.1.3. Extended-Stay Hotels – Profitable Housing of Last Resort

A 1997 article titled “Extended-stay lodging: A new high-return product” by Peggy Berg and Mark Skinner prophetically illuminated the kindling’s of one of the hotel industries most resilient and profitable segments. The article predicted that “a relatively new real estate product called ‘extended-stay lodging’ will be available in markets across the country within two years.” The sector will become “as established a financial asset as apartment complexes.” The authors asserted that “the lower end extended-stay market was pioneered by apartment companies” (Skinner & Berg, 1997, p. 46). For this low-end segment, “a substantial component of the market is essentially residential” (p. 47).

The authors noted the potential for superior financial performance was possible in the extended-stay segment due to low development and operating costs and high occupancy. Emphasis is provided for the low-end extended-stay segment, which the paper estimates yields a higher product revenue and rate of return than both the midscale segment and typical limited-service hotels (p. 55). Additionally, the low-end segment achieves stabilized performance after a few months, while the midscale segment does not stabilize until the second year of operations (p.47).

Low-end extended-stay hotels cut costs and increase revenues in several ways. Development costs are kept low by using secondary build sites, “often behind retail and restaurant outlets” (p. 46). The segment is assumed to have a smaller than average lobby and “no pool or other public space” (p. 47). Departmental costs including payroll, linen, cable, guest supplies, and cleaning supplies are expected to cost 10%-12% of room revenue, compared to 24%-28% seen in limited-service hotels (p. 52). The longer length stays observed in the low-end further decrease costs, as fewer check-ins and check-outs reduce front desk hours and staff substantially (p.52). Administrative costs are half that of limited-service hotels. The general manager often lives on-site, and accounting is simple due to less transactions associated with a non-transient residential customer. Rentals on the low-end segment are often in cash, reducing credit card expense and bad debt (p. 53). Marketing cost become cheaper as the residential component of demand increases. “As the transient component of demand increases, they require more signage and more marketing” (p. 54). Maintenance expense is similar to limited-service hotels, but “wear patterns for rooms can be extended differently than in a hotel because of the extended-stay nature of the guest” (p. 55).

Revenue for extended-stay hotels is driven by high occupancy. Low-end extended-stays are expected to enjoy a higher occupancy than mid-priced properties because mid-priced properties have “fewer ‘residential’ guests” and are more susceptible to weekly and seasonal fluctuations (p. 48). Extended-stay properties have a lower RevPAR than hotels with similar developmental costs but have higher revenues than apartment buildings with similar developmental costs (p.49). Laundry and vending machines are used extensively by longer-term guests, providing an additional stream of revenue (p. 51).

Given the potential for profits, the authors concluded the “extended-stay lodging product is expected to be a force in the real estate market” (p. 59) The authors noted the product type is moving away from an apartment model and closer to the hotel model. “However, for long-term viability, extended-stay lodging must find its own niche... extended-stay properties cannot be highly profitable if they are operated as hotels” (p. 59)

After attributing much of the success of the extended-stay model to the low-cost residential component of demand, the authors perplexingly listed demand drivers for extended-stay facilities and omitted any reference to residential demand. “Corporate training assignments, equipment installations, relocations, short-term assignments, trips to handle family matters, etc.” was all the authors offered to explain consumer demand for the segment. Explicitly acknowledging the profit-benefits of residential users of extended-stay hotels and then omitting any reference to residential use when describing extended-stay users, is commonly observed in most subsequent publications related to extended-stay hotels.

In their 1997 article, Peggy Berg and Mark Skinner foresaw a national roll-out of extended-stay facilities. They were correct. Numerous hospitality publications since have paid great attention to the extended-stay hotel market, validating the high occupancy and low development and operation costs they foresaw (Eisen, 2013; Geieregger & Oehmichen, 2008; McNulty, 2018; W., 1996). Frequently, demand is attributed to business travelers and other transient-implied guests.

The COVID-19 Pandemic brought significant attention to the extended-stay hotel market. Dubbed “the Hotel Industry’s Pandemic Bright Spot” by hospitality consulting firm HVS, the extended-stay segment performed exceedingly well throughout the pandemic (Clough & Cross, 2021). While hotel occupancy rates decreased to 44% in 2020, Extended Stay America retained an occupancy of 74% (Frazier, 2021). The extended-stay segment, particularly the economy and midscale extended-stay hotel (Low ESH) segment, achieved “the highest performance results of any segment during the pandemic” (Fox, 2021).

Pandemic era industry reporting on extended-stay demand increasingly acknowledges the residential population driving the segment’s success, but still generally focuses on non-residential demand in reporting. For example, the Clough and Cross (2021) article reports, “The resilience of this product type has held up even during a global pandemic and the related economic recession, particularly at the lower-priced end of the product spectrum, where hotels operate more as a temporary housing solution than a short-term stopover...extended-stay hotels performed better than transient-focused hotels...due to several reasons, including that these hotels serve as a guest’s primary residence rather than a temporary lodging solution.” The same article has two bolded section titles discussing demand: *commercial demand* and *leisure demand*. Why residential demand does not have its own section and bolded title is unclear.

Berg and Skinner (1997) were also correct in their assessment about extended-stay lodging becoming an established financial asset. The largest extended-stay brand, Extended Stay America, was purchased for \$6 billion in 2021 by major investment firms Blackstone and Starwood Capital. The CEO of Starwood Capital exclaimed, “We are excited about the company’s growth opportunity as restrictions ease.” Extended Stay Americas stock price more than doubled in 2020, outperforming Marriot and Hilton (Grant & Karmin, 2021).

Extended-stay lodging primarily existed within a hotel framework for the start of the 21st century. Non-hotel actors are now investing heavily in extended-stay lodging (Beyer, 2021). Dubbed *the next sharing economy*, lodging aimed at serving longer-term populations are entering apartment complexes and even

single-family homes. Nearly 25% of Airbnb bookings are longer than 28 days and a “housing investment startup” ReAlpha, is investing \$1.5 billion in purchasing single-family homes for extended-stay use (Beyer, 2021).

PadSplit is another start-up that seeks to capitalize on the low-income residential population Low ESHs rely on. Owners and investors of single-family homes renovate properties, adding double or triple the number of rooms. PadSplit then rents the rooms out individually to users whose annual median income is reported to be \$22,000. The start-up is seeking to disrupt the affordable housing industry. Unfortunately, a 2021 New Republic article titled “Like Airbnb, but for Flophouses” reports Padsplit users report poor living conditions, high fees, and weak tenant protections (Burns, 2021). The article states, “Start-ups’ sudden enthusiasm for housing justice also raises flags: While they may share the goal of eliminating the stranglehold of single-family homes on our cities, there’s a big difference between creating new opportunities to profit from housing of last resort and providing dignified homes for all—a vision that housing movements are pushing” (Burns, 2021).

Berg and Skinner’s article (1997) explained that extended-stay lodging is most profitable when a substantial component of the market is residential (p. 47). The following section compiles extensive evidence that Low ESHs are indeed a highly profitable and resilient housing of last resort.

2.2. Hotels as Housing

2.2.1. History

Living in a hotel is not a new phenomenon. People in the United States have resided in hotels since at least the 1790’s (Brownrigg, 2006, p. 9). Hotels continue to accommodate permanent residents from all income brackets and provide a large variety of amenities and services based on price and location. The book, *Living Downtown: The History of Residential Hotels in the United States* by architectural historian Paul Groth (1994), provides a thorough analysis of hotel living from 1800 to 1980. He observes of his work, “the greatest historical detail dates from between 1880 and 1930, the period when downtown hotel life was most vigorous. The majority of the remaining residential hotel buildings in the United States date from this period. These fifty years also marked the widest viable range of housing diversity in American urban history” (p. 1). Summarizing the 20th century residential hotel trajectory, Groth explained:

Most American hotels are now run exclusively for either tourist use or residential use. Until about 1960, however, a majority of hotel keepers not only offered travelers rooms for the night but also provided rooms or suites for permanent residents who rented by the month. Although residential hotels have moved into the shadows, they still provide a significant share of America’s urban homes. In 1990, hotel residents numbered between one million and two million people. More people lived in hotels than in all of America’s public housing (p. 1).

Groth extols three distinctions hotel living provides in contrast to traditional households: individual freedom, cosmopolitan neighborhood mixture, and a life unfettered by place and possessions” (p. 7). He follows with an acknowledgement that “hotel life, especially at the cheaper levels” is not always chosen, and that hotel living can provide viability for a large force of temporary and marginally paid workers; an important resource for industrial capitalism (p. 8).

Understanding the population of households whose primary shelter is a hotel is a complicated task. Anthropologist Leslie Brownrigg published an ethnographic exploratory report titled *People Who Live in Hotels: An Exploratory Overview* in 2006 on behalf of the U.S. Census Bureau. She classified hotel residents into two distinct categories: settlers and sojourners on open-ended stays. Settlers make a conscious decision and lifestyle choice to live in a hotel. They are comfortable and content living in a hotel. Merriam Weber dictionary defines sojourn as “a temporary stay.” According to Brownrigg, sojourners “subjectively believe their open-ended stays are ‘temporary’, even if they have no other home...They are waiting for something to happen; in the meantime, they camp.” The review of contemporary hotel-dwelling peer reviewed research suggests that the sojourner type of hotel resident is the most observed resident of budget extended-stay hotels (Wingate-Lewinson et al., 2010).

2.2.2. Tabulating the Hotel-Housed Population

The U.S. Census Bureau is advancing its methodology for capturing the hotel-housed population. Yet as of this paper's publishing, the Census does not provide specific hotel-housed population tabulation. Census Anthropologist Brownrigg notes “Residences in hotels, motels, and boarding houses fell in different universes in different 20th century censuses ... Today, there are more hotels, motels, and like accommodations in the United States than ever before. An increasing number and proportion of hotel/motel units are ‘complete apartments’ that fully meet the Census Bureau’s physical definition of ‘housing units’”. Brownrigg observed, “Census 2000 methods appear to have avoided people who reside in hotels, with the exception of those in the low end” (pg. 98).

The 1990 Census was criticized for not providing an effective count of homeless people (*Emergency and Transitional Shelter Population: 2000*, 2001, p. 1). In response, the 2000 Census used *Group Quarters* to capture non-conventionally housed populations. The Census enumerated people not living in housing units (house, apartment, mobile home, rented rooms) using service-based enumeration. Enumerators conducted interviews at missions, soup kitchens, homeless shelters, and other services and areas identified to be frequented by transitory populations. The 2000 Census counted 170,760 people living in emergency and transitional shelters (including hotels). However, the *Emergency and Transitional Shelter Population: 2000* report emphasizes that the 2000 findings should “not be construed as a count of people without conventional housing” and that much work is needed to improve census coverage of difficult to enumerate populations.

The 2010 Census was the first census to identify *Transitory Locations* separately from the Group Quarters enumeration. “The Enumeration at Transitory Locations operation enumerated people at transitory locations who did not have a usual home elsewhere” (Fallica & Phipps, 2012). Transitory locations include recreational vehicle parks, campgrounds, hotels, motels (including those on military sites), marinas, racetracks, circuses, and carnivals. Transitory locations are different from group quarters because they generally require a fee for inhabitation (*2020 Census Transitory Location Definitions*, 2020). The 2010’s census canvassed 40,621 transitory locations, with 1,609,857 spaces, of which 524,038 were occupied. Hotels/motels accounted for the largest share of transitory locations, at 35%, or 14,286 transitory locations identified (Fallica & Phipps, 2012, p. 39).

The *2010 Census Enumeration at Transitory Locations Assessment Report* (Dora Durante, Chief Decennial Management Division, Special Enumerations Branch, confirmed via email this was the final product of the 2010 census), provides transitory location information at a state level, and provides demographic information on the entire transitory location population (Fallica & Phipps, 2012). However, “there was no linkage between the housing unit enumeration data and the transitory location itself; therefore, no

analysis could be conducted on the Enumeration at Transitory Locations population by type of transitory location” (p. 62). The 2010 census provided an expanded look at the population of Americans whose primary housing is a transitory location but did not distinguish this population by type of location, leaving specific information about hotel residents omitted for another decennial census. A key recommendation from this report includes associating the housing unit questionnaires with the parent transitory location, which will provide demographic characteristics of residents by transitory location type. Another recommendation is to “learn more about the living situations of people counted in the Enumeration at Transitory Locations operation” (p. 62).

As 35% of the transitory locations are hotels, the aggregated demographic data provided in the 2010 Census Enumeration at Transitory Locations Assessment Report does provide some insights to the hotel-housed and unconventionally housed populations. 58% of people who live in transitory locations had a household count of one and 29% had a household count of two. Just over 80% of respondents provided age, and 39% of these respondents reported being over the age of 50, with respondents over 65 making the largest share of the population, at 14.2%. 68% of respondents selected white alone as their race, 9.2% selected black alone, 9.8% selected Hispanic origin, 3.52% selected Asian Indian alone, and 10.43% selected multiple race checkboxes or answered with a checkbox and write-in. 60% were male (Fallica & Phipps, 2012, p. 94). In 2010, 32.1% of the Americans were over 50, 74.2% selected white alone as a race, and there were 1.6% more woman than men (*2010: ACS 1-Year Estimates Data Profiles, Table ID: PD05*, n.d.). Comparing the 2010 transitory location population with the rest of the United States in 2010, it can be observed that transitory location households were older, less often white, and more frequently male.

The 2010 census enumeration of individuals at transitory locations is the Census’s most comprehensive survey of people who live in unconventional housing to date. The final report was published in 2012, suggesting the 2020 transitory location count, hopefully with specific hotel-household data, will not be available in the year 2021. The 2020 Census promises an expanded process and data collection to enumerate individuals who use Transitory Locations as primary residence (Zamperini, 2021, p. 2).

2.2.3. Contemporary Hotel-Housing Experiences

Increasing academic research is available on households using hotels as their primary residence. Research on the topic are included in the *Journal of Community Psychology*, *Journal of Sociology & Social Welfare*, *American Society of Aging*, *Journal of Affordable Housing*, *Journal of Housing For the Elderly*, *Journal of Ethnographic & Qualitative Research*, *Families in Society Journal*, *Housing and Society Journal* and *Health and Social Work Journal* (Guittar, 2017; Lewinson, n.d.; Lewinson & Bryant, 2015; Lewinson & Carrion, 2020; Lewinson & Collard, 2012; Lewinson & Esnard, 2015; Thompson, 2020; Tsukerman et al., 2021; Wingate-Lewinson et al., 2010).

The author of this report was unable to find a single peer-reviewed paper from hospitality journals or academia related to the residential use of hotels, extended-stay or otherwise. A 2014 article in the *Journal of Tourism and Hospitality Management* investigates the relationship between selected hotel characteristics and performance in the extended-stay hotel segment between 2010 and 2012. Performance is based on revenue per available room (RevPAR). The paper finds that upper-tier hotels achieve better results than the lower-tier segment and urban area hotels performed the best (p. 1).

Many of the contemporary academic research articles on hotel housing were created by or in collaboration with Terri Lewinson, PhD, MSW, whose research focuses on home environments for

marginalized populations. Dr. Lewinson's PhD dissertation titled *Extended-Stay Hotel as Home: An Exploratory Study* (2007) provides a seminal investigation into the contemporary experiences of the United States working poor whose best available housing solution comes in the form of a hotel. The paper begins with an introduction to the history of US housing and semi-permanent hotel living. Emphasis is provided for the Black American housing history. Starting from colonial slavery and continuing to the present, Black Americans have consistently faced housing challenges not experienced by other races (pp. 16 – 46). This discrimination continues to this day, and housing remains a key issue in American inequality (Quick, 2019).

The focus of Dr. Lewinson's paper was on *home* as a place and people's perception of home as they lived in an extended-stay hotel. "Housing as home is socially constructed and personally conceived" (p. 94). Home carries incredible significance in social status, self-confirmation, and cultural expression. Dr. Lewinson's review of housing literature asserts that "hotels are not typically defined as a long-term housing choice" (p. 94).

To understand long-term hotel residents' perception of the hotel from a home lens, Dr. Lewinson conducted a qualitative study of ten individuals who met certain criteria. Criteria included inhabiting an Atlanta, Georgia metropolitan area extended-stay hotel for at least 2 consecutive weeks and reporting a net income below \$33,360 (p. 101). Her analysis included personal observations, interviews, and participant photographs from disposable cameras she provided. The findings from this research present a rich analysis of participants' perceptions of their hotel home.

All the participants wanted to leave as soon as possible and identified their living situation as "home for now" or an "in-between place" (p. 141). The physical characteristics of the hotel were very different from the homes participants lived in before, and the type of home they aspired to live in after. They all desired a housing situation with a sense of permanency. Participants found hotel living both psychologically positive and negative. The hotel provided a feeling of safety and security, as well as independence. Psychologically negative attributes included guilt over an inability to provide for their family, and depression and frustration over their current housing situation (p. 171).

Dr. Lewinson concludes that generally, extended-stay hotels are not an ideal long-term home (p. 223). All the participants "chose" the extended-stay hotel after losing their previous home (p. 224). Her analysis surfaces a subset of hotel users: "marginalized, low-income families that have hopes and dreams of moving out of the hotel, but struggle with feelings of confinement and being trapped due to financial instability" (p. 267).

Subsequent research has termed hotel living as a *liminal living* experience (Wingate-Lewinson et al., 2010). Like Brownrigg's sojourners definition, liminal living refers to a state of being in-between. All the long-term hotel residents Dr. Lewinson studied, were "stuck" in this liminal state, unable to advance to a more desirable form of housing. This overwhelmingly compromised their psychological well-being and resulted in feeling "trapped" in hotel housing.

People residing in a hotel long-term are situated between the categories of being housed and being not housed, as well as between having a home and being homeless. They are neither fully housed at a hotel nor un-housed and homeless, hence the ambiguity and paradoxical position of being in this middle phase. Removal from a familiar and secure context (being displaced) and thrust into an existence of uncertainty (temporary hotel housing) creates an anxiety-producing discomfort (Wingate-Lewinson et al., 2010, p. 14).

Peer-reviewed research about the quality of hotel housing and hotel housing environments is geographically focused in Georgia and Florida. Walkability, access to social services and smoke exposure was explored in Gwinnett County, Georgia (Lewinson & Bryant, 2015; Lewinson & Collard, 2012; Lewinson & Esnard, 2015). Food Insecurity for hotel dwelling families was examined in Florida (Guittar, 2017).

The Georgia area research reveals that extended-stay hotel locations in Gwinnett County had a mix of walkability and access to services. Many of the hotels were located near medical care, fresh food, leisure activities and employment (Lewinson & Esnard, 2015). However, barriers to hotel resident walkability included limited public transportation, lack of sidewalks, dangerous crosswalks, and environmental hazards (Lewinson & Esnard, 2015, p. 409). Smoke exposure research revealed a majority of study participants experienced secondhand smoke at their hotels (Lewinson & Bryant, 2015). Hotel dwellers who sought social services found complicated procedures that left them feeling stereotyped, begging for help, and at the mercy of compassionless providers (p. 82). All three of these studies note a limitation due a small sample and geographic study area, which prevents generalizability for a nationwide understanding of low-income adults who reside in hotels. The lack of comprehensive data-sets on extended-stay hotel locations and hotel residents populations represents a fundamental challenge in understanding the residential hotel phenomena (Lewinson & Esnard, 2015, p. 416).

