



Lodging — U.S. RevPAR +4.3% Y/Y Last Week; Noisy results due to Hurricanes

Houston (+29.8%) and New Orleans (-22.5%) were the most impacted Top 25 markets

What's Incremental To Our View

Overall U.S. RevPAR was +4.3% y/y for the week ending 09/02/17, per STR, down from the prior week's result of +6.3%. (2-year stacked RevPAR was +8.6% vs. +15.3% in the prior week.) Luxury (+5.8%) was the strongest chain scale; Independent hotels (+4.9%) outperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (-2.3% vs. -1.8% prior week) was softer than Transient (+4.8% vs. +4.9% prior week). The headline RevPAR was impacted by Hurricane Harvey (up for Houston and down for New Orleans) and y/y hurricane impact from Hermine (Eastern U.S.). **It is important to note that large and damaging weather events such as Harvey and Irma have historically been net positives for hotel demand, especially for limited service and extended stay hotels (see Choice (CHH, \$61.00, Hold) post-Katrina in 2005). However, while RevPAR growth rates will likely go up for companies such as CHH and Wyndham (WYN, \$97.61, Hold) in 2017, we caution investors to remember this is one-time and not sustainable demand and will likely mean 2018 RevPAR growth rates will be challenged by the tough y/y comp (See CHH in 2006).**

Takeaways from the latest weekly results:

- **While Labor Day itself was a clean holiday comp, there was significant market-by-market impact from both Hurricane Harvey and y/y travel disruption due to Hurricane Hermine.** Headline results for the industry and chain scales were noisy last week and will likely remain noisy for at least two more weeks due to Hurricanes Harvey and Irma.
- **Harvey impact:** Houston RevPAR was +29.8% for the week. Concurrently, New Orleans was -22.5% for the week as the city was impacted later by Harvey. 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. **We expect high occupancy in Houston and Texas in general for the next several months due to Harvey.**
 - We are tracking the operating status of hotels within our REIT coverage as well as a sample of other hotels in the Houston market. As of Wednesday 9/6, the majority of hotels were open although some were fully booked (based on ADRs in last week's STR results, we assume the hotel demand is a combination of extended relocations, relief workers, etc). Please see pg. 3 for the full hotel list.

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

Weekly STR results and analysis

- As Houston's impact was more from flooding than from wind, early indications are that fewer hotels in the Houston area will be closed long term. There may be more hotel closures closer to the initial landfall in South Texas.

- **Hermine y/y impact:** We also noted easier comps from Hurricane Hermine's landfall this week in 2016 (which impacted demand along the Eastern U.S. during the week). Miami RevPAR was +13.1% for last week, Orlando was +13.3%, Tampa was +14.1%, and Atlanta was +11.7%.

For the month of August, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, \$63.67, Buy], Hyatt [H, \$58.98, Hold], or Marriott [\$101.80, Hold] US hotel) will finish at approximately +1% (higher than our previous estimate of +0.5% due to Hurricane Harvey demand lift). We estimate the overall US industry will finish approximately +2.0-2.5%. Please note that reported monthly results include hotels that are not in the weekly data set.

Color on last week's RevPAR results:

- **Luxury was the strongest chain scale:** Luxury RevPAR (+5.8%), Upper Upscale (+2.9%), Upscale (+3.6%), Upper Midscale (+4.0%), Midscale (+5.3%), and Economy (+2.3%). Independent hotels (+4.9%) outperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was softer than Transient (partly due to hurricane impact):** Transient segment (individual business and leisure travelers) RevPAR was +4.8% (vs. +4.9% last week) and Group segment RevPAR was -2.3% (vs. -1.8% last week).
- **Boston (+5.0%) led the top 5 markets:** Chicago (-1.3%); LA (+3.0%); NYC (+1.0%); Washington, D.C. (-1.0%).
- **Other relevant markets:**
 - **San Francisco was very positive:** RevPAR was +16.8% vs. +10.6% last week. We anticipate weak y/y results in San Francisco for 3Q due to the renovations at the Moscone Center.
 - **Miami (FX, Zika, new supply) was very positive (easy y/y comp due to Hurricane Hermine):** RevPAR was +13.1% vs. +5.4% last week.
 - **Texas results were up due to Hurricane Harvey:** Dallas RevPAR was +5.4% (vs. -0.7% last week). Houston RevPAR was +29.8% (vs. -9.4% last week).

