

Lodging: US RevPAR -81.6% Y/Y Last Week; sequentially slightly down vs. the prior week

Economy absolute occupancy of 38.5% far superior to full-service (sub 10%)

What's Incremental To Our View

Overall U.S. RevPAR was -81.6% Y/Y for the week ending 4/4/2020, per STR, softer than the prior week's result of -80.3%. (2-year stacked RevPAR was -80.0% vs -75.2% in the prior week). Independent hotels (about 1/3rd of the data set) were -79.8% y/y. Economy (-46.9%) was the relatively strongest chain scale for branded hotels; Luxury was the weakest at -94.2%. Upscale (-84.4%) underperformed the industry average; Upper Midscale (-79.2%) outperformed. Within Upper Upscale & Luxury class hotels, Group (-96.7% vs. -98.0% prior week) was softer than Transient (-94.0% vs. -93.1% prior week).

Last week's lodging results presented continued sequential deceleration of demand and rate trends. While we may be approaching the trough in terms of y/y RevPAR percentage declines (there is not much further to go), we still anticipate further temporary closures of hotels. Highly sophisticated owners of independent hotels tend to have more flexibility and foresight to enact operational changes more expediently (Pebblebrook (PEB, Hold, Miller being one such example).

- We assume hotels on the later-stage to close to include union hotels and private owner/managers with less sophisticated operations. In short, we do not view the lodging environment approaching a true bottom anytime soon.
- There is a holiday shift impact in April given Easter/Passover/Good Friday started this week vs. mid-April last year, the impact from the holidays pale in comparison to the virus demand shock.

Absolute occupancy levels for hotels *that were still open* in the US for the week ending April 4th was 21.6%. So far it has been approx. 28 days after occupancy first started to see rapid deceleration in early-mid March in the US. By comparison, peak weekly absolute occupancy in the US in early mid-February was 64%.

March and 1Q20 RevPAR estimates:

March: We estimate national U.S. RevPAR of -50% to -55% and full-service branded hotels (the typical Hilton [HLT, Hold], Hyatt [H, Hold], or Marriott [MAR, Hold] hotel) appx. -55% to -65%.

• We assume the data is noisy due to hotel closures and hotels not contributing to daily STR data. Based on the STR sample as of April 4th, room count declines are running at down 20.1% from early January

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What's Inside

Weekly STR results and analysis



levels. Unlike our observations on China, we cannot say that this downward trajectory has turned a corner or at least stabilized.

1Q20: We estimate national U.S. RevPAR of -15% to -17% and for full-service branded hotels -18% to -20%.

Our major observations on coronavirus impact from last week's results:

- Headline US RevPAR of -81.6% vs. the running 28 day average of -65.6%. As we expected, the hit so far continues to be towards occupancy (-68.5%) ahead of rate (-41.5%). We continue to assume ADR will become progressively worse over the next few weeks if rate integrity does not hold (we do not expect it will hold until there is an occupancy/demand recovery).
- Group/convention still basically a zero (RevPAR -96.7%; occupancy -94.8%; 1.4% absolute occupancy last week). Transient also down materially (RevPAR: -94.0%). We assume the hit is to all segments, slightly less to leisure.
- Occupancy for full-service down ~90%. Luxury occupancy was -92.9% last week.
- Major coastal cities RevPAR: NYC: -88.6% (vs. the prior week of -87.8%), SF: -90.1% (vs. the prior week of -89.1%), LA: -82.5% (vs. the prior week of -82.4%).
- Absolute RevPAR for Economy was \$20.40 vs. Luxury of \$15.96.

As we discussed last week, the relative outperformers today (few hotels are "winning") are the lowest priced hotels, primarily the limited-service motels in rural and small town locations (within our coverage, hotels franchised by companies like CHH and WH). These hotels are often owned-operated by small family entrepreneurs where any cash flow coming in the door is better than closing. In a dire low occupancy environment, staffing can be greatly minimized. We see this dynamic reflective of Economy and Midscale relative RevPAR outperformance as well as from Independents. We assume unless the government forces a motel to close due to the virus, these hotels will be more likely to stay open. While Economy occupancy was just 38.5% last week, we believe some of these hotels may be able to stay cash flow positive at this point. If ADR declines become more significant (last week -15.1%), then we assume there could be some lower-priced hotels that may consider closing.

