Lodging — The Fall Calendar Shift RevPAR Roadmap

We take a look at what weeks will likely be helped or hurt

C. Patrick Scholes
212-319-3915
patrick.scholes@suntrust.com

Bradford Dalinka
212-303-4190
bradford.dalinka@suntrust.com

Gregory J. Miller
212-303-4198
gregory.j.miller@suntrust.com

What's Inside

Our popular semiannual analysis provides investors with detailed week-by-week projections of future lodging performance in 2H17.

What's Incremental To Our View

The latest iteration of our popular semi-annual note: we think lodging investors should find this note helpful in understanding the various upcoming holiday/calendar shifts and nuances that will likely make STR RevPAR results volatile week-to-week through the end of the year.

Investors will find a handy summary table on pg. 2 that can be printed for future reference. The following pages provide a deeper dive into the nitty-gritty of weekly drivers and expectations.

In the latest RevPAR Roadmap we evaluate the expected RevPAR impact from the biggest calendar shift of 2H17 (the Jewish High Holidays) and the variety of other shifts and y/y considerations for the rest of the year. We recommend specific attention to five holidays/events:

1) Labor Day (and concurrent y/y comps for Hurricanes Lester and Madeline (Hawaii) and Hermine (East Coast); analysis does not include impact from 2017 Hurricanes Harvey and Irma.)
2) Jewish High Holidays shift (and y/y comp for Hurricane Matthew)
3) Halloween
4) Election Day y/y comp
5) End of year holidays

Disclaimer: These weekly predictions are made with a combination of both art and science. We know how the comparable week performed last year; however, there is a certain degree of consumer behavior psychology needed to determine who may or may not be traveling certain weeks even if it is an easy/hard y/y comp. Further, consumer behavior (especially in lodging) can be impacted by unpredictable sentiment trends and geopolitical events. That said, we are not aware of anyone else be it on the sell side or company side that even attempts to forecast weekly results (of note, some companies will not even discuss expectations by month, let alone by week).

SEE PAGE 10 FOR REQUIRED DISCLOSURE INFORMATION

C. Patrick Scholes (212) 319-3915
patrick.scholes@suntrust.com

Summary of 2017 Calendar & Holiday Shifts (Fall/Winter)

Major shifts highlighted in bold italics

Event/Holiday	Weeks Affected (2017 week ending)	Projected impact to week/month*
Labor Day/Hurricane Impact (2016: Lester/Madeline/Hermine);	9/2	Easier comp in some markets
(Analysis does not include impact from Hurricanes Harvey or Irma.)	9/9	Easier comp in some markets
Jewish High Holidays and:	9/23	***Tougher comp (will hurt September)***
	9/30	***Tougher comp (will hurt September)***
Hurricane Matthew Impact	10/7	***Easier comp (will benefit October)***
Columbus Day	10/14	***Easier comp (will benefit October)***
Halloween	11/4	Possibly a tougher comp
Election Day y/y comp	11/11	Mixed impact - but November is looking quite good
End Of Year Holidays	12/23	***Easier comp***
	12/30	***Tougher comp***

***Disclaimer: The weekly predictions are as of the published date and reflect our best estimate of impact of industry performance based on precedence and STRH internal research.**

Source: SunTrust Robinson Humphrey

SunTrust Robinson Humphrey

A guide to our analysis:

On the following pages we present detailed analyses of calendar/holiday shift RevPAR impact. To support our analysis, we provide historical industry-wide RevPAR and occupancy on a day-by-day basis over a three-year span. We find that analyzing headline weekly RevPAR changes simply as a year-over-year comparison can lead to misinterpretation of an easy or hard comp. Absolute values of occupancy can provide additional nuance towards anomalies. For this reason, we point out to investors that the headline weekly RevPAR changes are helpful stats although potentially incomplete particularly when there are calendar or holiday shifts impacting the weekly results.

We generally present our analysis in the following format:

Holiday/Event Focus

Current Year in Weekly STR Format

Prior Year Data

T Minus Two Years (in this example, comparing 2015 v. 2014)

