SITU SIGNALS.



BUILDING RESILIENCE.

Improving cost efficiency in accommodation programmes

SITU

CONNECTED BY PEOPLE.

INTRODUCTION.

> **Signal** *(noun)*: an indicator, sign, or event that prompts coordinated action
>
> **Signal** *(verb)*: to notify via a signal.

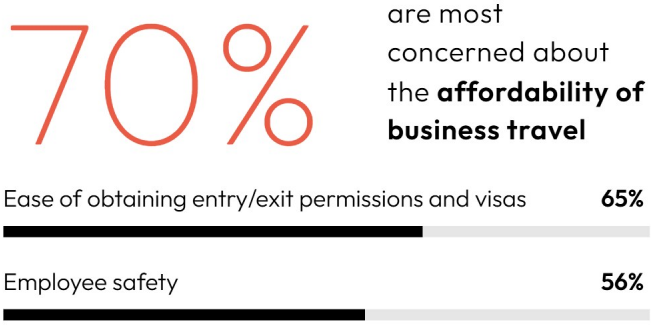
Introducing **Situ Signals**, a new series of communications from Situ – the Global Accommodation Specialists, highlighting critical trends and market signals that everyone managing an accommodation programme needs to know. Here you'll find Situ's expert insights based on market sentiment and client experience, contextualised by trusted industry sources and verifiable data points.

This first report, ***Building Resilience: Improving cost efficiency in accommodation programmes*** draws together a growing number of signals emerging on the radar of Situ's global accommodation specialists. It examines how various market pressures are lining up to squeeze the budgets of accommodation programmes, often in ways that can be easily missed. Grounded in insights from Situ's experts, the report outlines practical solutions to protect pounds and pence, as well as processes that can be optimised to bring down costs – including how the strategic integration of serviced accommodation into programmes can lead to greater budget predictability and real cost savings.

Across all markets, travel managers and buyers are broadly anticipating higher budgets and increased travel outlays. According to GBTA's analysis[1] of their January 2026 poll[2], travel buyers are most concerned about the **affordability of business travel** (70%), compared to other concerns.

TRAVEL BUYER CONCERNS

70% are most concerned about the **affordability of business travel**



Responses from 571 GBTA members and non-members

With inflation showing little sign of slowing and amid ongoing geopolitical uncertainty, it's no surprise that the overall cost of a business trip is front of mind for accommodation buyers, reinforcing the necessity of building more resilient, flexible programmes that can respond effectively to the current cost dynamics of sending people around the world for business.

"Cost is always the number one factor."



HARRIET SMITH-KING
Client Success Manager

WHAT YOU'LL LEARN FROM THIS REPORT

01 Signal 1: Rising rates and budget pressures

02 Signal 2: Unexpected costs

03 Signal 3: Shifting stays and changing policies

1 GBTA, Press Release, Global Business Travel Professionals Signal Stronger Confidence But Also Constraint, January 27, 2026

2 GBTA, Business Travel Outlook Poll Results, January 27, 2026

01 SIGNAL

RISING RATES AND BUDGET PRESSURES.



Globally, higher hotel rates are contributing to overall increased costs in travel programmes. HotelHub data[3] points to a 6.3% rise in nightly rates in Q4 of 2025 and a 3.13% increase across the full year, with above-inflation growth in many European cities such as Madrid. **While hotel rates showed increases linked to demand, operating costs, and inflation, pricing for serviced apartments remained relatively stable through the year,** as reported by an analysis of twenty-six European gateway cities by Savills[4]. The study notes that serviced apartment pricing in 2025 was more linked to occupancy and longer stays, with demand for compliant extended stay options being one of the drivers of rate stability.

THE AI FACTOR

Another element influencing higher and more unpredictable nightly hotel rates is that accommodation operators are increasingly sophisticated at pricing their rooms, with dynamic rates a growing trend, and artificial intelligence behind new and more advanced revenue optimisation tools.

At Situ, we combine intelligent technology with specialist human insight to help travel managers gain greater control, visibility, and confidence in their mid-term and extended stay programmes. Situ works closely with clients on reporting and data analysis to build a clear picture of requirements and ongoing programme metrics. By allowing full visibility of spend, usage, and trends, we help to continually refine and future proof accommodation programmes. This iterative approach allows clients to plan spend more accurately, reduce inefficiencies, and maximise the value of their accommodation budget.

HOW SITU HELPS YOU BUILD RESILIENCE

Serviced accommodation consistently delivers better value than hotels for trips of one week and more, with cost efficiency only increasing with length of stay. The relative predictability in terms of initial rates within the serviced accommodation sector provides easier budget forecasting and can help managers shore up resources at a time of known travel volatility.