Last week's RevPAR details:

- Economy was the relatively strongest chain scale but all chain scales were materially negative: Upscale and Upper Midscale underperformed by 3,750 bps and 3,230 bps, respectively: Luxury RevPAR (-94.2%), Upper Upscale (-93.5%), Upscale (-84.4%), Upper Midscale (-79.2%), Midscale (-65.7%), and Economy (-46.9%). Independent hotels (-79.8%) outperformed the headline U.S. RevPAR.
- Within Upper Upscale & Luxury class hotels, Group underperformed Transient but both segments were similarly materially negative: Transient segment (individual business and leisure travelers) RevPAR was -94.0% (vs. -93.1% last week) and Group segment RevPAR was -96.7% (vs. -98.0% last week).
- Los Angeles was the relatively strongest of the top five markets: Boston (-89.0%), Chicago (-87.0%), Los Angeles (-82.5%), NYC (-88.6%), and Washington, D.C. (-88.5%).
- Other relevant markets:
 - San Francisco was again among the worst of the Top 25 markets last week (on top of the macro demand shock, the market also has a tough 1Q20 y/y group comp): RevPAR was -90.1% vs. -89.1% last week.
 - Florida markets were down significantly: Miami (-86.9% vs. -90.5% last week); Orlando (-92.1% vs. -90.6% last week). We expect Orlando results to be weak given the major theme parks have closed. For more insights on the Miami market following management meetings and hotel tours in early January, please click on the attached link (we recognize some elements of the note are now outdated given the virus impact although other long-term trends remain in place post-virus rebound).



From observations of what is happening with RevPAR and re-openings in China, we believe it will be a slower and longer recovery in the US than what the more optimistic/bullish management teams and investors expect. While hotel stocks have been crushed, we are holding back on any potential stock upgrades at this time as we believe we will see more attractive entry points at a future date.

(Our ratings and price targets generally represent our recommendations and forecasts based on a 12 to 18 month outlook. We acknowledge that near term uncertainty and volatility could affect financial inputs to our targets, and the likely multiples the market may pay for those metrics.)