Labor Day Calendar

Holiday/Calendar Shift	2016		2015		RevPAR	% Change	Occupancy	% Change	2014		RevPAR	% Change	Occupancy	% Change
	28-Aug	Sun	30-Aug	Sun	$51.60	-29.0%	46.9%	-27.7%	31-Aug	Sun	$72.64	7.1%	64.9%	2.4%
	29-Aug	Mon	31-Aug	Mon	$66.18	69.9%	58.3%	48.0%	1-Sep	Mon	$38.96	8.8%	39.4%	3.8%
	30-Aug	Tues	1-Sep	Tues	$73.05	29.4%	63.5%	17.8%	2-Sep	Tues	$56.47	10.7%	53.9%	4.6%
	31-Aug	Wed	2-Sep	Wed	$71.22	8.2%	62.7%	3.4%	3-Sep	Wed	$65.83	14.0%	60.6%	6.0%
	1-Sep	Thurs	3-Sep	Thurs	$63.12	-2.5%	58.1%	-3.1%	4-Sep	Thurs	$64.76	13.6%	60.0%	6.1%
	2-Sep	Fri	4-Sep	Fri	$82.97	15.9%	70.5%	8.6%	5-Sep	Fri	$71.56	10.7%	65.0%	4.5%
	3-Sep	Sat	5-Sep	Sat	$106.95	35.1%	84.9%	21.2%	6-Sep	Sat	$79.17	9.8%	70.1%	4.1%
				RevPAR:	$73.58	14.6%	63.6%	7.5%		RevPAR:	$64.20	10.6%	59.0%	4.5%
	4-Sep	Sun	6-Sep	Sun	$76.70	36.2%	66.4%	30.1%	7-Sep	Sun	$56.30	9.9%	51.0%	5.0%
Labor Day	5-Sep	Mon	7-Sep	Mon	$42.96	-46.3%	41.4%	-38.3%	8-Sep	Mon	$79.96	9.5%	67.0%	3.5%
	6-Sep	Tues	8-Sep	Tues	$68.96	-22.5%	59.8%	-18.0%	9-Sep	Tues	$88.99	10.4%	72.9%	3.6%
	7-Sep	Wed	9-Sep	Wed	$80.77	-7.8%	67.2%	-7.4%	10-Sep	Wed	$87.62	10.7%	72.6%	3.7%
	8-Sep	Thurs	10-Sep	Thurs	$77.20	-0.8%	66.0%	-1.9%	11-Sep	Thurs	$77.82	12.0%	67.3%	4.4%
	9-Sep	Fri	11-Sep	Fri	$82.01	1.5%	70.4%	-0.3%	12-Sep	Fri	$80.83	15.2%	70.6%	6.0%
	10-Sep	Sat	12-Sep	Sat	$89.64	1.3%	75.4%	0.0%	13-Sep	Sat	$88.50	14.3%	75.4%	5.6%
				RevPAR:	$74.03	-7.5%	63.8%	-6.4%		RevPAR:	$80.04	11.8%	68.0%	4.5%

Source: SunTrust Robinson Humphrey, STR

Holiday highlighted on day(s) of occurrence

Shift #1: Labor Day/Hurricane Impact

- Week ending 9/2: Easier comp in some markets
- Week ending 9/9: Easier comp in some markets

The Labor Day holiday itself is a clean y/y comp (same week in 2017 and 2016); however, we believe there was disruption to holiday travel in 2016 due to Hurricanes Lester and Madeline (Hawaii) and Hermine (East Coast). Markets such as Oahu, Miami, Orlando, Tampa, Atlanta, and Washington, D.C. noted declining trends in 2016 towards the end of the week of September 3rd, 2016. As a result, we expect the hurricane-affected markets to have an easier comp in 2017. Additionally benefitting Miami is an easier comp without the Zika concerns of 2016. Also of note: Group RevPAR was -5.2% for the week ending September 3rd, 2016 (Transient was +4.3%). Similarly, we believe select markets had lower corporate travel for the week ending September 10th, 2016 due to the hurricane disruption.

There will likely be hurricane impact from Hurricanes Harvey and Irma for the next few weeks at least, although it is less clear how much the impact will affect the national aggregate RevPAR. Historically, weather events such as these have been a net benefit to hotel demand (outside of the most impacted areas). This increased demand comes from extended relocations in hotels and increased government spending to repair the damage in the areas hit.

Note that in 2015 there was a holiday shift vs. 2014, which impacted the y/y changes in the T-2 column.

