



Lodging - US RevPAR +2.5% Y/Y Last Week; Luxury Continues to Shine (+6.5%)

End of week hurt by eclipse comps as will this week's upcoming results

What's Incremental To Our View

Overall U.S. RevPAR was +2.5% Y/Y for the week ending 8/18/2018, per STR, lower than the prior week's result of +5.1%. (2-year stacked RevPAR was +5.9% vs. +7.2% in the prior week.) Independent hotels (about 1/3rd of the data set) were +2.1% y/y. Luxury (+6.5%) was the strongest chain scale for branded hotels; Upper Midscale was the weakest at +0.7%. Midscale (+1.1%) also underperformed the overall US hotel industry average. Within Upper Upscale & Luxury class hotels, Group (+3.7% vs. +6.3% prior week) was stronger than Transient (+2.2% vs. +4.1% prior week).

Last week was a relatively clean comp until the end of the workweek when the impact from last year's solar eclipse (Monday, August 21, 2017) began to show up as a tough y/y comp. We note that leisure demand picked up before the eclipse in many markets that were in the "eclipse watching" zone.

- Monday/Tuesday RevPAR was +3.7%. Comparatively, despite strong overall leisure demand, Friday RevPAR was +1.7% and Saturday was +0.2%.
- **We anticipate a very difficult comp at the start of next week due to the solar eclipse.** For reference, Sunday, August 20th RevPAR was +18.6%, Monday was +8.2%, and the remainder of the workweek was +4-5%.
- **What complicates matters starting next week and going forward for the rest of the year are the y/y comps from the various hurricanes. The next few weeks in particular will be very noisy, particularly as the impact to RevPAR from FL and TX weigh on the results.** Hurricane Harvey made landfall on the Texas Gulf Coast on August 25th and eventually proceeded towards Louisiana over the next several days. The first tropical storm watches for Texas were issued on August 23, 2017 (a Wednesday).
 - Hurricane-impacted markets had mixed performance last week (see below for detail).
- **Irrespective of the y/y noise, Luxury demand continues to be very strong.** Being that August is more of a leisure-oriented month, we interpret the ~ +8-9% Luxury RevPAR for Monday-Wednesday last week as indicative in part of strong leisure demand. We note that mid-week RevPAR in the typically business-oriented chain scales of Upper Upscale to Upper Midscale were low-to-mid single digit positive, thus we believe the Luxury results were more impacted by the "wealth effect".

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What's Inside

Weekly STR results and analysis

For the month of August, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, \$76.73, Buy], Hyatt [H, \$78.84, Hold], or Marriott [MAR, \$125.16, Hold] hotel) will finish at approximately +2-3%. We estimate that the overall industry will finish approximately +2-3%. Please note that reported monthly results include hotels that are not in the weekly data set.

RevPAR details:

- **Luxury was the strongest chain scale.** Upper Midscale and Midscale underperformed by 580 bps and 540 bps, respectively: Luxury RevPAR (+6.5%), Upper Upscale (+3.2%), Upscale (+2.1%), Upper Midscale (+0.7%), Midscale (+1.1%), and Economy (+1.3%). Independent hotels (+2.1%) modestly underperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was stronger than Transient:** Transient segment (individual business and leisure travelers) RevPAR was +2.2% (vs. +4.1% last week) and Group segment RevPAR was +3.7% (vs. +6.3% last week).
- **NYC (+6.2%) was the strongest of the top five markets:** Boston (+4.0%), Chicago (+5.5%), LA (+3.7%), and DC (+0.9%).
- **Other relevant markets:**
 - **San Francisco was modestly negative:** RevPAR was -0.9% vs. +3.0% 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 mixed:** Dallas RevPAR was +4.9% (vs. -2.8% last week). Houston RevPAR was -0.5% (vs. +8.3% last week). [Note that FEMA ended financial assistance for some Texans in Houston hotels on July 1st. Next week's data will be very noisy due to the y/y comp related to Hurricane Harvey.](#)
 - **Hurricane-impacted markets in FL had positive results:** Miami (+4.8% vs. +1.9% last week); Orlando (+9.5% vs. -0.7% last week).
 - **Oahu results were very positive last week. 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 +7.1% vs. +3.0% running 28 days. Comparatively, U.S. Resort RevPAR was +3.6% last week vs. +4.4% 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).**
 - 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.
 - On a positive note, [Norwegian Cruise Line \(NCLH, \\$53.36, Buy\) 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.
 - 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.

