

Lodging

China & Europe hotels: RevPAR +7% y/y (2yr: -23%) & +161% y/y (2yr: -43%) for wk ending 10/16

2yr: China falls back down to earth following Golden Week bump. Europe stuck in 2nd gear.

What's Incremental To Our View

Quick take: Per STR for the week ending October 16th, hotel RevPAR in China in local currency was +7.0% y/y vs. -1.9% y/y in the prior week. Last week's RevPAR was up against a -27.7% comparable result in 2020 vs. +13.2% in the prior week. On a 2-year run-rate, which we believe is an equally if not more important KPI, RevPAR was -23.2% vs. +10.6% in the prior week's 2-year run-rate.

- **Vs. 2019, following the previous week's improvement from the Golden Week holiday, results returned back to the depressed levels observed during September.**

Europe: RevPAR in Europe in Euros was +161.0% y/y vs. +136.6% in the prior week. Last week's RevPAR was up against a -71.8% comparable result in 2020 and -69.3% in the prior week. **On a 2-year run-rate, RevPAR was -42.9%, vs. the -44.2% in the prior week's 2-year run-rate.**

US: Overall U.S. RevPAR was +77.3% y/y, slightly stronger than the prior week's result of +74.9%. Last week's RevPAR was up against a -50.3% comparable result in 2020 vs. -47.5% in the prior week's 2-year run-rate. **On a 2-year run-rate, RevPAR was -11.3% vs. -7.4% in the prior week's 2-year run-rate.**

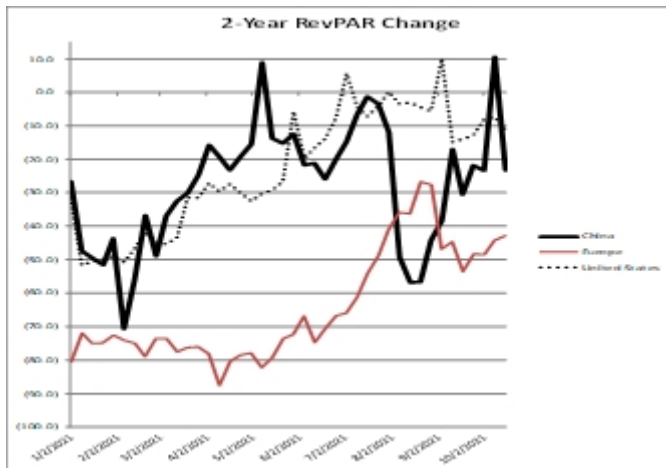
- **The overall theme of the results remains "limited service hotels have never had it better" whereas "urban full service remains very depressed."** Tellingly, group occupancy was -43.1% vs. the same week in 2019.

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What's Inside

China and Europe data and analysis following last week's results

Exhibit 1: 2-Year RevPAR for China, Europe, US

Source: STR, Truist Securities research

RevPAR detail for week ending October 16th vs. trailing 28 days (see charts at end of note for graphical representations):

China (local currency):

- RevPAR was +7.0% y/y for the week ending October 16th, **an improvement from** the -3.0% for the trailing 28 days.
- ADR was +9.4% y/y for the week ending October 16th, **better than** the +6.9% for the trailing 28 days.
- Occupancy was -2.2% y/y for the week ending October 16th, **an improvement from** the -9.3% for the trailing 28 days.

Europe (in Euros):