Labor Day 2017 Calendar

Holiday/Calendar Shift	2017		2016						2015					
					RevPAR	*% Change*	*Occupancy*	*% Change*			*RevPAR*	*% Change*	*Occupancy*	*% Change*
Hurricane Harvey 2017	27-Aug	Sun	28-Aug	Sun	$55.96	8.2%	49.7%	6.0%	30-Aug	Sun	$51.60	-29.0%	46.9%	-27.7%
	28-Aug	Mon	29-Aug	Mon	$71.42	8.0%	61.4%	5.5%	31-Aug	Mon	$66.18	69.9%	58.3%	48.0%
	29-Aug	Tue	30-Aug	Tue	$75.80	3.7%	64.4%	1.7%	1-Sep	Tue	$73.05	29.4%	63.5%	17.8%
	30-Aug	Wed	31-Aug	Wed	$71.31	0.2%	62.0%	-0.8%	2-Sep	Wed	$71.22	8.2%	62.7%	3.4%
Hurricane Lester/Madeline 2016 - Hawaii	31-Aug	Thu	1-Sep	Thu	$65.31	3.4%	58.6%	1.0%	3-Sep	Thu	$63.12	-2.5%	58.1%	-3.1%
Hurricane Hermine 2016 - US Landfall	1-Sep	Fri	2-Sep	Fri	$86.78	4.2%	71.1%	0.9%	4-Sep	Fri	$82.97	15.9%	70.5%	8.6%
	2-Sep	Sat	3-Sep	Sat	$110.77	3.1%	84.4%	-0.5%	5-Sep	Sat	$106.95	35.1%	84.9%	21.2%
				RevPAR:	$76.76	4.1%	64.5%	1.6%		RevPAR:	$73.58	14.6%	63.6%	7.5%
	3-Sep	Sun	4-Sep	Sun	$79.75	3.4%	66.4%	0.1%	6-Sep	Sun	$76.70	36.2%	66.4%	30.1%
Labor Day	4-Sep	Mon	5-Sep	Mon	$43.69	1.5%	41.1%	-0.5%	7-Sep	Mon	$42.96	-46.3%	41.4%	-38.3%
	5-Sep	Tue	6-Sep	Tue	$65.87	-4.5%	57.4%	-3.7%	8-Sep	Tue	$68.96	-22.5%	59.8%	-18.0%
	6-Sep	Wed	7-Sep	Wed	$77.97	-3.4%	64.9%	-3.3%	9-Sep	Wed	$80.77	-7.8%	67.2%	-7.4%
	7-Sep	Thu	8-Sep	Thu	$76.01	-1.6%	64.3%	-2.3%	10-Sep	Thu	$77.20	-0.8%	66.0%	-1.9%
	8-Sep	Fri	9-Sep	Fri	$84.76	3.0%	70.2%	-0.3%	11-Sep	Fri	$82.01	1.5%	70.4%	-0.3%
	9-Sep	Sat	10-Sep	Sat	$93.08	3.4%	75.2%	-0.2%	12-Sep	Sat	$89.64	1.3%	75.4%	0.0%
				RevPAR:	$74.45	0.3%	62.8%	-1.4%		RevPAR:	$74.03	-7.5%	63.8%	-6.4%

Source: SunTrust Robinson Humphrey, STR

Shift #2a: Jewish High Holidays (September)

- Week ending 9/23: Tougher comp (will hurt September)
- Week ending 9/30: Tougher comp (will hurt September)

The Jewish High Holidays will occur in September this year; last year the holidays were in October. The two holidays impact corporate demand; group tends to be more impacted. A good recent comparison to 2017 is in 2014, where Rosh Hashanah also began on a Wednesday night and there was no y/y holiday comp. For the comparable week in 2014, Group RevPAR was -14.7% and Transient was +4.6%. Both figures were down relative to the trailing 28 day average (Transient by 270 bps and Group by 2430 bps). In aggregate, the Luxury and Upper Upscale segments were -2.6% that week, which compares with the full-year RevPAR of +7.2%.

In 2017, Yom Kippur begins on Friday, September 29th and ends on that Saturday. We anticipate a negative impact to Group for that week – although relatively less significant due to the end-of-week holiday. In 2014, Yom Kippur also started on Friday night. RevPAR was +6.6% that week (28 day average was +7.8%). For that week, Transient was +6.7% (20 bps below the 28 day average) and Group was -2.7% (730 bps lower). **The combined High Holidays calendar shifts hurts 3Q and helps 4Q.**

As the "lost" corporate demand shifts to non-holiday weeks, comparisons will be noisy for much of September and October.