3 HotelHub, HotelHub Index Q4 2025 and Year in Review, February 2026
4 Savills, European Serviced Apartment Report: Regulation, Demand, & Fragmentation, April 2026

"The one area where we see the most cost savings is in the initial rate. Where possible, we ask for a budget up front so that we've got something to work with. We will always try to save the client money."



VICKY BARLOW
Client Success Manager

"Data and visibility are key for our clients at the moment."



HANNAH TRIGG
Client Development Manager

6.3%

rise in nightly hotel rates in Q4 of 2025

3.13%

increase in nightly hotel rates across the full year

26

European gateway cities where serviced apartment pricing stayed relatively stable

02 SIGNAL

UNEXPECTED COSTS EXPLAINED: INVISIBLE DRAINS ON YOUR ACCOMMODATION BUDGET.



While serviced accommodation typically offers a lower nightly rate for mid-term and extended stays compared to hotels and is subject to less rate volatility, a very real advantage lies in the reduction of variable expenses that can be disproportionately costly in hotels over longer stays. Amenities in serviced apartments and aparthotels, as well as individual houses, such as fully-equipped kitchens and in-apartment or on-site laundries minimise daily living expenses and removes reliance on chargeable hotel services. **Serviced accommodation gives businesses more control, better visibility of total costs, and greater confidence that budgets won't be eroded by incremental extras.**

But what about protecting your budget when you are already using serviced accommodation? **Mid-term and extended-stay programmes in serviced accommodation rarely lose value because of headline rates alone, they lose value in the margins.** Additional costs can arise through failing to spot items in the small print, events such as last-minute cancellations, or even miscommunication. When compounded across multiple stays, projects, or travellers, these overlooked costs can quickly erode budgets and undermine the perceived value of negotiated rates.

UTILITY COSTS & SERVICE MANAGEMENT CHARGES

While in the UK utilities are typically included in the up-front rate for serviced accommodation, when booking internationally it's worth taking a moment to check what's included. Some mid-term and extended-stay providers outside the UK charge separately for utilities such as energy, as well as service or management fees, which are sometimes settled at check-out. If you book directly with overseas suppliers, review the small print and ask about any additional costs up front. In some countries these charges are standard practice and may not always be highlighted, but they can add up to several hundred pounds being incurred a month if overlooked.

HOW SITU HELPS YOU BUILD RESILIENCE

With a diverse accommodation network spanning the globe, Situ's specialists have **extensive experience in deciphering international contracts**, translating everything that's included, and communicating these to clients to make an accommodation spend easier to forecast.

ADDITIONAL FEES

Accommodation providers often apply a range of charges in addition to the nightly rate that can significantly inflate the total cost of a stay if not identified at the outset. These might include **pet fees, security deposits, and parking.** Parking fees are a particularly common pain point in urban locations, where daily charges can average fifteen to twenty pounds. Deposits and pre-authorisations, while often refundable, can create cash flow challenges and friction for travellers in reporting expenses. It is also important to clearly define which costs will be covered by the company and which, if any, will fall to the employee. This clarity avoids confusion later and ensures your budget reflects the true cost of the stay.

HOW SITU HELPS YOU BUILD RESILIENCE

Situ takes a total cost of stay approach, ensuring that ancillary and end of stay fees are clearly identified and discussed. Where costs (such as pet deposits) are unavoidable, we ensure full transparency so budgets can be planned accurately. This proactive oversight reduces invoice surprises, supports better forecasting, and gives travel managers greater confidence in their total accommodation spend.

CANCELLATION FEES

Cancellation fees can vary widely by provider and location. They may include charges for unused nights, notice-period penalties, or even full payment for the remaining stay if the cancellation occurs late. Businesses tend to be more aware of cancellation terms than other costs when they book accommodation, but when the unexpected happens – such as a project finishing earlier than usual, a start date shifting, or staff assignee requirements reduced with little notice – the extra costs for accommodation no longer needed may be significant, and can quickly translate into **hundreds or even thousands of pounds in unexpected spend**, especially if multiple stays are affected at once.

HOW SITU HELPS YOU BUILD RESILIENCE

Strong supplier relationships enable Situ to act quickly when plans change. Our experts work closely with accommodation partners to negotiate late cancellation fees, particularly for high-volume clients. This approach helps reduce clients' financial exposure, protects budgets, and gives travel managers greater flexibility when projects shift unexpectedly.