Weekly RevPAR Summary

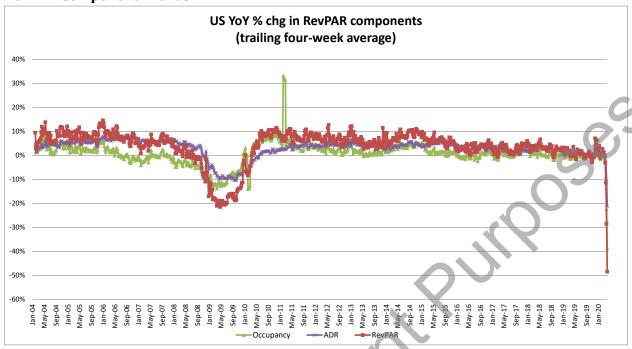
Week	l _v D	ωνΕ	λD	Sun	ıma	rt,							
VV CCK	ıy N	CVI	AII.	Juli		-							
-			Upper		Upper	Y % cha		Inde-	New				
12/21/2019	U.S. 7.8%	Luxury 9.3%	Upscale 13.9%	Upscale 10.7%	Midscale 7.2%	Midscale E 2.7%	1.2%	pendent 4.6%	York 8.5%	Boston 11.1%	LA 9.9%	Chicago 15.2%	DC 26.4%
12/28/2019	-7.4%	-6.3%	-6.7%	-6.7%	-7.1%	-9.1%	-4.6%	-8.0%	-11.1%	-3.4%	-5.2%	0.2%	-0.1%
1/4/2020	4.3%	12.1%	5.9%	1.1%	-0.4%	-2.2%	-1.6%	7.7%	8.9%	1.9%	5.3%	-5.2%	2.9%
1/11/2020 1/18/2020	-7.7% 6.4%	-13.5% 18.5%	-12.3% 10.9%	-7.3% 3.9%	-5.2% 1.8%	-5.2% -1.5%	-3.4% 0.1%	-5.7% 6.6%	-2.4% -0.7%	1.8% 7.2%	-8.4% 5.1%	-9.6% 29.8%	-0.3% 2.1%
1/25/2020	0.3%	4.6%	2.6%	-0.2%	-1.5%	-3.2%	-2.1%	0.0%	-1.2%	0.5%	5.2%	3.7%	13.6%
2/1/2020	4.0%	7.4%	1.7%	4.0%	1.9%	-1.2%	-0.9%	8.3%	-2.0%	-0.1%	5.2%	13.8%	12.7%
2/8/2020 2/15/2020	0.0% 1.2%	2.1% 2.3%	0.0% 2.5%	0.1%	-2.3% -0.5%	-3.1% -2.6%	-1.4% -0.7%	1.7% 2.1%	-0.1% -1.2%	-4.0% 5.7%	-4.2% 0.7%	-7.2% 31.5%	4.6% 12.1%
2/22/2020	-1.4%	1.8%	-1.2%	-2.3%	-2.5%	-4.4%	-3.0%	-0.3%	-3.8%	-7.5%	-4.1%	0.2%	2.2%
2/29/2020	-0.2%	3.7%	1.3%	-0.3%	-2.6%	-5.0%	-4.9%	1.3%	-4.5%	8.4%	2.8%	-12.0%	-3.0%
3/7/2020 3/14/2020	-11.6% -32.5%	-14.1% -45.9%	-15.9% -45.4%	-12.1% -34.4%	-9.3% -26.9%	-8.3% -22.7%	-6.9% -16.8%	-10.4% -26.7%	-20.3% -54.6%	-8.8% -48.9%	-8.9% -39.9%	-18.5% -43.1%	-7.2% -39.1%
3/14/2020	-32.5% -69.5%	-45.9% -85.1%	-45.4% -84.7%	-74.3%	-26.9% -62.8%	-22.7% -48.2%	-16.8%	-26.7% -67.1%	-86.5%	-48.9% -82.4%	-39.9% -75.1%	-43.1% -79.3%	-39.1%
3/28/2020	-80.3%	-94.8%	-92.3%	-82.9%	-76.9%	-63.0%	-43.5%	-79.0%	-87.8%	-88.1%	-82.4%	-84.3%	-87.6%
4/4/2020	-81.6%	-94.2%	-93.5%	-84.4%	-79.2%	-65.7%	-46.9%	-79.8%	-88.6%	-89.0%	-82.5%	-87.0%	-88.5%
		mand shock continues	impact		Economy	and Midscale I relative I		try (on a	LA and Chicago led the Top 5 markets (on a relative basis; all markets extremely negative)				
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 3Q16	3.5% 3.3%	0.8% 1.5%	2.9% 2.5%	3.1% 2.0%	3.2% 1.8%	3.2% 2.5%	3.0%	4.2% 5.1%	-4.5% -2.5%	1.5% -0.5%	11.1% 9.3%	-1.0% 1.2%	3.5% 5.5%