The lodging and leisure stocks: As we have written in our last several reports, while the RevPAR trends are uninspiring, the good news is we believe companies are likely not going to miss their (uninspiring and intentionally conservative per some company conference calls) guided ranges. If nothing else, that has at least prevented the stocks from giving back most of their November and December gains, along with the continued hope (but fading by the day) that President Trump will eventually Make RevPAR Great Again, in our view. **There are several relative bright spots that we believe will continue to prevent hotel stock prices from significantly contracting:**

1. **Other sectors considered "uninvestable" by investors.** Investors tell us other sectors which historically were in their investment universe have become "uninvestable" due to threats from Amazon (AMZN, \$967.80, Buy, Squali) and the like. While we see Airbnb (private) as a threat to the hotel industry, we think the threat is nowhere near the magnitude of say Uber (private) vs. yellow cabs. A frequent comment we hear from investors when we discuss lackluster hotel fundamentals and expensive lodging stocks, most notably MAR vs. peers, is "Our other investment choices look far less attractive so we're sticking with our investments in lodging for now."
2. **Hotel REIT dividends are attractive and should be sustainable over the next year.** We believe unwillingness to have to go against a 6%+ dividend yield has kept investors from being overly negative (potentially shorting) the hotel REITS.

Houston Hotel Status

Company	Property	8/29/2017	9/1/2017	9/6/2017
Chesapeake Lodging Trust	No Geographical Exposure			
DiamondRock Hospitality Company	No Geographical Exposure			
FelCor Lodging Trust	Wyndham Houston - Medical Center	Open	Open	Open
Host Hotels & Resorts, Inc.	Houston Marriott - Texas Medical Center/Museum District	Closed	Open	Open
	JW Marriott Houston	Open, No New Reservations	Open	Open, No Availability
	St. Regis Houston	Open, No New Reservations	Open	Open
	Houston Airport Marriott at George Bush Intercontinental	Open	Open, No New Reservations	Open, Booked Until Further Notice
LaSalle Hotel Properties	No Geographical Exposure			
Park Hotels & Resorts, Inc.	No Geographical Exposure			
Ryman Hospitality Properties, Inc.	No Geographical Exposure			
Sunstone Hotel Investors	Hilton Houston North	Open	Open, No New Reservations	Open, Booked Until Further Notice
	Houston Marriott North	Closed	Open, Booked Through Week	Open, Booked Until October
RLJ Lodging Trust	Hyatt House Houston - Galleria	Open	Open, Booked Through Weekend	Open
	Residence Inn Houston - Galleria	Open	Open	Open, Booked Until Further Notice
	Courtyard Houston - Galleria	Closed	Open, Booked "Solid"	Open, Booked Until October
	Hampton Inn Houston - Galleria	Open	Open, 2 Rooms Open Tonight, Booked Through Weekend	Open, Booked For Next Two Weeks
	Residence Inn Houston - Sugar Land	Busy Signal	Open	Not Taking Reservations
	Courtyard Houston - Sugar Land	Busy Signal	Open, Completely Booked	Open, Completely Booked
	Courtyard Houston - Downtown/Convention Center	Open	Open	Open, Booked Next Few Days
	Residence Inn Houston - Downtown/Convention Center	Open	Open, Booked Until Middle September	Open, Booked Through Week
	SpringHill Suites Houston - Downtown/Convention Center	Open	Open, Booked Through Weekend	Open, Booked Through Friday
Downtown Big Box	Marriott Marquis Houston	Closed	Open	Open
	Hilton Americas-Houston	Open, No New Reservations	Open	Open

