



Lodging — U.S. RevPAR +3.0% Y/Y Last Week; Easy Holiday Comp -- but Noisy Week

Easy holiday shift (Group: +7.8%) offset by hard y/y Hurricane Matthew comp

What's Incremental To Our View

Overall U.S. RevPAR was +3.0% y/y for the week ending 10/7/17, per STR, up from the prior week's result of +1.2%. (2-year stacked RevPAR was +3.9% vs. +4.7% in the prior week.) Upper Upscale (+3.9%) was the strongest chain scale; Independent hotels (+3.4%) outperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (+7.8% vs. -5.9% prior week) was stronger than Transient (+0.6% vs. +0.1% prior week). The headline RevPAR was positively impacted by the Jewish High Holidays calendar shift (easy y/y comp). However, the easy comp headline RevPAR was offset somewhat by the y/y impact from Hurricane Matthew (this is partly why the lower tier chain scales were not as positive as they would have been from just the holiday shift.) Positive hurricane-related impact from Harvey and Irma continued this week: Houston was +66.0%, Miami was +34.4%, Orlando was +32.8%, and Tampa was +3.1%. Hurricane Nate negatively impacted New Orleans (-25.8%).

As discussed last week: 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, \$66.75, Hold) post-Katrina in 2005). However, while RevPAR growth rates will likely go up for companies such as CHH and Wyndham (WYN, \$108.69, Buy) in 2017 and into the first half of 2018, we caution investors to remember this is one-time and not sustainable demand and will likely mean second-half 2018 and first-half 2019 RevPAR growth rates will be challenged by the tough y/y comp (See CHH in 2006).

Takeaways from the latest weekly results:

- This was an easy comp week due to the Jewish High Holidays calendar shift (negative impact to 3Q/positive impact to 4Q). The y/y impact from Hurricane Matthew (which led to evacuations in the Southeastern U.S. and increased hotel demand inland) offset what would have been a strong headline RevPAR result. Consequently, RevPAR was most positive for full-service hotels: Luxury was +3.3% and Upper Upscale was +3.9%. Due to the y/y hurricane impact from Matthew, the lower-tier chain scales were more modestly positive (Midscale +1.3% and Economy +0.6%). All chain scales were down on Thursday due to the y/y hurricane comp (US: -3.2%). The week ending 10/14 will also be an easier comp. For more granularity, please also see our [Fall Calendar Shift RevPAR Roadmap report](#).

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What's Inside

Weekly STR results and analysis

As a rule of thumb when analyzing the weekly data, if Group results are abnormally strong or weak, which they were last week, there is a holiday shift going on.

- **Harvey impact:** Houston RevPAR was +66.0% for the week compared with +55.6% last week. 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.** See further in this report for detail on Houston hotel performance by REIT.

Irma impact - Positive to the major Florida markets independent of the calendar shift:

Orlando +32.8%. Last week was +39.0%.

Tampa +3.1%. Last week was +16.9%.

Miami +34.4%. Last week was +6.9%. (Miami was less impacted by the hurricane and thus we expect the hurricane demand impact to be less than for Orlando and Tampa. However, it is likely that areas of south Miami-Dade that are closer to the Florida Keys will have outsized RevPAR gains. The majority of the hotels in this part of Miami are select- and limited-service and thus the ideal fit for hurricane displacement and relief worker demand.

[Please see the attached STR note for a deep-dive on the Irma impact](#) (starting on page 3).

- **Nate impact:** This storm made landfall on October 8 first in eastern Louisiana and later that day near Biloxi, MS. New Orleans RevPAR was -25.8%. Last week was -21.2%. While New Orleans did not receive much direct hurricane impact, the storm resulted in more damage further east along the Gulf Coast.