Food Insecurity experienced by families living in extended-stay hotels in central Florida was analyzed by Stephanie Gonzalez Guittar for the Journal of Sociology & Social Welfare (Guittar, 2017). Her research concludes that families who live long-term in hotels experience food insecurity and are at-risk for long-term food insecurity (p. 49). The 19 families involved in the study were completely unable to save any money, and every parent reported rationing portions or skipping meals so their children would have enough to eat (p. 48).

Perhaps the most in-depth review of an area where residential use of extended-stay hotels has proliferated occurred in 2019 in Norcross, Georgia, a town within Gwinnett County. The study, conducted by LiveNorcross, sought to understand who in Norcross used hotels as permanent housing and why (Allen et al., 2019).

Using interviews, the researchers discovered that of the fourteen hotels within Norcross city limits, nine of them were primarily residential facilities. Of the 175 survey respondents, 84% indicated a Norcross hotel was their place of residence (p. 7). Local families made up the biggest population of hotel residents, challenging the transient attribute hotel chains use to explain long-term guests. Sixty-nine percent had one or more full-time jobs, and 85% were housing cost burdened (p. 7). One out of four households spent more than 80% of their income on housing (p. 9). Forty-seven percent of respondents had a previous eviction, and eviction history was identified as their number one barrier to conventional housing access (p. 8). Households interviewed were disproportionately Black compared to the rest of the city population, and 39% of the families surveyed had children living with them (p. 8). Forty-seven percent of respondents reported experiencing homelessness at least once (p. 8). Twenty-nine percent of hotel residents were over the age of 55, leading the LiveNorcross authors to recognize that hotels are *de facto* senior housing for a sizeable part of Norcross's low-income senior population (p. 11).

Seventy-nine percent of respondents indicated they only needed temporary assistance to get into permanent housing. Median rent in Norcross was \$1,008 in 2017, and 69% of respondents paid over \$1,001 for one month of hotel residency (p. 81). This reiterates that hotel residents could often afford

monthly conventional housing costs (albeit likely at a cost burden level) but cannot afford the steep upfront payment arrangement. LiveNorcross recommends using local nonprofits to help cover upfront costs and additionally expanding the HUD funded Rapid Re-housing program, which offers financial assistance for six months or less to recently homeless families (p. 14).

Additionally, LiveNorcross recommends adding affordable housing to Norcross, converting extended-stays to permanent housing, and altering Georgia's taxation on hotel guests (p. 16). Also noted in Frazier's New York Times article, states often charge hotel guests a hotel-motel excise tax (7% in Gwinnett County for 30 consecutive days) and an additional state-hotel fee (\$5 per night per room for 30 consecutive days in Georgia) (p. 16). For households with no option but a hotel, Georgia and many other states add upwards of \$200 in taxes for their first month (p. 16). And if residents' continuous occupancy is broken, as may be expected for cost-burdened households who are frequently a day away from homelessness, the taxation restarts for another 30 days. LiveNorcross recommends reducing the continuous occupancy threshold from 30 to seven days and earmarking some of the earned tax revenue to support programs alleviating homelessness (p. 17).

Dr. Lewinson, who continues to research and publish academic articles on the extended-stay hotel resident population, further elaborated on her research in a Zoom meeting (2021). She estimates she has interviewed around one hundred individuals who use extended-stay hotels as their primary residence. While most residents interviewed continue to identify their hotel home as "home for now" or an "in-between place", she notes the age of a hotel dweller can lead to a divergence. While younger individuals and families nearly all find extended-stay hotels unsatisfactory housing, older adults are more neutral or even positive to the hotel-as-housing model. The smaller floorplan, cleaning services, and affordable rates compared to assisted living arrangements, allows for more independence and an easier living condition for older populations. This has steered her most recent research to better understand the older adult population of hotel residents (Lewinson, n.d., 2017; Lewinson & Carrion, 2020).

The 2021 paper "Youth who sleep in motels: an acknowledged but unknown population of the hidden homeless" by Kara Tsukeerman, Erin Ruel, Eric Wright, and Terri Lewison, explores a subset of the 3 million youth who experience homelessness in America. The research, again focused in metropolitan Atlanta, notes that homeless youth are more mobile than homeless adults and less likely to use shelters or access services (Tsukeerman et al., 2021, p. 3). On average, youth who slept in hotels had higher incomes than youth who slept elsewhere (p. 12). However, nearly half of the youth surveyed reported not enough income to pay for a room for more than 14 days, which qualifies them for HUD assistance (p. 12). Many do not receive social assistance, as 74.7% of youth residing in hotels had zero contact with social service providers in the past month, revealing hotels are the homeless-youth shelter-type with the least service provider contact (p. 11). The study also revealed hotel youth were more likely to be cisgender women (p. 12). This could inspire further research to see how consensual or exploitative sex work, which is commonly reported at hotels, relates to hotel residency.

2.2.4. Legal Understandings of Hotel Residents

Two recent publications greatly expand the understanding of the legal treatment of people whose primary residence is a hotel. The first, "Higher Risk of Homelessness for Extended-Stay Hotel Residents" by attorney Shaina Thompson (2020) explores how states and local governments determine the legal status of extended-stay hotel residents. Thompson compiles three legal frameworks that encompass how states address long-term residents in extended-stay hotels:

The first legal framework is when there is an absence of statutory provisions providing long-term hotel residents rights similar to those afforded to tenants (p. 246). Long-term hotel residents in these states are not considered tenants, and therefore are denied tenant protections, including “prior notice, an opportunity to cure, or a judicial hearing prior to removal” (p. 251). Hotels in these states may remove a hotel guest without cause or prior notice, and without any judicial process (p. 251).

The second legal framework states use to determine tenant rights is based on case-by-case fact-based analysis (p. 246). States use different methods to determine if a resident is a tenant or hotel guest. Often in these states, law enforcement exercises individual discretion in determining tenancy rather than judicial proceedings. In some states, the housing provider’s intent determines tenancy. Other states within this framework use multifactor analysis, considering elements such as the payment duration, contract language, receipt of mail and cooking facility access (pp. 247 -249).

The final legal framework used by states and local governments is the adoption of clear rules for when hotel occupancy converts to tenancy, often determined by the number of consecutive days stayed at a hotel (p. 249). Prior court cases show that consecutive-day criterion laws may be circumvented by hotel management mandating room changes and forming contracts just shy of the consecutive-day threshold (p. 252). Regardless, this framework provides hotel occupants the most certainty about their tenant protections.

Thompson notes that legal recourse for hotel expulsion is more costly and prolonged than eviction proceedings. Importantly, eviction proceedings “typically take place while the tenant is still living in the residence.” (p. 252). Thompson’s experience as an eviction prevention attorney asserts that many hotel residents who engage in legal recourse end up temporarily homeless (p. 251).

The legal framework chosen by a state had limited influence on eviction and homeless rates for the state (p. 255). States with clear statutory protections still saw high rates of eviction and homelessness. However, states with very high eviction rates most often had either no legal protections or used case-by-case determination (p. 255). Thompson notes data collection about the percentage of evictions related to extended-stay residents is necessary to understand how hotel residents contribute to eviction and homelessness (p. 254).

Thompson concludes that, “Residents of extended-stay hotels include formerly homeless individuals, minorities, persons with disabilities, individuals with developmental or behavioral disorders, seniors, and persons with significant medical conditions...It is crucial that protections afforded to tenants be immediately extended to residents of extended-stay hotels... the legal status of long-term residents of extended-stay hotels is often unaddressed by state or local law, and many states afford such residents few or no legal protections” (p. 255).

The second legal publication related to hotel-housing is an *amicus curiae* brief presented by a cohort of housing advocates, lawyer aid groups, and Ph.D. researchers in 2021. The brief was made “on behalf of the interests of the thousands of extended-stay and residential hotel residents across the State of Georgia” (*Brief of Amicus Curiae—Efficiency Lodge, Inc.*, 2021, p. 4). The case was filed by three plaintiffs who were evicted by armed private security guards from an Efficiency Lodge extended-stay hotel in

Dekalb County, Georgia after residing there for months or years (p. 20). The judge agreed all three plaintiffs were tenants, and now Efficiency Lodge is appealing the ruling.

The *amicus curiae* brief argues four points to encourage the court of appeals to maintain the lower court's ruling:

"Extended-stay residential hotels represent a key component of the continuum of affordable housing in the U.S and their significances continues to dramatically expand" (p. 6). Support for this argument include:

- Historical use of hotels providing primary residence.
- 21st century growth of extended-stay hotels
- Extended Stay America's high occupancy rate during the 2020 COVID-19 Pandemic
- In a 2001 annual report, Efficiency Lodge indicated that "persons who cannot meet the credit standards of apartments" are among the most typical guests of their extended-stay chain.
- School buses in Metro-Atlanta make 90 stops a day at extended-stay hotels, challenging the industry discourse of transient travelers being the main extended-stay hotel user.
- Authors identified 235 residential hotels with 25,815 rooms in five metro counties in Georgia. Using a 72% occupancy rate and a 40% family occupancy rate identified in prior research, the authors estimate 30,000 to 47,000 people use hotels as primary residence in Metro Atlanta.

"The experiences of residents at Efficiency Lodge and other extended-stay residential hotels are indistinguishable from other low-income tenants and a key part of the industry's business model" (p. 14). Support for this argument include:

- *"Extended-stay residential hotels compete for, incentivize, and profit from long-term residency."* Extended-stay hotel incentives are directed at low-income and unhoused customers. Incentives extendedstay hotels advertise that other hotels do not include:
 - Reduced rates tied to reduced services
 - Acceptance of cash payments and not requiring a credit card
 - Accepting weekly or daily payments
 - No credit checks
- *"The experiences of low-income tenants parallels the experience of Plaintiff-Appellees and other residents in residential motels."* The authors cite several examples of hotel residents and low-income tenants facing similar experiences. These include fear of eviction and informal evictions and harassment, low-quality and dangerous living conditions, and discounts on rent in exchange for doing maintenance work around the hotel.
- *"Treating residents at extended-stay hotels as tenants promotes stable housing and protects residents from abusive practices, consistent with the purpose of due process."* The authors note there is legal precedent that hotel residents have a "protected property interest in their homes." Tenant rights include judicial eviction procedures, which varies significantly from innkeeper-guest laws on removing residents. Failing to treat long-term hotel residents as tenants, "illegally and immorally exploits the vulnerability of low-income families who reside in extended-stay hotels as a last resort."

Another point in ensuring tenant protections is given to hotel residents is to protect residents who live in other unconventional housing arrangements. The authors note that allowing Efficiency Lodge to not

treat long-term residents as tenants encourages new business types to enter the affordable housing market. A lack of tenant protections allows unconventional housing providers to profit from long term residents, but not bear the costs associated with tenant due process. The authors use PadSplit as an example, a startup that provides rooms to users whose average annual median income is \$22,000 and is documented not applying landlord-tenant law protections. PadSplit had 179% revenue growth in 2020, modeling the opportunity of providing housing to low-income families without enforcing landlord-tenant protections.

“Consistent with other housing laws and with the approach of other states, this Court should consider Plaintiffs tenants because they live at Efficiency Lodge as their primary, permanent residence.” Support for this argument include:

- A guest under Georgia law is a transient lodger. The authors cite prior court cases that define guests of innkeepers as transient. Georgia innkeeper-guest laws infers guests are transient, and therefore should not apply to hotel residents who consider a hotel their primary, permanent residence.
- The authors argue that because extended-stay hotels provide primary residence, they are subject to the Fair Housing Act

The *amicus curiae* brief concludes that the factual circumstances and Georgia law requires the appeals court to uphold the lower court’s decision to enforce landlord-tenant protections to the extended-stay resident Plaintiffs.

The *amicus curiae brief* presents strong and well cited arguments for why hotel residents whose primary residence is a hotel should be treated as tenants. While the scope of this brief was focused on Georgia, many of the arguments align with this authors research of extended-stay hotels at a national level.

2.2.5. News and Other Media on Hotel Housing

Since 2020, The New York Times, The Detroit News, Forbes, and The New Yorker, have all published articles related to Americans residing in hotels (Frazier, 2021; Kanell, 2020; LeBlanc, 2020; Nast, 2020). *The Florida Project*, a 2017 movie by Sean Baker, depicts the residential hotel experience in Orlando, Florida from the perspective of children.

Mya Frazier’s (2021) New York Times article titled, *When No Landlord Will Rent to You, Where Do You Go?* explores how “extended-stay hotels and motels became the last housing option for thousands of low-income Americans.” Frazier’s analysis reveals that across America, hotels are providing primary housing to families who lack the resources to obtain conventional housing. While adults who live in hotels are not tabulated, schoolchildren are. In 2018-19, 97,640 lived in a hotel, up from 45,781 in 2004-5. Frazier focuses on how the \$14.4 billion credit-reporting industry, which did not exist until 1989, became the gatekeeper to accessing housing. Americans are denied housing opportunities due to a low credit rating and must pay higher interest rates, further absorbing any disposable income that could be used for saving. Complimentary to credit-reporting, tenant-screening databases give landlords easy access to eviction records, which further excludes low-income potential tenants (Frazier, 2021). Black women with children and majority Black neighborhoods face the highest frequency of evictions, and an average of 3.7 million evictions are filed each year (Desmond & Kinniburgh, 2018).

Other News Reports on American Hotel Living

A selection of quotes from three articles document residential hotel use across the country.

As Jobs Vanish, Motel Rooms Become Home by Erik Eckholm for the New York Times (2009)

Motel families exist by the hundreds in Denver, along freeway-bypassed Route 1 on the Eastern Seaboard, and in other cities from Chattanooga, Tenn., to Portland, Ore.

In the past, motel families here were mainly drawn from the chronically struggling. But in recent months, schools, churches, and charities report a different sort of family showing up. “People asking for help are from a wider demographic range than we’ve seen in the past, middle-income families.” said Terry Lowe, director of community services in Anaheim, Calif.

“The motels have become the *de facto* low-income housing of Orange County,” said Wally Gonzales, director of Project Dignity

“My son came home and asked, ‘Are we homeless’? I didn’t know what to say.”

These Motel Rooms Are the Last Resort for Families Without Homes - Leighton Akio Woodhouse for thenation.com (2015)

All over Los Angeles and all over the country, budget motels like the Royal Park serve as semi-permanent residences for families too poor or too financially unstable to afford regular rental units, and not lucky enough to have obtained a decent apartment out of the grossly inadequate stock of affordable housing in the United States. For those with criminal convictions in their past, these motels can be the only option left: public housing projects can and do reject applicants with criminal histories

Working but poor, many families are trapped in extended-stay hotels – Michael E. Kanell for The Detroit News (2020)

While there are no hard data, social agencies and local officials say thousands of working families in metro Atlanta live in hotels — generally paying by the week or even by the day. There are at least 10,000 families in extended-stay motels, “but maybe it’s 20,000 or 30,000. They are working poor. We tend to ignore them because they are not homeless yet. No one has done a study, except in Norcross. And that was an eye-opener.” Said Protip Biswas, vice president for homelessness at United Way of Greater Atlanta

2.3. Literature Review Summary

Extended-stay hotels, since conception, have profitably provided low-income families’ semi-permanent and permanent shelter. The experience of using a hotel as a primary residency for low-income households is defined as *liminal*, and most residents desire an alternative form of housing. Recent publications have made it clear that more information is needed about this emerging form of low-income housing.

3. Methodology

3.1. Introduction

This section begins with the research objectives and chapter summary. The data collection and methods of analysis are then discussed.

The objectives of this research are as follows:

1. How many people use a hotel as their primary residence in the United States?
2. Where are Low ESHs located in the United States?
3. Verify if Low ESHs are built in areas with a prevalent supply of families unable to access conventional housing.
4. Begin to understand the quality of neighborhoods that contain Low ESHs.

The nature of this research is exploratory, as a large research gap exists for understanding contemporary hotel housing. Particularly, the absence of quantitative data about hotel housing contributes significantly to the low comprehension of this reality. A descriptive and quantifiable understanding of hotel housing across the United States is essential to end the *invisible* standing of families who reside within.

This research provides descriptive statistics and visual analysis about where Low ESHs are located in the United States. Secondary data was obtained from the hospitality industry and combined with publicly available data from federal agencies and research institutes. Locational analysis is displayed graphically with maps, using QGIS software. Analysis of neighborhoods is presented with tables showing different metrics related to the Low ESH locations.

Estimating the residential use of hotels required identifying the population of hotel rooms in the United States where families might live. Once a population of rooms was established and coined *Hotel Housing*, the author replicated the estimation methodology used by the Amicus Curiae brief and analyzed the LiveNorcross Report. This set a framework for a national extrapolation and estimate of residential hotel use in the United States. This concludes this reports Methodology chapter.

3.2. Data Collection

Data sets from several sources were used in this research.

3.2.1. Hotel Industry Data

Smith Travel Research (STR) is the leading market data provider for the hotel industry worldwide. It creates “analytics and marketplace insights powered by data from 68,000 hotels across 180 countries” (*Hotels*, n.d.). STR provides academic researchers access to their analytics through the “SHARE Center”. A significant portion of hotel location and performance data in this paper is derived from STR-provided datasets.

The following reports were provided from STR though the SHARE center. All reports were in Excel format:

Trend Reports – Trend Reports provide monthly data from January 2000 until July 2021 on different segments of the US hotel industry. Monthly data includes Occupancy, ADR, RevPAR, Supply, Demand, Revenue, Number of Properties, and Number of Rooms.

The following hotel segment trend reports were provided:

- All Hotels
- Midscale Hotels
- Economy Hotels
- All-Suites (all classes)
- Low (Economy and Midscale) All-Suites
- Low (Economy and Midscale) Extended-Stay Hotels

Location Trend Reports – Location Trend Reports contain the trend report data and additionally have a column that separates the hotel segment by location (Airport, Interstate, Resort, Small Metro/Town, Suburban, and Urban). This allows trend analysis of hotel segments in different locations.

Location Trend Reports were requested for the housing hotel research population:

- Economy Hotels
- Low (Economy and Midscale) All-Suites
- Low (Economy and Midscale) Extended-Stay Hotels

Hotel Listing – STR provided a listing of all extended-stay hotels in US as of June 2021. For each hotel in the listing, Chain Name, Physical Address, City, State, Open Date, Total Rooms, Chain Scale (Economy through Luxury), Location Segment, Contact Information, and Longitude and Latitude were provided.

3.2.2. Publicly Available Data

Several publicly available data sets were used for Low ESH neighborhood analysis.

Census Bureau Quick Facts

For national and county level housing, demographic, and socioeconomic data, the author downloaded *Quick Facts* data sets from the U.S. Census Bureau website (*U.S. Census Bureau QuickFacts*, n.d.) for each county analyzed.

Census Bureau 2021 Planning Database

For neighborhood level housing, demographic, socioeconomic data, the author used the 2021 Block-Group Level Planning Database (PDB) (Census Bureau, 2021). The data set provides 344 variables related to the aforementioned topics for every Census Block Group (CBG) in the United States. The data includes 2010 Census and 2015-2019 American Community Survey (ACS) data sources. The author only used the 2015-2019 ACS data, as it is the most current. CBGs are described below.