High Holidays 2017 Calendar - September

Holiday/Calendar Shift	2017		2016						2015					
					RevPAR	% Change	Occupancy	% Change			RevPAR	% Change	Occupancy	% Change
	17-Sep	Sun	18-Sep	Sun	$70.21	15.5%	55.7%	4.7%	20-Sep	Sun	$60.70	1.3%	53.2%	1.1%
	18-Sep	Mon	19-Sep	Mon	$93.23	16.5%	69.9%	4.5%	21-Sep	Mon	$80.02	0.1%	67.0%	0.3%
Yom Kippur 2015	19-Sep	Tue	20-Sep	Tue	$102.43	17.4%	75.5%	5.1%	22-Sep	Tue	$87.27	2.0%	72.0%	1.1%
Rosh Hashanah 2017	20-Sep	Wed	21-Sep	Wed	$101.39	13.9%	75.5%	4.2%	23-Sep	Wed	$89.02	7.5%	72.6%	2.6%
	21-Sep	Thu	22-Sep	Thu	$89.57	4.9%	70.7%	1.5%	24-Sep	Thu	$85.40	11.7%	69.7%	3.7%
	22-Sep	Fri	23-Sep	Fri	$96.14	-0.5%	75.9%	-1.0%	25-Sep	Fri	$96.50	13.1%	76.8%	3.4%
	23-Sep	Sat	24-Sep	Sat	$105.02	0.6%	80.9%	0.2%	26-Sep	Sat	$104.26	12.8%	80.9%	3.1%
				RevPAR:	**$94.00**	**9.0%**	**72.0%**	**2.6%**		**RevPAR:**	**$86.17**	**7.2%**	**70.3%**	**2.3%**
	24-Sep	Sun	25-Sep	Sun	$67.35	-0.5%	55.1%	0.6%	27-Sep	Sun	$67.76	16.3%	54.9%	6.7%
	25-Sep	Mon	26-Sep	Mon	$88.81	1.9%	68.6%	1.8%	28-Sep	Mon	$87.16	15.3%	67.5%	6.4%
	26-Sep	Tue	27-Sep	Tue	$96.69	4.5%	73.1%	2.9%	29-Sep	Tue	$92.65	13.9%	71.2%	5.2%
	27-Sep	Wed	28-Sep	Wed	$93.89	6.1%	72.3%	3.5%	30-Sep	Wed	$88.60	8.3%	70.0%	1.9%
	28-Sep	Thu	29-Sep	Thu	$83.13	2.6%	67.5%	1.2%	1-Oct	Thu	$80.97	10.7%	66.8%	2.8%
Yom Kippur 2017	29-Sep	Fri	30-Sep	Fri	$91.92	3.0%	74.3%	1.0%	2-Oct	Fri	$89.04	10.4%	73.7%	1.9%
	30-Sep	Sat	1-Oct	Sat	$100.06	3.9%	79.0%	1.7%	3-Oct	Sat	$95.92	8.3%	77.8%	0.2%
				RevPAR:	**$88.83**	**3.2%**	**70.0%**	**1.8%**		**RevPAR:**	**$86.01**	**11.6%**	**68.8%**	**3.4%**

Source: SunTrust Robinson Humphrey, STR

Shift #2b: Jewish High Holidays (October)

- Week ending 10/7: Easier comp (will benefit October)
- Week ending 10/14: Easier comp (will benefit October)

Much of the lost demand in September will shift into the first two weeks of October. A somewhat complicating factor for analyzing the first week of October is the positive impact from Hurricane Matthew in some markets (evacuations in the Southeastern U.S. led to increased hotel demand inland). However, RevPAR was just +0.8% that week in 2016 and net-net we expect the first week of October 2017 to be an easier comp. Additionally, Group RevPAR was -8.7% due in part to Rosh Hashanah and the hurricane.

The following week (ending October 14th, 2017) is an even easier comparable as RevPAR was -1.6% in 2016. The combination of Columbus Day, Yom Kippur, and possibly some residual impact from Hurricane Matthew (some corporate travel may have canceled in advance of the hurricane) combined for low overall RevPAR. October 2017 should be one of the stronger months of the year.