4Q16	3.2%	1.5%	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 3Q17	2.7% 1.9%	2.3% 0.5%	0.6% -0.7%	0.6%	1.2%	2.4% 3.5%	3.7% 2.9%	5.1% 3.1%	0.2% -0.9%	4.4% -0.2%	3.6% -1.2%	0.8% -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 3Q18	4.0% 1.7%	4.9% 3.3%	3.4% 1.9%	2.8% 0.8%	3.0% -0.5%	4.1% 0.1%	3.1% 1.8%	4.6% 2.2%	4.2% 0.7%	-1.2% 2.8%	0.6% 1.3%	4.0% 7.5%	3.1% -3.4%
4Q18	2.4%	3.0%	1.1%	0.0%	0.5%	1.3%	2.9%	4.9%	3.5%	12.2%	3.0%	2.8%	-3.4%
1Q19 2Q19	1.5% 1.1%	-0.7% 1.1%	1.2% 0.5%	-0.5% -0.4%	0.4%	-0.1% -0.7%	1.9% 1.7%	3.1% 2.4%	-7.1% -1.8%	-2.1% 4.5%	-1.7% 1.6%	-4.5% -0.1%	-2.4% -1.5%
3Q19	0.7%	1.3%	1.1%	-0.5%	-0.1%	-1.0%	-0.9%	1.6%	-2.2%	-0.4%	-0.2%	-0.1%	4.5%
4Q19	0.7%	3.6%	1.0%	-0.6%	-1.0%	-2.7%	-1.5%	2.3%	-4.1%	-11.6%	1.1%	-0.7%	5.2%
_			Upper		Upper	YoY % ch	ange in	ADR Inde-	New				
	U.S.	Luxury	Upscale	Upscale		Midscale E	Conomy	pendent		Boston	LA	Chicago	DC
12/21/2019	1.8%	-4.2%	1.6%	1.6%	1.5%	-0.2%	-0.7%	1.0%	3.4%	-1.1%	2.8%	3.8%	8.9%
12/28/2019	-2.6%	-4.3%	-1.5%	-3.2%	-1.6%	-2.3%	-1.8%	-2.6%	-10.2%	-2.7%	-3.6%	-0.1%	-0.1%
1/4/2020 1/11/2020	4.0% -4.7%	5.5%	3.8% -8.6%	1.2% -3.7%	0.7% -2.1%	-0.4% -1.2%	-0.3% -2.0%	6.0% -2.7%	1.8% -2.5%	-1.8% -0.4%	2.3% -4.0%	-0.9% -3.5%	-1.8% -2.2%
1/18/2020	5.2%	13.6%	7.7%	2.0%	1.3%	0.4%	-0.2%	6.3%	-1.7%	2.1%	0.4%	10.8%	0.5%
1/25/2020	0.6%	1.6%	1.0%	-0.1%	-0.6%	-0.8%	-1.7%	0.9%	-1.2%	-1.8%	4.8%	1.7%	1.0%
2/1/2020	2.2%	4.0%	-0.1%	0.6%	0.1%	-0.5%	-0.6%	6.4%	-2.4%	1.4%	1.1%	4.5%	2.9%
2/8/2020 2/15/2020	1.5% 0.9%	3.0% 1.0%	0.9% -0.1%	0.8% -0.7%	0.1%	-0.5% -0.2%	-0.7% 0.5%	3.6% 2.7%	-1.3% -0.5%	0.0%	-1.4% 0.4%	-1.0% 19.2%	0.7% 4.5%
2/22/2020	0.7%	3.9%	1.4%	-0.9%	-0.4%	-0.8%	-0.4%	1.8%	-1.9%	-3.9%	-1.7%	3.0%	1.1%
2/29/2020	1.6%	4.5%	2.3%	0.1%	-0.5%	-1.6%	-1.4%	3.1%	-3.7%	4.6%	0.6%	-6.0%	-2.1%
3/7/2020	-4.6%	-0.1%	-4.3%	-4.6%	-3.5%	-2.7%	-2.9%	-3.5%	-8.3%	-3.3%	-0.7%	-5.8%	-2.1%
3/14/2020 3/21/2020	-10.7% -30.2%	2.5% 10.3%	-7.5% -16.5%	-7.4% -17.3%	-6.5% -15.0%	-6.6% -12.7%	-6.7% -11.1%	-6.7% -31.1%	-19.1% -30.9%	-14.2% -29.7%	-12.2% -29.0%	-12.4% -31.9%	-8.6% -38.0%
3/28/2020	-30.2%	-19.6%	-32.7%	-22.7%	-20.6%	-17.4%	-13.7%	-42.5%	-33.1%	-39.0%	-32.0%	-37.6%	-46.3%
4/4/2020	-41.5%	-17.7%	-37.4%	-26.1%	-23.2%	-18.9%	-15.1%	-43.6%		-44.2%		-46.7%	-48.1%
1Q16	3.2%	1.9%	2.7%	3.2%	2.6%	1.7%	3.3%	3.7%	-3.1%	1.49/	11.3%	-1.9%	1.1%
2Q16	2.9%	1.5%	2.7%	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%