The lodging and leisure stocks:

Overall for the stocks, we think [the continuation of improving trends](#) signals an opportunity to grind higher and favor hotel owners (REITs) over the managers/franchisors as the hotel owners have the greatest sensitivity to changes in RevPAR. The rule of thumb for earnings sensitivity to a 1 point change in RevPAR is a 5 point change in EBIT for an owned hotel versus a 1 point change in EBIT for a hotel franchisor (a hotel manager falls somewhere between, depending on the degree of incentive management fees in the contract).

Weekly RevPAR Summary

	YoY % change in RevPAR												
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
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%	7.2%
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%	5.0%
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%	-6.4%
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%	-17.8%
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%	1.0%
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%	0.1%
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%	4.0%
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%	-0.8%
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%	0.9%

Relatively clean comp ex-y/y Eclipse
comp at the end of the week

Luxury and Upper Upscale led the industry

NYC and Chicago led the Top 5 markets

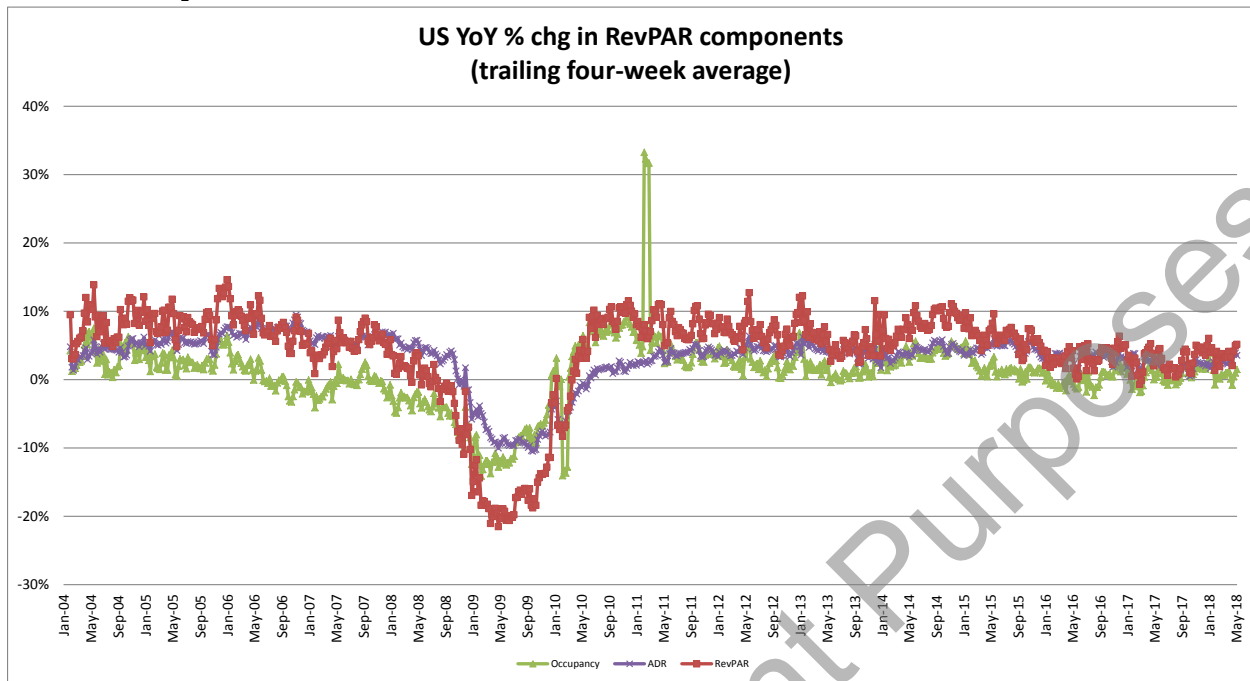
1Q15	8.0%	6.3%	6.0%	7.0%	8.5%	8.8%	9.2%	8.9%	-4.3%	13.8%	7.7%	11.4%	6.3%
2Q15	6.5%	5.5%	5.4%	5.9%	6.3%	6.6%	6.7%	7.1%	-1.8%	7.1%	7.4%	11.0%	11.7%
3Q15	5.9%	4.4%	4.0%	5.7%	5.7%	6.4%	6.1%	6.8%	0.6%	7.1%	11.1%	5.1%	0.3%
4Q15	4.8%	2.7%	3.8%	4.2%	4.9%	3.7%	4.4%	5.9%	-2.0%	5.3%	8.3%	1.4%	2.1%
1Q16	2.7%	1.6%	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%	3.0%	3.2%	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- pendent	New					
		Luxury	Upscale	Midscale	Midscale			York	Boston	LA	Chicago	DC	
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%	4.5%
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%	3.7%
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%	-3.4%
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%	-11.0%
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%	1.4%
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%	-0.6%
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%	1.8%
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%	0.5%
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%	0.5%
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%
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%	0.0%
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%	2.4%
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%	-9.4%
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%	2.4%