Color on last week's RevPAR results:

- **Upper Upscale was the strongest chain scale:** Luxury RevPAR (+3.3%), Upper Upscale (+3.9%), Upscale (+1.7%), Upper Midscale (+2.1%), Midscale (+1.3%), and Economy (+0.6%). Independent hotels (+3.4%) outperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was stronger than Transient (largely due to the holiday shift):** Transient segment (individual business and leisure travelers) RevPAR was +0.6% (vs. +0.1% last week) and Group segment RevPAR was +7.8% (vs. -5.9% last week).
- **Chicago (+6.4%) led the top 5 markets:** Boston (+5.5%); LA (+1.6%); NYC (+1.2%); and Washington, D.C. (-15.0%).
- **Other relevant markets:**
 - **San Francisco was down:** RevPAR was -9.3% vs. -4.5% last week. We anticipate weak y/y results in San Francisco for 4Q due to the renovations at the Moscone Center (although less bad than 2Q/3Q).
 - **Texas results were mixed:** Dallas RevPAR was -4.8% (vs. +6.8% last week). Houston RevPAR was +66.0% (vs. +55.6% 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, \$987.20, 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 (\$114.08, Hold) 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, in our view, and should be sustainable over the next year.** We believe an unwillingness to have to go against a 6%+ dividend yield has kept investors from being overly negative (potentially shorting) the hotel REITS.

Not For Investment Purposes

Houston Hotel Status

Company	Property	8/29/2017	9/1/2017	9/6/2017	9/12/2017	10/3/2017
Chesapeake Lodging Trust	No Geographical Exposure					
DiamondRock Hospitality Company	No Geographical Exposure					
FelCor Lodging Trust	Wyndham Houston - Medical Center	Open	Open	Open	Open	Open
Host Hotels & Resorts, Inc.	Houston Marriott - Texas Medical Center/Museum District	Closed	Open	Open	Open, No Availability	Booked Tonight, Some Openings Rest of Week
	JW Marriott Houston	Open, No New Reservations	Open	Open, No Availability	Open, About 5 Rooms Left	Booked Through Week
	St. Regis Houston	Open, No New Reservations	Open	Open	Open, No Availability	Open, Booked Tonight, Some Openings Rest of Week
	Houston Airport Marriott at George Bush Intercontinental	Open	Open, No New Reservations	Open, Booked Until Further Notice	Open, Booked Until Further Notice	Open
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	Open, Booked Until Further Notice	Open
	Houston Marriott North	Closed	Open, Booked Through Week	Open, Booked Until October	Open, Booked Until Further Notice	Booked Until Friday
RLJ Lodging Trust	Hyatt House Houston - Galleria	Open	Open, Booked Through Weekend	Open	Open, No Availability	Open, No Availability
	Residence Inn Houston - Galleria	Open	Open	Open, Booked Until Further Notice	Open, 1 Room Available	Booked Through Week
	Courtyard Houston - Galleria	Closed	Open, Booked "Solid"	Open, Booked Until October	Open, Booked Until Weekend	Booked Until Thursday
	Hampton Inn Houston - Galleria	Open	Open, 2 Rooms Open Tonight, Booked Through Weekend	Open, Booked For Next Two Weeks	Open, Booked Until Weekend	Booked Tonight, Some Openings Rest of Week
	Residence Inn Houston - Sugar Land	Busy Signal	Open	Not Taking Reservations	Open, One Room Available	Booked Until Friday
	Courtyard Houston - Sugar Land	Busy Signal	Open, Completely Booked	Open, Completely Booked	Open, No Availability	Booked Tonight, Open Rest of Week
	Courtyard Houston - Downtown/Convention Center	Open	Open	Open, Booked Next Few Days	Open, No Availability	Booked Tonight, Open Rest of Week
	Residence Inn Houston - Downtown/Convention Center	Open	Open, Booked Until Middle September	Open, Booked Through Week	Open, Booked for Next Few Days	Booked Until Friday
	SpringHill Suites Houston - Downtown/Convention Center	Open	Open, Booked Through Weekend	Open, Booked Through Friday	Open, Booked for the Night	Some Openings Tonight, Booked Remainder of Week
Downtown Big Box	Marriott Marquis Houston	Closed	Open	Open	Open	Some Openings Tonight and Wednesday
	Hilton Americas-Houston	Open, No New Reservations	Open	Open	Open, No Availability	Booked Tonight, Some Openings Rest of Week