Source: STRH Research

Weekly RevPAR Summary

	YoY % change in RevPAR													
	U.S.	Upper Luxury		Upper Upscale		Inde- pendent		New						
									York	Boston	LA	Chicago	DC	
7/1/2017	6.8%	11.4%	8.0%	5.9%	5.9%	4.9%	3.4%	6.4%	6.0%	16.9%	10.3%	22.9%	21.3%	
7/8/2017	-2.0%	3.4%	-5.6%	-6.2%	-5.7%	-1.9%	-0.2%	2.2%	-4.4%	-7.1%	-2.8%	1.5%	-7.6%	
7/15/2017	1.6%	1.8%	1.7%	0.5%	0.8%	1.7%	1.6%	1.6%	-1.8%	5.7%	1.8%	-7.7%	11.9%	
7/22/2017	0.4%	0.3%	-1.3%	-1.3%	0.0%	0.7%	0.3%	1.7%	-1.8%	2.2%	0.3%	-13.6%	2.9%	
7/29/2017	1.5%	0.0%	-1.5%	0.2%	1.1%	2.0%	1.6%	3.7%	1.8%	-1.9%	-4.3%	-18.0%	8.7%	
8/5/2017	-0.8%	-0.7%	-1.8%	-0.8%	-0.6%	0.0%	-0.5%	-1.4%	-2.3%	5.7%	-3.3%	11.1%	-1.0%	
8/12/2017	2.2%	3.3%	2.1%	1.7%	1.3%	1.5%	1.2%	2.5%	-0.7%	-7.8%	0.8%	-7.9%	6.6%	
8/19/2017	3.5%	3.0%	1.7%	2.2%	3.5%	4.8%	4.1%	4.0%	2.2%	1.9%	-4.8%	2.4%	0.7%	
8/26/2017	6.3%	2.9%	2.7%	2.6%	7.6%	11.0%	9.3%	7.9%	-2.3%	5.9%	0.4%	-4.3%	-0.8%	
9/2/2017	4.3%	5.8%	2.9%	3.6%	4.0%	5.3%	2.3%	4.9%	1.0%	5.0%	3.0%	-1.3%	-1.0%	