AARP Livability Index

The Livability Index was created by the AARP Public Policy Institute and is a web-based tool (<https://livabilityindex.aarp.org>) developed to measure neighborhood livability on a scale of 0 to 100 for the entire United States at Census Block Group (neighborhood), county, city and state level (Harrell et al., 2021). The Livability Index measures livability using seven “livability categories”. A livability score for each category is populated using over 50 sources of data compiled by AARP from public and private institutions. Over half of the data is provided at neighborhood level, with the remaining data provided at a city and state level. AARP is currently updating the Livability Index with 2020 census data, but at the time of this research, data periods ranged from 2013 to 2018.

The web-based tool allows address lookup and comparisons for neighborhoods. However, it is not possible to download the underlying data directly from the website or batch download neighborhood data. An objective of this paper's research is to provide preliminary analysis about the quality of neighborhoods where Low ESHs are located. To do this, the author emailed the AARP Public Policy Institute and requested livability scores and underlying data for every single Low ESH provided by STR. For each CBG that contained a Low ESH, the metrics shown in Table 1 were requested and provided.

Table 1 - AARP Livability Metrics Requested for Low ESH Neighborhoods

Livability Categories	Requested Data
	1. Total score
	2. Total score for each of the 7 categories
Housing - Affordability and Access	
	3. Availability of multi-housing options
	4. Housing affordability
	5. Housing costs
	6. Housing cost burden
	7. Availability of subsidized housing
	8. Policy - State foreclosure prevention and protection
Neighborhood - Access to life, work, and play	
	9. Grocery and farmer's market
	10. Access to parks
	11. Access to jobs by Transit
	12. Access to jobs by Auto
	13. Mixed-Use Neighborhoods
	14. Compact Neighborhoods
	15. Personal Safety - Crime rate
	16. Neighborhood Quality - Vacancy Rate
Transportation - Safe and convenient options	
	17. Frequency of local transit service
	18. Walk trips

19. Household transportation costs
20. Speed limits
21. Crash rate
22. Policy: Complete Streets: Smart Growth
Environment - Clean Air and Water
23. Water Quality
24. Near-roadway pollution
25. Local industrial pollution
Health - Prevention, access, and quality
26. Access to exercise opportunities
27. Health care professional shortage areas
28. Preventable hospitalization rate
Engagement - Civil and Social Involvement
29. Voting Rate
30. Social involvement index
31. Social engagement, Cultural, arts, and entertainment institutions
32. Policy: Early, absentee, or mail-in state voting laws
33. Policy: Municipal LGBT anti-discrimination laws
Opportunity - Inclusion and possibilities
34. Multi-generational communities, age diversity
35. Policy: Local fiscal health, Local government creditworthiness

Note: Data sources for the above metrics and enhanced details about the metrics can be found here <https://livabilityindex.aarp.org/livability-sources#housing>

Opportunity Atlas

The final data set used by the author to understand the opportunity and upward mobility potential of neighborhoods that contain Low ESHs is the Opportunity Atlas. This remarkable dataset created in collaboration between the Census Bureau and Harvard-based Opportunity Insights, provides the outcomes of children born in different neighborhoods in the United States. To understand the Opportunity Atlas methodology, please refer to https://opportunityinsights.org/wp-content/uploads/2018/10/Atlas_methods.pdf.

The use of each of these data sets is explained in the Methods of Analysis section.

3.2.3. Compiling Industry Data with Publicly Available Data.

To match the STR hotel list coordinates with the publicly available data, each hotel location needed to match with a Geocode. Geocodes are a 12-digit code defined by the Census Bureau. The first two digits denote State, the next three digits denote County, the next six digits denote Tract, and the last digit denotes Block Group (Census Bureau, 2021). The Census Bureau, AARP, and the Opportunity Atlas all include geocodes in their datasets in order for matching to occur. To find the geocodes for each Low

ESH, the author batch uploaded Low ESH addresses to the U.S. Census Bureau's Geocoder website (*Geocoder*, 2021). This method matched 1,551 hotels (out of 2051). For the 500 that did not match, the author downloaded CBG shapefiles for the states with missing geocodes. The CBG shapefiles were then joined with the hotel points in QGIS to find the remaining geocodes.

The Geocoder addresses dataset mainly consist of residential addresses (*Census Bureau Public Geocoder FAQ*, 2021). This may explain why many Low ESHs did not match, as hotels are usually restricted to non-residential areas. Additionally, some geocodes changed between 2010 and 2020. AARP successfully matched 67% of Low ESH geocodes provided to their data set. The author also matched 67% of Low ESH geocodes to the 2021 Planning dataset. Due to time limitations, the author was unable to identify why 33% of the compiled geocodes did not match with public datasets. A few possible reasons include leading-zero geocodes losing their starting zeros in excel, the hotel is newly built, or the geocode changing between 2010 and 2020. While not matching all low ESH geocodes to neighborhood datasets is a limitation, for the purpose of preliminary analysis, 67% of the entire United States Low ESH properties is sufficient.

3.3. Methods of Analysis

3.3.1. Location Analysis using QGIS

QGIS is an Open-Source Geographic Information System (GIS). Mapping and geographic analysis herein was conducted using QGIS. The researcher used QGIS version 3.10.19 on a MacOS 10.16 operating system. STR industry data with hotel coordinates were joined with the publicly available datasets at a state, county, census tract and census block group (CBG) level. A summary of the application of QGIS in Extended-Stay Hotel Location analysis is now provided:

The following steps were conducted in the location analysis of Low ESHs.

State and County Level Analysis

The United States is comprised of 50 States and the District of Columbia. Counties are the primary legal divisions within states in the United States. County borders are determined individually by the state and are based on geographic, political, administrative, and historical boundaries. Counties are relatively fixed, with only 77 counties added since 1920. In recent years, boundary changes were minor and did not involve substantial shifts of land area or population (Bureau, 2019). County responsibilities can include law enforcement, road maintenance, and public education (Society, 2011). Counties are important territorial divisions which allows states to have different laws, rules, and regulations in each county. The land area and population of counties varies dramatically between counties.

State and County Level Analysis of Low ESHs are useful to understand where Low ESHs are concentrated across the US. State and County demographic data is also useful as a baseline for understanding how Low ESH census tracts and census block groups compare to the wider county or state. The process this author took to spatially analyze Low ESHs at State and County level in QGIS are as follows:

1. Created a new project in QGIS, setting the Project Coordinate Reference System (CRS) to EPSG:3857 – WGS 84 / Pseudo-Mercator. This CRS was chosen because it is the CRS used by QuickMap Services for projecting the United States and the author thought this CRS projected a

subjectively well-shaped United States. The Census Shapefiles use EPSG:4269 NAD83, but this CRS projection results in squished effect. Therefore, the project coordinates are EPSG:3857 – WGS 84 / Pseudo-Mercator and the Census-Sourced Shapefiles remain in EPSG:4269 NAD83. Added Shapefiles **ESH LIST** also use the CRS EPSG:4269 NAD83.

2. Downloaded **American Community Survey 5-Year Estimates — Geodatabase Format** State and County Geodatabase and Shapefiles from <https://www.census.gov/geographies/mapping-files/time-series/geo/tiger-data.html>
3. Drag unzipped State and County Geodatabases and Shapefiles into QGIS project. This creates a Layer of Polygons with boundaries for states and counties.
4. Prepare STR Hotel Listing for upload to QGIS. In a new Excel workbook, **ESH LIST** was created and useful columns from the STR Hotel Listing were copied over. The file was then saved in comma-delimited (.csv) format. Copied over data columns were:
 - a. ESH List
 - b. Chain Name
 - c. Physical Address
 - d. Physical City
 - e. Physical State
 - f. Postal Code
 - g. Merge Address
 - h. Open Year
 - i. Total Rooms
 - j. Chain Scale
 - k. Location
 - l. Latitude
 - m. Longitude
5. To plot the ESH Points (Location determined by Latitude and Longitude), in QGIS Data Source Manager, Add a Layer of “Delimited Text”.
 - a. Select the saved .csv file **ESH LIST**, ensuring Geometry Definition is set to “Point Coordinates”, X field = Longitude and Y Field = Latitude. Geometry CRS is EPSG:4269 – NAD83. Select “Add” and the ESH LIST converts to a “point” shapefile layer and every ESH provided by STR is projected across the United States.
6. Only Economy and Midscale ESH were analyzed in this project. To filter the **ESH LIST** to only show Economy and Midscale ESHs, right click on the layer and select filter. Enter the expression; "*Chain Scale*" = '*Economy Chain*' OR "*Chain Scale*" = '*Midscale Chain*', and the **ESH LIST** is now filtered and only shows Low (economy and midscale) ESHs.
7. To count the Low ESH in each State and County, select *Vector – Analysis Tools – Count Points in a Polygon*. This creates a new layer that can be downloaded in Excel that counts Low ESH in every State and County and provides a new column that provides the Low ESH Count.

Once Low ESHs were counted in each county, U.S. Census Bureau Quick Fact datasets were downloaded for six counties in six states with over 20 Low ESHs. The author selected the counties based on the

highest number of Low ESHs and limited the analysis to one county per state. Scope limitations are the reason not more counties were analyzed.

Census Tract and Census Block Group Analysis

Census Tracts are statistical subdivisions of a county whose primary purpose is to provide a stable set of geographic units for the presentation of statistical data (Bureau, 2019). Population size is kept consistent between census tracts, with each census tract containing between 1,200 to 8,000 people. Census tracts generally follow visible and identifiable features.

Census Block Groups (CBGs) are the smallest geographic entity that the decennial census tabulates and publishes data on (“Census Blocks and Block Groups,” 2021). They are made up of Census Blocks and are a subdivision of a Census Tract. AARP’s Livability Index defines CBG’s as “Neighborhood Level”. CBG’s can be considered Neighborhoods within Census Tracts.

The process the author used to spatially analyze Low ESHs at a Census Tract and CBG level in QGIS are as follows:

1. Shapefiles for Census Tracts and CBG’s are available on the U.S. Census TIGER/Line Shapefiles web interface (<https://www.census.gov/cgi-bin/geo/shapefiles/index.php>). Only one state’s Census Tracts or CBGs can be downloaded at a time. The author selected the year 2010 because the other data sets that will be tied to Census Tracts with ESHs use 2010 Census Tracts (Opportunity Atlas and ACS Demographic and Economic data).
2. Download Census Tracts or CBGs for the state to be researched. Expand the zipped file and drag the contents into the QGIS Project.
3. Select *Vector – Analysis Tools – Count Points in a Polygon* to count the Low ESH in each census tract and CBG. This creates a new layer that can be downloaded in Excel that counts Low ESH in every tract and CBG and provides a new column that provides the Low ESH Count.

The author used Vlookup formulas in Excel to match Low ESH geocodes with corresponding geocodes in the 2021 Planning Database to compile neighborhood level housing, demographic, socioeconomic data for Low ESH locations. Pivot tables were used to create the Tables.

3.3.2. Estimating Residential Hotel Use

Defining Housing Hotels

The first step to estimating the population of residential hotel users is to determine how many rooms are available and used by resource restricted households. As hotels play such an important role in the U.S. economy, significant private sector resources exist to understand the hotel industry. Hotel definitions vary across the industry, but as STR provided most of this reports data, definitions are based on STR’s glossary (<https://str.com/data-insights/resources/glossary>).

To create a research population of hotels that potentially provide residential use, STR distinguishes and classifies hotels in several helpful ways. Six class segments categorize hotels according to average room rates: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale and Economy.

Location segments categorize hotels based on their physical location. According to the STR Glossary, Location Segments include:

- **Urban:** Densely populated location in a large metropolitan area. (e.g., Atlanta, Boston, San Francisco, London, Tokyo).
- **Suburban:** Suburbs of metropolitan markets. Examples are Sag Harbor and White Plains, NY (near New York City, USA) and Croydon and Wimbledon (near London, UK). Distance from center city varies based on population and market orientation.
- **Airport:** Hotel in close proximity to an airport that primarily serving demand from airport traffic. Distance may vary.
- **Interstate/Motorway:** Property in close proximity to a major highway, motorway or other major roads with the primary source of business via passerby travel. Hotels located in suburban areas have the suburban classification.
- **Resort:** Property located in a resort area or market where a significant source of business is derived from leisure/destination travel. Examples: Orlando, Lake Tahoe, Daytona Beach, Hilton Head Island, Virginia Beach.
- **Small Metro/Town:** Area with either a smaller population or remote locations with limited services. Size varies by market orientation. Suburban locations do not exist in proximity to these areas. In North America, metropolitan small-town areas are populated with less than 150,000 people.

This papers focus is on hotels that provide primary housing to households excluded from the conventional housing market. Therefore, luxury, upper upscale, upscale, and upper midscale hotels (Upper-Class Segments) were omitted from location data requests from STR. Support for excluding Upper-Class segments from the housing hotel population is further provided by looking at hotel industry performance during the COVID-19 pandemic. A review of location segments and their inclusion in the hotel housing population is provided in Table 3.

COVID-19 Occupancy and Performance

According to AHLA's State of the Hotel Industry (2021), "Business travel is forecasted to be down 85% compared to 2019 through April 2021" (p. 3). Additionally, leisure travel was reduced, demonstrated by historically low occupancy, massive job loss, and hotel closures at an industry level (p.3). However, Table 2 shows ADR, RevPAR and occupancy decreased significantly less for three hotel segments.

Table 2 - Hotel Performance 2015-2019 vs COVID-19 Pandemic (January 2020 - July 2021)

Hotel Type	ADR	RevPar	Occupancy
All Hotels	-17%	-37%	-26%
All Suites	-15%	-30%	-20%
Midscale	-6%	-21%	-17%
Economy	-2%	-9%	-7%
Low ESH	-5%	-10%	-6%
Low All Suites	-5%	-14%	-9%

Note – Percent changed between average ADR, RevPAR, and Occupancy 2015 – 2019 and January 2020 – July 2021. All data provided by STR Share Center (*STR.Com*, n.d.).

As Table 2 shows, economy, Low ESH, and Low All Suites performed substantially better than the rest of the hotel industry during the COVID-19 pandemic. As explained in the literature review, the hotel industry attributes this to “the resilience of this product type ... particularly at the lower-priced end of the product spectrum... extended-stay hotels performed better than transient-focused hotels...due to several reasons, including that these hotels serve as a guest’s primary residence rather than a temporary lodging solution” (Clough & Cross, 2021). While this article focuses on extended-stay hotels, the pandemic performance of Low All Suites and economy hotels more closely resembles the non-transient focused extended-stay segment than the rest of the industry. For this reason, the author defined these three segments as hotels who have a significant customer base of residential occupants.

Hotel-Type and Location Segment Analysis

Within the three hotel types identified as having residential use, the author reviewed performance at a location segment level to identify possible outliers within these hotel types. Table 3 summarizes this review.

Table 3 - Location Segment Performance Analysis for Housing Hotels

Hotel Type and Location Segment	2019 Average		July 2021		Weighted Average	
	ADR	Occupancy	Properties	Rooms	ADR	Occupancy
Low All Suites	\$ 73.35	71%	2,732	265,049	\$ 66.86	72%
Airport	\$ 67.02	75%	196	21,239		
Interstate	\$ 72.03	67%	256	20,384		
Resort	\$ 119.65	66%	193	20,029		
Small Metro/Town	\$ 83.22	64%	489	30,051		
Suburban	\$ 61.99	73%	1,629	176,710		
Urban	\$ 82.48	73%	162	16,665		
Economy	\$ 67.86	59%	10,055	753,289	\$ 63.13	59%
Airport	\$ 64.35	67%	428	41,476		
Interstate	\$ 59.77	50%	2,227	142,748		
Resort	\$ 82.11	62%	240	20,793		
Small Metro/Town	\$ 66.84	50%	2,625	156,619		
Suburban	\$ 60.42	64%	4,045	352,657		
Urban	\$ 73.68	65%	490	38,996		
Low ESH	\$ 76.59	73%	2,605	266,611	\$ 71.29	74%
Airport	\$ 70.52	77%	190	21,730		
Interstate	\$ 77.80	70%	255	21,895		
Resort	\$ 79.50	75%	49	5,499		
Small Metro/Town	\$ 79.36	68%	311	26,317		
Suburban	\$ 67.87	74%	1,649	174,888		
Urban	\$ 84.51	73%	151	16,282		
All Housing Hotels	\$ 72.60	68%	15,392	1,284,949	\$ 65.59	64%

Note – Low All Suites in Resort locations are excluded from the hotel housing population. All Housing Hotels Line averages and counts exclude the Low All Suites – Resort line. All data provided by STR Share Center (STR.Com, n.d.).

Except for Low All Suites in resort locations, all location segments are included in the hotel housing population. Every state in the United States has a shortage of affordable and available homes. Low income households face housing challenges in resort towns, suburbs, cities, and small towns. (Emmanuel et al., 2021, p. 2). While resort and airport hotel locations may have a larger demand for truly transient guests, American urbanity is often highly dispersed, and resort and airport locations both require low-paying labor that could result in housing burdened households. For these reasons, no location segments except for resort Low All-Suites were excluded from the housing hotel population.

Low All Suites in resort locations were the only hotel type and location segment to have an ADR above \$85. For this reason, Resort Low All-Suites were removed from the housing hotel population. Additionally, the author did not have the midscale location trend report, but the overall 2019 ADR for midscale hotels was \$86.02 (STR Data). While possible interstate and suburban midscale locations offer lower ADR, midscale hotels are excluded from the housing hotel population as a resource constrained family may opt for a midscale extended-stay or all-suites hotel for longer term occupancy. The unweighted ADR in 2019 for economy, midscale, Low ESH, and Low All Suites was \$72.60. 2019 ADR ranged from \$59.77 for economy hotels in interstate locations to \$84.51 for Low ESHs in urban locations. ADR, occupancy, and property/room count vary significantly based on a hotels location. Suburban locations contain 55% of housing hotels, and suburban locations have lower ADR compared to other locations. To best reflect the ADR and occupancy seen in housing hotels, the author provided weighted averages.

Hotel Housing Summary

Table 3 shows a housing hotel population of 15,392 properties and 1,284,949 rooms. This is the authors population of hotel housing used to estimate a national residential population.

Recalculation and Available Data Review

With the maximum number of hotel rooms possibly serving as primary residence defined, a review of existing estimate methodology and residential hotel user data was conducted.

The amicus curie brief estimates that 25,815 rooms in metropolitan Atlanta could provide primary residency to 30,000 to 47,000 people (*Brief of Amicus Curiae—Efficiency Lodge, Inc., 2021*). The brief provides the following methodology:

1. 72% occupancy based on the occupancy reported by Extended Stay America in Frazier's (2021) New York Times article.
2. 40% family occupancy reported in the LiveNorcross report.

With this limited explanation, the author performed a recalculation to understand the briefs methodology. See Table 4.