_						YoY % c	hange in						
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
12/21/2019	1.8%	-4.2%	1.6%	1.6%	1.5%	-0.2%	-0.7%	1.0%	3.4%	-1.1%	2.8%	3.8%	8.9%
12/28/2019	-2.6%	-4.3%	-1.5%	-3.2%	-1.6%	-2.3%	-1.8%	-2.6%	-10.2%	-2.7%	-3.6%	-0.1%	-0.1%
1/4/2020	4.0%	5.5%	3.8%	1.2%	0.7%	-0.4%	-0.3%	6.0%	1.8%	-1.8%	2.3%	-0.9%	-1.8%
1/11/2020	-4.7%	-11.1%	-8.6%	-3.7%	-2.1%	-1.2%	-2.0%	-2.7%	-2.5%	-0.4%	-4.0%	-3.5%	-2.2%
1/18/2020	5.2%	13.6%	7.7%	2.0%	1.3%	0.4%	-0.2%	6.3%	-1.7%	2.1%	0.4%	10.8%	0.5%
1/25/2020	0.6%	1.6%	1.0%	-0.1%	-0.6%	-0.8%	-1.7%	0.9%	-1.2%	-1.8%	4.8%	1.7%	1.0%
2/1/2020	2.2%	4.0%	-0.1%	0.6%	0.1%	-0.5%	-0.6%	6.4%	-2.4%	1.4%	1.1%	4.5%	2.9%
2/8/2020	1.5%	3.0%	0.9%	0.8%	0.1%	-0.5%	-0.7%	3.6%	-1.3%	0.0%	-1.4%	-1.0%	0.7%
2/15/2020	0.9%	1.0%	-0.1%	-0.7%	-0.2%	-0.2%	0.5%	2.7%	-0.5%	1.2%	0.4%	19.2%	4.5%
2/22/2020	0.7%	3.9%	1.4%	-0.9%	-0.4%	-0.8%	-0.4%	1.8%	-1.9%	-3.9%	-1.7%	3.0%	1.1%
2/29/2020	1.6%	4.5%	2.3%	0.1%	-0.5%	-1.6%	-1.4%	3.1%	-3.7%	4.6%	0.6%	-6.0%	-2.1%
3/7/2020	-4.6%	-0.1%	-4.3%	-4.6%	-3.5%	-2.7%	-2.9%	-3.5%	-8.3%	-3.3%	-0.7%	-5.8%	-2.1%
3/14/2020	-10.7%	2.5%	-7.5%	-7.4%	-6.5%	-6.6%	-6.7%	-6.7%	-19.1%	-14.2%	-12.2%	-12.4%	-8.6%
3/21/2020	-30.2%	10.3%	-16.5%	-17.3%	-15.0%	-12.7%	-11.1%	-31.1%	-30.9%	-29.7%	-29.0%	-31.9%	-38.0%
3/28/2020	-39.4%	-19.6%	-32.7%	-22.7%	-20.6%	-17.4%	-13.7%	-42.5%	-33.1%	-39.0%	-32.0%		-46.3%
4/4/2020	-41.5%	-17.7%	-37.4%	-26.1%	-23.2%	-18.9%	-15.1%	-43.6%		-44.2%	-34.6%		-48.1%
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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%		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%		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 2Q18	2.5% 2.9%	4.5% 3.5%	1.0%	1.7%	2.0%	3.0% 2.6%	4.0% 2.7%	3.1% 3.1%		-1.0% -0.1%	4.0% 2.1%	1.4%	-9.4% 2.4%
2Q18 3Q18	2.9%	3.5%	2.9%	1.8%	1.2%	1.3%	1.2%	1.9%	1.2%	1.9%	1.1%	6.7%	-0.8%
4Q18	2.1%	3.3%	2.4%	1.6%	1.1%	0.9%	0.6%	2.9%	3.4%	5.6%	1.1%	2.2%	-0.8%
1019	1.1%	2.2%	2.5%	1.0%	0.8%	-0.2%	-0.3%	1.0%		0.7%	-1.0%	-2.4%	1.5%
2Q19	1.2%	2.5%	1.4%	0.6%	0.7%	-0.2%	0.6%	1.7%	-1.0%	3.2%	0.8%	-1.7%	0.2%
3Q19	0.8%	1.5%	1.3%	0.2%	-0.1%	-0.5%	-0.5%	1.6%	-1.9%	0.9%	-0.2%	-2.8%	4.0%
4Q19	0.7%	2.4%	0.6%	-0.4%	-0.3%	-1.0%		1.9%		-5.5%	0.3%	-2.2%	3.9%