Noisy results due to Hurricane
Harvey and y/y Hurricane comps

Luxury and Midscale led the industry

Boston and LA led the Top 5 markets

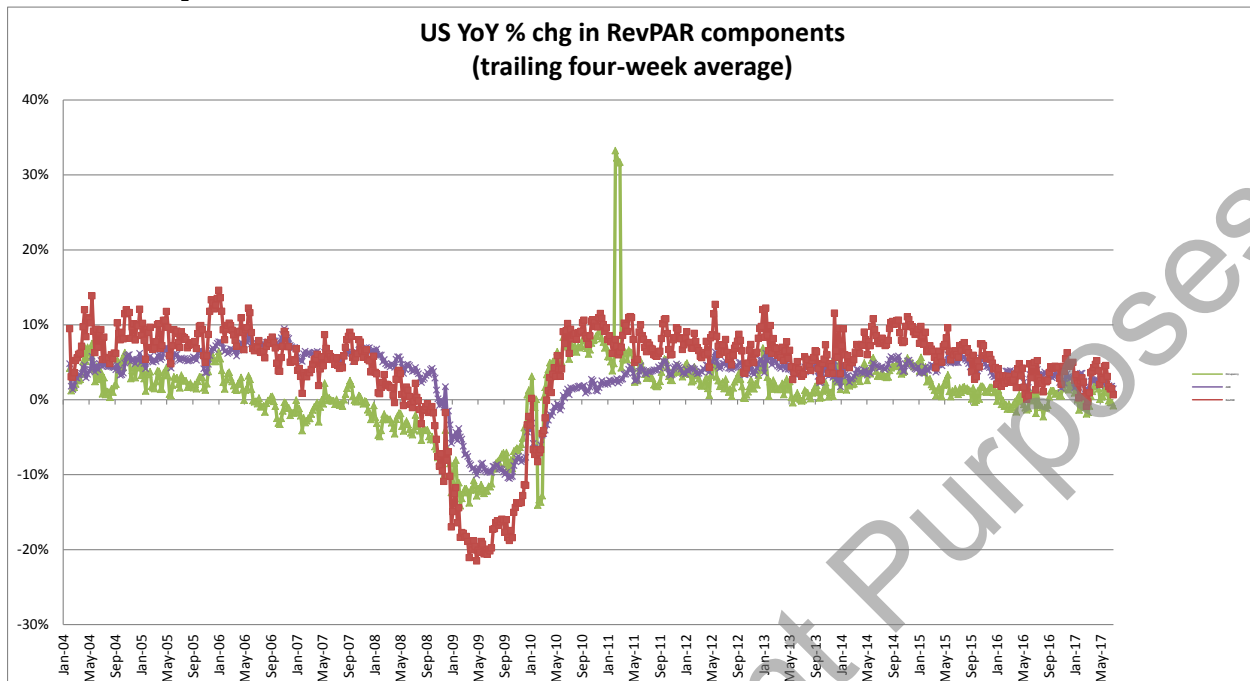
1Q15	8.0%	6.3%	6.0%	7.0%	8.5%	8.8%	9.2%	8.9%	-4.3%	13.8%	7.7%	11.4%	6.3%	
2Q15	6.5%	5.5%	5.4%	5.9%	6.3%	6.6%	6.7%	7.1%	-1.8%	7.1%	7.4%	11.0%	11.7%	
3Q15	5.9%	4.4%	4.0%	5.7%	5.7%	6.4%	6.1%	6.8%	0.6%	7.1%	11.1%	5.1%	0.3%	
4Q15	4.8%	2.7%	3.8%	4.2%	4.9%	3.7%	4.4%	5.9%	-2.0%	5.3%	8.3%	1.4%	2.1%	
1Q16	2.7%	1.6%	1.9%	2.2%	2.0%	0.0%	1.8%	4.0%	-1.2%	-3.0%	16.6%	-4.8%	3.1%	
2Q16	3.5%	0.8%	2.9%	3.1%	3.2%	3.2%	3.0%	4.2%	-4.5%	1.5%	11.1%	-1.0%	3.5%	
3Q16	3.3%	1.5%	2.5%	2.0%	1.8%	2.5%	3.0%	5.1%	-2.5%	-0.5%	9.3%	1.2%	5.5%	
4Q16	3.2%	1.9%	0.6%	1.2%	2.2%	3.9%	4.4%	5.1%	0.9%	-1.6%	6.9%	3.3%	8.0%	
1Q17	3.4%	2.1%	3.0%	1.0%	2.4%	3.5%	2.6%	5.2%	-1.3%	-1.1%	-2.5%	1.5%	16.1%	
2Q17	2.7%	2.3%	0.6%	0.6%	1.2%	2.4%	3.7%	5.1%	0.2%	4.4%	3.6%	0.8%	0.8%	