"Our great relationship with our suppliers makes us well positioned when negotiating cancellation fees. We can often save our clients a significant amount."



VICKY BARLOW
Client Success Manager



UNMANAGED BOOKINGS

Leakage continues to be a challenge for travel managers, and while not unexpected, this cost may currently be exacerbated by volatile hotel prices, with travellers looking for availability or competitive value outside approved channels. GBTA-backed research with Spotnana[5] found that 82% of travel managers reported hotel leakage staying the same or increasing, and noted that off-programme booking occurs when approved options are not visible, bookable, or competitive within the online tool, rather than being down to deliberate non compliance.

HOW SITU HELPS YOU BUILD RESILIENCE

Using Situ to manage your accommodation programme means that inventory can be brought into a managed channel. Knowledgeable accommodation experts can match accommodation to a programme's specific needs, and will ensure visibility and availability. Robust API integrations with property management systems and channel managers ensures that our Partner inventory remains visible, accurately priced, and accessible; whether bookings are made by travel managers, procurement teams, or individual travellers. This lack of booking friction makes leakage far less likely.

82%

of travel managers reported hotel leakage staying the same or increasing

5 GBTA, Spotnana et al: The Perfect Trip: What are the Pain Points of Business Travel?, May 2025

03 SIGNAL

SHIFTING TRAVEL PATTERNS, CHANGING POLICIES.



A CHANGING ASSIGNMENT LANDSCAPE

Instead of relocating their employees for between one and five years, more businesses are opting for **several short-term assignments typically lasting between three and twelve months.** This development is supported by wider industry data. According to a survey carried out by mobility solutions provider Mercer[6], 34% of respondents said short-term assignments are most likely to grow, with just 18% expecting an increase in the number of international long-term assignments. The overall rising cost of travel and mobility is one of the factors driving organisations toward short-term assignments that may be easier to assign budget to, and which also allow a more agile response to business needs in a fast-changing environment.

34%

say short-term assignments are most likely to grow

18%

expect more international long-term assignments

HOW SITU HELPS YOU BUILD RESILIENCE

Organisations that tend to rely on hotels will find these are rarely the answer for employees in the above scenario. The overall increase in more frequent short-term assignments increases the need for a serviced accommodation programme that aligns client intentions and budget with an appropriate accommodation type, programme design, and quality of supply. **A misaligned programme will result in traveller discomfort and can affect safety; and well-being creating operational strain and budget leakage.**

"There is a push now to do more short-term assignments. Rather than an employee trying to find a permanent property in six months, they book serviced accommodation. That's the general trend we're seeing, and so there's an increase in average length of stay."



JAMES CONNELL
Client Success Director

6 Mercer, Mercer 2025 Talent Mobility Outlook, 2025

SHIFTING POLICIES AND TRAVEL DISRUPTION

The complex geopolitical environment is clearly front of mind for many travel managers and buyers, whose role is more proactive and strategic than ever when it comes to managing global employee travel and mobility. In fact, GBTA's January 2026 poll[7] found that for travel buyers, cross-border travel and employee safety ranks closely behind cost concerns, and that changes in US border policy are of particular concern among US buyers. Furthermore, the April 2026 poll[8] finds that concerns about travel disruption and affordability have now risen to 82%, up from 70% in January.

HOW SITU HELPS YOU BUILD RESILIENCE

The operational friction in the current travel environment can result in unforeseen costs when arrival dates change; assignment lengths become uncertain; employees need to shorten, extend, or abandon stays; or if volumes reduce at short notice. Having to forego deposits, having nights remain unused, and cancellation fees can all leave companies footing the cost of travel and accommodation programmes designed for more predictable conditions. Using specialists such as Situ to negotiate the best terms with providers protects accommodation budgets. **Without flexible terms or strong supplier relationships, companies can be left bearing losses.**

"One company we speak to actually has their own 24-hour 'watch room', so they pretty much know about any disruptions before their travellers are even notified."



HANNAH TRIGG
Client Development Manager

REGULATORY CHANGE

Authorities around the world seeking to curb over-tourism and solve housing affordability have introduced regulations such as caps on number of nights, licensing, zoning controls, and taxes. The global short-term rental market in particular has been subject to evolving regulations over the past few years.