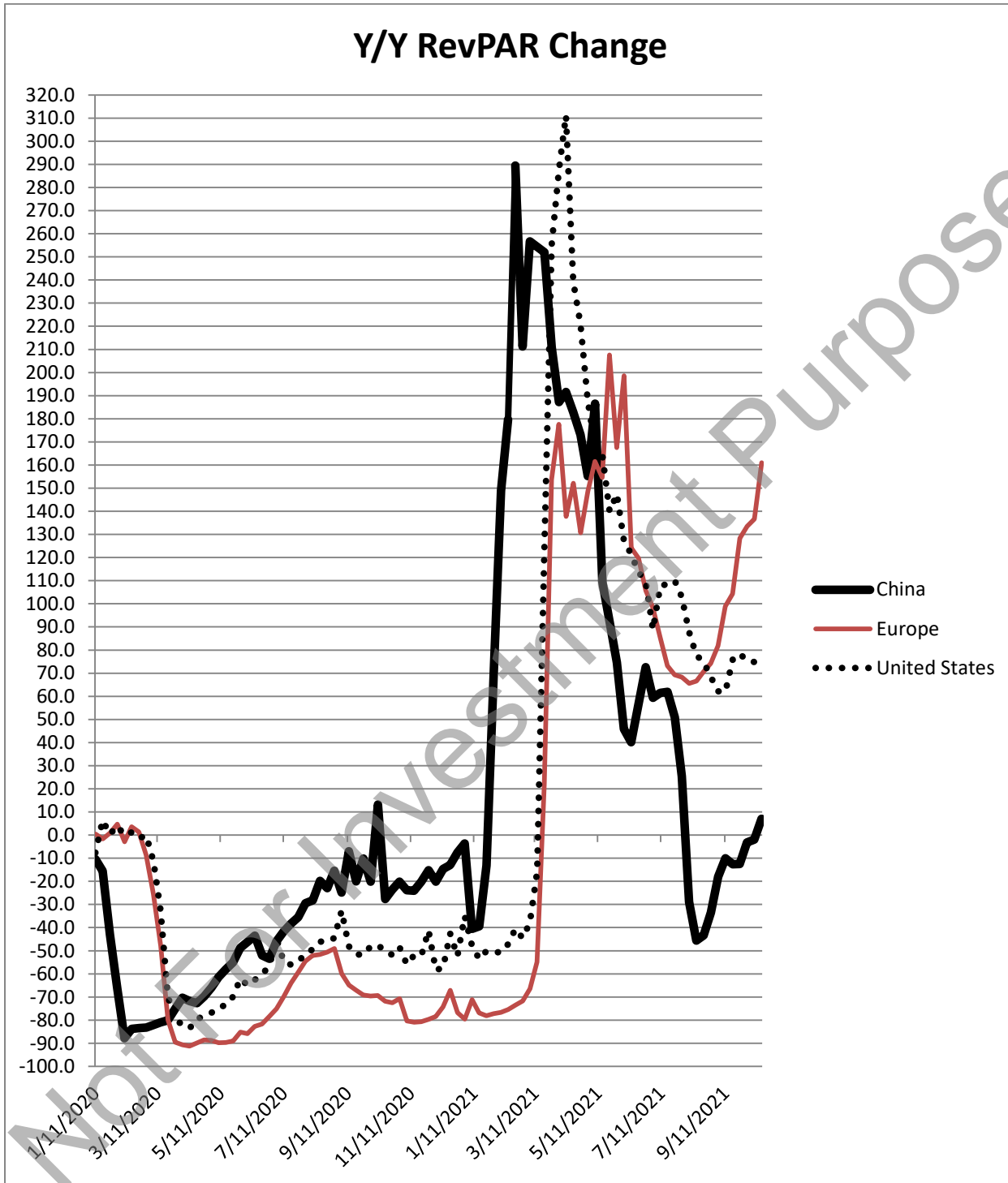
- RevPAR was +161.0% y/y for the week ending October 16th, **an improvement from** the +139.1% for the trailing 28 days.
- ADR was +38.4% y/y for the week ending October 16th, **roughly even** with the +37.7% for the trailing 28 days.
- Occupancy was +88.6% y/y for the week ending October 16th, **higher than** the +73.7% for the trailing 28 days.