Source: STRH Research

Weekly RevPAR Summary

YoY % change in RevPAR														
	U.S.	Upper Luxury		Upscale	Upper Midscale		Midscale	Economy	Inde- pendent	New York Boston LA Chicago DC				
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%	
9/9/2017	3.7%	2.3%	1.4%	3.4%	5.7%	9.5%	8.1%	1.2%	-0.3%	6.8%	2.2%	4.6%	2.8%	
9/16/2017	1.8%	0.6%	-1.9%	0.7%	3.6%	7.6%	8.7%	0.6%	2.3%	-6.2%	3.4%	-7.9%	-6.4%	
9/23/2017	-2.5%	-10.4%	-6.9%	-2.1%	1.5%	3.4%	2.5%	-3.6%	-7.2%	-18.5%	-7.3%	-16.1%	-17.5%	
9/30/2017	1.2%	-4.6%	-0.5%	1.7%	2.1%	3.6%	2.4%	1.2%	-1.8%	0.7%	-6.0%	-1.0%	0.0%	
10/7/2017	3.0%	3.3%	3.9%	1.7%	2.1%	1.3%	0.6%	3.4%	1.2%	5.5%	1.6%	6.4%	-15.0%	

Jewish High Holidays calendar shift

Upper Upscale and Luxury led the industry

Chicago and Boston 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%

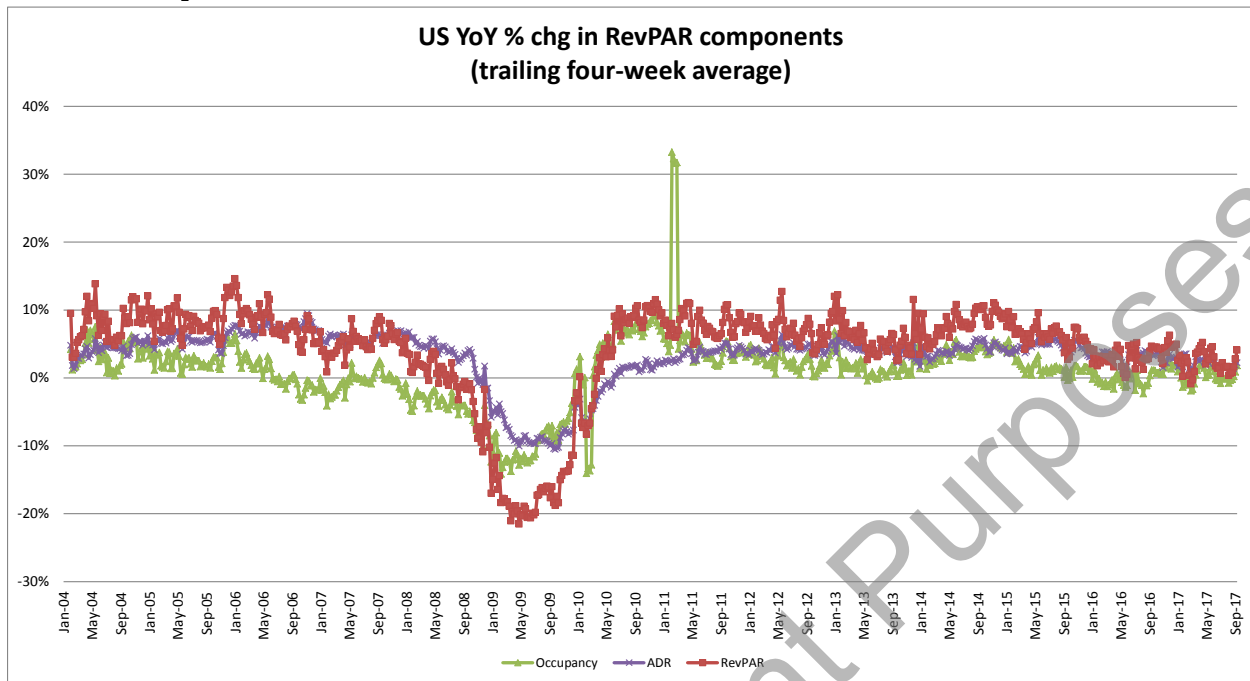
YoY % change in ADR													
	U.S.	Upper		Upper		Inde-		New					
		Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	York	Boston	LA	Chicago	DC
9/2/2017	2.1%	4.2%	1.4%	0.9%	1.1%	2.0%	2.3%	2.6%	-0.7%	2.6%	3.4%	-1.3%	-2.9%
9/9/2017	1.6%	3.4%	1.2%	1.9%	2.1%	3.8%	4.4%	0.6%	-1.5%	1.7%	3.6%	4.3%	-0.7%
9/16/2017	1.4%	4.4%	0.9%	2.1%	2.2%	3.7%	4.8%	0.7%	-0.2%	-2.3%	4.6%	-5.4%	-2.5%
9/23/2017	-1.9%	-3.2%	-4.2%	-1.3%	0.2%	1.9%	2.6%	-1.8%	-5.6%	-11.0%	-1.1%	-8.7%	-10.4%
9/30/2017	0.8%	0.3%	-0.1%	1.3%	0.6%	1.8%	2.8%	1.0%	-2.4%	0.9%	0.5%	0.8%	1.9%
10/7/2017	2.0%	-1.7%	1.4%	0.9%	1.4%	1.6%	3.0%	1.9%	0.5%	3.7%	4.4%	5.5%	-10.9%