	YoY % change in Occupancy												
_			Upper		Upper		31	Inde-	New				
	U.S.	Luxury		Upscale		Midscale	Economy	pendent	York	Boston	LA	Chicago	DC
12/21/2019	5.9%	14.1%	12.1%	9.0%	5.6%	2.9%	1.9%	3.6%	4.9%	12.3%	6.9%	11.0%	16.0%
12/28/2019	-4.9%	-2.0%	-5.3%	-3.6%	-5.6%	-7.0%	-2.8%	-5.5%	-1.0%	-0.7%	-1.6%	0.3%	-0.1%
1/4/2020	0.3%	6.3%	2.0%	-0.2%	-1.0%	-1.8%	-1.3%	1.6%	7.0%	3.8%	3.0%	-4.3%	4.8%
1/11/2020	-3.1%	-2.8%	-4.0%	-3.8%	-3.2%	-4.0%	-1.5%	-3.1%	0.2%	2.3%	-4.6%	-6.3%	1.9%
1/18/2020	1.1%	4.3%	2.9%	1.9%	0.5%	-1.9%	0.3%	0.3%	1.0%	4.9%	4.7%	17.1%	1.6%
1/25/2020	-0.3%	3.0%	1.6%	-0.1%	-0.9%	-2.4%	-0.4%	-0.9%	0.0%	2.4%	0.3%	2.0%	12.4%
2/1/2020	1.7%	3.2%	1.8%	3.3%	1.8%	-0.7%	-0.3%	1.8%	0.5%	-1.5%	4.1%	8.9%	9.5%
2/8/2020	-1.4%	-0.9%	-0.9%	-0.7%	-2.4%	-2.6%	-0.7%	-1.8%	1.2%	-4.0%	-2.9%	-6.2%	3.8%
2/15/2020	0.2%	1.3%	2.6%	1.6%	-0.3%	-2.4%	-1.2%	-0.6%	-0.7%	4.5%	0.3%	10.3%	7.3%
2/22/2020	-2.1%	-2.0%	-2.6%	-1.4%	-2.1%	-3.6%		-2.0%	-2.0%	-3.7%	-2.4%	-2.8%	1.1%
2/29/2020	-1.7%	-0.7%	-1.0%	-0.4%	-2.1%	-3.4%	-3.5%	-1.8%	-0.8%	3.6%	2.2%	-6.4%	-0.9%
3/7/2020	-7.3%	-14.0%	-12.0%	-7.8%	-6.1%	-5.8%	-4.1%	-7.1%	-13.1%	-5.7%	-8.2%	-13.5%	-5.2%
3/14/2020	-24.4%	-47.2%	-41.0%	-29.2%	-21.8%	-17.2%	-10.8%	-21.4%	-43.9%	-40.4%	-31.6%	-35.0%	-33.4%
3/21/2020	-56,4%	-86.5%	-81.7%	-68.9%	-56.3%	-40.6%	-23.6%	-52.3%	-80.5%	-74.9%	-64.9%	-69.6%	-69.8%
3/28/2020	-67.5%	-93.5%	-88.6%	-77.9%	-70.9%	-55.2%	-34.5%	-63.5%	-81.8%	-80.6%	-74.1%	-74.8%	-77.0%
4/4/2020	-68.5%	92.9%	-89.7%	-78.9%	-73.0%	-57.8%		-64.1%	-79.1%	-80.2%	-73.3%	-75.6%	-77.9%
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%	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%		0.7%	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%
1017	0.9%	-0.2%	0.6%	-0.3%	0.7%	1.6%		1.6%	1.0%	-1.1%	-2.4%	-0.2%	2.2%
2017	0.5%	0.1%	-0.6%	-1.1%	-0.3%	0.4%		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%		0.9%	1.1%	-1.0%	-2.9%	-2.7%	-0.5%
4Q17	1.8%	2.2%	1.3%	2.0%	2.1%	1.2%		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%		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%		1.5%		-1.1%	-1.4%	0.7%	0.7%
3Q18	-0.4%	0.0%	-0.5%	-1.0%	-1.7%	-1.1%		0.3%	-0.5%	0.9%	0.2%	0.7%	-2.6%
4Q18	0.4%	-0.7%	-1.1%	-1.6%	-0.6%	0.4%	2.3%	1.9%	0.1%	6.3%	1.6%	0.6%	-1.3%
1Q19	0.4%	-2.8%	-1.3%	-1.4%	-0.5%	0.0%		2.1%	-3.5%	-2.8%	-0.7%	-2.2%	-3.8%
2Q19	-0.1%	-1.4%	-0.9%	-1.0%	-0.7%	-0.6%		0.7%	-0.7%	1.3%	0.8%	1.7%	-1.7%
3Q19	-0.1%	-0.2%	-0.2%	-0.7%	0.0%	-0.5%		0.0%	-0.3%	-1.4%	0.1%	0.6%	0.4%
4Q19	-0.1%	1.2%	0.4%	-0.2%	-0.8%	-1.7%	-0.4%	0.4%	-0.4%	-6.5%	0.8%	1.5%	1.3%

