

# Budget Hotels Market CAGR to be at 4.1% | \$430.9 billion Industry Revenue by 2032

*By type, The capsule hotels segment, shows the fastest CAGR of 4.8% during the forecast period.*

WILMINGTON, DE, UNITED STATES, July 17, 2025 /EINPresswire.com/ -- According to the report, the global [budget hotels market](#) size was valued at \$276.3 billion in 2022, and is projected to reach \$430.9 billion by 2032, growing at a CAGR of 4.1% from 2023 to 2032.



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A budget hotel is a type of hotel in the hospitality industry. Budget hotels cater to travelers who are looking for affordable accommodation options without compromising on basic amenities and comfort. A budget hotel is a place where you can stay for as little as you need and as long as you don't want more than you can afford. Budget hotels provide basic amenities like comfortable rooms and clean facilities, as well as friendly customer service. They don't go overboard with luxury features or fancy amenities. Budget hotels are a great option for people or families looking for a comfortable and affordable place to stay.

## Prime Determinants of Growth:

The global budget hotels market is experiencing growth due to several factors, such as a growing number of budget-conscious travelers, the rise of online booking platforms, and increasing travel and tourism. However, the budget hotels market is significantly constrained by limited amenities available in the hotels. On the other hand, the expansion in emerging markets is creating lucrative opportunities for the growth of the global budget hotels market.

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The limited service hotels segment to maintain its leadership status throughout the forecast period-

By type, the limited service hotels segment held the highest market share in 2022, accounting for nearly half of the global budget hotels market revenue, and is estimated to maintain its leadership status throughout the forecast period. The need for affordable lodging has expanded, particularly among budget-conscious tourists. The capsule hotels segment, however, shows the fastest CAGR of 4.8% during the forecast period. The concept of capsule hotels, which was first used in Japan, is now becoming more and more popular, especially in major cities and tourist hotspots.

The leisure travelers segment to maintain its leadership status throughout the forecast period-

By guest type, the leisure travelers segment held the highest market share in 2022, contributing to more than two-fifths of the global budget hotels market revenue, and is estimated to maintain its leadership status throughout the forecast period. The same segment would also showcase the fastest CAGR of 4.2% during the forecast period. Individuals who travel for pleasure and non-business objectives are referred to as leisure travelers, leisure tourists, or vacationers. Budget hotels draw leisure travelers looking for affordable lodging options without compromising cleanliness and essential facilities.

The online travel agency segment to maintain its lead position during the forecast period-

By mode of booking, the online travel agency segment held the highest market share in 2022, accounting for more than two-fifths of the global budget hotels market revenue, and is expected to maintain its lead position during the forecast period. Online travel agencies are popular among travelers, especially those looking for affordable lodging because they make it easy to compare costs, read reviews, and make reservations all in one location. On the other hand, the direct booking segment would showcase the fastest CAGR of 4.3% during the forecast period. For tourists who make direct reservations, budget hotels frequently provide special discounts and rewards. By highlighting the advantages of booking directly, budget hotels are attempting to reduce their reliance on third-party booking sites.

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North America to maintain its dominance by 2032-

By region, North America held the highest market share in 2022, garnering around one-third of the global budget hotels market revenue, and is likely to dominate the market during the forecast period. Travelers looking for affordable accommodation alternatives, whether on vacation or on business, have historically driven a constant demand for budget hotels throughout the North America region. However, the Asia-Pacific region is expected to witness the

fastest CAGR of 4.8% from 2023 to 2032. The middle class has grown in the Asia-Pacific region, while domestic and international travel have both expanded. This has fueled demand for affordable lodgings that provide accessible options without compromising basic amenities.

### Market Key players

The key budget hotels industry players include G6 Hospitality LLC., Ibis Budget Hotel, OYO Hotels & Homes, easyHotel, Red Roof Inn & Suites, Super 8, Toyoko Inn, Travelodge, B&B HOTELS Group, and Premier Inn.

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