YoY % change in ADR														
	U.S.	Upper			Upper			Inde-	New					
		Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	York	Boston	LA	Chicago	DC	
7/1/2017	2.8%	5.4%	2.6%	2.6%	1.9%	1.3%	1.6%	2.2%	2.5%	9.4%	7.3%	10.6%	10.9%	
7/8/2017	1.1%	3.1%	-1.7%	-1.4%	-0.2%	1.3%	3.0%	2.7%	-7.0%	-0.9%	1.9%	1.5%	-4.6%	
7/15/2017	1.7%	1.7%	1.7%	1.1%	1.3%	1.5%	1.6%	1.8%	-2.6%	5.4%	4.4%	-5.5%	9.7%	
7/22/2017	0.5%	0.8%	-0.5%	-0.6%	0.3%	0.9%	0.6%	1.5%	-2.4%	4.0%	1.8%	-7.4%	2.7%	
7/29/2017	1.2%	0.1%	-1.0%	0.3%	1.2%	1.8%	1.8%	2.6%	0.2%	-0.3%	-0.3%	-11.5%	5.5%	
8/5/2017	0.7%	-0.4%	0.2%	0.4%	0.6%	1.1%	1.4%	0.5%	-3.3%	3.6%	-0.4%	8.4%	-0.5%	
8/12/2017	1.5%	-0.8%	0.9%	1.0%	1.0%	1.5%	1.6%	1.6%	-1.4%	-1.5%	1.6%	-3.2%	2.2%	
8/19/2017	2.1%	0.7%	2.1%	1.5%	2.1%	2.7%	2.9%	2.1%	0.0%	2.5%	-1.0%	3.2%	0.5%	
8/26/2017	3.2%	5.1%	2.5%	1.7%	3.6%	5.0%	4.8%	4.3%	-1.8%	4.5%	2.6%	-1.6%	-0.9%	
9/2/2017	2.1%	4.2%	1.4%	0.9%	1.1%	2.0%	2.3%	2.6%	-0.7%	2.6%	3.4%	-1.3%	-2.9%	
1Q15	4.7%	5.8%	4.7%	5.2%	4.7%	4.7%	5.5%	4.7%	-4.1%	7.3%	6.5%	7.1%	1.7%	
2Q15	4.8%	4.9%	4.8%	5.3%	4.6%	4.3%	5.4%	4.6%	-1.5%	6.8%	7.1%	9.2%	7.9%	
3Q15	4.5%	3.7%	3.6%	5.2%	4.4%	4.6%	5.0%	4.6%	0.3%	7.4%	9.6%	5.3%	-0.1%	
4Q15	3.6%	2.3%	3.0%	3.9%	3.5%	3.0%	4.2%	3.8%	-2.3%	3.9%	6.1%	2.3%	1.0%	
1Q16	3.2%	1.9%	2.7%	3.2%	2.6%	1.7%	3.3%	3.7%	-3.1%	1.4%	11.3%	-1.9%	1.1%	
2Q16	2.9%	1.5%	2.2%	2.9%	2.8%	2.7%	3.4%	3.0%	-3.1%	3.3%	9.4%	0.3%	2.1%	
3Q16	3.4%	1.5%	2.5%	2.7%	2.4%	3.1%	3.6%	4.4%	-2.7%	2.3%	7.5%	1.9%	3.5%	
4Q16	2.6%	2.1%	1.4%	2.2%	2.0%	2.2%	3.2%	3.8%	-1.2%	1.3%	5.8%	3.9%	4.1%	
1Q17	2.5%	2.3%	2.4%	1.3%	1.6%	1.8%	2.4%	3.5%	-2.2%	0.0%	-0.2%	1.7%	13.6%	
2Q17	2.2%	2.2%	1.2%	1.7%	1.5%	2.1%	2.3%	3.5%	-1.5%	4.1%	2.8%	1.5%	2.0%	