Additional thoughts and observations:

Hotel occupancy observations from the latest weekly STR results from China, Europe, and US:

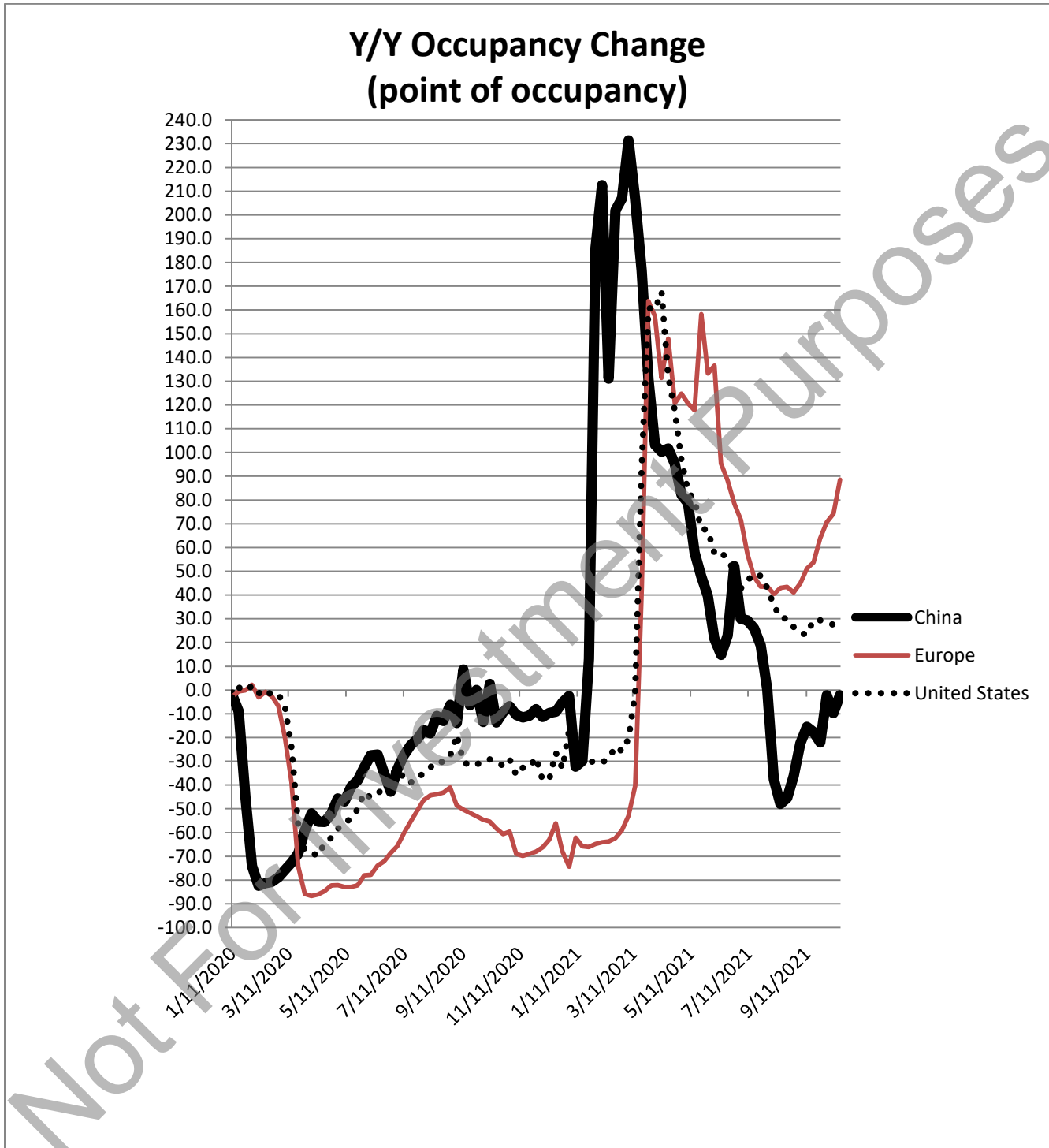
- **China: Absolute occupancy was 63.2%.** *By comparison, occupancy was 64.6% during the comparable week last year.*
- **Europe: Absolute occupancy was 62.2%.** *So far it has been approx. 85 weeks after occupancy first started to see rapid deceleration in Europe. By comparison, occupancy was 33.0% during the comparable week last year.*
- **US: Absolute occupancy was 65.0%.** *So far it has been approx. 84 weeks after occupancy first started to see rapid deceleration in mid-March 2020 in the US. By comparison, occupancy was 50.1% during the comparable week last year.*

