



## Lodging - US RevPAR -2.4% Y/Y Last Week; Noisy comps from 2017 hurricanes

Many major markets with significantly positive or negative results

### What's Incremental To Our View

Overall U.S. RevPAR was -2.4% Y/Y for the week ending 9/8/2018, per STR, worse than the prior week's result of +4.6%. Independent hotels (about 1/3rd of the data set) were +1.7% y/y. Luxury (+1.1%) was the "strongest" chain scale for branded hotels; Midscale was the weakest at (-7.3%). Upper Midscale (-6.8%) underperformed the overall US hotel industry average. Within Upper Upscale & Luxury class hotels, Group (+0.0% vs. +5.7% prior week) was similar to Transient (-0.1% vs. +3.2% prior week).

Last week's data reflected significant noise due to the y/y comps from the 2017 hurricanes. Major markets were impacted as noted below.

### RevPAR details:

- **Luxury was the "strongest" chain scale.** Upper Midscale and Midscale underperformed by 790 bps and 840 bps, respectively: Luxury RevPAR (+1.1%), Upper Upscale (-2.2%), Upscale (-4.4%), Upper Midscale (-6.8%), Midscale (-7.3%), and Economy (-5.6%). Independent hotels (+1.7%) outperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was similar to Transient:** Transient segment (individual business and leisure travelers) RevPAR was -0.1% (vs. +3.2% last week) and Group segment RevPAR was +0.0% (vs. +5.7% last week).
- **Boston (+12.5%) was the strongest of the top five markets:** Chicago (-11.9%), LA (-5.9%), NYC (-3.4%), and DC (-4.3%).
- **Other relevant markets:**
  - **San Francisco was moderately positive:** RevPAR was +3.0% vs. -4.7% last week. We anticipate y/y comps will be relatively easy in 3Q as the Moscone Convention Center's North and South halls were closed from April to August 2017.
  - **Texas results were significantly negative (y/y hurricane comps):** Dallas RevPAR was -10.7% (vs. -16.2% last week). Houston RevPAR was -53.6% (vs. -19.2% last week). [Note that FEMA ended financial assistance for some Texans in Houston hotels on July 1st.](#)

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### What's Inside

Weekly STR results and analysis

- **Hurricane-impacted markets in FL were mixed:** Miami (+46.0% vs. -2.4% last week); Orlando (-12.4% vs. +12.1% last week).
- **Oahu results were modestly positive. We continue to believe that there is insufficient evidence (so far) to suggest a major demand shift from the volcano eruption on the Big Island.** Oahu was +2.0% vs. +1.8% running 28 days. Comparatively, U.S. Resort RevPAR was +7.7% last week vs. +5.4% running 28 days. [As we previously noted](#), we believe some of the Big Island hotel demand that chooses to stay on another island may be more likely to stay on Maui or Kauai due to the comparable destination appeal and less likely to stay in/near Waikiki (where the majority of Oahu hotel supply is based). **Please note that the comparison of Oahu to U.S. Resorts will be noisier in future weeks due in some respects to the impact of Hurricane Irma (Orlando in particular has numerous resorts that received displaced Floridians and tourists).**
  - We believe a bigger test for the Big Island is forthcoming as potential Hawaii travelers determine whether to stay on the Big Island or adjust their travels elsewhere. Many vacationers plan a Hawaii vacation well in advance and it is possible we have yet to see in the data a more measurable impact from potential travelers who decided after the volcano news to avoid staying on the Big Island.
  - On a positive note, [Norwegian Cruise Line \(NCLH, Buy\)](#) resumed calls to the Big Island in mid-June. Additionally, [some tour operators appear to be adjusting itineraries in light of the volcano disruption](#), which could alleviate some travelers concerns about staying on the island.
  - In part due to the general strength of the Oahu market (particularly in terms of occupancy), it is difficult for us to determine the measurability of impact from demand that is choosing to stay on Oahu from the Big Island. [STR noted similarly in an article on HotelNewsNow published on June 18th](#). That being said, we do not have granular data on the Maui and Kauai markets where we believe the greatest demand shift (on a relative basis) is most likely to occur.