YoY % change in Occupancy														
	U.S.	Upper		Upper		Inde-			New					
		Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	York	Boston	LA	Chicago	DC	
7/1/2017	3.8%	5.7%	5.2%	3.3%	3.9%	3.5%	1.7%	4.1%	3.5%	6.9%	2.9%	11.1%	9.4%	
7/8/2017	-3.0%	0.3%	-4.0%	-4.9%	-5.5%	-3.2%	-3.2%	-0.5%	2.8%	-6.3%	-4.6%	0.0%	-3.2%	
7/15/2017	-0.1%	0.1%	0.0%	-0.6%	-0.5%	0.2%	0.0%	-0.2%	0.7%	0.3%	-2.6%	-2.3%	2.0%	
7/22/2017	-0.2%	-0.5%	-0.8%	-0.6%	-0.3%	-0.2%	-0.3%	0.2%	0.7%	-1.7%	-1.5%	-6.7%	0.2%	
7/29/2017	0.3%	-0.1%	-0.5%	-0.2%	0.0%	0.2%	-0.3%	1.0%	1.6%	-1.7%	-4.0%	-7.4%	3.1%	
8/5/2017	-1.5%	-0.3%	-1.9%	-1.1%	-1.2%	-1.1%	-1.9%	-1.9%	1.1%	2.0%	-2.9%	2.5%	-0.5%	
8/12/2017	0.7%	4.1%	1.1%	0.7%	0.3%	0.1%	-0.4%	0.9%	0.7%	-6.4%	-0.8%	-4.9%	4.3%	
8/19/2017	1.4%	2.3%	-0.4%	0.7%	1.4%	2.0%	1.2%	1.9%	2.2%	-0.5%	-3.9%	-0.8%	0.3%	
8/26/2017	3.0%	-2.0%	0.1%	0.9%	3.9%	5.8%	4.2%	3.5%	-0.5%	1.4%	-2.1%	-2.8%	0.1%	
9/2/2017	2.2%	1.6%	1.5%	2.7%	2.9%	3.2%	-0.1%	2.3%	1.7%	2.4%	-0.4%	0.0%	1.9%	
1Q15	3.1%	0.5%	1.3%	1.7%	3.6%	3.9%	3.5%	4.0%	-0.2%	6.1%	1.1%	4.0%	4.6%	
2Q15	1.6%	0.6%	0.5%	0.6%	1.7%	2.2%	1.3%	2.3%	-0.3%	0.3%	0.3%	1.7%	3.5%	
3Q15	1.4%	0.6%	0.4%	0.5%	1.3%	1.8%	1.0%	2.1%	0.2%	-0.3%	1.3%	-0.1%	0.4%	
4Q15	1.2%	0.4%	0.8%	0.2%	1.3%	0.6%	0.2%	2.1%	0.3%	1.4%	2.0%	-0.9%	1.1%	
1Q16	-0.5%	-0.3%	-0.8%	-0.9%	-0.6%	-1.7%	-1.5%	0.3%	2.0%	-4.3%	4.7%	-3.0%	2.0%	
2Q16	0.6%	-0.7%	0.7%	0.2%	0.4%	0.5%	-0.4%	1.2%	-1.4%	-1.7%	1.5%	-1.4%	1.3%	
3Q16	0.0%	0.0%	-0.1%	-0.6%	-0.6%	-0.6%	-0.6%	0.7%	0.3%	-2.8%	1.7%	-0.7%	1.9%	
4Q16	0.6%	-0.2%	-0.8%	-1.0%	0.2%	1.7%	1.2%	1.2%	2.2%	-2.8%	1.0%	-0.5%	3.7%	
1Q17	0.9%	-0.2%	0.6%	-0.3%	0.7%	1.6%	0.2%	1.6%	1.0%	-1.1%	-2.4%	-0.2%	2.2%	
2Q17	0.5%	0.1%	-0.6%	-1.1%	-0.3%	0.4%	1.4%	1.6%	1.7%	0.3%	0.8%	-0.7%	-1.2%	