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	
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%	
9/9/2017	2.1%	-1.0%	0.3%	1.4%	3.5%	5.5%	3.6%	0.6%	1.2%	5.0%	-1.3%	0.3%	3.5%	
9/16/2017	0.5%	-3.7%	-2.8%	-1.4%	1.4%	3.8%	3.7%	-0.2%	2.5%	-3.9%	-1.2%	-2.7%	-4.0%	
9/23/2017	-0.7%	-7.5%	-2.8%	-0.9%	1.3%	1.5%	0.0%	-1.8%	-1.7%	-8.4%	-6.3%	-8.1%	-7.9%	
9/30/2017	0.4%	-4.9%	-0.5%	0.3%	1.5%	1.7%	-0.4%	0.2%	0.6%	-0.2%	-6.5%	-1.9%	-1.9%	
10/7/2017	0.9%	5.1%	2.4%	0.8%	0.7%	-0.3%	-2.3%	1.5%	0.6%	1.8%	-2.7%	0.9%	-4.7%	
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%	

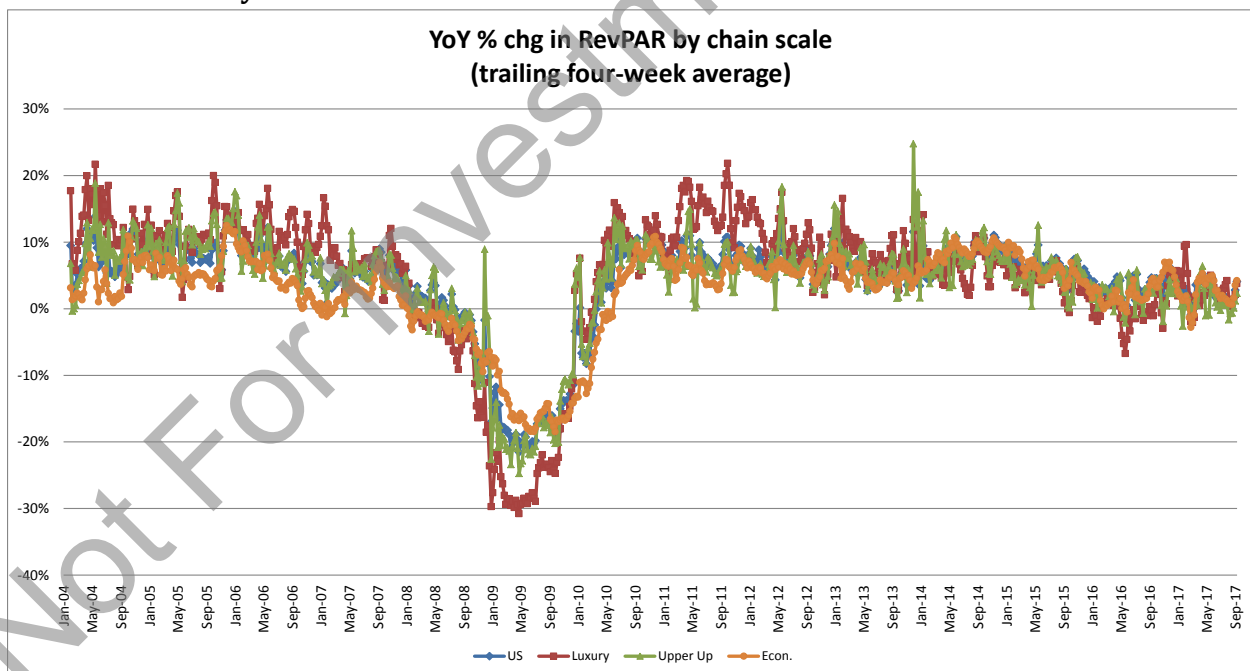
Source: STR data, STRH research

RevPAR Component Trends



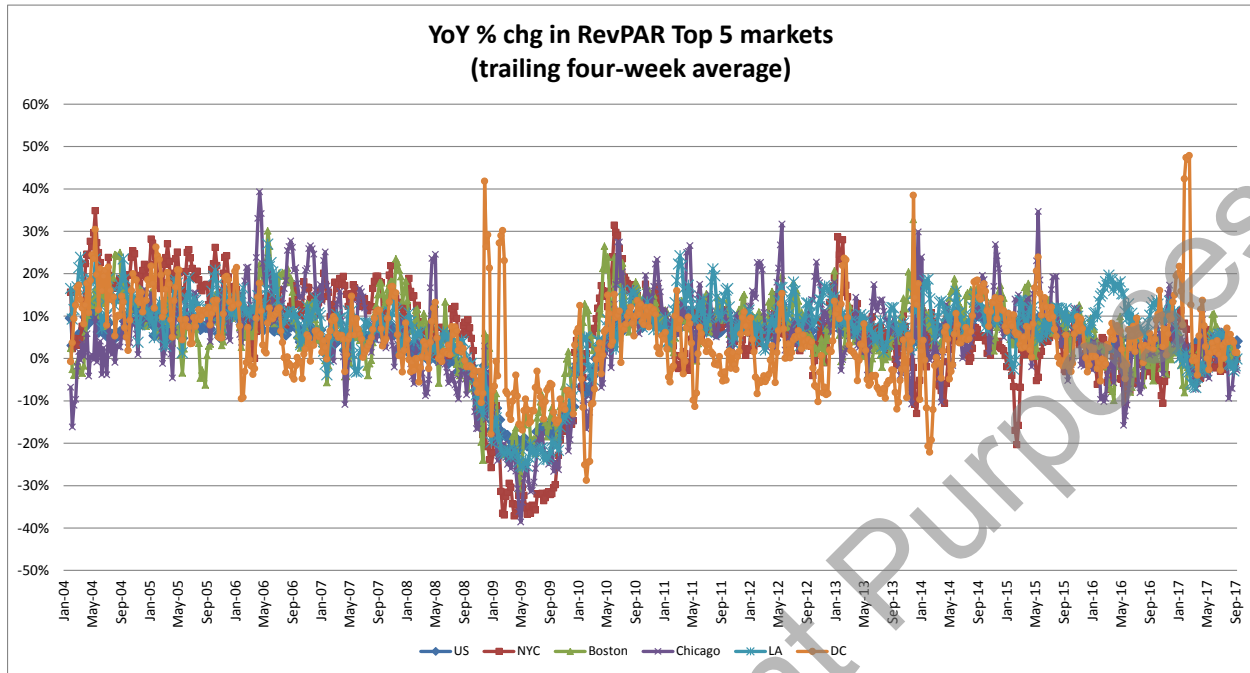
Source: STR data, STRH research

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 10/10/17	Rating	PT*	% upside down- side	2018E EBITDA (\$M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	\$27.88	Hold	\$23	-18%	\$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	\$66.75	Hold	\$65	-3%	\$321	13.5X	Upside risk: conservative guidance. Downside risk: big catalyst of special dividend already baked into the stock.
DiamondRock Hospitality	DRH	\$11.02	Hold	\$11	0%	\$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	\$18.55	Hold	\$19	2%	\$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	\$61.38	Hold	\$61	-1%	\$777	12.2X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Hilton Grand Vacations	HGV	\$39.36	Buy	\$41	4%	\$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