**The stocks: We continue to favor C-Corps over hotel REITS (we favored hotel REITS for the first half of this year). [In an environment of low RevPAR growth combined with gradually increasing wages/margin pressures, returns for hotel owners is a major headwind to EBITDA growth](#).** Hotel stocks, but especially hotel REIT stocks, typically work best when there is a spark to RevPAR growth and at this moment we are not seeing such sparks like we did earlier in the year. **We are more favorable on other sectors at the moment, namely cruise lines.**

- For the C-Corps, HLT and [Playa Hotels \(PLYA, Buy\)](#) are among our favorites and for the hotel REITS, given its opportunities for self-help margin improvement, we prefer buy-rated Park (PK, Buy). For the rest of the hotel REITS, following the first half outperformance, we struggle to derive any material upside to the stocks even when running pro-forma targets with 5% higher EBITDA and giving valuation multiple expansion.
- The (relatively) good news for the hotel REITS is that historically 10 (or less) years into an economic cycle these were stocks that crashed & burned. At this juncture in our RevPAR intelligence there is nothing to suggest a late cycle “crash & burn” scenario is on the horizon over the next year. Additionally for the hotel REITS, we do not see dividend cuts on the horizon and for 2019 many are heavily exposed to what will likely be the strongest market in the country, San Francisco.

## Weekly RevPAR Summary

YoY % change in RevPAR												
	U.S.	Upper		Upper		Economy		Inde-	New			
		Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	York	Boston	LA	Chicago
6/23/2018	3.0%	5.1%	3.7%	2.5%	1.7%	1.6%	1.7%	2.8%	11.5%	5.3%	2.4%	6.6%
6/30/2018	5.2%	4.8%	7.1%	5.8%	4.5%	4.5%	2.4%	4.0%	9.8%	3.1%	2.2%	12.3%
7/7/2018	-2.0%	0.9%	-2.7%	-3.8%	-3.8%	-1.4%	-0.9%	-1.1%	0.8%	-18.1%	2.9%	-17.3%
7/14/2018	-0.4%	-1.3%	-1.5%	-1.1%	-0.8%	0.4%	0.2%	-0.1%	-3.7%	-2.3%	-3.3%	5.5%
7/21/2018	3.0%	4.6%	3.9%	2.1%	1.9%	2.2%	2.7%	2.6%	2.1%	-5.4%	4.7%	21.2%
7/28/2018	4.2%	6.4%	5.6%	3.4%	3.7%	3.9%	4.0%	3.0%	5.6%	8.7%	3.3%	14.0%
8/4/2018	4.1%	6.4%	4.8%	3.0%	2.9%	3.7%	3.3%	4.2%	0.5%	12.0%	3.9%	15.2%
8/11/2018	5.1%	4.8%	4.8%	3.5%	3.5%	5.4%	5.6%	6.2%	6.5%	3.4%	-0.1%	16.1%
8/18/2018	2.5%	6.5%	3.2%	2.1%	0.7%	1.1%	1.3%	2.1%	6.2%	4.0%	3.7%	5.5%
8/25/2018	1.8%	5.0%	4.0%	3.3%	-1.2%	-1.9%	-1.3%	1.1%	3.1%	0.5%	3.3%	15.4%
9/1/2018	4.6%	2.7%	3.8%	4.5%	3.6%	2.7%	4.2%	5.7%	2.4%	7.2%	1.9%	3.4%
9/8/2018	-2.4%	1.1%	-2.2%	-4.4%	-6.8%	-7.3%	-5.6%	1.7%	-3.4%	12.5%	-5.9%	-11.9%