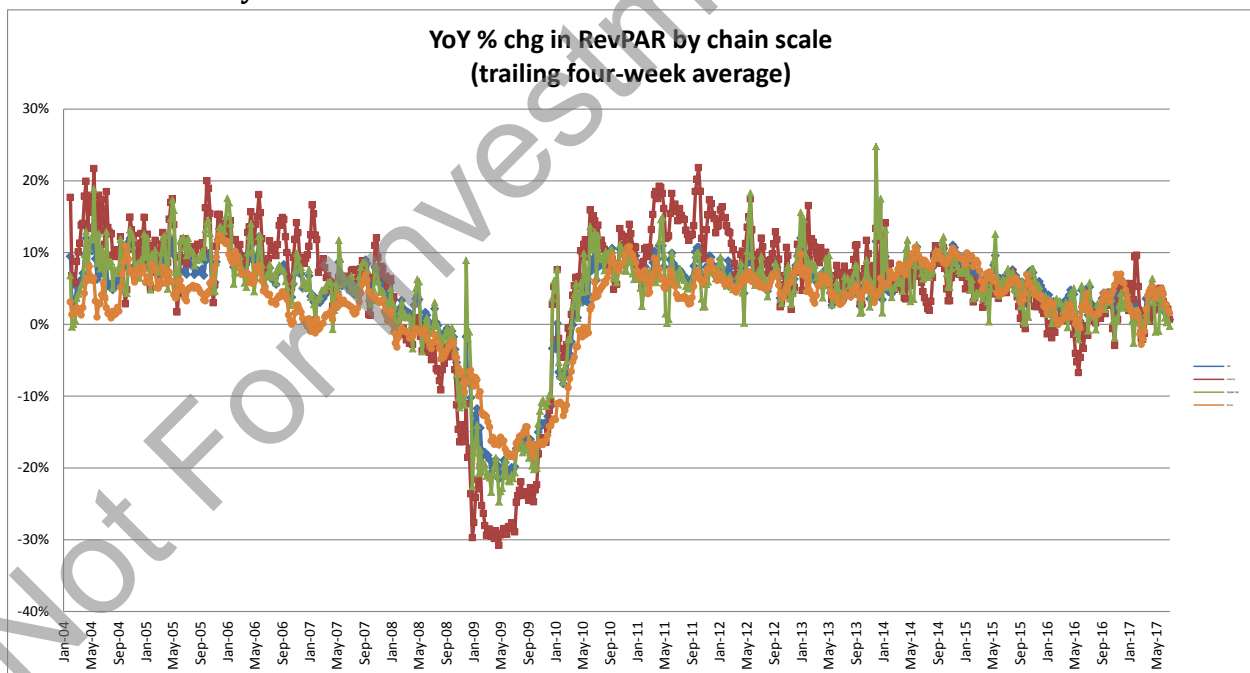
Source: STR data, STRH research

RevPAR Component Trends



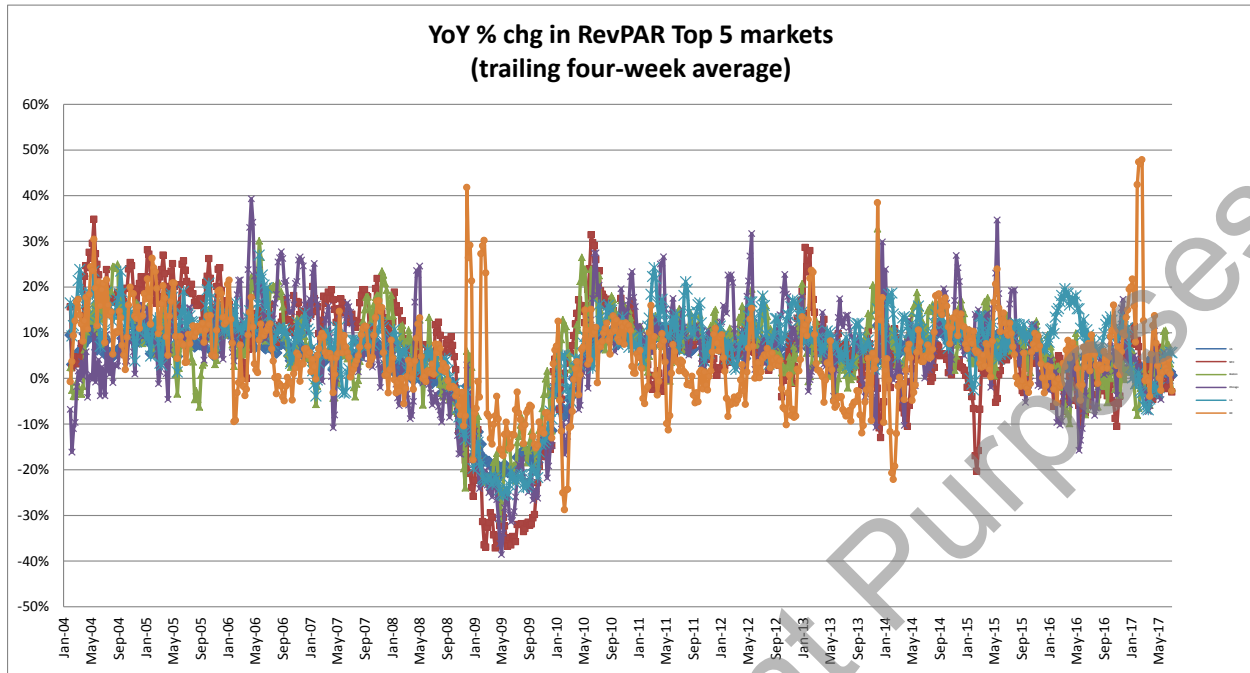
Source: STR data, STRH research

RevPAR Trends by Chain Scale



Source: STR data, STRH research

RevPAR Trends by Market



Source: STR data, STRH research

Price Target/Risks Summary

Lodging	TKR	Price 9/6/17	Rating	PT*	% upside down- side	2018E EBITDA (\$M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	\$25.25	Hold	\$23	-9%	\$183	12.0X	Upside risk: improvement in NY and Chicago markets Downside risk: softening of RevPAR trends in Boston or SF. Slowdown in real estate lending.
Choice Hotels	CHH	\$61.00	Hold	\$65	7%	\$321	13.5X	Upside risk: conservative guidance. Downside risk: big catalyst of special dividend already baked into the stock.
DiamondRock Hospitality	DRH	\$10.68	Hold	\$11	3%	\$254	11.5X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: company unable to locate properties to buy.
Host Hotels & Resorts	HST	\$17.98	Hold	\$19	6%	\$1,419	12.5X	Upside risk: the company increases dividends by more than expected; NYC outperforms or is sold down at attractive multiples Downside risk: Group underperforms. NYC hotels underperform and asset sales do not happen.
Hyatt Hotels	H	\$58.98	Hold	\$61	3%	\$777	12.2X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Hilton Grand Vacations	HGV	\$35.65	Buy	\$41	15%	\$408	10.9X	Downside risk: Disruption in a major market (HGV more concentrated than peers), issues with Japanese customer (HGV more exposed than peers), difficulty sourcing additional fee-for-service inventory deals Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
Hilton	HLT	\$63.67	Buy	\$67	5%	\$1,947	14.0X	Upside risk: further acceleration in returning capital to shareholders. Downside risk: trends continue to worsen in Greater China
InterContinental Hotels	IHG	\$49.14	Hold	\$51	4%	\$899	13.5X	Downside risk: membership base erosion as chum outstrips new timeshare sales
ILG	ILG	\$25.12	Buy	\$29	15%	\$368	10.8X	Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.
Lasalle Hotel Properties	LHO	\$28.14	Hold	\$26	-8%	\$320	12.5X	Upside Risk: Significant U.S macroeconomic improvement results in large recovery in transient corporate demand (and consequential >400 bps RevPAR improvement). Owned assets sell for premium prices relative to MAR expectations. Downside Risk: 2017 or 2018 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.
Marriott International	MAR	\$101.80	Hold	\$96	-6%	\$3,139	13.7X	Upside risk: Mix shift not an issue for margins, quicker execution/upsized of buyback program; Downside risk: inability to achieve development margin targets, inability to close asset sales or asset sales are done at lesser values than expected