High Holidays 2017 Calendar - October

Holiday/Calendar Shift	2017		2016						2015					
					RevPAR	*% Change*	*Occupancy*	*% Change*			*RevPAR*	*% Change*	*Occupancy*	*% Change*
Rosh Hashanah 2016	1-Oct	Sun	2-Oct	Sun	$60.49	-3.4%	52.5%	-1.8%	4-Oct	Sun	$62.58	7.8%	53.6%	1.3%
	2-Oct	Mon	3-Oct	Mon	$79.05	-4.7%	64.6%	-3.6%	5-Oct	Mon	$83.02	5.4%	67.1%	0.2%
Hurricane Matthew 2016	3-Oct	Tue	4-Oct	Tue	$91.29	-1.6%	70.8%	-2.8%	6-Oct	Tue	$92.85	5.2%	73.0%	0.2%
	4-Oct	Wed	5-Oct	Wed	$96.29	2.5%	73.4%	-0.4%	7-Oct	Wed	$93.94	5.2%	73.8%	0.4%
	5-Oct	Thu	6-Oct	Thu	$92.86	6.9%	72.6%	2.7%	8-Oct	Thu	$86.91	3.3%	70.8%	0.0%
	6-Oct	Fri	7-Oct	Fri	$103.06	3.2%	79.1%	-0.1%	9-Oct	Fri	$99.61	3.7%	79.4%	0.3%
	7-Oct	Sat	8-Oct	Sat	$111.62	1.0%	83.3%	-1.3%	10-Oct	Sat	$110.05	5.3%	84.6%	1.1%
				RevPAR:	**$90.67**	**0.8%**	**70.9%**	**-1.0%**		**RevPAR:**	**$89.85**	**5.0%**	**71.7%**	**0.5%**
	8-Oct	Sun	9-Oct	Sun	$71.45	1.1%	59.7%	1.1%	11-Oct	Sun	$70.39	3.2%	59.1%	1.5%
Columbus Day	9-Oct	Mon	10-Oct	Mon	$76.62	-3.6%	64.6%	-1.6%	12-Oct	Mon	$79.47	5.1%	65.7%	2.4%
Yom Kippur 2016	10-Oct	Tue	11-Oct	Tue	$84.85	-7.1%	69.8%	-3.5%	13-Oct	Tue	$91.40	6.9%	72.4%	3.0%
	11-Oct	Wed	12-Oct	Wed	$88.06	-5.7%	71.5%	-3.1%	14-Oct	Wed	$93.41	5.7%	74.0%	2.1%
	12-Oct	Thu	13-Oct	Thu	$86.30	-1.4%	70.4%	-1.5%	15-Oct	Thu	$87.61	5.3%	71.6%	1.6%
	13-Oct	Fri	14-Oct	Fri	$98.58	2.2%	77.4%	-0.6%	16-Oct	Fri	$96.26	5.8%	78.0%	1.1%
	14-Oct	Sat	15-Oct	Sat	$107.08	2.8%	81.7%	-0.3%	17-Oct	Sat	$103.82	6.1%	82.0%	1.2%
				RevPAR:	**$87.57**	**-1.6%**	**70.7%**	**-1.4%**		**RevPAR:**	**$88.91**	**5.5%**	**71.8%**	**1.8%**

Source: SunTrust Robinson Humphrey, STR

Shift #3: Halloween

- Week ending 11/4: Possibly a tougher comp

Halloween night tends to have low RevPAR, haunting hotel revenue managers. In the last three years, Halloween night RevPAR averaged a ghastly -11.1%. In 2016, Halloween fell on a Monday night, which we believe negatively impacted business travel for the first half of the week. Being that the holiday falls on Tuesday this year, we believe the impact will likely be even greater as the typical two night individual business traveler would get caught on a Monday-Wednesday trip or a Tuesday-Thursday trip. However, we expect business travelers will not be too spooked as some of the lost demand should move to non-holiday weeks.

Halloween 2017 Calendar

Holiday/Calendar Shift	2017		2016						2015					
					RevPAR	*% Change*	*Occupancy*	*% Change*			*RevPAR*	*% Change*	*Occupancy*	*% Change*
	29-Oct	Sun	30-Oct	Sun	$49.41	-8.0%	44.3%	-6.7%	1-Nov	Sun	$53.58	-3.8%	47.5%	-3.2%
	30-Oct	Mon	31-Oct	Mon	$60.09	-19.4%	52.1%	-16.2%	2-Nov	Mon	$74.56	1.6%	62.4%	-0.1%
Halloween	31-Oct	Tue	1-Nov	Tue	$84.45	-1.2%	66.8%	-3.0%	3-Nov	Tue	$85.48	2.5%	69.1%	0.2%
	1-Nov	Wed	2-Nov	Wed	$90.93	3.0%	70.6%	-0.1%	4-Nov	Wed	$88.35	3.6%	70.9%	0.1%
	2-Nov	Thu	3-Nov	Thu	$84.94	3.3%	67.6%	0.1%	5-Nov	Thu	$82.14	4.0%	67.7%	0.2%
	3-Nov	Fri	4-Nov	Fri	$89.04	2.2%	72.2%	-0.4%	6-Nov	Fri	$86.84	6.0%	72.6%	1.2%
	4-Nov	Sat	5-Nov	Sat	$93.26	2.4%	74.6%	-0.3%	7-Nov	Sat	$90.64	6.5%	74.9%	1.5%
				RevPAR:	**$78.82**	**-1.9%**	**64.0%**	**-3.5%**		**RevPAR:**	**$80.23**	**3.3%**	**66.4%**	**0.2%**