Hilton	HLT	\$69.92	Buy	\$67	-4%	\$1,947	14.0X	Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
InterContinental Hotels	IHG	\$54.23	Hold	\$51	-6%	\$899	13.5X	Upside risk: further acceleration in returning capital to shareholders. Downside risk: trends continue to worsen in Greater China
ILG	ILG	\$29.12	Buy	\$29	0%	\$368	10.8X	Downside risk: membership base erosion as churn outstrips new timeshare sales
Lasalle Hotel Properties	LHO	\$29.75	Hold	\$26	-13%	\$320	12.5X	Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.
Marriott International	MAR	\$114.08	Hold	\$96	-16%	\$3,139	13.7X	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 Vacations	VAC	\$125.69	Hold	\$120	-5%	\$295	10.4X	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
Park Hotels & Resorts	PK	\$28.00	Hold	\$28	0%	\$741	12.0X	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.
Ryman Hospitality Properties	RHP	\$64.08	Hold	\$59	-8%	\$385	12.3X	Upside risk: recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	\$16.32	Hold	\$15	-8%	\$341	12.0X	Upside risk: valuation discount to peers. Downside risk: San Diego, Boston, LA exposure. Insufficient ADR lift from Boston Park Plaza/Marriott Wailea Beach renovations.
Wyndham Worldwide Corp	WYN	\$108.69	Buy	\$112	3%	\$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, \$987.20, Buy, Youssef Squali)
Choice Hotels International, Inc. (CHH, \$66.75, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, \$27.88, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$11.02, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$61.38, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$39.36, Buy, Bradford Dalinka)
Hilton Worldwide Holdings Inc. (HLT, \$69.92, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$18.55, Hold, C. Patrick Scholes)
InterContinental Hotels Group, PLC (IHG, \$54.23, Hold, C. Patrick Scholes)
ILG, Inc. (ILG, \$29.12, Buy, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, \$29.75, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$114.08, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, \$28.00, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$64.08, Hold, C. Patrick Scholes)
Sunstone Hotel Investors (SHO, \$16.32, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corp. (VAC, \$125.69, Hold, C. Patrick Scholes)
Wyndham Worldwide Corporation (WYN, \$108.69, Buy, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$21.86, Not Rated)
Uber (private)
Airbnb (private)

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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.

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S = Sell

D = Drop Coverage

CS = Coverage Suspended

NR = Not Rated

I = Initiate Coverage

T = Transfer Coverage

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- 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

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