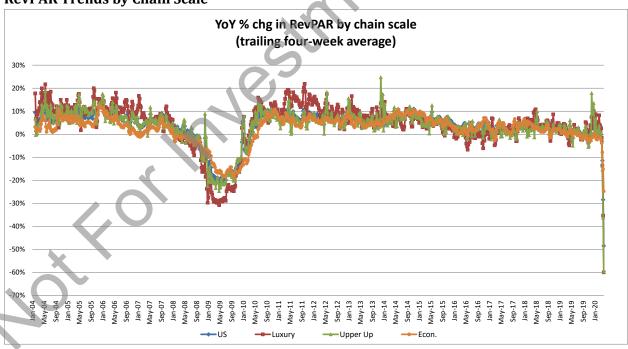
Source: STR data, STRH research

RevPAR Component Trends



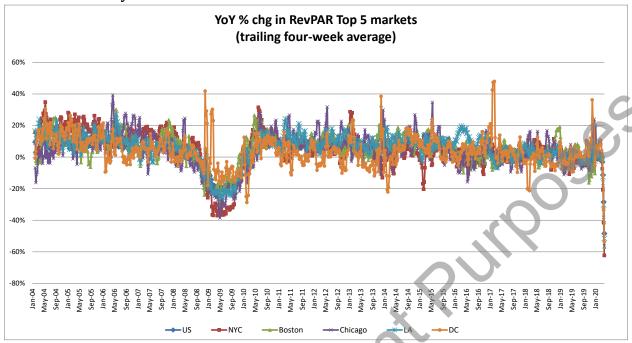
Source: STR data, STRH research

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 4/7/20	Rating	PT*	% upside down- side	2020E Valuation EBITDA (\$M)* **	2020E As Reported EBITDA (\$M)*	Target EV/EBITDA Multiple	Risks
Louging	TAN	4/1/20	Raung		Side	(\$IVI)	(\$IVI)	wurupie	Night
Choice Hotels	СНН	\$66.60	Hold	\$91	37%	\$381	\$381	14.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$4.82	Hold	\$9	87%	\$244	\$244	11.5X	Upside risk: specific markets (esp. NYC) perform better than expecte Downside risk: company unable to locate properties to buy.
Host Hotels & Resorts	HST	\$10.69	Hold	\$18	68%	\$1,386	\$1,386	12.0X	Upside risk: the company increases dividends by more than expecte NYC outperforms or is sold down at attractive multiples. Downside risk: Group underperforms. NYC hotels underperform and asset sales do not happen.
iost noteis & Results	пот	\$10.09	noiu	\$10	00%	\$1,300	\$1,300	12.07	Upside risk: Transient and group trends outperform expectations
lyatt Hotels	Н	\$48.83	Hold	\$83	70%	\$699	\$735	13.2X	Downside risk: ongoing misexecution and volatility. Upside risk: Accelerating tour flow, FCF generation and declining
Bluegreen Vacations Corporation****	BXG	\$4.53	Hold	\$9	108%	\$110	\$110	6.2X	consumer defaults. Downside risk: 3rd party induced defaults worse Middle market customers underperform.
liber Const Venetions ****	HOV	645.07	D	640	4700/	6450	6470	40.00	Downside risk: Disruption in a major market (HGV more concentrate than peers), issues with Japanese customer (HGV more exposed the
dilton Grand Vacations****	HGV	\$15.97	Buy	\$43	170%	\$452	\$479	10.2X	peers), difficulty sourcing additional fee-for-service inventory deals Upside risk: Macro lodging trends improve beyond expectations.
dilton	HLT	\$65.83	Hold	\$107	63%	\$2,286	\$2,406	14.8X	Downside risk: slowing pipeline; 2020 is a recession year in the U.S Upside Risk: Significant U.S macroe-incomort: improvement results is large recovery in transient curporate demand (and consequential >40 bps RevPAR (improvement). Owned assets sell for premium prices relative to MAR expectations.
Marriott International	MAR	\$73.82	Hold	\$128	73%	\$3,151	\$3,466	14.9X	Downside Risk: 2020 is a recession year in the US. Geopolitical an policy risks negatively impact lodging demand.
Marriott Vacations****	VAC	\$66.00	Buy	\$157	138%	\$877	\$917	10.5X	Downside risk; M&A story fades and multiples revert to historical leve
Park Hotels & Resorts	PK	\$7.36	Buy	\$27	267%	\$842	\$858	12.0X	Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs. Upside Risks: Material near-term incremental EBITDA from Legacy Li assets. Downside Risks: Planned asset sales do not materialize a expected and/or at lower-than-expected pricing. Incremental EBITDA
Pebblebrook Hotel Trust***	PEB	\$10.05	Hold	\$23	129%	\$445	\$445	14.0X	from major CapEx investments take longer than anticipated, resulting multiple contraction.
Playa Hotels & Resorts	PLYA	\$1.61	Buy	\$10	521%	\$173	\$180	11.5X	Downside risk: demand shock, hurricanes, inability to complete 202 growth initiatives, country-specific risks (emerging market portfolio
RLJ Lodging Trust***	RLJ	\$7.91	Sell	\$15	90%	\$391	\$402	11.0X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansior Upside risk:recovering group demand better than expected, better ma
Donne Hereitelite Descrite	RHP	\$33.45	Hold	\$82	145%	\$541	0007	12.6X	recovery.
Ryman Hospitality Properties	KHP	\$33.45	Hold	\$82	145%	\$541	\$527	12.6X	Downside risk: booking issues stickier than expected. Upside risk: Recovery of corporate demand in SHO's markets. Abov average group bookings in Orlando and Boston Park Plaza post-meet space expansions.
Sunstone Hotel Investors	SHO	\$8.15	Hold	\$12	47%	\$292	\$292	11.5X	Downside risk: Weaker than expected demand trends following capit investment projects.
ail Resorts, Inc.****	MTN	\$150.58	Buy	\$247	64%	\$736	\$736	15.0X	Downside risk: Economic conditions, competition for vacation and s dollars, stagnant skier visitation, an aging customer, and climate char
Vyndham Destinations****	WYND	\$21.09	Buy	\$73	246%	\$1,052	\$1,084	8.2X	Downside risk: The timeshare business is especially wilnerable to economic softness. There are potential execution risks post the spin
· j.i.a.ia.ii Dostiliations	1140	\$29.97	Duy	\$66	120%	\$602	\$628	13.0X	Downside risk: Slowdown in development opportunities. La Quinta synergies below expectations.