Noisy/yr comp due to Hurricanes

Luxury and Midscale led the industry

Boston and NYC led the Top 5 markets

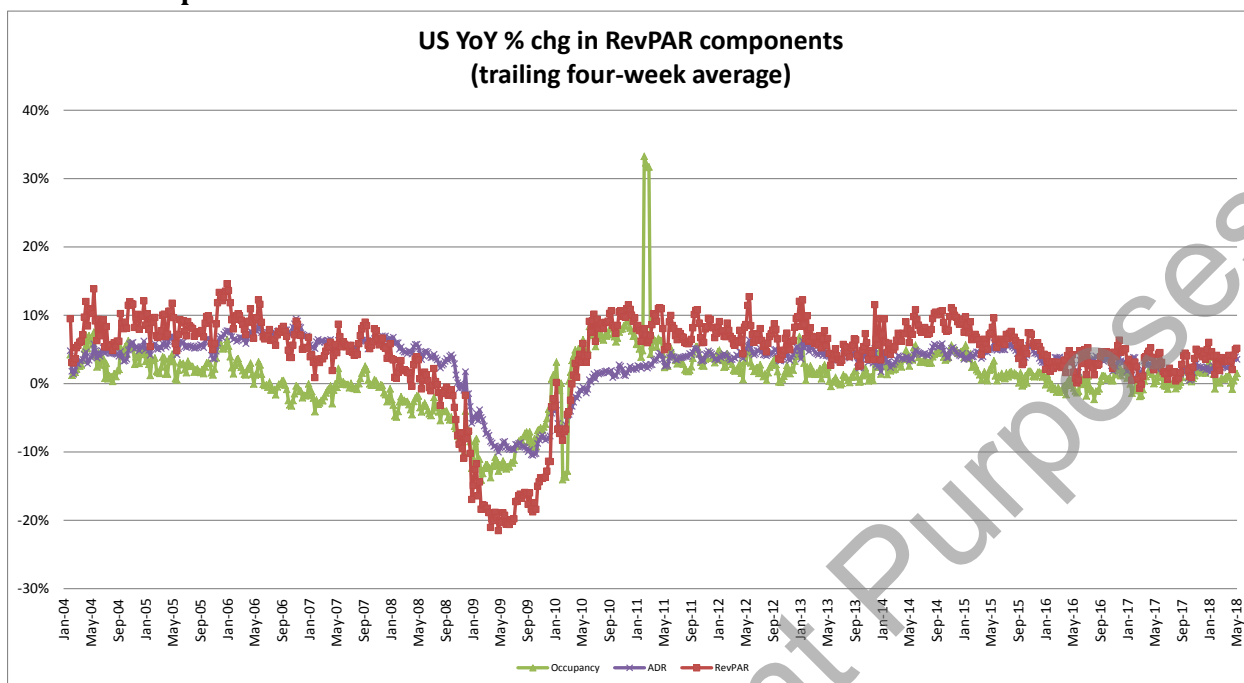
1Q15	8.0%	6.3%	6.0%	7.0%	8.5%	8.8%	9.2%	8.9%	-4.3%	13.8%	7.7%	11.4%	6.3%
2Q15	6.5%	5.5%	5.4%	5.9%	6.3%	6.6%	6.7%	7.1%	-1.8%	7.1%	7.4%	11.0%	11.7%
3Q15	5.9%	4.4%	4.0%	5.7%	5.7%	6.4%	6.1%	6.8%	0.6%	7.1%	11.1%	5.1%	0.3%
4Q15	4.8%	2.7%	3.8%	4.2%	4.9%	3.7%	4.4%	5.9%	-2.0%	5.3%	8.3%	1.4%	2.1%
1Q16	2.7%	1.6%	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%
3Q17	1.9%	0.5%	-0.7%	0.7%	1.8%	3.5%	2.9%	3.1%	-0.9%	-0.2%	-1.2%	-5.0%	-0.6%
4Q17	4.2%	4.5%	3.2%	3.8%	3.9%	3.7%	3.7%	4.1%	0.8%	3.7%	4.2%	-2.5%	2.2%
1Q18	3.5%	6.6%	0.9%	2.2%	3.0%	3.8%	5.3%	3.8%	7.1%	2.6%	2.7%	5.8%	-11.0%
2Q18	4.0%	4.9%	3.4%	2.8%	3.0%	4.1%	3.1%	4.6%	4.2%	-1.2%	0.6%	4.0%	3.1%