2. *LiveNorcross extrapolation.* The LiveNorcross report is the most comprehensive analysis of contemporary residential hotel use the author could find (Allen et al., 2019). The author used the report findings to extrapolate a national population estimate.
3. *Pandemic occupancy and average U.S. household size.* The final method to estimate the national residential hotel population was to review the occupancy changes that occurred during the COVID-19 pandemic to estimate a residential occupancy rate. This methodology considers that leisure and business travel was severely reduced during the pandemic, leaving residential users the remaining occupants. Using this residential occupancy estimate, the average household size provided by the 2021 Planning Database was used as a family multiplier to obtain a housing hotel population estimate.

3.3.3. Limitations

Data collected and preliminary analysis pertaining to neighborhood quality is provided as a recommendation for further research. The analysis required for the level of neighborhood data compiled by the author exceeds the scope of a final master's dissertation. Findings from this analysis are encouraged to be further verified.

The hotel types provided by STR provide a framework for a hotel's characteristics, but variety exists within these hotel categories. Some economy hotels may provide rooms with kitchenettes and offer weekly and monthly rates. Some Low All Suites hotels may not allow longer-term accommodation and may not have a kitchenette included. Comparing STR listed extended-stay hotels with a search on Google maps also reveals that STR datasets may not contain every hotel in an area or classify every hotel correctly. A hotel may be STR-listed as an economy hotel but have signage visible on Google maps or on the street offering weekly and monthly rates. However, STR is a highly respected hospitality research firm, and their counts and classifications represent the best data available.

Leisure and business travel use of housing hotels certainly exists. The percent of occupancy within these hotels related to residential users is not publicly available. Therefore, the residential occupancy percent contains a significant level of uncertainty. Residential occupancy is evaluated in detail in the following sections.

The author is not sure if ADR in the Low ESH segment reflects weekly and monthly rate discounts long-term guests are offered. Therefore, the ADR reported for Low ESHs may be higher than what residential customers actually pay.

4. Findings

4.1. Housing Hotels in the United States

4.1.1. Overall Hotel Analysis

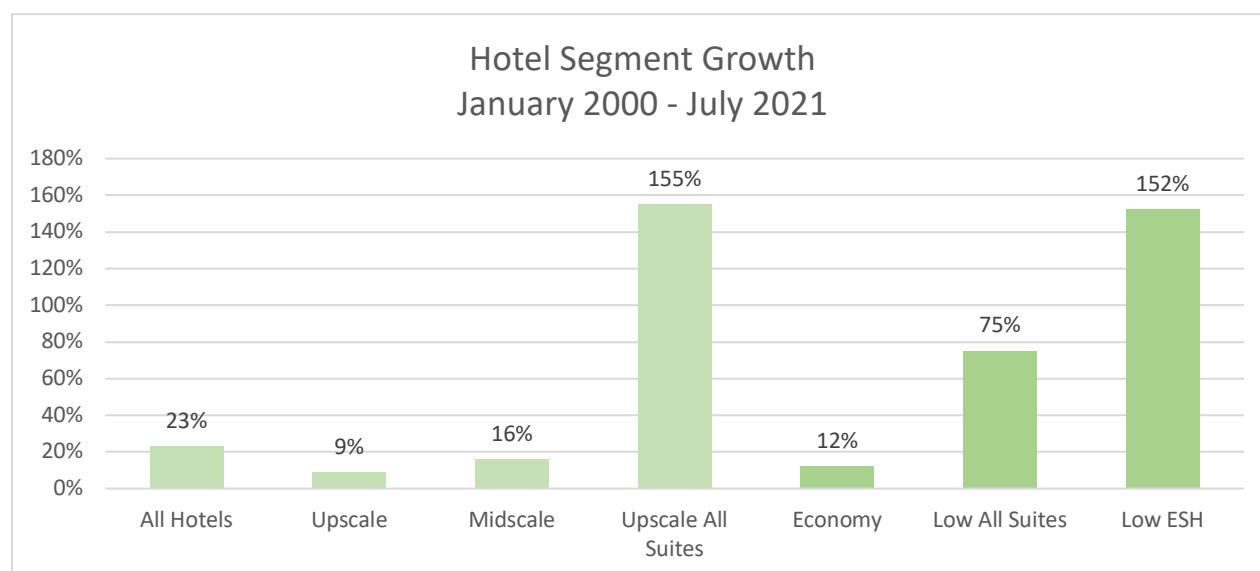
Major changes have occurred in the United States hotel industry since 2000, the earliest year STR provided data. In January 2000, 62% of hotel properties fell into upper-class segments. As of July 2021, this percent has decreased to 55% (Table 5). Of the hotel types, two hotel segments experienced the most explosive growth. See Figure 1.

Table 5 - Hotel Industry Property Growth - January 2000 to July 2021

	Date	All Hotels	Upscale	Midscale	Upscale All Suites*	Economy	Low All Suites*	Low ESH
Number of Properties	1/1/00	49,523	30,731	4,686	2,559	8,956	1,559	1,032
	7/1/21	60,897	33,533	5,441	6,531	10,055	2,732	2,605
Figure 1	% Growth	23%	9%	16%	155%	12%	75%	152%
Percent of Hotel Industry	1/1/00		62.1%	9.5%	5.2%	18.1%	3.1%	2.1%
	7/1/21		55.1%	8.9%	10.7%	16.5%	4.5%	4.3%

Note - *Low All Suite hotels located in Resort locations were removed from the Low All Suites segment and added to the Upscale All Suites segment. All data provided by STR Share Center.

Figure 1 - Hotel Segment Growth January 2000 – July 2021



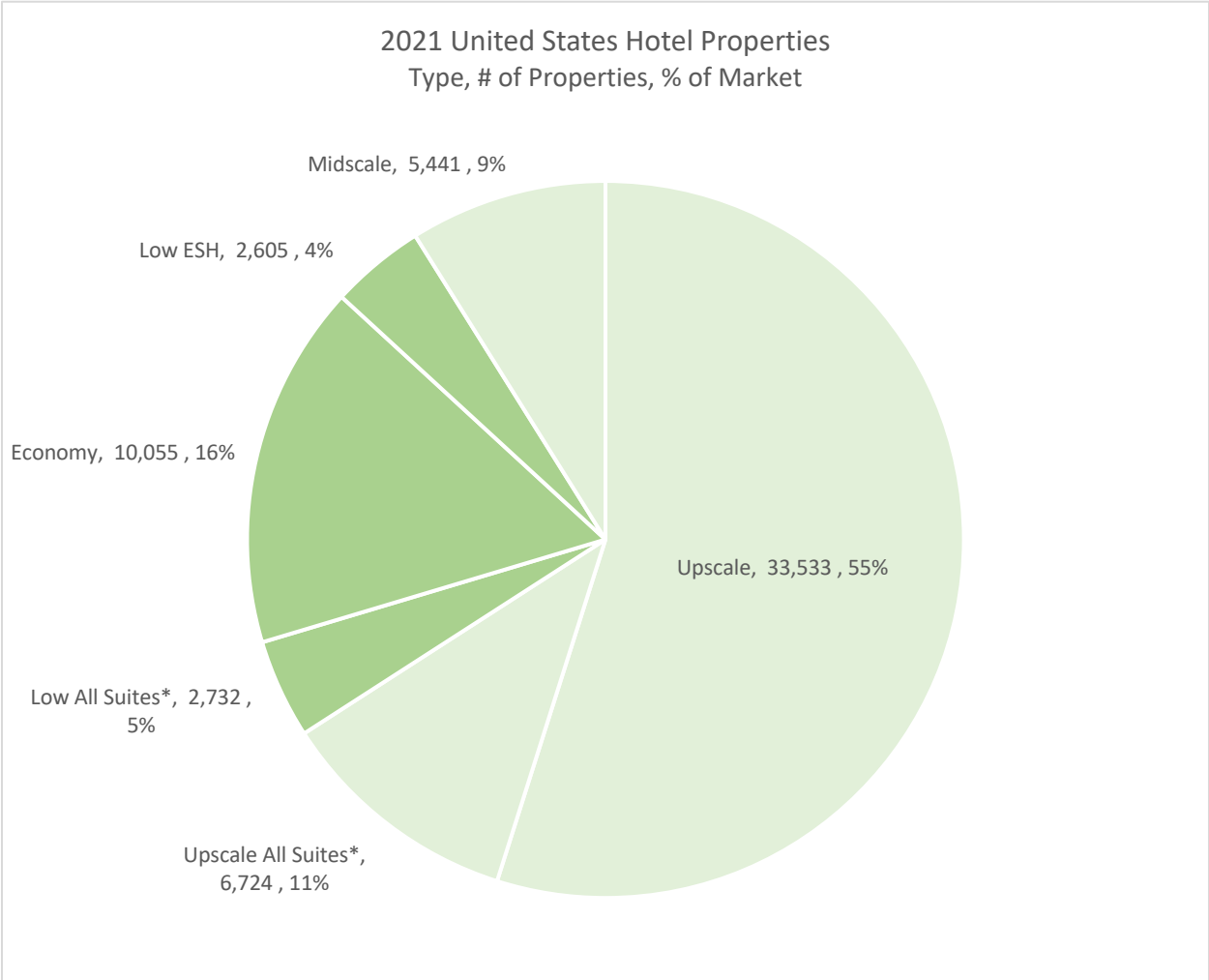
All data provided by STR Share Center. (STR.Com, n.d.).

Midscale and economy Extended-Stay Hotels (Low ESH) and all classes of All-Suite hotels saw the greatest growth in the 21st century. While all hotel properties increased 23% from January 2000 until July 2021, upscale and low all-suite hotels grew 155% and 75% respectively, and Low ESH grew 152%.

Upscale and low All-Suite hotels went from representing 8% of all hotels to 16%. Low ESH now represents 4% of all hotels, up from 2% in 2000.

As of July 2021, there are 60,897 hotels in the United States according to STR. In 2000, 10.4% of hotels fell into the hotel housing category. As of July 2021, 19.5% of hotels in the United States are included in the housing hotel population, represented in darker green in Figure 2. In July 2021, there were 5,495,370 hotel rooms in the United States. 1,284,949, or 23.4%, of all hotel rooms in the United States fall into the authors housing hotel population.

Figure 2 - Hotel Properties by Segment - 2021



Note - Summary of the 60,897 hotels in STR's hotel population. Dark Green Hotels (Low ESH, Economy, and Low All Suites) make up the population of "Housing Hotels". (STR.Com, n.d.).

Performance Analysis

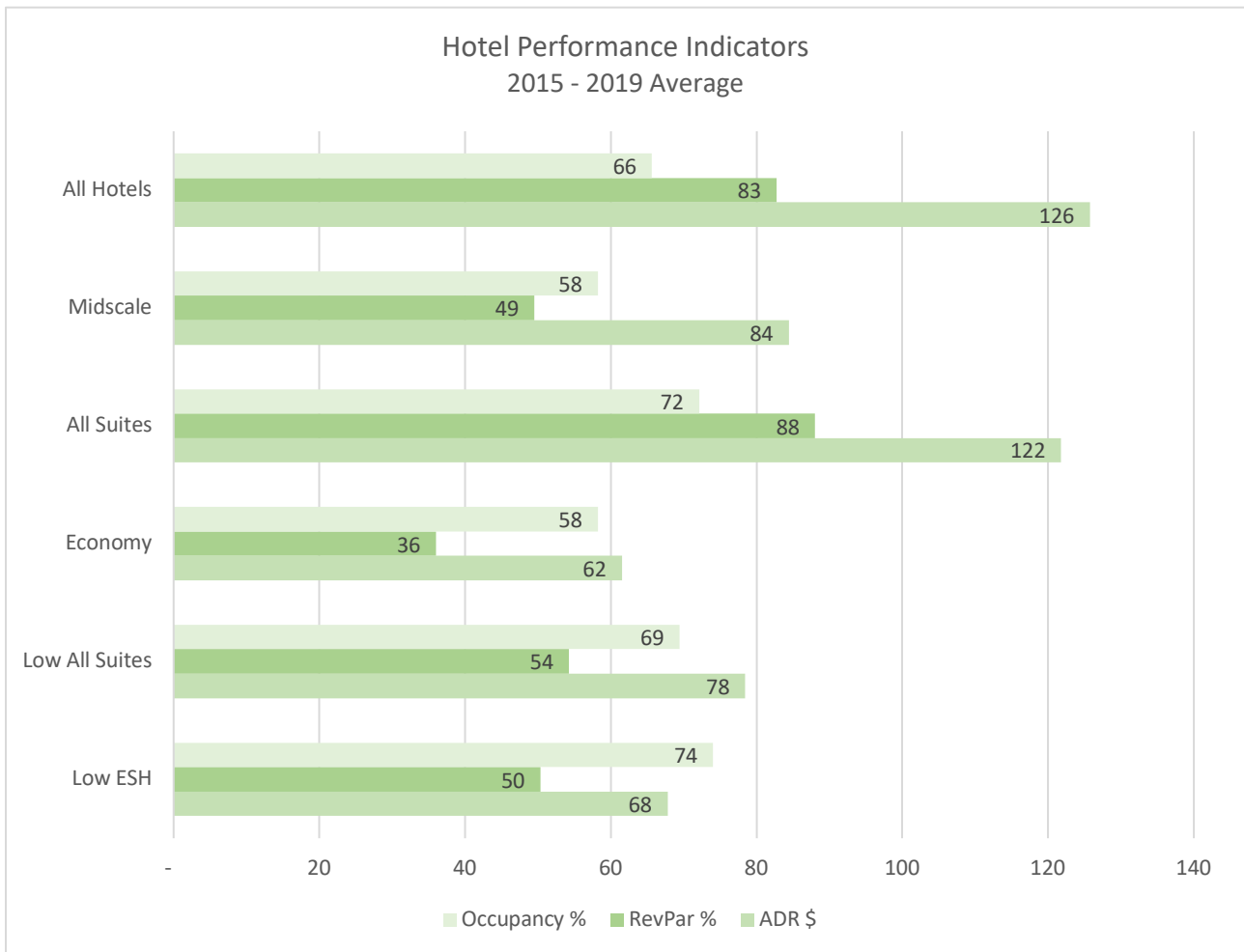
Reviewing the performance of hotels may help explain the reason All-Suites and Low ESH are growing faster than other hotel segments. Three performance metrics provided in trend reports from STR; Occupancy Rate, ADR, and RevPAR, illuminate how segments and classes of hotels are performing in the 21st century. See Table 6 for definitions and Figure 3 for the 2015-2019 averages seen in each hotel segment.

Table 6 - Hotel Performance Metrics

Hotel Performance Metrics	Definition	Use
Occupancy Rate	Percentage of available rooms sold during a specified time period. Occupancy = Rooms Sold / Rooms Available	Hoteliers use this rate to understand general hotel performance, seasonal changes, and how marketing/business efforts affect occupancy
Revenue Per Available Room (RevPar)	Total Room Revenue divided by Total Number of Available Rooms*	Indicates a hotel's ability to fill its available rooms at an average rate. An increase in RevPAR means that its average room rate or its occupancy rate is improving.
Average Daily Rate (ADR)	A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold. ADR = Room Revenue/Rooms Sold	An indicator of the hotel's overall performance and profits. ADR provides the average rate an occupied room is booked for. ADR does not account for empty rooms but is still considered an important metric.

Note - Definition from STR Glossary and Use from (Hotelogix, 2021). *Available rooms - The number of rooms in a hotel or set of hotels multiplied by the number of days in a specified time period. (STR.Com, n.d.).

Figure 3 - Hotel Performance – 2015 -2019 Average



Note - Select Hotel Performance Indicators. Obtained from STR Share Center (STR.Com, n.d.).

Overall Hotel Performance Summary

The average occupancy rate for all hotels between 2015 and 2019 was 66%. Low ESHs enjoyed the highest occupancy rate of 74% followed closely by Upscale All-Suites at 72%. The occupancy rate for each class of hotels stayed relatively consistent between 2000 and 2019, all increasing less than 5%. Considering the stability of hotel occupancy, STR data suggests over 1.8 million hotel rooms are unoccupied on average in the United States.

ADR is lower for housing hotels than other hotels. However, with their higher and more stable occupancy, a low ADR does not equate to poor financial performance. Further, the ADR seen in housing hotels suggests a different demand than non-housing hotels.

RevPAR is generally lower in housing hotels than other hotels. This supports Mao and Mi's (2014) conclusion that upper-tier hotels achieve better RevPAR results than lower-tier hotels. However, referring to Table 2, RevPAR dropped 37% during the COVID-19 pandemic for all hotels, compared to 10% weighted average decrease in RevPAR seen in housing hotels.

The above analysis supports hotel industry reports that low-tier extended-stay hotels are a reliable and profit making investment (Fox, 2021; Grant & Karmin, 2021). The author concludes that hotels offering apartment style rooms, lower-tier and higher-tier, are the fastest growing and most resilient hotel segments in the 21st century.

4.2. Estimating the Residential Hotel Population

Four methods of estimating the residential population were used to formulate a range of estimates. Several assumptions were used in each methodology. Assumptions include:

1. There are 1,284,949 rooms in the United States that have the potential of offer primary residency. This corresponds with Table 3.
2. Of these hotel rooms, the residential occupied room rate ranges from 32% in economy hotels to 84% in observed in LiveNorcross data. Without hotel industry data confirming residential use, residential occupancy is the most uncertain metric used in these estimations. The most conservative residential occupancy used is an average of 41% (Table 9 – Residential Occupancy - Low) and still results in a population estimate above 1.2 million.
3. Existing research and the authors first-hand experience show that hotel housing is frequently used by families. To estimate the population, family multipliers were necessary. The national average household size is 2.52 (Table 9). The LiveNorcross report provides marriage and mean children per family data that equals an average household size of 2.63. The author finds alignment of national average with the results of the LiveNorcross report supportive of the assumption that average household size in hotel housing is similar to that of other households. To further support using a family multiplier, Desmond reports having children as a barrier to accessing conventional housing (Desmond, 2017).

The true number of people living in hotels in the United States may be impossible to calculate, given the transient nature of vulnerable households. However, estimates are certainly possible, and given that apartment style hotels are increasing in the 21st century, housing advocates must understand this housing-type.

The four estimates are now provided.

4.2.1. Amicus Curiae Extrapolation

Table 7 - Amicus Curiae Extrapolations

Amicus Curiae Extrapolation		
<i>Amicus Curiae (AC) Estimate - Simple</i>		
AC Hotel Housing Room Population	25,815	
Multiplier for 25,815 to represent 38,500 people	1.49	
AC Hotel Housing Population Estimate	38,500	
National Estimate		
National Hotel Housing Room Population	1,284,949	
Amicus Curiae Multiplier	1.49	
National Hotel Housing Population Estimate #1	1,914,574	
<i>Amicus Curiae (AC) Estimate - More Complex</i>		
	AC Recalculation	United States
Residential Identified Hotel Rooms	25,815	1,284,949
Occupancy	72%	72%
Occupied rooms	18,587	925,163
40% Family add 2*	14,869	740,131
40% Family add 3.8*	28,252	1,406,248
National Hotel Housing Population Estimate #2	Metro Atlanta	United States
Low Estimate	33,456	1,665,294
High Estimate	46,839	2,331,411
AVERAGE	40,147	1,998,353

Extrapolations used Amicus Curiae (AC)-provided information. The simple estimate assumes AC underlying calculations to reach the hotel housing population are correct and applicable to all housing hotels in the United States. X number of hotel rooms yields Y number of residential populations.