Regulatory change directly and indirectly affects availability and costs in accommodation programmes by pushing up costs, reducing supply, or removing certain properties from the market entirely. Tighter regulation on STRs is linked to a measurable decline in informal accommodation supply, especially in highly populated cities. Those who would have stayed in STRs, whether corporate travellers, assignees on different lengths of assignment, or those relocating, still desire similar space and amenities. This 'displaced demand'[9], as Savills describes it, is contributing to the growth of professionally managed serviced apartments in the twenty-six European cities it studied. Higher occupancy levels in the mid-term and extended stay sector are likely one of the factors helping to keep average daily rates stable.

7 GBTA, GBTA Business Travel Outlook Poll Results, January 27, 2026
8 GBTA, GBTA Business Travel Outlook Poll Results, April 22, 2026
9 Savills, European Serviced Apartment Report: Regulation, Demand, & Fragmentation, April 2026

HOW SITU HELPS YOU BUILD RESILIENCE

The complexity of the regulatory environment means it is wise to lean on global accommodation experts to explain specific rules across different markets and to warn of **any upcoming changes that may impact operations and programme costs.** At Situ, we keep abreast of changes in markets globally and maintain a comprehensive understanding of regulatory compliance, advising accordingly to minimise costs and avoid disruption.

"A lot of the conversations we have are about educating our clients...it's up to us to educate them when there's regulatory or policy change across the world."



HARRIET SMITH-KING
Client Success Manager

CONSOLIDATING SPEND

One trend slowly taking hold is the consolidation of total accommodation spend. It's common for large enterprises to have different departments to cover shorter hotel stays and longer stays in apartments or single-family homes. However, today, progressive businesses are rethinking these functions.

HOW SITU HELPS YOU BUILD RESILIENCE

Rather than operating in silos, when business travel and mobility functions collaborate they gain a full picture of total spend. There can be **greater scope to negotiate on total rates**, whether with hotel brands and their aparthotel offerings, or with independent serviced accommodation providers that have supple accommodation networks and short-stay availability that allows discounts on aggregated accommodation spends across different functions and for varying lengths of stay. While this trend is expected to grow, it will take time to fully mature and consolidate.

BLENDED TRAVEL

Blended travel, where employees mix leisure with business travel, continues to evolve and gain popularity. According to the Global Business Travel Association's poll Business Travel Industry Outlook[10] in October 2025 and into 2026, 43% of travel programmes now have defined policies for blended or 'bleisure' travel, with **71% of buyers citing improved employee satisfaction and 68% noting a 'better work-life balance.'**

43%

of travel programmes now have defined policies for blended or 'bleisure' travel

71%

of buyers cite improved employee satisfaction

68%

note a 'better work-life balance'

10 GBTA, 'Business Travel Optimism Rebounds', October 30, 2025

HOW SITU HELPS YOU BUILD RESILIENCE

As blended travel becomes more common, mid-term and extended stay accommodation offer a cost-efficient way for employees to add personal time without driving up corporate spend, since additional nights, self-catering, and in-unit laundry keep incremental costs low. At the same time, increased traveller well-being reduces the indirect cost to businesses of the productivity loss associated with business travel fatigue. Going forward, blended travel is likely to be written into travel policies in a more structured way, providing that companies can establish partnerships that provide quality accommodation of the type their employees want. This is key to fully realising the **well-being and cost benefits of blended travel.**

MORE BRANDS, MORE CHOICE

There has been a surge in hotel groups expanding their footprint to launch aparthotel and serviced apartment offerings for extended stays, and making acquisitions allowing them to do so, including converting former hotels, and even offices, to modern apartments. This is occurring alongside the wider maturation and professionalisation of the independent serviced accommodation sector. This shows that investors expect the sector to be stable and to experience long-term growth.

HOW SITU HELPS YOU BUILD RESILIENCE

More choice gives buyers greater leverage to negotiate long-stay rates and push for clear, standardised inclusions, making like-for-like cost comparisons far easier than across fragmented, unmanaged supply – all without having to sacrifice traveller experience or duty of care. Clients booking through a specialist provider rather than direct with operators allows access to a quality, compliant network of accommodation and wrap-around support; improving visibility, risk management, and cost control while allowing access to a diverse mix of accommodation types.

SIGNAL SUMMARY.

This report underscores how accommodation programmes often lose value in the margins in a climate of increased costs, changing regulations, and shifting travel patterns. 'Unexpected' costs can significantly inflate the true cost of a stay if not identified at the outset. Clear communication, contract scrutiny, and defined policies are therefore essential to protecting budgets.

Building resilience comes from becoming attuned to industry signals, asking the right questions and partnering with experts to ensure transparency, predictability, and smarter long-term decision-making.

To discuss the signals included in this report and to learn more about how Situ can help, please contact **accountmanagement@staysitu.com**

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