YoY % change in ADR												
	U.S.	Upper		Upper		Economy		Inde-	New			
		Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	York	Boston	LA	Chicago
6/23/2018	2.9%	3.5%	3.4%	2.4%	1.7%	1.7%	2.2%	3.0%	9.8%	3.7%	2.3%	6.4%
6/30/2018	3.1%	1.6%	4.5%	3.2%	2.4%	1.8%	1.4%	2.4%	8.0%	3.5%	0.9%	8.3%
7/7/2018	1.1%	3.4%	1.3%	1.0%	0.3%	0.9%	1.3%	1.1%	1.7%	-9.5%	1.7%	-7.8%
7/14/2018	1.2%	1.4%	0.9%	0.9%	0.8%	1.6%	1.8%	1.3%	0.0%	-0.6%	-2.3%	6.2%
7/21/2018	2.6%	4.6%	3.4%	2.3%	1.7%	1.6%	2.5%	2.1%	2.9%	-3.7%	3.0%	13.9%
7/28/2018	2.9%	4.6%	3.6%	2.3%	2.3%	2.0%	2.7%	2.5%	4.4%	4.7%	2.4%	10.1%
8/4/2018	3.1%	4.4%	2.9%	2.5%	2.1%	2.5%	3.4%	2.8%	1.4%	6.8%	2.3%	11.0%
8/11/2018	3.0%	4.8%	3.0%	2.9%	2.3%	2.6%	3.2%	2.9%	4.6%	1.3%	0.0%	10.6%
8/18/2018	2.2%	4.7%	2.0%	2.3%	1.0%	1.1%	1.4%	1.6%	3.9%	2.6%	2.4%	6.0%
8/25/2018	1.8%	1.4%	2.3%	2.4%	0.2%	0.0%	0.2%	0.9%	2.5%	0.9%	1.2%	8.9%
9/1/2018	3.0%	1.6%	2.6%	3.3%	2.9%	2.3%	2.4%	2.9%	1.4%	4.9%	1.7%	3.3%
9/8/2018	1.0%	0.4%	0.1%	-0.6%	-0.6%	-0.8%	-1.0%	2.6%	-2.0%	8.2%	-1.0%	-6.4%
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%
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%
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%
4Q15	3.6%	2.3%	3.0%	3.9%	3.5%	3.0%	4.2%	3.9%	-0.9%	3.3%	6.1%	2.3%
1Q16	3.2%	1.2%	1.7%	3.2%	1.7%	1.7%	3.2%	3.7%	-3.1%	1.4%	11.3%	-1.9%
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%
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%
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%
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%
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%
3Q17	1.4%	1.4%	0.2%	0.8%	1.2%	1.9%	2.4%	2.2%	-2.0%	0.8%	1.8%	-2.4%
4Q17	2.4%	2.2%	1.9%	1.8%	1.8%	2.5%	3.4%	2.1%	-0.2%	0.8%	4.6%	-2.0%
1Q18	2.5%	4.5%	1.0%	1.7%	2.0%	3.0%	4.0%	3.1%	3.5%	-1.0%	4.0%	1.4%
2Q18	2.9%	3.5%	2.9%	2.4%	2.1%	2.6%	2.7%	3.1%	3.7%	-0.1%	2.1%	3.3%