Marriott Vacations	VAC	\$113.98	Hold	\$120	5%	\$296	10.4X	Upside risk: The downturn in the lodging cycle is short-lived and positive macroeconomic trends result in increasingly positive RevPAR growth and improved EBITDA. Downside risk: Significant supply growth and macroeconomic challenges/shocks.
Park Hotels & Resorts	PK	\$26.55	Hold	\$28	5%	\$741	12.0X	Upside risk: recovering group demand better than expected, better margin recovery.
Ryman Hospitality Properties	RHP	\$58.71	Hold	\$59	0%	\$385	12.3X	Downside risk: booking issues stickier than expected. Upside risk: valuation discount to peers.
Sunstone Hotel Investors	SHO	\$15.66	Hold	\$15	-4%	\$341	12.0X	Downside risk: San Diego, Boston, LA exposure. Insufficient ADR lift from Boston Park Plaza/Marriott Wailea Beach renovations.
Wyndham Worldwide Corp	WYN	\$97.61	Buy	\$112	15%	\$1,509	9.8X	Downside risk: the timeshare business is especially vulnerable to economic softness.

* All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2018 EBITDA

Source: FactSet, STRH research

Companies Mentioned in This Note

Amazon.com, Inc. (AMZN, \$967.80, Buy, Youssef Squali)
Choice Hotels International, Inc. (CHH, \$61.00, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, \$25.25, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$10.68, Hold, C. Patrick Scholes)
FelCor Lodging Trust Incorporated (FCH, \$7.30, NA,)
Hyatt Hotels Corporation (H, \$58.98, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$35.65, Buy, Bradford Dalinka)
Hilton Worldwide Holdings Inc. (HLT, \$63.67, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$17.98, Hold, C. Patrick Scholes)
InterContinental Hotels Group, PLC (IHG, \$49.14, Hold, C. Patrick Scholes)
ILG, Inc. (ILG, \$25.12, Buy, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, \$28.14, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$101.80, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, \$26.55, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$58.71, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$20.55, ,)
Sunstone Hotel Investors (SHO, \$15.66, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corp. (VAC, \$113.98, Hold, C. Patrick Scholes)
Wyndham Worldwide Corporation (WYN, \$97.61, Buy, C. Patrick Scholes)
Uber (private)
Airbnb (private)

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 \geq 15% (10% for low-Beta securities)***
- Reduce – total return \leq 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 09/07/2017):

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

© SunTrust Robinson Humphrey, Inc. 2017 . All rights reserved. Reproduction or quotation in whole or part without permission is forbidden.

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

Not For Investment Purposes