Source: SunTrust Robinson Humphrey, STR

Shift #4: Election Day y/y comp

- Week ending 11/11: Mixed impact – but November is looking quite good

For the week ending November 11, 2017, there are two considerations vs. 2016. The first is Election Day. We were surprised that Election Day did not more negatively impact the week (Election Day eve RevPAR was -7.5% and Tuesday night was -0.2%). However, the early part of the week should be an easy comp this year. The back half of the week is complicated due to Veterans Day. As the holiday shifts to a Saturday from a Friday, we expect those that receive a three day holiday would get the day off on the Friday regardless. This mitigates the impact from the Veterans Day calendar shift (Friday night demand should still be decent due to the holiday but with potential to be relatively less strong on the margin). That being said, Group was flat for the week ending November 12, 2016 – we expect Group to be up y/y in 2017. Further, we believe that in 2016 some corporate demand pushed their travel to a non-Election Day week. This complicates RevPAR comparisons from late October to mid-November.

Last year, we noticed that future demand for November was looking surprisingly strong and that bore out in the actualized weekly results. Interestingly, we see similar trends in 2017, even against a relatively tough comparison. However, November group pace has fallen approx. 300 bps in the last four months per TAP (as of this note's publication date). November still looks very positive but perhaps less so than expectations earlier in the year.

Election Day 2016 Y/Y Calendar

Holiday/Calendar Shift	2017		2016						2015					
					RevPAR	*% Change*	*Occupancy*	*% Change*			*RevPAR*	*% Change*	*Occupancy*	*% Change*
	5-Nov	Sun	6-Nov	Sun	$56.49	-0.1%	48.6%	-1.8%	8-Nov	Sun	$56.48	4.0%	49.5%	-0.6%
	6-Nov	Mon	7-Nov	Mon	$69.52	-7.5%	58.1%	-6.8%	9-Nov	Mon	$75.13	8.1%	62.5%	2.4%
Election Day 2016	7-Nov	Tue	8-Nov	Tue	$80.10	-0.2%	64.7%	-1.8%	10-Nov	Tue	$80.15	4.6%	66.0%	1.1%
	8-Nov	Wed	9-Nov	Wed	$86.50	6.9%	69.0%	3.7%	11-Nov	Wed	$80.97	0.5%	66.8%	-1.9%
	9-Nov	Thu	10-Nov	Thu	$81.40	6.6%	67.0%	3.6%	12-Nov	Thu	$76.33	4.9%	64.8%	1.8%
	10-Nov	Fri	11-Nov	Fri	$92.75	14.7%	75.0%	7.8%	13-Nov	Fri	$80.57	11.0%	69.7%	6.8%
Veterans Day	11-Nov	Sat	12-Nov	Sat	$94.39	11.9%	74.9%	4.8%	14-Nov	Sat	$83.98	10.2%	71.5%	6.4%
				RevPAR:	**$80.16**	**5.0%**	**65.3%**	**1.6%**		**RevPAR:**	**$76.23**	**6.2%**	**64.4%**	**2.4%**

Source: SunTrust Robinson Humphrey, STR

Shift #5: End Of Year Holidays

- Week ending 12/23: Easier comp
- Week ending 12/30: Tougher comp

In 2017, Christmas shifts to a Monday from a Sunday, which should make the week ending 12/23 more of a working week (relatively speaking). The following week (ending 12/30) is a tougher comp as there is a more limited end-of-week gain to New Year's Eve (demand should pick up into the weekend but the comp falls against New Year's Eve) and there is very limited corporate demand. With Christmas Day and New Year's Day falling on Mondays, we note that Americans had the same Mondays as work holidays last year (similar effect).

- December looks to be the weakest month of the quarter. To see the impact of this shift, we look back to 2006, the last time Christmas fell on a Monday. For the week RevPAR was -7% with Sunday-Monday averaging -15% y/y (and keep in mind 2006 was a much better year for RevPAR growth than in 2017.)

Last year, Chanukah began on December 24th. This year, Chanukah beings on Tuesday, December 12th. Precedence suggests that when Chanukah is isolated as a holiday that there is limited RevPAR impact. In 2014, Chanukah began on a Tuesday – RevPAR for Tuesday/Wednesday averaged at +12.5% (the week was +11.9%). Similarly, in 2004, Chanukah also began on a Tuesday. RevPAR for that Tuesday/Wednesday averaged at +12.7% (the week was +12.6%).