YoY % change in Occupancy												
	U.S.	Upper		Upper		Economy		Inde-	New			
		Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	York	Boston	LA	Chicago
6/23/2018	0.1%	1.6%	0.3%	0.1%	0.0%	-0.1%	-0.6%	-0.2%	1.6%	1.6%	0.1%	0.1%
6/30/2018	2.1%	3.2%	2.4%	2.5%	2.1%	2.6%	1.0%	1.6%	1.6%	-0.4%	1.3%	3.6%
7/7/2018	-3.1%	-2.4%	-3.9%	-4.7%	-4.1%	-2.3%	-2.1%	-2.2%	-0.8%	-9.5%	1.2%	-10.3%
7/14/2018	-1.6%	-2.7%	-2.4%	-2.0%	-1.6%	-1.2%	-1.5%	-1.4%	-3.7%	-1.6%	-1.0%	-0.6%
7/21/2018	0.4%	0.1%	0.5%	-0.2%	0.1%	0.5%	0.2%	0.5%	-0.8%	-1.8%	1.6%	6.4%
7/28/2018	1.3%	1.8%	1.9%	1.0%	1.4%	1.8%	1.3%	0.5%	1.2%	3.8%	0.9%	3.8%
8/4/2018	1.0%	1.8%	1.9%	0.5%	0.7%	1.2%	-0.1%	1.3%	-0.8%	4.8%	1.5%	3.8%
8/11/2018	2.0%	-0.1%	1.7%	0.6%	1.1%	2.7%	2.3%	3.1%	1.7%	2.1%	-0.1%	5.0%
8/18/2018	6.3%	1.7%	1.2%	-0.2%	-0.3%	0.0%	0.0%	0.4%	2.2%	1.4%	1.2%	-0.4%
8/25/2018	0.0%	3.5%	1.6%	0.9%	-1.4%	-1.9%	-1.5%	0.1%	0.6%	-0.4%	2.1%	6.0%
9/1/2018	1.6%	1.1%	1.3%	1.1%	0.7%	0.4%	1.7%	2.7%	1.1%	2.2%	0.2%	0.1%
9/8/2018	-3.5%	0.7%	-2.3%	-3.8%	-6.2%	-6.6%	-4.6%	-0.9%	-1.4%	4.0%	-4.9%	-5.8%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
3Q17	0.5%	-0.9%	-0.9%	-0.1%	0.6%	1.6%	0.5%	0.9%	1.1%	-1.0%	-2.9%	-2.7%
4Q17	1.8%	2.2%	1.3%	2.0%	2.1%	1.2%	0.3%	2.0%	1.0%	2.8%	-0.3%	-0.5%
1Q18	0.9%	2.1%	0.0%	0.5%	1.1%	0.9%	1.3%	0.7%	3.5%	3.7%	-1.3%	4.4%
2Q18	1.1%	1.3%	0.5%	0.4%	0.9%	1.5%	0.4%	1.5%	0.5%	-1.1%	-1.4%	0.7%