The more complex AC extrapolation uses the same occupancy used by AC (AC chose this occupancy based on Extended Stay Americas reported COVID-19 pandemic occupancy). It assumes 60% of the rooms are single occupied, and a family multiplier of either 2 or 3.8 is used to create the high and low estimates.

Both extrapolations suggest a national hotel housing population of around 1.9 million people.

4.2.2. LiveNorcross Extrapolation

Table 8 - LiveNorcross Extrapolation

Provided Data	
1	9 out of 14 hotels are residential 64%
2	84% reported residential occupancy 84%
3	23.65% married 23.65%
4	39% with children 39%
5	2.39 Mean # of children 2.39
Extrapolation	
	All Housing Hotel Rooms 1,284,949
1	64% of home-like hotels are residential 826,039
	74% total room occupancy* 611,269
2	84% of total occupancy is residential 513,466
Population Estimate	
	Residential Occupied hotel rooms 513,466
3	23.65% married +1 121,435
4&5	39% with Children +2.39 478,601
National Hotel Housing Population Estimate #3	
	1,113,502

The LiveNorcross extrapolation creates the lowest national hotel housing population estimate of 1.1 million people. This is lower than other estimates mainly because only 64% of housing hotels were identified as residential. The LiveNorcross identifies 64% by looking at all hotels within Norcross. The author could have therefore taken 64% of all hotel rooms. However, this would result in a very large estimate. Applying the 64% to all housing hotel rooms yields a conservative estimate and provides a methodology different than the other estimates.

4.2.3. COVID-19 Occupancy and Average Household Size Estimate

Table 9 - COVID-19 Occupancy and Average Household Size Estimate

Hotel Rooms as of 7/2021	Low All Suite	Economy	Low ESH	Total Hotel Housing Rooms
Number of Hotel Rooms	265,049	753,289	266,611	1,284,949
2019 Weighted Average Occupancy	71%	59%	74%	
Pandemic Occupancy Decrease	-9%	-7%	-6%	
Non Residential Pandemic Occupancy Estimate - High	-20%	-20%	-20%	
Non Residential Pandemic Occupancy Estimate - Low	-5%	-5%	-5%	
Residential Occupancy - Low	42%	32%	48%	
Residential Room Estimate	112,347	237,554	127,045	476,946
Residential Occupancy - High	57%	47%	63%	
Residential Room Estimate	152,104	350,548	167,037	669,689
Average Persons per Household National Average				2.52
National Hotel Housing Population Estimate #4				
Low Estimate				1,201,905
High Estimate				1,687,615
AVERAGE				1,444,760

The COVID-19 pandemic provided a unique window into understanding the residential portion of hotel users. The hotel industry reported an 85% reduction of business travel during the pandemic and leisure hotel use decreased even more (*AHLA'S State of the Hotel Industry, 2021*). With leisure and business travel halted, hotel industry reports acknowledge that low-cost hotels serving residential populations were the defining feature that separated their performance from the rest of the industry during the pandemic (Clough & Cross, 2021). Given this, pandemic level occupancy is a logical starting point for identifying the residential portion of hotel users.

The final estimate uses industry provided data to make a high and low estimate of residential hotel rooms. The high estimate assumes only 5% of Covid-19 pandemic occupancy in housing hotel rooms is nonresidential. The Low estimate assumes 20% of Covid-19 pandemic occupancy in housing hotel rooms is nonresidential.

4.2.4. Summary of Residential Hotel Population Estimates

The lowest estimate of the population living in a hotel is 1.1 million people and the highest is 2.3 million people. The average of all four estimates equals 1.6 million people. The author believes the true number of people living in hotels is somewhere within this range. This is consistent with Groth's 1994 estimate of 1 to 2 million people. Housing opportunities for low-income and marginalized populations has at best remained consistent since 1994, with current reports suggesting affordable housing is more scarce and restricted than in previous decades ("The State of the Nation's Housing 2020," 2020).

4.3. Hotel Housing Location Analysis

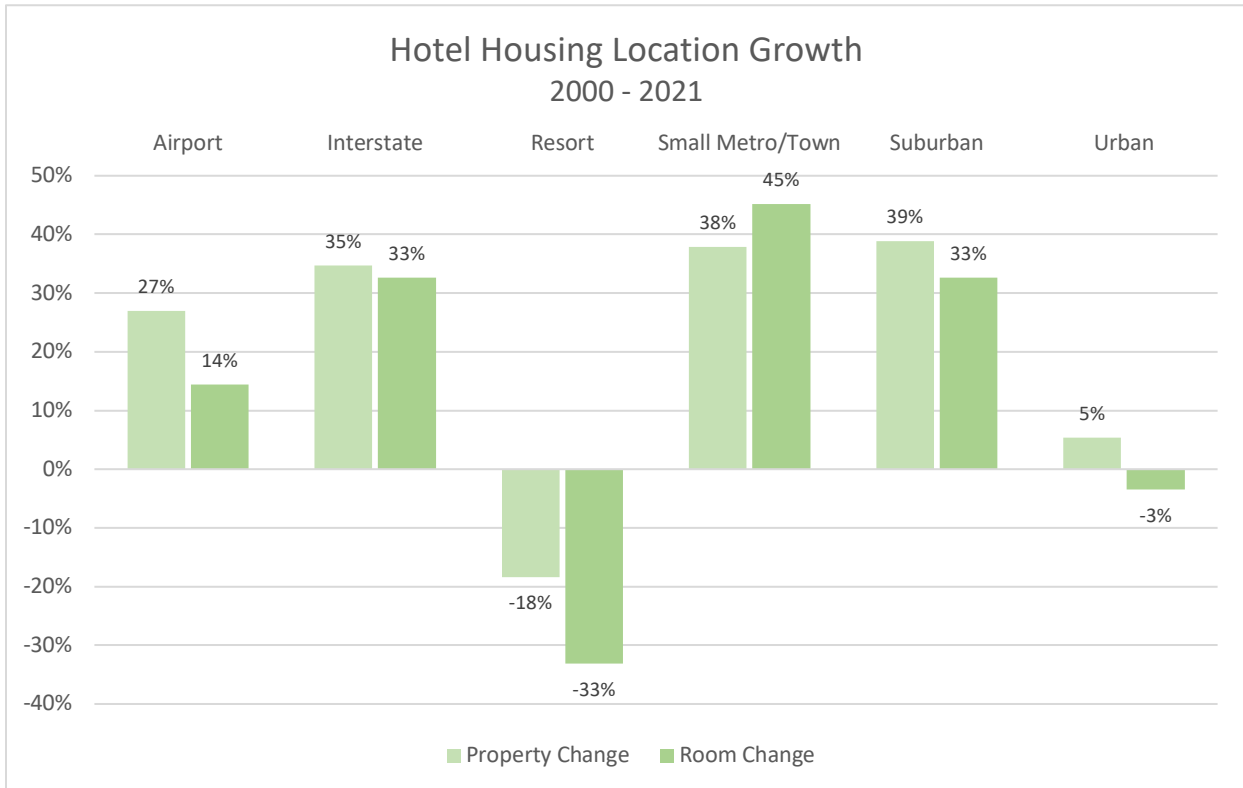
Housing hotel location analysis was performed two ways based on the data provided by STR. First, all hotel housing segments are analyzed at a location segment level, to see how the number of housing hotels in different location segments has evolved since 2000. The total number of hotel housing rooms is then presented at the location segment level.

Low ESHs, the most explicit housing hotel, are then reviewed at an address level. Using the Low ESH hotel listing provided by STR, Low ESHs are mapped across the continental United States. The demographic and economic characteristic of counties and neighborhoods containing Low ESHs is then analyzed.

4.3.1. All Housing Hotels

STR provided location segment trend reports for housing hotels. Figure 4 shows housing hotels grew the most in small metro/town and suburban locations and decreased the most in resort locations.

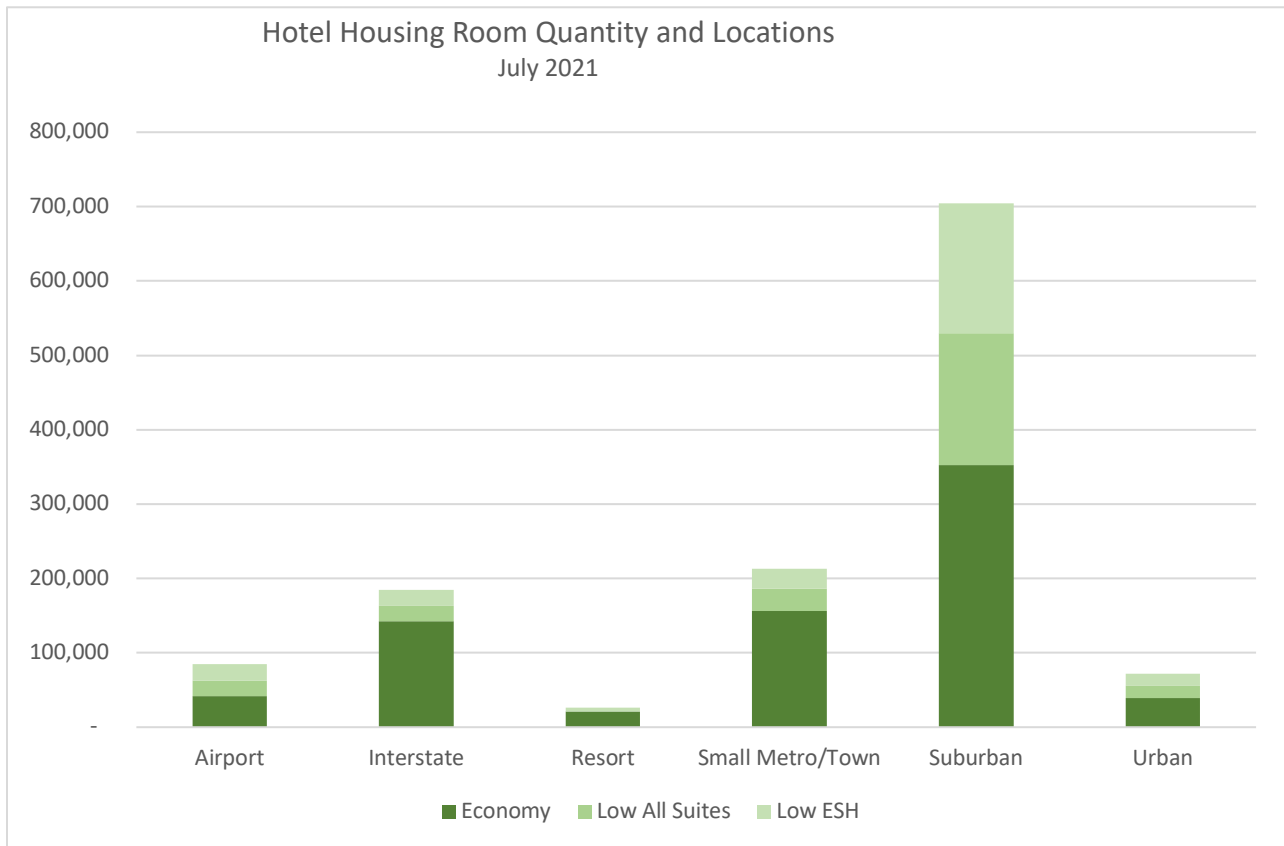
Figure 4 - Hotel Housing Location Analysis – Property and Room Change – 2000 to 2021



Note – January 2000 to July 2021 hotel property and room growth for each location segment. Housing hotels include economy hotels, Low All Suite and Low ESH. Data from STR (STR.Com, n.d.).

As of July 2021, there are 1,284,949 hotel rooms within housing hotel properties. Referring to Figure 5, 55% of housing hotel rooms are in suburban locations (704,255) followed by 17% in small metros and towns (212,987), and 14% along interstates (185,027). Resort, urban, and airport locations contain the fewest housing hotel rooms. Sixty-six percent of apartment style housing hotels (Low ESH and All Suite), which experienced the most significant growth in the 21st century, are located in suburban locations.

Figure 5 - Hotel Housing Room Quantity by Location – July 2021



Note - Quantity of hotel rooms by hotel type and location as of July 2021. Data from STR (*STR.Com*, n.d.).

Reviewing housing hotel locations reviews a few things. First, housing hotels, especially apartment style housing hotels, are increasingly located in suburban and small metro/town locations. Resort and urban locations have a relatively low number of housing hotel rooms, and 21st century growth suggests this will continue to be the case. Interstate economy hotels represent a significant portion of housing hotels. Ninety-three percent of interstate economy hotels are from before 2000. This supports prior housing hotel research that suggests that as hotels along the U.S. interstate age, their residential use increases (Brownrigg, 2006).

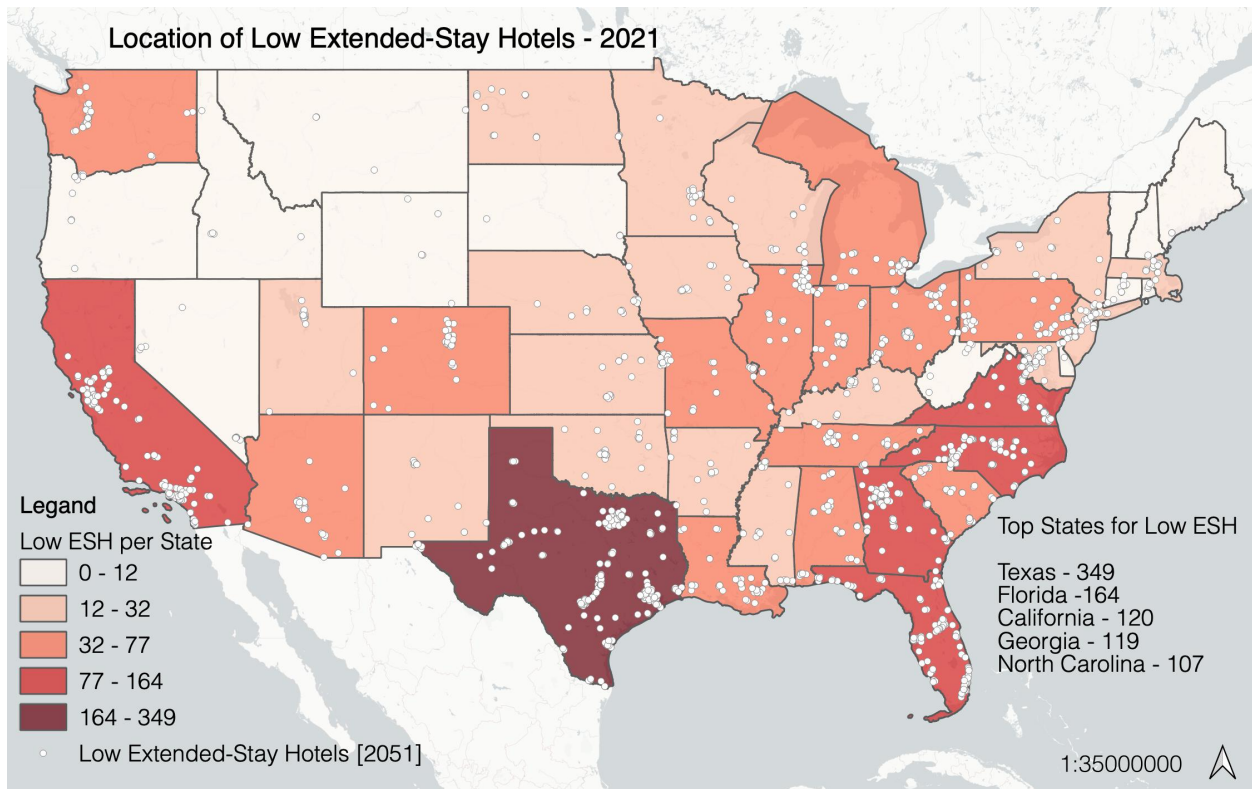
4.3.2. Low Extended-Stay Hotel Location Analysis

STR provided a listing of all low extended-stay hotels (Low ESH) in the United States as of June 2021. Each hotel listing contained coordinate points, which allowed the hotels to be mapped across the United States using QGIS, open-source geographic information software. For presentation purposes, Hawaii and Alaska are excluded from map figures. There are five Low ESHs in Alaska and zero in Hawaii according to STR. The five Alaska hotels are included in all analysis but not presented in Figure 6 and 7.

State Analysis

Figure 6 shows the location of 2,051 low extended-stay hotels provided by STR. The state of Texas has the most Low ESHs in the United States, with more than double the number of Low ESHs than the next state, Florida. Vermont and Hawaii are the only states with no Low ESHs. Low ESHs are most frequent in southern, mid-east, and eastern states. ESHs are least frequent in the north and northwest, excluding Washington, which has 38. The five states listed in Figure 6 contain 42% of the United States Low ESHs. Twenty-one states contain 83% of the United States Low ESHs.

Figure 6 - Low ESH Locations in the United States

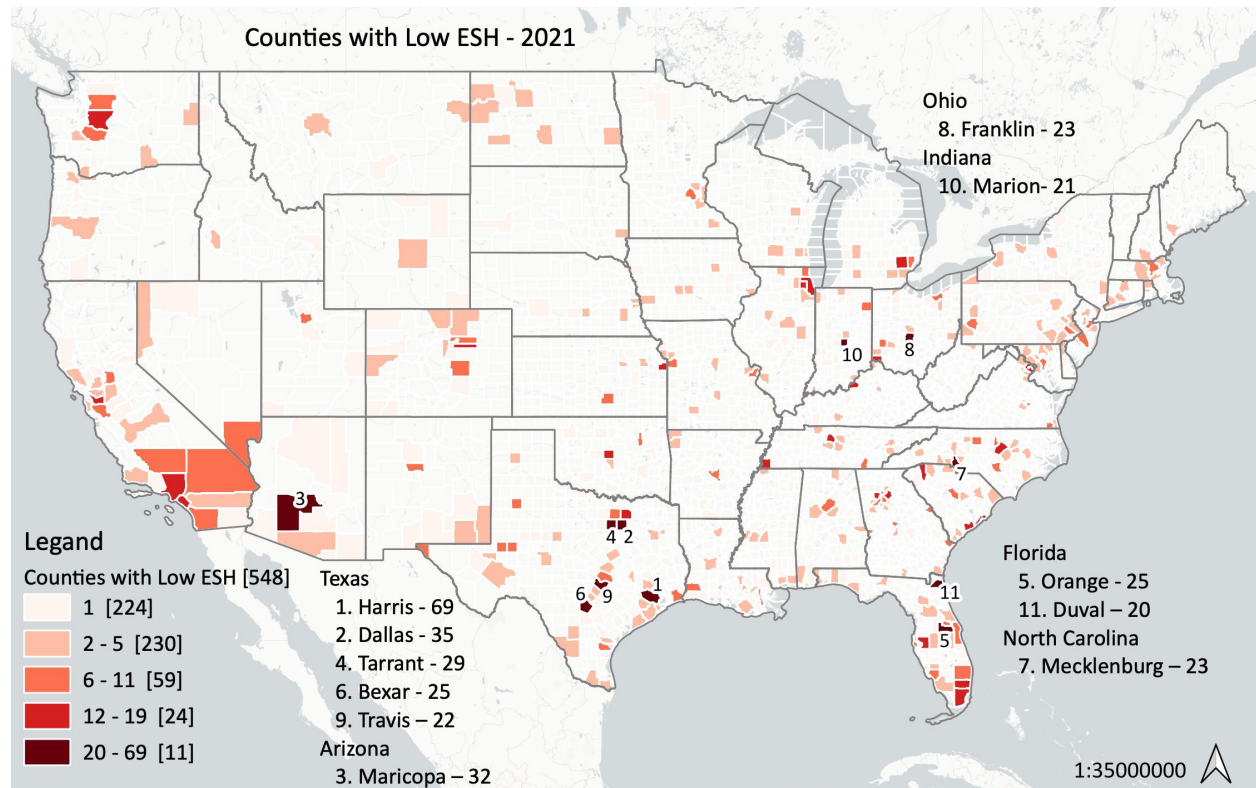


Note: Map showing the location of 2,051 low extended-stay hotels in the Continental United States. Not shown: Alaska and Hawaii. Data from STR (STR.Com, n.d.).