	YoY % change in Occupancy												
	U.S.	Luxury	Upper Upscale	Upscale	Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
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%	2.6%
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%	1.2%
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%	-3.1%
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%	-7.7%
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%	-0.4%
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%	3.6%	0.6%
8/4/2018	1.0%	1.9%	1.9%	0.5%	0.7%	1.2%	-0.1%	1.3%	-0.8%	4.9%	1.5%	3.8%	2.2%
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%	-1.2%
8/18/2018	0.3%	1.7%	1.2%	-0.2%	-0.3%	0.0%	0.0%	0.4%	2.2%	1.4%	1.2%	-0.4%	0.4%
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%
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%	-0.5%
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%	-0.2%
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%	-1.8%
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%	0.7%

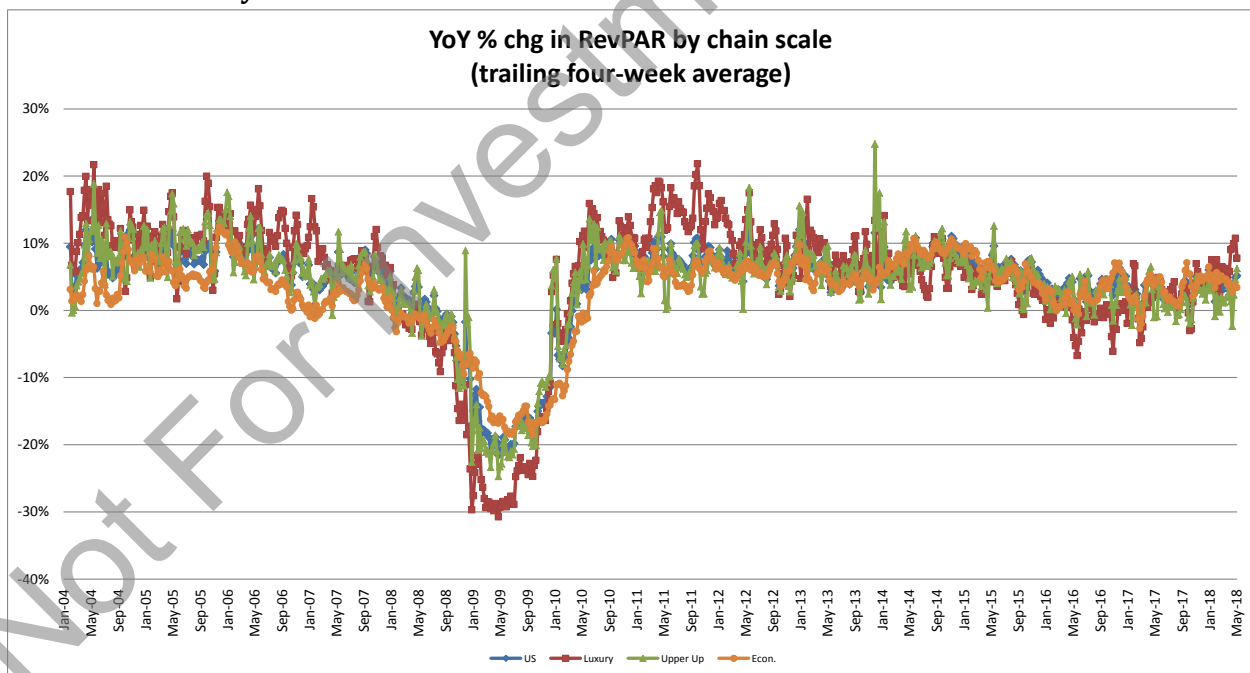
Source: STR data, STRH research

RevPAR Component Trends



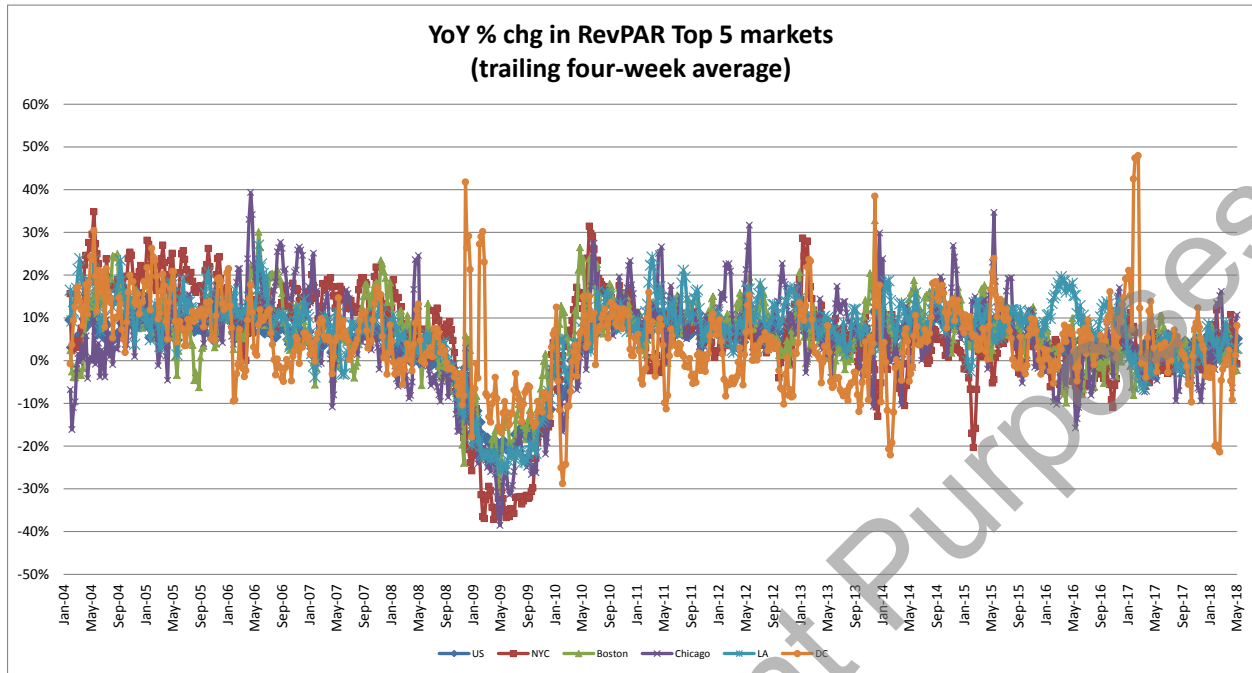
Source: STR data, STRH research

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 8/21/18	Rating	PT*	% upside down- side	2019E EBITDA (\$M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	\$32.79	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	\$77.40	Hold	\$86	11%	\$365	15.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$11.89	Hold	\$12	1%	\$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	\$21.06	Hold	\$21	0%	\$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	\$78.84	Hold	\$86	9%	\$826	14.1X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$19.66	Buy	\$24	22%	\$183	9.2X	Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	\$33.31	Buy	\$47	41%	\$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	\$76.73	Buy	\$95	24%	\$2,266	16.0X	Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
ILG	ILG	\$35.55	Buy	\$34	-4%	\$436	11.1X	Downside risk: membership base erosion as chum outstrips new timeshare sales
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	\$125.16	Hold	\$136	9%	\$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	\$126.33	Buy	\$143	13%	\$368	11.1X	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	\$33.12	Buy	\$34	3%	\$774	12.6X	Downside risk: Significant supply growth and macroeconomic challenges/shocks.
RLJ Lodging Trust	RLJ	\$22.02	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	\$87.50	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	\$16.50	Hold	\$15	-9%	\$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	\$45.24	Buy	\$69	53%	\$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	\$56.75	Buy	\$71	25%	\$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, \$19.66, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$77.40, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, \$32.79, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$11.89, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$78.84, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$33.31, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$76.73, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$21.06, Hold, C. Patrick Scholes)
ILG, Inc. (ILG, \$35.55, Buy, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, \$34.44, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$125.16, Hold, C. Patrick Scholes)
Norwegian Cruise Line Holdings Ltd. (NCLH, \$53.36, Buy, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, \$33.12, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$87.50, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$22.02, Hold, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, \$16.50, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$126.33, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$56.75, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, \$45.24, Buy, C. Patrick Scholes)

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.

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· Neutral – total return is within the bounds above

- NR – NOT RATED, STRH does not provide equity research coverage
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*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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