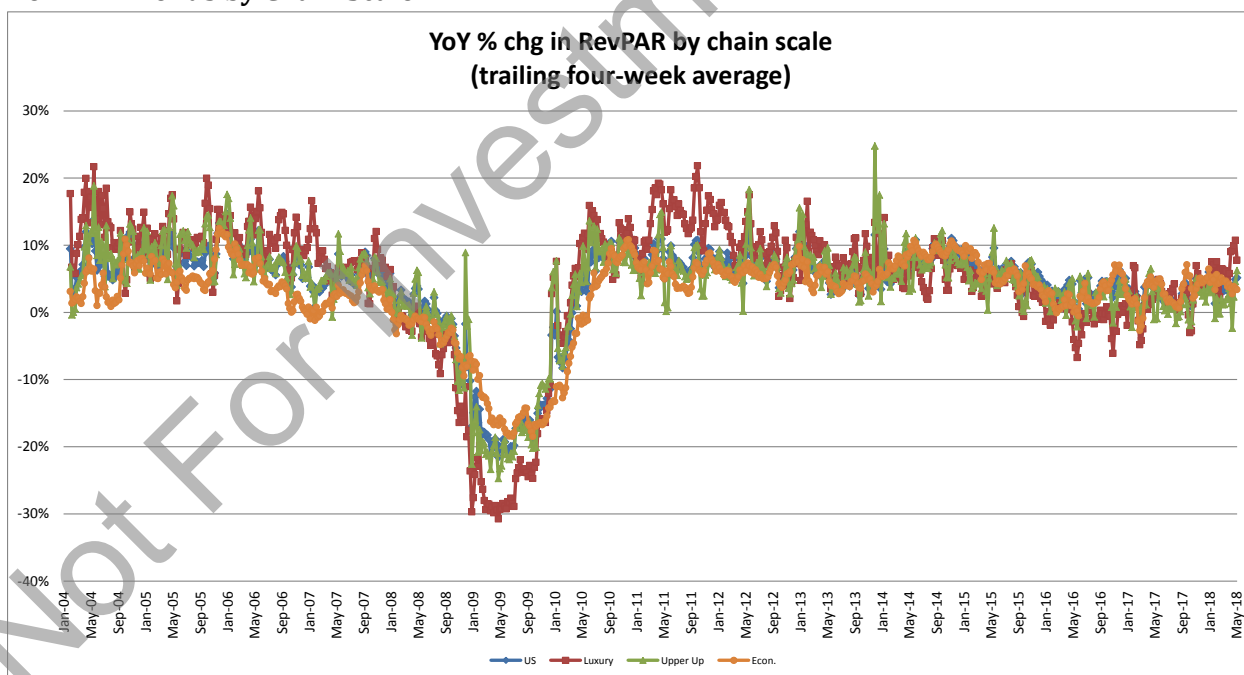
Source: STR data, STRH research

## RevPAR Component Trends



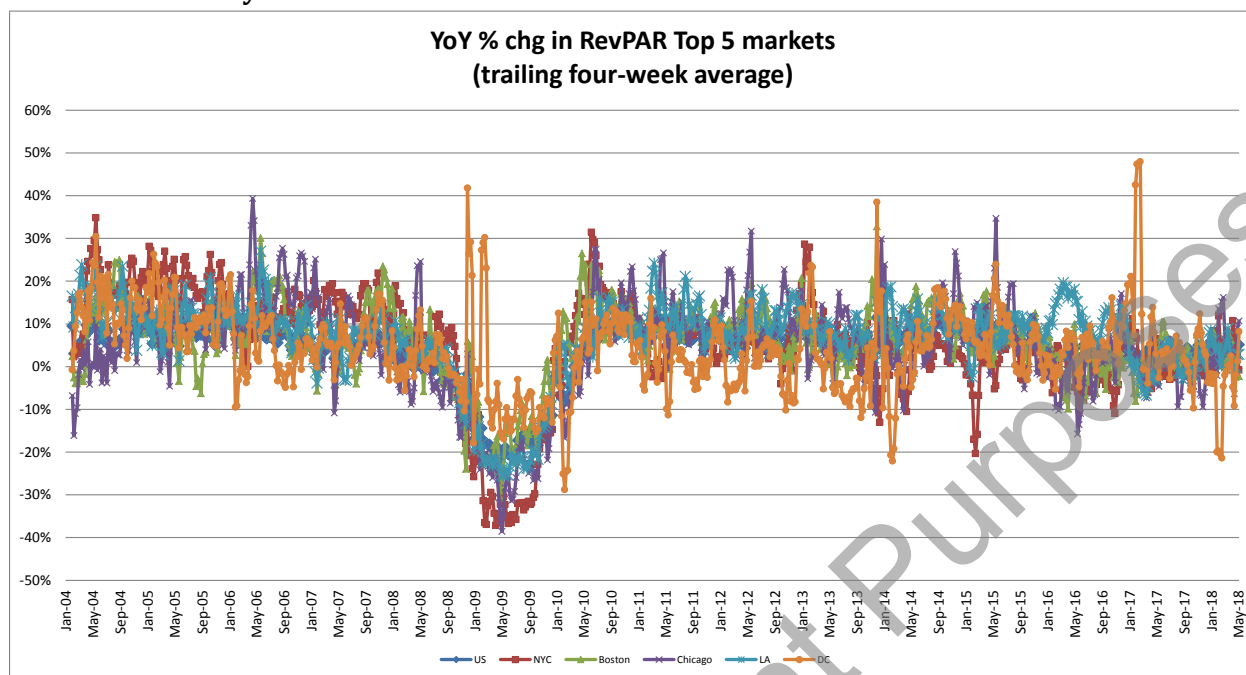
Source: STR data, STRH research

## 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 9/11/18	Rating	PT*	% upside down- side	2019E EBITDA (\$M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	\$32.84	Hold	\$27	-18%	\$188	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	\$78.50	Hold	\$86	10%	\$365	15.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$11.81	Hold	\$12	2%	\$267	12.0X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: company unable to locate properties to buy.
Host Hotels & Resorts	HST	\$21.29	Hold	\$21	-1%	\$1,558	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	\$76.07	Hold	\$86	13%	\$826	14.1X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$19.65	Hold	\$24	22%	\$183	9.2X	Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	\$31.38	Buy	\$50	59%	\$473	12.0X	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	\$77.41	Buy	\$95	23%	\$2,266	16.0X	Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
LaSalle Hotel Properties	LHO	\$34.44	Hold	\$32	-7%	\$320	12.5X	Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.
Marriott International	MAR	\$127.35	Hold	\$136	7%	\$0	15.8X	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: 2018 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	\$108.43	Buy	\$146	35%	\$789	11.2X	Upside risk: continued share repurchases, continued strong execution and M&A drive continued outperformance. Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	\$33.55	Buy	\$34	1%	\$774	12.6X	Downside risk: Significant supply growth and macroeconomic challenges/shocks.
Playa Hotels & Resorts	PLYA	\$9.77	Buy	\$14	43%	\$205	11.5X	Downside risk: demand shock, hurricanes, inability to complete 2021 growth initiatives, country-specific risks (emerging market portfolio)
RLJ Lodging Trust	RLJ	\$22.09	Hold	\$21	-5%	\$537	11.5X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion. Downside risk: Significant supply growth, struggle to source deals/lower leverage, macroeconomic challenges/demand shocks.
Ryman Hospitality Properties	RHP	\$87.15	Hold	\$71	-19%	\$447	12.3X	Upside risk: recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	\$16.64	Hold	\$15	-10%	\$327	12.0X	Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in Orlando and Boston Park Plaza post-meeting space expansions. Downside risk: Weaker than expected demand trends following capital investment projects.