County Analysis

Figure 7 shows the number of low Low ESHs in each county in the Continental United States. 548 counties contain at least one Low ESH. Eleven counties, listed in Figure 7, have twenty or more Low ESHs. These 11 counties contain 16% of the United States Low ESHs. Over 89% of counties with Low ESHs have two or more inside the county. Sixty-one percent of counties with Low ESHs have five or more Low ESHs. Thirty-four percent of counties with Low ESHs have 12 or more Low ESHs. County level analysis reveals that Low ESHs are concentrated in a relatively few number of counties.

Figure 7 - Counties with Low ESHs by Density



Note: Map showing the number of Low ESHs in each county in the Continental United States. Data from STR (STR.Com, n.d.).

County Demographic and Housing Analysis

To understand if any demographic or economic similarities can be observed looking at counties with a high number of Low ESHs, the author selected the county with the most Low ESHs from each state containing over 20 Low ESHs. For these six counties, the author download Census Bureau Quick Facts for each county (U.S. Census Bureau QuickFacts, n.d.) Additionally, the author compiled Opportunity Atlas and Eviction Lab data for these counties. Results are presented in Tables 10 through 13.

Table 10 - Age Statistics for Select 20+ Low ESH Counties

Location	# of Low ESH	Under 18	Over 65
Harris County, Texas	69	26%	11%
Maricopa County, Arizona	32	24%	16%
Orange County, Florida	25	22%	12%
Franklin County, Ohio	23	23%	12%
Mecklenburg County, North Carolina	23	23%	12%
Marion County, Indiana	21	25%	13%
County Average		24%	13%
Total United States		22%	17%

Note: Hotel Information provided by STR (STR.Com, n.d.). Demographics are from ACS Average 2015-2019 (U.S. Census Bureau QuickFacts, n.d.)

Looking at the Table 10, it can be observed that counties with 20+ ESHs have a younger skewed population than national averages.

Table 11 - Race and Foreign Status Statistics for select 20+ Low ESH Counties

Location	# of Low ESH	White	Black	Hispanic	Foreign Born	English not spoken at home
Harris County, Texas	69	29%	20%	44%	26%	44%
Maricopa County, Arizona	32	55%	6%	31%	15%	27%
Orange County, Florida	25	39%	23%	33%	22%	37%
Franklin County, Ohio	23	62%	24%	6%	11%	14%
Mecklenburg County, North Carolina	23	46%	33%	14%	15%	20%
Marion County, Indiana	21	54%	29%	11%	10%	14%
County Average		47%	23%	23%	16%	26%
Total United States		60%	13%	19%	14%	22%

Table 11 shows that counties with a high number of Low ESHs are significantly less white than the national average. Black and Hispanic people are much more prominent in these counties. Asian, Native American, or two or more races had similar population percentages as the national average. Additionally, foreign born and speaking a language other than English at home is more common in Low ESH counties compared to nationally.

Table 12 - Housing Statistics for Select 20+ Low ESH Counties

Location	# of Low ESH	Owner-occupied Housing	Median monthly owner costs -with a mortgage	Median Gross Rent	Living in same house 1 year ago	Population change - 2010 to 2019	Eviction Rate*	State Eviction Rate*
Harris County, Texas	69	55%	\$ 1,649	\$ 1,078	84%	15%	2.4%	2.2%
Maricopa County, Arizona	32	62%	\$ 1,550	\$ 1,127	83%	18%	3.9%	3.9%
Orange County, Florida	25	55%	\$ 1,567	\$ 1,215	82%	22%	3.0%	2.5%
Franklin County, Ohio	23	53%	\$ 1,470	\$ 974	81%	13%	4.8%	3.5%
Mecklenburg County, North Carolina	23	56%	\$ 1,494	\$ 1,146	82%	21%	5.8%	4.6%
Marion County, Indiana	21	54%	\$ 1,169	\$ 889	86%	7%	2.0%	4.1%
County Average		56%	\$ 1,483	\$ 1,072	83%	16%	3.6%	3.5%
Total United States		64%	\$ 1,595	\$ 1,062	86%	6%	2.3%	2.3%

Note: Hotel Information provided by STR (STR.Com, n.d.). Demographics are from ACS Average 2015-2019 (U.S. Census Bureau QuickFacts, n.d.). Eviction Data from Eviction Lab (Desmond et al., 2018)

Table 12 shows that homeownership is 8% less common in counties with 20+ Low ESHs. Median gross rent is slightly above the national average. The population of these select counties grew 10% more than the national average. These counties are slightly more transient, as 17% of the population moved in the past year, compared to 14% nationally. Evictions are a more than 1% more common in these counties than nationally. Additionally, the states containing these counties have a higher eviction rate than the national average.

Table 13 - Opportunity Statistics for Select 20+ Low ESH Counties

Location	# of Low ESH	Bachelor's degree or higher	Median household income	Poverty %	Percentile Household Income at 35 for children of low-income Parents*
Harris County, Texas	69	32%	\$ 61,705	15%	49%
Maricopa County, Arizona	32	33%	\$ 64,468	12%	34%
Orange County, Florida	25	35%	\$ 58,254	13%	20%
Franklin County, Ohio	23	40%	\$ 61,305	14%	12%
Mecklenburg County, North Carolina	23	45%	\$ 66,641	10%	9%
Marion County, Indiana	21	31%	\$ 48,316	15%	6%
County Average		36%	\$ 60,115	13%	22%
Total United States		32%	\$ 62,843	11%	50%

Note: Hotel Information provided by STR (STR.Com, n.d.). Demographics are from ACS Average 2015-2019 (U.S. Census Bureau QuickFacts, n.d.). Low-Income child outcome is from Opportunity Atlas (Opportunity Insights, 2021).

Table 13 presents opportunity statistics for counties with more than 20 Low ESHs. These counties have a higher percentage of a college educated population than the national average. People living in poverty average 2% higher in the selected counties than nationally. Lastly, the Harvard created *Opportunity Atlas*, finds that children of low-income parents who grow up in these counties are in the 22% percentile

of earners when they reach the age of 35 (*Opportunity Insights, 2021*). This means upward mobility is difficult in these counties, as children of low-income parents earn less than half of what other low-income raised children earn nationally.

Census Tract Analysis

There are 1,361 census tracts with at least one Low ESH in the 24 states analyzed at the census tract level. Three census tracts contain five Low ESHs, fifteen contain four low ESHs, forty-seven contain three low ESHs and 172 contain two Low ESHs, and the remaining 983 contain one Low ESH. Further census tract level analysis was not conducted, as CBG level analysis provides a better neighborhood understanding.

4.3.3. Census Block Group (Neighborhood) Preliminary Analysis

Census Block Group (CBG) data can be considered Neighborhood level data. Two data sources were matched to Low ESH geocodes. The *2021 Planning Database CBG Level* matched with 1,382 Low ESHs in 1,205 CBGs. These account for 67% of all Low ESHs provided by STR. CBG level neighborhood livability metrics were compiled by the Livability team at AARP. Of the 2051 CBG geocodes the author provided; AARP matched 1,377 Low ESH in 1,162 CBGs. These also account for 67% of all Low ESHs provided by STR. Looking at the AARP dataset, 27% of Low ESHs are in a CBG with more than one Low ESH.

ESH coordinates may not have matched for several reasons, described in the Methodology section. For the scope of this paper, the author believes 67% of Low ESHs included in the preliminary analysis is sufficient to form useful observations for future research.

Results from CBG Neighborhood Analysis are presented showing the CBGs within the counties analyzed at a county level. The average for all CBGs within the ACS and AARP data sets are also provided. National statistics provide a baseline to see how neighborhoods with Low ESHs differ from the rest of the United States. Tables 14 through 17 provide a selection of the results obtained from the 2021 Planning Database. Tables 18 through 20 provide a selection of the results obtained from AARP.

Table 14 - Age Statistics CBG Level Analysis

Location	# of Low ESH	Under 18	Over 65
Harris County, Texas	69	26%	11%
33 CBGs	38	36%	9%
Maricopa County, Arizona	32	24%	16%
24 CBGs	28	27%	14%
Orange County, Florida	25	22%	12%
22 CBGs	23	30%	14%
Franklin County, Ohio	23	23%	12%
9 CBGs	16	26%	12%
Mecklenburg County, North Carolina	23	23%	12%
14 CBGs	15	33%	10%
Marion County, Indiana	21	25%	13%
15 CBGs	21	25%	15%
117 CBGs in Select Counties	141	30%	12%
Select County Average	193	24%	13%
All 1,205 CBGs With Low ESH	1382	29%	15%
Total United States	2052	22%	17%

Note: Hotel Information provided by STR (*STR.Com*, n.d.). Demographic data from 2021 Planning Database (ACS 2015-2019 averages) (Census Bureau, 2021).

Table 14 shows that CBGs with Low ESHs have a 7% more people under the age of 18 than the national average. Over 65 populations are less common in these CBGs.

Table 15 - Race Statistics CBG Level Analysis

Location	# of Low ESH	White	Black	Hispanic	English not spoken at
Harris County, Texas	69	29%	20%	44%	44%
33 CBGs	38	36%	22%	30%	34%
Maricopa County, Arizona	32	55%	6%	31%	27%
24 CBGs	28	55%	6%	27%	28%
Orange County, Florida	25	39%	23%	33%	37%
22 CBGs	23	43%	4%	35%	47%
Franklin County, Ohio	23	62%	24%	6%	14%
9 CBGs	16	56%	26%	9%	19%
Mecklenburg County, North Carolina	23	46%	33%	14%	20%
14 CBGs	15	41%	32%	21%	23%
Marion County, Indiana	21	54%	29%	11%	14%
15 CBGs	21	62%	20%	15%	16%
117 CBGs in Select Counties	141	49%	19%	23%	28%
Select County Average	193	47%	23%	23%	26%
All 1,205 CBGs With Low ESH	1382	55%	16%	19%	24%
Total United States		60%	13%	19%	22%

Note: Hotel Information provided by STR (*STR.Com*, n.d.). Demographic data from 2021 Planning Database (ACS 2015-2019 averages) (Census Bureau, 2021).

Table 15 further verifies Low ESHs are in neighborhoods that are less white and more Black and Hispanic when compared to the rest of United States. Counties compared to the CBGs within reveals a more mixed picture. It can be concluded that CBGs with Low ESHs are more diverse than neighborhoods without Low ESHs.

Table 16 - Housing Statistics CBG Level Analysis

Location	# of Low	Owner-occupied	Living in same house	Average Persons Per
Harris County, Texas	69	55%	84%	
33 CBGs	38	48%	80%	2.75
Maricopa County, Arizona	32	62%	83%	
24 CBGs	28	34%	74%	2.35
Orange County, Florida	25	55%	82%	
22 CBGs	23	58%	83%	2.84
Franklin County, Ohio	23	53%	81%	
9 CBGs	16	31%	74%	2.24
Mecklenburg County, North Carolina	23	56%	82%	
14 CBGs	15	62%	85%	2.78
Marion County, Indiana	21	54%	86%	
15 CBGs	21	50%	84%	2.41
117 CBGs in Select Counties	141	47%	80%	2.60
Select County Average	193	56%	83%	
All 1,205 CBGs With Low ESH	1382	53%	81%	2.51
Total United States		64%	86%	2.52

Note: Hotel Information provided by STR (*STR.Com*, n.d.). Demographic data from 2021 Planning Database (ACS 2015-2019 averages) (Census Bureau, 2021).

Homeownership is 11% less common in neighborhoods with Low ESHs. Neighborhoods with Low ESHs are at least 5% more transient than the national average. The neighborhoods within the selected counties have a slightly larger household size than the national average.

Table 17 - Opportunity Statistics CBG Level Analysis

Location	# of Low ESH	Bachelor's degree or	Median household	Poverty %
Harris County, Texas	69	32%	\$ 61,705	15.0%
33 CBGs	38	36%	\$ 90,509	13.3%
Maricopa County, Arizona	32	33%	\$ 64,468	12.2%
24 CBGs	28	39%	\$ 75,603	12.7%
Orange County, Florida	25	35%	\$ 58,254	12.6%
22 CBGs	23	35%	\$ 98,043	10.6%
Franklin County, Ohio	23	40%	\$ 61,305	13.5%
9 CBGs	16	38%	\$ 66,836	14.6%
Mecklenburg County, North Carolina	23	45%	\$ 66,641	10.3%
14 CBGs	15	36%	\$ 76,659	17.9%
Marion County, Indiana	21	31%	\$ 48,316	15.2%
15 CBGs	21	21%	\$ 50,759	20.6%
117 CBGs in Select Counties	141	34%	\$ 76,401	14.9%
Select County Average	193	36%	\$ 60,115	13.1%
All 1,205 CBGs With Low ESH	1382	34%	\$ 80,901	14.5%
Total United States		32%	\$ 62,843	11.4%

Note: Hotel Information provided by STR (STR.Com, n.d.). Demographic data from 2021 Planning Database (ACS 2015-2019 averages) (Census Bureau, 2021).

Surprisingly, Table 17 shows that the median household income is much higher in neighborhoods with Low ESHs than national household median income. Not surprisingly, Poverty is at least 3% more common in Low ESH neighborhoods when compared to the 11.4% national poverty percent of population.

Table 18 - AARP Livability Index Scores – Low ESH Neighborhoods

Location	# of Low ESH	AARP Livability Score							
		Total Livability	Housing	Neighborhood	Transportation	Environmental	Health	Engagement	Opportunity
Harris County, Texas	69								
33 CBGs	38	46.1	65.0	52.5	35.7	26.6	59.7	33.5	49.9
Maricopa County, Arizona	32								
24 CBGs	28	49.6	67.6	53.8	43.3	32.0	59.3	41.9	49.4
Orange County, Florida	25								
22 CBGs	23	51.0	51.4	56.1	41.0	42.3	64.7	43.3	58.2
Franklin County, Ohio	23								
9 CBGs	16	52.6	63.9	55.9	44.7	31.8	55.3	63.2	53.5
Mecklenburg County, North Carolina	23								
14 CBGs	15	51.5	52.7	50.8	38.0	54.5	57.1	53.8	53.9
Marion County, Indiana	21								
15 CBGs	21	50.0	59.5	46.8	52.2	52.1	50.8	37.4	51.0
117 CBGs in Select Counties	141	50.1	60.0	52.6	42.5	39.9	57.8	45.5	52.7
All 1,162 CBGs With Low ESH	1,377	50.2	55.1	51.3	43.5	43.3	55.0	50.8	52.7

Note: Hotel Information provided by STR (*STR.Com*, n.d.). Livability data provided by AARP Public Policy Institute (Harrell et al., 2021).

Several overall neighborhood observations can be made from AARP data shown in Table 18. The composite livability score of CBGs, inside counties and overall, is 50. This suggests these neighborhoods are no better or worse than the average American neighborhood. Of the seven AARP livability categories, Low ESH neighborhoods perform better in Housing, Neighborhood, Health, and Opportunity categories. They perform worse in Transportation, Environmental, and Engagement categories.

Table 19 - AARP Livability Metrics for Further Analysis – Low ESH Neighborhoods

Location	# of Low ESH	% Non-Single Family Detached Homes	Per 1/2 Mile		Per 1 Mile		Per 10,000 People	
			# of Grocery Stores	# of Parks	Recreational Facilities	Compactness - Jobs + People	Culture Organizations	Violent and Property Crimes
Harris County, Texas	69							
33 CBGs	38	45%	1.79	0.29	97%	5,403	0.14	459
Maricopa County, Arizona	32							
24 CBGs	28	64%	1.32	0.54	93%	7,834	0.17	350
Orange County, Florida	25							
22 CBGs	23	44%	1.35	0.70	97%	6,298	0.18	294
Franklin County, Ohio	23							
9 CBGs	16	71%	1.75	1.38	94%	4,837	0.10	396
Mecklenburg County, North Carolina	23							
14 CBGs	15	34%	0.60	0.20	89%	3,058	0.11	402
Marion County, Indiana	21							
15 CBGs	21	46%	1.10	0.19	88%	3,238	0.12	532
117 CBGs in Select Counties	141	51%	1.32	0.55	0.93	5,111	0.13	405
All 1,162 CBGs With Low ESH	1,377	44%	1.19	0.55	88%	4,084	0.13	340
Total United States		18%	-	-	91%	3,020	0.10	261

Note: Hotel Information provided by STR (STR.Com, n.d.). Livability data provided by AARP Public Policy Institute (Harrell et al., 2021).

Housing, Neighborhood and Health Livability scores for Low ESH neighborhoods rank higher than average neighborhoods. Table 19 reveals Low ESHs are in neighborhoods with significantly more multifamily housing units than the 18% seen nationally. They also average closer proximity to grocery stores and parks than the dismal zero¹ average median U.S. neighborhoods have. Recreational facilities and cultural organizations are similar in Low ESH neighborhoods and average neighborhoods. Low ESH neighborhoods are significantly more compact than average neighborhoods. Lastly, crime is more common in Low ESH neighborhoods than nationally.

¹ According to AARP, the median number of grocery stores and parks within a half-mile of median US neighborhoods is zero (<https://livabilityindex.aarp.org/categories/neighborhood>)

Table 20 - AARP Livability Metrics for Further Analysis – Low ESH Neighborhoods, continued

Location	Speed Limit (MPH)	Fatality Rate	% of population drinking water with at least 1 health violation	% of population living near Roadway Pollution	Health Professional Shortage - Scale 0 - 25	Preventable Hospitalizations per 1,000
Harris County, Texas						
33 CBGs	38	6.9%	1.74%	19%	0.3	55
Maricopa County, Arizona						
24 CBGs	39	8.5%	0.25%	31%	6.8	34
Orange County, Florida						
22 CBGs	37	9.2%	0.76%	24%	2.6	44
Franklin County, Ohio						
9 CBGs	37	5.5%	4.01%	25%	-	48
Mecklenburg County, North Carolina						
14 CBGs	35	7.1%	0.00%	14%	-	37
Marion County, Indiana						
15 CBGs	36	8.3%	0.19%	4%	2.0	47
117 CBGs in Select Counties	37	7.6%	1.2%		2.0	44
All 1,162 CBGs With Low ESH	36	8.2%	5.26%	20%	2.4	48
Total United States	28	6.8%	1.10%	0%	0	49

Note: Hotel Information provided by STR (STR.Com, n.d.). Livability data provided by AARP Public Policy Institute (Harrell et al., 2021).