End Of Year Holidays 2017 Calendar

Holiday/Calendar Shift	2017		2016						2015					
					RevPAR	*% Change*	*Occupancy*	*% Change*			*RevPAR*	*% Change*	*Occupancy*	*% Change*
	17-Dec	Sun	18-Dec	Sun	$40.99	0.8%	39.5%	0.6%	20-Dec	Sun	$40.35	2.6%	39.3%	1.4%
	18-Dec	Mon	19-Dec	Mon	$46.50	8.8%	45.1%	8.2%	21-Dec	Mon	$42.44	6.6%	41.7%	5.9%
	19-Dec	Tue	20-Dec	Tue	$46.18	14.7%	45.0%	14.7%	22-Dec	Tue	$40.01	8.0%	39.3%	10.8%
	20-Dec	Wed	21-Dec	Wed	$43.60	14.2%	42.7%	18.8%	23-Dec	Wed	$37.89	-5.0%	36.0%	-1.9%
	21-Dec	Thu	22-Dec	Thu	$42.13	-2.6%	40.4%	3.3%	24-Dec	Thu	$42.91	-8.1%	39.1%	-7.4%
Christmas 2015	22-Dec	Fri	23-Dec	Fri	$45.79	-15.1%	41.2%	-12.2%	25-Dec	Fri	$53.50	-20.1%	47.0%	-18.4%
Chanukah Begins 2016	23-Dec	Sat	24-Dec	Sat	$48.15	-29.2%	41.6%	-27.1%	26-Dec	Sat	$67.51	-9.1%	57.2%	-7.5%
				RevPAR:	**$44.76**	**-4.2%**	**42.2%**	**-1.2%**		**RevPAR:**	**$46.37**	**-5.6%**	**42.8%**	**-4.0%**
Chanukah/Christmas 2016	24-Dec	Sun	25-Dec	Sun	$51.08	-18.9%	43.7%	-14.9%	27-Dec	Sun	$62.70	0.7%	51.5%	1.4%
Christmas 2017	25-Dec	Mon	26-Dec	Mon	$58.30	-14.3%	47.6%	-13.8%	28-Dec	Mon	$67.36	4.6%	55.2%	5.6%
	26-Dec	Tue	27-Dec	Tue	$67.99	0.7%	54.2%	1.0%	29-Dec	Tue	$67.22	4.0%	53.7%	8.9%
	27-Dec	Wed	28-Dec	Wed	$70.92	4.0%	55.7%	10.1%	30-Dec	Wed	$67.84	-26.1%	50.7%	-18.8%
New Year's Eve 2015	28-Dec	Thu	29-Dec	Thu	$71.89	-29.3%	55.2%	-16.9%	31-Dec	Thu	$101.28	70.7%	66.5%	41.3%
New Year's Day 2015	29-Dec	Fri	30-Dec	Fri	$79.66	12.3%	56.7%	2.6%	1-Jan	Fri	$70.39	19.6%	55.4%	6.0%
New Year's Eve 2016	30-Dec	Sat	31-Dec	Sat	$106.86	86.7%	68.5%	37.4%	2-Jan	Sat	$56.85	9.0%	49.9%	2.1%
				RevPAR:	**$72.38**	**2.0%**	**54.5%**	**-0.2%**		**RevPAR:**	**$70.52**	**8.9%**	**54.7%**	**5.5%**

Source: SunTrust Robinson Humphrey, STR

Analyst Certification

I, C. Patrick Scholes , hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

I, Bradford Dalinka , hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Required Disclosures

Analyst compensation is based upon stock price performance, quality of analysis, communication skills, and the overall revenue and profitability of the firm, including investment banking revenue.

As a matter of policy and practice, the firm prohibits the offering of favorable research, a specific research rating or a specific target price as consideration or inducement for the receipt of business or compensation. In addition, associated persons preparing research reports are prohibited from owning securities in the subject companies.

Charts indicating changes in ratings can be found in recent notes and/or reports at our website or by contacting SunTrust Robinson Humphrey. Please see our disclosures page for more complete information at https://suntrust.bluematrix.com/sellside/Disclosures.action.

STRH Ratings System for Equity Securities

Dissemination of Research

SunTrust Robinson Humphrey (STRH) seeks to make all reasonable efforts to provide research reports simultaneously to all eligible clients. Reports are available as published in the restricted access area of our website to all eligible clients who have requested a password. Institutional investors, corporates, and members of the Press may also receive our research via third party vendors including: Thomson Reuters, Bloomberg, FactSet, and S&P Capital IQ. Additional distribution may be done by sales personnel via email, fax, or other electronic means, or regular mail.

For access to third party vendors or our Research website: https://suntrustlibrary.bluematrix.com/client/library.jsp

Please email the Research Department at STRHEquityResearchDepartment@SunTrust.com or contact your STRH sales representative.