Wyndham Destinations	WYND	\$40.21	Buy	\$69	72%	\$1,006	9.8X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	\$54.71	Buy	\$71	30%	\$634	14.0X	Downside risk: Slowdown in development opportunities. La Quinta synergies below expectations.

\* All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2019 EBITDA

Source: FactSet, STRH research



## Companies Mentioned in This Note

**Bluegreen Vacations Corporation** (BXG, \$19.65, Hold, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$78.50, Hold, C. Patrick Scholes)  
**Chesapeake Lodging Trust** (CHSP, \$32.84, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$11.81, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$76.07, Hold, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$31.38, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$77.41, Buy, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$21.29, Hold, C. Patrick Scholes)  
**LaSalle Hotel Properties** (LHO, \$34.44, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$127.35, Hold, C. Patrick Scholes)  
**Norwegian Cruise Line Holdings Ltd.** (NCLH, \$53.16, Buy, C. Patrick Scholes)  
**Park Hotels & Resorts Inc.** (PK, \$33.55, Buy, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$9.77, Buy, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$87.15, Hold, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$22.09, Hold, C. Patrick Scholes)  
**Sunstone Hotel Investors, Inc.** (SHO, \$16.64, Hold, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$108.43, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$54.71, Buy, C. Patrick Scholes)  
**Wyndham Destinations, Inc.** (WYND, \$40.21, Buy, C. Patrick Scholes)

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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.

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S = Sell

D = Drop Coverage

CS = Coverage Suspended

NR = Not Rated

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T = Transfer Coverage

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· Buy – total return  $\geq$  15% (10% for low-Beta securities)\*\*\*

· Reduce – total return  $\leq$  negative 10% (5% for low Beta securities)

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