Transportation and Environment livability scores for Low ESH neighborhoods are nearly 7 points lower than average neighborhoods. The metrics in Table 20 show that neighborhoods with Low ESHs have faster speed limits and a noticeably higher car-related fatality rating than average neighborhoods. Twenty percent of people living in Low ESH neighborhoods are exposed to roadway pollution. Poor drinking water quality is also 4.16% more common in these neighborhoods. They more commonly have a shortage of medical professionals, but preventable hospitalizations affect slightly less people than average.

5. Observations, Discussion and Recommendations

5.1. Introduction

Twenty-seven years ago, Paul Groth estimated one to two million people lived in hotels in the United States (Groth, 1994). Many things have happened since 1994. However, the number of people living in hotels appears to be held consistent. In 2021, an estimated 1.6 million (1.1 to 2.3 million) people may use hotels as their primary residence in the United States.

Meanwhile, the segments of the hotel industry serving residential guests has dramatically expanded and transformed. Housing hoteliers are finding more profit in the suburbs and small towns and less opportunity in resorts and urban centers. Groth's research of the 20th century residential hotels found most housing hotels in urban locations, hence his book name *Living Downtown (Groth, 1994)*. Brownrigg early 2000s research found many residential hotels along the interstate, and residential occupancy generally increased as the hotel properties aged and became outdated. 21st century hotel growth shows while many economy hotels included in the housing hotel population are still located in interstate locations, new development is focused in suburbs and small towns/metros. Of the 1148 Low ESHs opened after 2000, 62% were in suburban or small-town locations, and 77% opened in these locations plus interstate locations. Apartment style hotels properties nearly doubled since 2000, and now make up 19.5% of all hotels. Brownrigg observed a somewhat natural evolution of transient hotels evolving into housing hotels as they age and their locations loose transient attractors. This paper finds contemporary hoteliers building new hotels in concentrated areas where the transient attractors are unclear and demand for residential hotel use is greatest. Advertising and incentives offered by housing hotels make clear residential occupancy is a significant part of many chains business strategies, and not a consequence of property age and location.

Economy and midscale extended-stay hotels (Low ESH) are geographically concentrated. Texas has more than double the Low ESHs than any other state. Five states contain 42% of all Low ESHs. Sixty-one percent of counties with Low ESHs have five or more Low ESHs, and 34% have 12 or more Low ESHs.

The counties and neighborhoods where Low ESHs are concentrated appear to hold qualities conducive to housing insecurity. Compared to the rest of the United States, greater percentages of Black, Hispanic, bilingual, young, and impoverished populations live in Low ESH neighborhoods and counties. They have significantly lower levels of homeownership than average American neighborhoods and counties. Children of poor parents who grew up in Low ESH neighborhoods have less than half the household income at 35 than children of poor parents who grew up in other neighborhoods. All of these findings suggest a relationship between housing insecurity and the saturation of Low ESHs in an area.

While Low ESH neighborhoods score high for housing on AARP's Livability Index, hotel residents do not have the same rights and protections as tenants, and likely spend more per month than they would renting or owning with a mortgage in the same neighborhood. America's possible 1.6 million people living in hotels are exposed to roadway pollution, dangerous roads, and poor drinking water more often than other households. They enjoy closer access to neighborhood amenities, but with 85% of families in Norcross hotels reporting housing cost burden, are residential hotel users able to partake in neighborhood life?

The next section of this report begins by discussing hotel housing. Why have apartment style hotels taken off so explosively in the past 20 years and how do housing hotel executives explain their industry?

The demand for hotel housing is then explored. Analyzing housing, labor and race in the United States provides transparent reasons for why more expensive and less secure hotel housing is in tremendous demand. The final section makes recommendations for policies and future research.

5.2. Suppliers of Hotel Housing

Several observations are apparent from reviewing how the hotel industry has changed from 2000 to 2019 related to hotel housing. All suites and low extended-stay hotels are growing at a significantly greater rate than standard hotels. Consumers clearly prefer apartment style rooms with more space and a kitchenette. Consumers also demand the extended-stay hotel model, which provides weekly and monthly discounts and offers lower rates in exchange for limited hotel services. Both of these segments market and offer a *home away from home*. Increasing research and this paper's findings observe that many people demanding these hotels may not actually have another home.

There is an inelastic need for below market-rate housing, and the United States government is dramatically failing to meet supply. According to the U.S. Department of Housing and Urban Development (HUD), only 1.2 million people are living in public housing in the United States. 1.6 million families are on Public Housing waiting lists and more than 2.8 million families are on Housing Choice Voucher (HCV) waiting lists. The Public and Affordable Housing Research Corporation (PAHRC) notes that many public housing and HCV waiting lists have been closed for years. They estimate as many as 2 million families are waiting for public housing and 9.5 million families are waiting for HCVs (*Millions of Families on Voucher and Public Housing Waiting Lists*, 2016). With public housing and renter aid facing a waitlist of at least 11.5 million, hotels and other private enterprises are meeting supply with non-conventional housing arrangements.

Home-sharing services like Airbnb, founded in 2008, reported almost 25% of their bookings are over 28 days on 2021, implicating them as fellow barrier-free and unstable housing providers (Beyer, 2021). Other private companies are also entering the extended-stay market, discussed in the housing section below. Airbnb may also help explain some of the apartment style hotel evolution seen in the 21st century. While Airbnb only made up 4% of the accommodation market demand in 2016, it has enjoyed over 100% supply growth every year between 2008 and 2017. (Haywood et al., n.d., p. 3; Mody & Gomez, 2018). In seven US markets, 46.5% of Airbnb trips lasted longer than 7 days, suggesting Airbnb users stay longer than hotel guests (Haywood et al., 2016, p. 14). Hotels may be responding to Airbnb's success with more homelike hotel rooms and longer-stay branding.

A positive return on investment is a much more likely explanation for housing hotels transformation and growth. The occupancy rate at Low ESHs is consistently around 8% higher than that of the total hotel industry during non-crisis times (Figure 3). Additionally, during the Covid-2019 pandemic, the 2008 Great Recession and the 9/11 terrorist attacks, Low ESH performance proved much more resilient compared to the rest of the industry (Skinner, 2010). Low ESHs are less impacted by global pandemics, economic recessions, and terrorist attacks compared the rest of the hotel industry. This consistent profitability is driving the supply side.

In May 2021, Hunter Hotel Investment Conference (HHIC) held a panel titled *Here to (Extended) Stay*. This author emailed HHIC and was provided academic access to a recording of the panel (*2021 Hunter Hotel Investment Conference*, 2021). The panel consisted of four very happy and white CEOs and presidents of the ESH chains. Mark Skinner was the moderator. After presenting the ESHs great

pandemic performance, Skinner remarks that 45,000 ESH rooms were under construction at the end of 2020, which is 25% of all hotels under construction in the United States. He also notes 2017 had the greatest construction to date, with 50,000 ESH rooms built.

Skinner asked the panel to explain the segments pandemic success. The panel responded that the segment is “built to work during tough times”. The economy sector was “business as usual”. The global head of Homewood Suites by Hilton quoted Winston Churchill, “Don’t waste a great crisis” when discussing the operating model changes that helped his upper-scale chains resilience. Skinner then asked the panel if the clientele changed during the pandemic. Jim Darter, CEO and President of Sandpiper Hospitality responded, “It reminded me of the 2008-2009 days, one of tag lines back then was ‘who is your guest? It’s the guy who went from the bed to the couch to the value place’ (panel laughs)”. The blue-collar sector and the residential sector also expanded for Nick Esterline of TGC group.

The panel unanimously agreed that labor is the biggest challenge to the industry during COVID-19, and ending the \$300 COVID-19 stimulus checks were cited as a way to “force folks to come back to work”. Employees are demanding increasing wages, and the panel is responding by increasing automation, reducing services, and outsourcing laundry and maintenance. Skinner then asked about construction costs, which increased globally during the pandemic. Despite lumber prices being at an all-time high, Jim Darter is, “keeping our foot on the gas ... the product and segment, especially what we do; economy, is in such demand that keeping our foot on the gas and forging though makes sense to us...regardless of the increases”. An audience member asked if the panel was focused on new developments or repositioning existing hotels. Half the panel seemed focused on new builds, but they also note high interest from conventional hotels seeking to convert to extended-stays.

“I am very bullish and excited” Gary Delapp exclaims, “What’s the one segment that has persevered throughout all three downturns: the extended-stay segment. Lenders like it, they like optionality, there is more options with this product than traditional transient hotels”. Further, “There is a certain amount of population, not us here in this room, but there is a fair amount of population in this country that are very mobile and transient...[housing] pricing has gone crazy...they can stay in these hotels ... for a period of time working on a project, *or they are just in-between places, it’s just a way of life*. Probably most of us in this room don’t see that, but *that’s a real true part of the extended-stay segment*” (italics added by author) (2021 Hunter Hotel Investment Conference, 2021).

Indeed, being in-between places is a “way of life” increasingly common in the United States. To understand who Gary Delapp is referring to, the following sections explore housing, labor, and race in the United States.

5.3. Demand for Hotel Housing

Why does one of the richest countries on earth have an estimated 1.6 million people living in budget hotels instead of conventional housing? And if existing research suggests living in a hotel is a *liminal* experience and often causes extreme cost burden, why are Americans demanding hotel housing so intensely that not even all-time high construction and labor costs are deterring hoteliers from developing new ESHs? The full answer is beyond the scope of this paper, but a brief analysis of housing, labor and race in the United States provides strong evidence that the residential hotel *way of life* is less often a choice, and more likely housing of last resort.

5.3.1. Housing, Labor and Race in the United States

Engineering a Housing Crisis

Decades of a free-market approach to housing and wages have led to today's current housing crisis and related demand for hotel housing. America did not always rely primarily on private housing development. Beginning in the 1930's, spurred by the housing hardships resulting from the Great Depression, the US federal government funded the construction and financing of affordable housing, provided long-term mortgages and low down payments for ownership, and subsidized renting in public housing (Newman et al., 2021, pp. 1–3). These federal programs greatly improved housing for white Americans but were explicitly anti-Black and played a direct role in the racial inequity seen today. Ninety-eight percent of all government approved homeownership loans between 1934 and 1968 went to white households (Quick, 2019). Racist but robust public funding for affordable housing continued until the 1970's, when President Richard Nixon ushered in the free-market approach to housing, starting with a moratorium on the construction of federally funded rental and homeownership housing (Newman et al., 2021, pp. 1–4). From this point, the federal government primarily sought to address affordable housing with indirect measures that rely on private actors to build and manage affordable housing (Newman et al., 2021, pp. 1-4). Contemporary federal spending on housing overwhelmingly supports homeownership, and low-income households, limited to renting, receive little federal assistance. Seventy-five percent of low-income households who are eligible and in need of federal housing assistance do not receive any (Emmanuel et al., 2021).

Understanding why housing hotels are in demand becomes clearer once the magnitude of the low-income housing crisis is examined. Of the 121 million households in the United States in 2019, 37.1 million (30.2%) are *cost-burdened*, spending more than 30% of their income on housing. Of these, 17.6 million households are *severely cost-burdened*, paying over 50% of their incomes on housing ("The State of the Nation's Housing 2020," 2020, p. 34) More than half a million people experienced homelessness in 2019. The affordable housing crisis is worsening and expanding, with 5.6 million more households cost-burdened in 2019 than in 2001 ("The State of the Nation's Housing 2020," 2020, pp. 34–36). As previously mentioned, public housing or federal housing support is likely needed by 11.5 million families, but a majority of these families cannot even join a waitlist to access the aid (*Millions of Families on Voucher and Public Housing Waiting Lists*, 2016).

Housing cost burden is twice as common for renters than homeowners. Housing cost burden is moving up the income ladder, making the demand for affordable rental units even more competitive as higher income brackets select renting over ownership ("The State of the Nation's Housing 2020," 2020, p. 34). Nine percent of all U.S. households and 25% of renter households have *extremely low-income*, defined as "households with income at or below the Poverty Guideline or 30% Area Median Income (AMI), whichever is higher" (Emmanuel et al., 2021, p. 2). Seventy percent (7.6 million households) of the United States extremely low-income renter households are severely cost burdened (Emmanuel et al., 2021). These severely cost-burden households must make impossible decisions every month whether to stay current with rent or pay for other essential expenses like food and healthcare. the United States' significant extremely low-income population has resulted in a shortage of nearly 7 million affordable and available homes. This shortage is nationwide, with no state having an adequate supply of affordable and available homes. Extremely low and very low household income significantly escalates the housing crisis, as there is a surplus of housing that low-income and above households can afford. (Emmanuel et al., 2021, p. 2).

Empowered by the absolute shortage of affordable housing, landlords legally choose tenants with great selectivity. Low-income households are frequently rejected from rental housing based on their income, previous evictions, bad credit or inability to pay two months' rent and a deposit (Frazier, 2021). With homeownership out of reach, and legal rental discrimination rampant, thousands of households are not able to access conventional housing, even if they could afford the monthly costs.

Table 16 and 17 show that homeownership is lower, and poverty is higher in Low ESH neighborhoods and counties with a high number of Low ESHs. Low homeownership rates and higher poverty appear to increase demand for Low ESHs. While landlords reject tenants for bad credit, previous evictions, and low liquidity, ESHs chains market directly to this same population (*Brief of Amicus Curiae—Efficiency Lodge, Inc.*, 2021, p. 14).

Accessing conventional housing does not guarantee housing security in the United States. An OCED report found that 6.1% of rental households in the United States faced eviction procedures in 2016. America is an outlier in the OCED, as European countries have eviction rates in the 1 and 2% (*Evictions across OECD*, 2021). Landlords in the United States typically file around 3.7 million eviction cases a year, knowing a line of desperate families are waiting to fill the vacated home (evictionlab.org, n.d.). The eviction churn provides another boundary to secure housing for millions of families. Landlords frequently deny applicants with any eviction history and nationwide data sets provide landlords easy access to tenant history (Desmond, 2017). Table 12 shows Low ESH neighborhoods and counties experience a higher rate of eviction than the rest of the United States.

“Alternative Work Arrangements”

Domestic outsourcing, gig labor, stagnant wages, and the neoliberal drive to maximize profits has resulted in 44% of all workers aged 18-64, or 53 million Americans, being low wage² workers in 2017, according to a Brookings Institute study. Fifty-three million Americans “earn median hourly wages of \$10.22 and median annual earnings of \$17,950” (Ross & Bateman, 2019). Half of all low wage workers are the primary earners or contribute substantially to family living expenses. Forty percent of 25-54 aged low-wage workers are raising children. Women, Hispanic, and Black workers are overrepresented relative to their share of the total workforce. Ten occupations, shown in Table 22, supply nearly half of the United States' low-wage jobs, and five of these occupations have over 75% of workers earning low-wages; suggesting limited occupational-wage growth (Ross & Bateman, 2019, p. 11).

² There is no consensus definition of a low-wage worker. Brookings Institute uses a threshold of two-thirds the median wages of full-time/full-year male workers with some adjustments. Refer to “Defining low-wage workers” chapter of the Brookings report for further elaboration (Ross & Bateman, 2019, pp. 5–9) .

Table 21 - Low-Wage Occupations in the United States

Nearly half of low-wage workers are concentrated in 10 occupation groups

Occupation group	Number of low-wage workers	Share of all low-wage workers in occupation	Share of workers in occupation who are low-wage
Retail sales workers	4,497,110	8.4%	76.4%
Information and records clerks	2,873,850	5.4%	60.5%
Cooks and food preparation workers	2,558,150	4.8%	87.4%
Building cleaning and pest control workers	2,478,910	4.7%	75.1%
Material moving workers	2,446,960	4.6%	65.8%
Food and beverage serving workers	2,391,930	4.5%	79.6%
Construction trades workers	2,272,380	4.3%	46.7%
Material recording, scheduling, dispatching, and distributing workers	1,930,080	3.6%	56.5%
Motor vehicle operators	1,811,700	3.4%	50.1%
Other personal care and service workers	1,790,780	3.4%	81.0%

Source: Brookings analysis of 2012-2016 American Community Survey 5-year Public Use Microdata Samples

Note: Extracted from (Ross & Bateman, 2019)

ESHs use secondary build sites, “often behind retail and restaurant outlets” (Skinner & Berg, 1997, p. 47). Table 22 shows retail and food service workers make up 12.9% of all low-wage workers. Blue collar workers, who are more candidly mentioned by hoteliers, also make up a significant portion of low-wage, low occupational growth occupations.

The *gig economy*, a labor market characterized by the prevalence of short-term contracts as opposed to permanent jobs, is used by the hospitality industry as explanation for the growth of informal and impermanent housing-like hotels (McNulty, 2018). However, labor transformation due to the gig economy is not transparent. According to a Bureau of Labor Statistics Report, only 10% of the US population participated in gig labor in 2017, a decrease from 11% in 2005. Separately, a Federal Reserve report found nearly 33% of Americans had engaged in gig work (Casselmann, 2018). Major platform corporations like Uber and hotel chains like Marriot and Hilton spend millions on lobbying to blur the boundary between traditional employment and independent contracting, making labor increasingly complex to understand. A global occurrence of ‘disguised employment’, where independent contractors are replacing traditional workers, promises less security, pay and benefits for millions of laborers (Kim, 2020).

The United States’ increasing demand for hotel housing is also buoyed by domestic outsourcing, where companies use subcontractors instead of direct employees. Subcontractor employees make less and have smaller benefits than equivalent workers who work directly for the company (Casselmann, 2018). Replacing full-time employees with independent contractors, on-call workers, or temps is building what economists are calling the “contingent workforce” (Kim, 2020). This “alternative work arrangement” is growing across many industries, particularly in personal care, transportation and material moving, food preparation and other low-wage industries. In 2015, there were 9 million more “alternative work arrangement” than in 2005, and now this less secure type of work represents about 16% of the U.S.

workforce (Vinik, 2018). Hoteliers on the panel at The Hunter Conference mention domestic outsourcing to overcome living wage demands.

On average, a full-time worker must make \$19.56 or \$23.96 per hour to afford a one or two bedroom apartment, respectively (Emmanuel et al., 2021, p. 13). The U.S. Economy creates 53 million employees, many who are the primary providers, who make less than the \$16.03 low-wage national threshold, adjusted for cost of living differences by region (Ross & Bateman, 2019, p. 7).

Planning Racial Injustice in America

Housing is centrally important for human life. In *Defense of Housing* (2016) by David Madden and Peter Marcuse summarize the importance:

From the perspective of those who inhabit it, housing unlocks a whole range of social, cultural, and political goods. It is a universal necessity of life, in some ways an extension of the human body. Without it, participation in most of social, political, and economic life is impossible. Housing is more than shelter; it can provide personal safety and ontological security. While the domestic environment can be a site of oppression or injustice, it also has the potential to serve as a confirmation of one's agency, cultural identity, individuality, and creative powers. (p. 12)

Further, "controlling one's housing is a way to control one's labor as well as one's free time...Where and how one lives decisively shapes the treatment one receives by the state and can facilitate relations with other citizens and with social movements" (Madden & Marcuse, 2016, p. 12).