The rating system effective as of Oct. 7, 2016:

STRH Rating System for Equity Securities

SunTrust Robinson Humphrey (STRH) rates individual equities using a three-tiered system. Each stock is rated relative to the broader market (generally the S&P 500) over the next 12-18 months (unless otherwise indicated).

Buy (B) – the stock's total return is expected to outperform the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Hold (H) – the stock's total return is expected to perform in line with the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Sell (S) – the stock's total return is expected to underperform the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Not Rated (NR) – STRH does not have an investment rating or opinion on the stock

Coverage Suspended (CS) – indicates that STRH's rating and/or target price have been temporarily suspended due to applicable regulations and/or STRH Management discretion. The previously published rating and target price should not be relied upon

STRH analysts have a price target on the stocks that they cover, unless otherwise indicated. The price target represents that analyst's expectation of where the stock will trade in the next 12-18 months (unless otherwise indicated). If an analyst believes that there are insufficient valuation drivers and/or investment catalysts to derive a positive or negative investment view, they may elect with the approval of STRH Research Management not to assign a target price; likewise certain stocks that trade under $5 may exhibit volatility whereby assigning a price target would be unhelpful to making an investment decision. As such, with Research Management's approval, an analyst may refrain from assigning a target to a sub-$5 stock.

Legend for Rating and Price Target History Charts:
B = Buy
H = Hold
S = Sell
D = Drop Coverage
CS = Coverage Suspended
NR = Not Rated
I = Initiate Coverage
T = Transfer Coverage

The prior rating system until Oct. 7, 2016:

3 designations based on total returns* within a 12-month period**
· Buy – total return ≥ 15% (10% for low-Beta securities)***
· Reduce – total return ≤ negative 10% (5% for low Beta securities)
· Neutral – total return is within the bounds above
· NR – NOT RATED, STRH does not provide equity research coverage
· CS – Coverage Suspended
*Total return (price appreciation + dividends); **Price targets are within a 12-month period, unless otherwise noted; ***Low Beta defined as securities with an average Beta of 0.8 or less, using Bloomberg's 5-year average

SunTrust Robinson Humphrey ratings distribution (as of 09/06/2017):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	**Count**	**Percent**	**Rating**	**Count**	**Percent**
Buy	417	59.49%	Buy	130	31.18%
Hold/Neutral	280	39.94%	Hold/Neutral	58	20.71%
Sell/Reduce	4	0.57%	Sell/Reduce	1	25.00%

Other Disclosures

Information contained herein has been derived from sources believed to be reliable but is not guaranteed as to accuracy and does not purport to be a complete analysis of the security, company or industry involved. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any security. SunTrust Robinson Humphrey, Inc. and/or its officers or employees may have positions in any securities, options, rights or warrants. The firm and/or associated persons may sell to or buy from customers on a principal basis. Investors may be prohibited in certain states from purchasing some over-the-counter securities mentioned herein. Opinions expressed are subject to change without notice. The information herein is for persons residing in the United States only and is not intended for any person in any other jurisdiction.

SunTrust Robinson Humphrey, Inc.'s research is provided to and intended for use by Institutional Accounts as defined in FINRA Rule 4512(c). The term "Institutional Account" shall mean the account of: (1) a bank, savings and loan association, insurance company or registered investment company; (2) an investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions); or (3) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least $50 million.

SunTrust Robinson Humphrey, Inc. is a registered broker-dealer and a member of FINRA and SIPC. It is a service mark of SunTrust Banks, Inc. SunTrust Robinson Humphrey, Inc. is owned by SunTrust Banks, Inc. ("SunTrust") and affiliated with SunTrust Investment Services, Inc. Despite this affiliation, securities recommended, offered, sold by, or held at SunTrust Robinson Humphrey, Inc. and at SunTrust Investment Services, Inc. (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including SunTrust Bank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. SunTrust Bank may have a lending relationship with companies mentioned herein.

Please see our Disclosure Database to search by ticker or company name for the current required disclosures, including risks to the price targets, Link: https://suntrust.bluematrix.com/sellside/Disclosures.action

Please visit the STRH equity research library for current reports and the analyst roster with contact information, Link (password protected): STRH RESEARCH LIBRARY

SunTrust Robinson Humphrey, Inc., member FINRA and SIPC. SunTrust and SunTrust Robinson Humphrey are service marks of SunTrust Banks, Inc.

If you no longer wish to receive this type of communication, please request removal by sending an email to STRHEquityResearchDepartment@SunTrust.com

ADDITIONAL INFORMATION IS AVAILABLE at our website, **www.suntrustrh.com,** or by writing to:
SunTrust Robinson Humphrey, Research Department, 3333 Peachtree Road N.E., Atlanta, GA 30326-1070