By the end of 2007, China has had 1,689 budget hotels and meanwhile, the number of guest rooms has reached 180,000. The main budget hotel chain brands are as the followings, Star of Jinjiang, Home Inn, Motel, Super 8, Sunny Youth Hotel, GreenTree Inn, 7 Days, Vienna, and Joy Inn. Among which, Home Inn went public in NASDAQ in Oct., 2006.

In 2007, the domestic brands still dominated the market. The top three not only further strengthened their leading positions, but also showed their good potential for further development. China’s budget hotels have a short history and the average age had only five years and two months at the end of 2007.
Among the large cities in China, Shanghai has 286 hotels, ranking the first in terms of the number of budget hotels. Jiangsu Province, close to Shanghai, has 182 budget hotels, making it the second place by surpassing Beijing that has 156 hotels. Guangdong Province and Zhejiang Province ranks the fourth and fifth places respectively with 146 hotels and 126 hotels.

According to the statistics, Beijing, capital of China, has had 156 budget hotels by the end of 2007 with the average price standing at about CNY249.53.
Among the budget hotels in Beijing, Home Inn with 37 chain hotels ranks the first place in terms of the number of hotel, accounting for 23.72% of the total market, followed by 7 Days with 14 chain hotels, amounting to 8.97%. Star of Yunlong, a regional brand, ranks the third place by 12 chain hotels, accounting for 7.69% of the total market, followed by Star of Shanghai, Super 8 and Hualijiahe, accounting for 7.05%, 7.05% and 6.41% respectively.

China had only 23 budget hotels with a total of 3,236 guest rooms in 200 and had 1,698 hotels with a total of 88,788 guest rooms in 2007, representing an average annual growth rate of 84.88% in budget hotel. In the period 2008-2010, the growth of China's budget hotels will slow down to 41.99% compared with 87.42% posted in 2007. The following three years will witness the consolidation of budget hotels in China. The increasingly fierce market competition will raise service quality and management level, and meanwhile the market will be consolidated widely by mergers and acquisitions.
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