Source: FactSet, STRH research



Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, \$4.61, Hold, C. Patrick Scholes)

Choice Hotels International, Inc. (CHH, \$72.25, Hold, C. Patrick Scholes)

DiamondRock Hospitality Company (DRH, \$4.92, Hold, C. Patrick Scholes)

Hyatt Hotels Corporation (H, \$51.40, Hold, C. Patrick Scholes)

Hilton Grand Vacations Inc. (HGV, \$17.56, Buy, C. Patrick Scholes)

Hilton Worldwide Holdings Inc. (HLT, \$70.09, Hold, C. Patrick Scholes)

Host Hotels & Resorts, Inc. (HST, \$11.26, Hold, C. Patrick Scholes)

Marriott International, Inc. (MAR, \$82.53, Hold, C. Patrick Scholes)

Vail Resorts, Inc. (MTN, \$157.72, Buy, C. Patrick Scholes)

Pebblebrook Hotel Trust (PEB, \$11.33, Hold, Gregory Miller)

Park Hotels & Resorts Inc. (PK, \$7.98, Buy, C. Patrick Scholes)

Playa Hotels & Resorts N.V. (PLYA, \$1.84, Buy, C. Patrick Scholes)

Ryman Hospitality Properties, Inc. (RHP, \$34.68, Hold, C. Patrick Scholes)

RLJ Lodging Trust (RLJ, \$7.98, Sell, Gregory Miller)

Sunstone Hotel Investors, Inc. (SHO, \$8.75, Hold, C. Patrick Scholes)

Marriott Vacations Worldwide Corporation (VAC, \$72.07, Buy, C. Patrick Scholes)

Wyndham Hotels & Resorts, Inc. (WH, \$33.17, Buy, C. Patrick Scholes)

Wyndham Destinations, Inc. (WYND, \$22.69, 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.

I, Gregory J. Miller, 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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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.

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H = Hold

S = Sell

D = Drop Coverage

CS = Coverage Suspended

NR = Not Rated

I = Initiate Coverage

T = Transfer Coverage



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Coverage Unive	erse		Investment Banking Clients Past 12 Month					
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Hold	257	37.85%	Hold	54	21.01%			
Sell	12	1.77%	Sell	0	0.00%			

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