Black, American Indian, Hispanic, and Asian households disproportionately experience housing insecurity (Emmanuel et al., 2021, p. 14). History tells us the racial composition of housing insecurity is not by accident. From developing the U.S. interstate system, which demolished thriving African American communities; and zoning laws that ensured segregation after the Fair Housing Act of 1968, urban planners have played a direct role in shaping the racial inequality seen today (King, 2021; Spellen, 2016). Homeownership wealth and neighborhood quality are two areas American urban planners have directly caused racial injustice.

Black families were legally excluded from property ownership until the 1968 Fair Housing Act, and research asserts housing hardship and segregation for Black Americans remains prominent across America today (Quick, 2019). Partially due to residential segregation, Black households with a bachelor's degree have two-thirds the wealth of white households who *lack a high school degree*. Black families with middle-class incomes live in neighborhoods with higher poverty rates than low-income white families. Neighborhood quality and poverty rate directly impacts household opportunity and ability to create intergenerational wealth (Quick, 2019).

America in the 20th century saw racial and economic zoning, redlining, and racial terrorism steer Black families into under-resourced neighborhoods and wealth depleting housing arrangements (Spellen, 2016). The 21st century continues to see racial discrimination in housing and generational wealth building. Sixteen percent of Black applicants were denied home purchase loans in 2019, compared to 7% of white applicants. When they are approved, Black homebuyers are far less likely to receive quality loan products. High-risk predatory loans are marketed specifically to Black communities, resulting in Black neighborhoods disproportionately experiencing foreclosure. Black homeowners were 76% more likely to

lose their home between 2007 and 2009 than white homeowners (“The State of the Nation’s Housing 2020,” 2020).

The Great Recession disproportionately hurt non-white households, and the COVID-19 Pandemic again is putting Black and non-white households in hardship (“The State of the Nation’s Housing 2020,” 2020). 2020 saw the widest Black and white homeownership gap since 1983. Forty-three percent of Black households are homeowners, compared to 73.3% white households. Fifty-four percent of Black renters and 51.9% of Hispanic renters are cost burdened compared to 41.9% of white renters. Black and Hispanic households are more than twice as likely as white households to be behind on either rents or mortgages in 2020 (“The State of the Nation’s Housing 2020,” 2020, p. 35). This suggests foreclosures and evictions will disproportionately continue to cause housing instability for non-white households.

A ten-year study by the Federal Reserve Bank of St. Louis revealed that almost 80% of a person’s wealth in the U.S. is dependent on skin color, age, and gender. Educational level, family structure, and financial decision-making determines less than 20% of the wealth inequality Black and Hispanics experience. The report concludes that discrimination and long-lasting disadvantages drive the United States wealth gap significantly more than individual action (Emmons & Ricketts, 2017).

Housing insecurity and neighborhood quality directly impacts an individual’s opportunity. Today’s planners must proactively demand anti-racist policies and rectify and expose our profession’s racist legacy. Industries that exploit populations, vulnerable from centuries of oppression, need to be held accountable. The preliminary neighborhood and county analysis of ESHs shows that Black and Hispanic people are overrepresented, just like they are in housing burden, evictions, and low-wage work. Black and Hispanic households are 31% and 27% less likely to be homeowners, respectively. Low ESHs neighborhoods have significantly lower homeownership rates than the rest of the nation.

5.3.2. Demand for Hotel Housing Conclusion

Professionals living a nomad lifestyle or traveling nurses and construction workers needing a base away from home demand apartment style hotel rooms. Families displaced from natural disasters or quarantining during a pandemic also demand hotel housing. These populations contribute to the growth of hotel housing market. Other than people displaced by natural disasters, generally these folks have another home to return to and the hotel is not considered their only residence.

There is another driver of hotel housing demand the author believes requires more attention. There is a shortage of 7 million affordable and available homes. 11.5 million families need federal housing assistance but receive none. At least 53 million Americans do not make enough to afford a median one-bedroom apartment. Illegal evictions are rampant. Landlords legally discriminate against families based on income, family size, criminal records, eviction, and credit history. The housing industry, from lenders to realtors to landlords, consistently are documented exploiting and segregating poor populations. Children who grow up in poor neighborhoods overwhelmingly stay poor. Fifteen percent of American families have a negative household wealth, and numerous life experiences in the free-market can throw families out of stable housing (Armantier, 2016). It is this population that the author believes is propelling the demand for hotel housing into the suburbs, small towns, and the periphery.

5.4. Recommendations

“Every condition exists simply because someone profits by its existence” – Martin Luther King Jr.

5.4.1. Reduce Last-Resort Hotel Housing Demand

Mobilize Renters in the United States

The 35% of families who do not own a home in the United States deserve better. More than 70% of Federal spending on housing went to homeowners in 2015 despite cost burden and insecurity being twice as common among renters. Worse, 60% of federal housing spending benefited households with incomes above \$100,000. (Fischer & Sard, 2017) House and Senate members have an average net worth of \$500,000, or around 5 times the median U.S net worth (Stebbins & Harrington, 2019). Their housing policies prioritize wealthy households and leaves low-income renters vulnerable to the exploitative free market. \$166 billion of President Biden’s Social Policy Bill is currently earmarked for housing (Parlapiano & Bui, 2021). How much of this spending will ultimately benefit low-income families after being adjusted by millionaire Senators and their lobbyists remain unclear. If low-income renters are to receive equitable support from the Federal government, a mass bottom-up movement fostered by the advent of digital connectedness is a reasonable approach to Fredrick Engle’s enduring housing question.

Engles wrote, “All oppressed classes in all periods suffered [from a] so-called housing shortage... In order to make an end of *this* housing shortage there is only one means: to abolish altogether the exploitation and oppression of the working class by the ruling class” (Engels, 1872, p. 14). Common history tells us inequality began with the onset of agricultural-based sedentary societies around 9,000 B.C. and “states based on inequality, hierarchy and bureaucracy” are the intrinsic features of human civilization. Hopeful new research suggests ancient societies may have had more diverse and equitable power dynamics (Schuessler, 2021). Communication scholars find that “communication plays a central role in the cultural and political hegemony that prevents the masses from collectively overthrowing those in power”. Using internet and social media for social change merits caution, as ‘nation states, corporations, and elite institutions continue to have disproportionate access to media creation and dissemination” (Cloud, 2019). Despite this, the “World Wide Web remain the biggest decentralized communication system humanity has ever seen”. (*Decentralization*, 2021) The author believes opensource and decentralized technologies may offer a possible platform for oppressed classes to finally challenge the status quo.

People stuck living in hotels or facing housing insecurity are unlikely to have time and energy for social movements. Marxists would argue this is by design. A successful tech-based housing social movement will require an impeccable user interface design to make participation feasible. The platform it operates on must be removed from elite ownership and control. Anyone with a computer has the potential to build a social network that empowers voices silenced since the at least the European Enlightenment. The author hopes someone will!

Universal Housing Vouchers and Plural Solutions for Housing Equity

Mathew Desmond’s solution of Universal Housing Vouchers (UHV) proposes every family below a certain income level would receive a UHV and pay 30% of their income for housing, with the voucher covering the rest (Desmond, 2017). Landlords would be legally required to accept UHVs, and technology exists that can ensure landlords charge appropriate rents. Desmond argues this approach, “carves a

middle path between the landlord's desire to make a living and the tenants desire, simply, to live" (p. 308). Universal housing programs may be costly in expensive cities, but they are the best way to provide a national program. UHV programs were successfully implemented in Great Brittan and the Netherlands. (p. 309)

Desmond estimates it would cost \$22.5 billion for a UHV program in the United States. The New York Times reports Biden's social policy bill includes \$25 billion for, "rental assistance - housing vouchers, with some targeted toward at-risk individuals and families" (Parlapiano & Bui, 2021). The author hopes the social policy bill passes with this allocation left intact and universally applied to the millions of families facing housing insecurity.

No one solution will answer the housing question. Community Land Trusts and local neighborhood initiatives are among a plurality of solutions necessary to make housing a basic right in the United States.

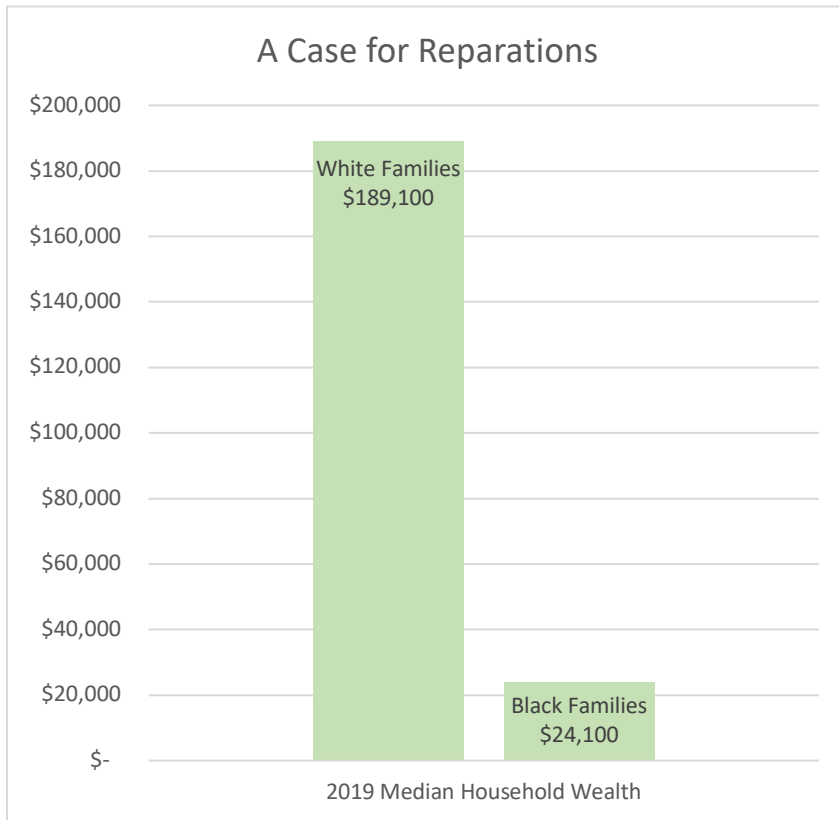
Reparations

Between 1955 and 1970, 62% of Black children were born in poor neighborhoods, compared to 4% of white children. Between 1985 and 2000, 66% of Black children were born in poor neighborhoods, compared to 6% of white children (Sharkey, 2009). "Neighborhood poverty alone accounts for a greater portion of the black-white downward mobility gap than the effects of parental education, occupation, labor force participation, and a range of other family characteristics combined... Black families that make \$100,000 typically live in the kinds of neighborhoods inhabited by white families making \$30,000" (Sharkey, 2009).

The case for reparations is strong (Coates, 2014). One of the main ways families prosper in the United States is from integrational wealth. Social safety nets are weak or absent in the United States compared to other wealthy countries. Family money, not state assistance, stabilizes a person's quality of life as their income and expenses inevitably fluctuate. Families without household wealth have no stabilizer, and when their expenses inevitably increase or wages cease, survival is left to the free market and their community, which empirically is also lacking family wealth. Destabilized, the free market can ruthlessly exploit their essential needs, and social upward mobility is further stagnated. As Desmond notes, "if the poor pay more for housing, food, durable goods, and credit, and if they get smaller returns on their educations and mortgages (if they get returns at all), then their incomes are even less than they appear" (Desmond, 2017, p. 306).

To not be exploited by the free market in the United States you need cash. To pay for an unexpected medical expense or receive a quality education, you also need cash. Household wealth is how the United States has decided to stabilize family life, and Black Americans have 12.7% the household wealth of white families (Weller & Roberts, 2021) Refer to Figure 8.

Figure 8 - 2019 Wealth Gap between Black and White Families



Note: Adapted from *Eliminating the Black-White Wealth Gap Is a Generational Challenge Report* from AmericanProgress.org (Weller & Roberts, 2021)

Educational level, family structure, and financial decision-making does not determine an American's household wealth (Emmons & Ricketts, 2017). The color of their skin does. When life happens in the United States, a family's ability to remain stable is largely a result of household and community wealth, not governmental support. The reliance on family resources for stability is not intrinsically wrong and reflects American narratives of *independence* and *freedom*. These narratives have shaped policy since the nation's founding and remain influential today. Slavery, racial terrorism, and racial oppression also have existed since the nation's founding and remain influential today. Figure 8 confirms that Black families continue to be systemically denied life-stabilizing household wealth, and indirect policies have failed to address the root issue.

Detroit Congressman John Conyers's bill, *HR 40, the Commission to Study Reparation Proposals for African Americans Act* is a first step to effectively addressing the Black-white wealth gap (Coates, 2014). If passed, the author believes there is an abundance of data to help understand how reparations could work. Perhaps Congress can look at the 33 years (1934 to 1968) when 98% of government approved homeownership loans were given exclusively to white families. The wealth denied to Black families during this relatively recent period of American History may be a calculatable starting point.

5.4.2. National Legal Protections for Hotel Tenants

Thompson (2020) and the *amicus curiae* brief (2021) make it urgently apparent that many low-income families who use a hotel as their primary residence lack the protections offered to tenants in the United States. It is indisputable that families in the United States are using hotels as their primary home. In many states where Low ESHs are most concentrated, the legal status of long-term residents is unaddressed, and families living in hotels can be thrown to the street with minimal notice and no judicial process (Thompson, 2020).

The Low ESH segment was pioneered by the apartment industry, and Low ESH success is tied directly to the residential use of their hotels. As the *amicus curie* concludes the, “business model provides affordable housing under the guise of a hotel to avoid the reciprocal duties to its residents and the costs of being a landlord” (*Brief of Amicus Curiae—Efficiency Lodge, Inc., 2021*). The brief further argues that hotels which provide primary residence are subject to the Fair Housing Act.

Thompson concludes that “protections afforded to tenants be immediately extended to residents of extended-stay hotels” (Thompson, 2020, p. 255). To determine residency, Thompson observes that laws determining tenancy based on an objective counting of consecutive days provides the clearest determinant for both tenants and judicial procedures (p. 253).

The author worries that protections afforded to hotel tenants may result in increased barriers to access hotels, which are many families’ last resort. It is very possible the absent legal framework is what allows hotels to provide housing without discrimination. But the prevalence of residential hotel use is too significant for legal rights to remain opaque. Deep care must be provided to provide national hotel tenant rights without unintentionally making life harder for vulnerable families the protections are intended to serve.

5.4.3. Ensure Hoteliers are Accountable Landlords

Significantly more research is necessary to understand the role housing hotels will serve in the 21st century. Hotel housing has always been a part of America’s housing continuum, and Low ESHs success and investment make them likely to remain a fixture of low-income housing. Some extended-stay hotel chains, like Budget Suites of America and Siegel Suites, honestly advertise on their websites that their properties serve long-term guests. However, from the author’s preliminary research, most Low ESHs do not mention residential use of their hotels but do publish incentives specifically tailored to low-income families. Figure 9 shows Low ESHs clearly advertise to people who have bad credit and low wealth, but their properties are “away from home” and “home while traveling or transitioning”. Housing hotels largely avoid the residential topic, and the hospitality industry follows suit, The author was unable to find any hospitality peer-reviewed research related to residential occupancy. Whether a hotel truly intends to fill its room with residential patrons is a moot point. An estimated 1.6 million people live in their establishments and the hospitality industry must acknowledge who they are extracting profit from.

Figure 9 – Extended-Stay Hotel Websites Advertisements

WHY SUBURBAN?

No matter what takes you away from home, Suburban hotels are there to make your stay simple and enjoyable while you're with us. Our extended stay hotels meet your needs with hassle-free registration and a safe, clean place to stay at an affordable price—and the longer you stay, the more you'll save. So get traveling with confidence at our Suburban locations across the country.

Amenities and programs available at most U.S. locations.
Amenities vary at international locations.

STUDIO SUITES WITH NO LEASE, NO DEPOSIT AND NO CREDIT CHECK

KITCHENS WITH COOKTOPS, MICROWAVES AND REFRIGERATORS AT MOST HOTELS

FREE HIGH-SPEED INTERNET AND FREE PREMIUM MOVIE CHANNELS

100% PERCENT GUEST SATISFACTION GUARANTEE

Screenshot taken from <https://www.choicehotels.com/suburban> on Nov 21, 2021

Savannah Suites are comfortable and affordable Extended Stay Hotels offering our guests the conveniences of home while traveling or transitioning. We offer **daily, weekly, and monthly rates** with **no need to worry** about leases, credit checks, or utility bills!

Screenshot taken from <https://www.savannahsuites.com/> on Nov 21, 2021

The largest extended-stay hotel chain in the United States denies more than 15% of their hotel occupancy is residential. The author emailed Extended Stay America (ESA) asking for information about the percent of residential use and if the company any had philosophy about the residential use of their hotels. A vice president responded that, “residential like’ business is normally around 10% of our revenue and did increase to about 15% of revenue during the peak of the pandemic but business travel remained our largest segment by far – construction workers, traveling nurses, warehouse and logistics, transportation workers, etc. Long term projects in general with folks who had to physically be on site”. Considering business travel dropped 85% during the pandemic, and ESA reported a 74% occupancy rate during this time, the author needs further verification from ESA to back the 10-15% residential claim (AHLA’S *State of the Hotel Industry*, 2021; Frazier, 2021).

In response to the author’s question of what ESA’s philosophy was pertaining to their hotels providing primary housing, the VP responded, “Our entire focus for revenue growth has been and will be business travel. The lower tier extended-stay market (e.g.: InTown Suites, Crossland Studios, Suburban Extended Stay, Woodspring, etc.) will have a lot more residential business than we would – they can probably help you more on that. We are not focused on that customer – we do have some of that business, but they are the lowest nightly rates of any of our customer types”.

The largest and best-funded low extended-stay hotel chain in the United States is “not focused on that customer”. Additionally, The VP does not consider ESA a lower-tier ESH, but according to STR, they are. If ESA is not focused on low-income residential customers, then their site selections in suburban and periphery areas, and their industries’ concentration in parts of the United States with a higher prevalence of housing insecurity needs to be explained.

5.4.4. Conduct Further Research

Housing hotels provide housing to households excluded from conventional housing. For millions of struggling Americans, conventional housing requirements are ill-fitted to match their reality. The Federal government does not provide a fraction of the aid necessary to ensure poor families can avoid eviction or extreme cost burden. Wall Street sees green following the pandemic, and if left unchecked, hotel housing is likely to continue its explosive growth and exploitation of desperate families. But to suggest desperate families are not being exploited in conventional housing is to not read Mathew Desmond's book *Evicted* (2016). The housing reality for America's most vulnerable appears to be generally awful, and housing hotels need to be fully understood before they can be concluded to be better or worse than conventional housing. In fact, preliminary findings and other research suggests hotel housing has traits superior to the other options available to low-income families. Hotel housing is likely a very good housing option for some people, and if tenant rights and cost burden can be addressed, this form of housing can move out of the shadows and be normalized in American society.

The author hopes this research builds interest and emphasis for the United States' most invisible type of housing.

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