Exhibit 2: Y/Y RevPAR change for China, Europe, US



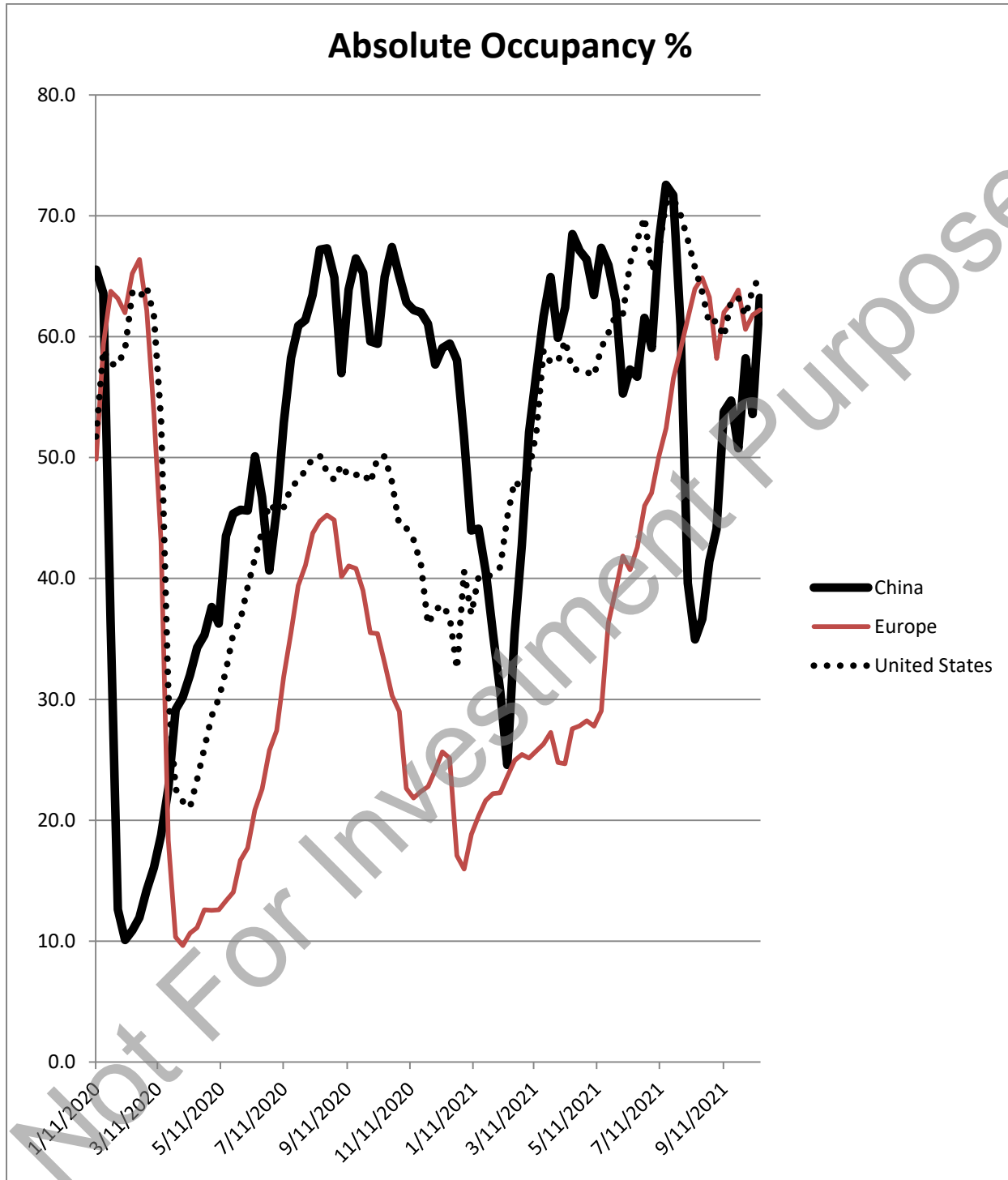
Source: STR, Truist Securities research

Exhibit 3: Y/Y Occupancy change for China, Europe, US



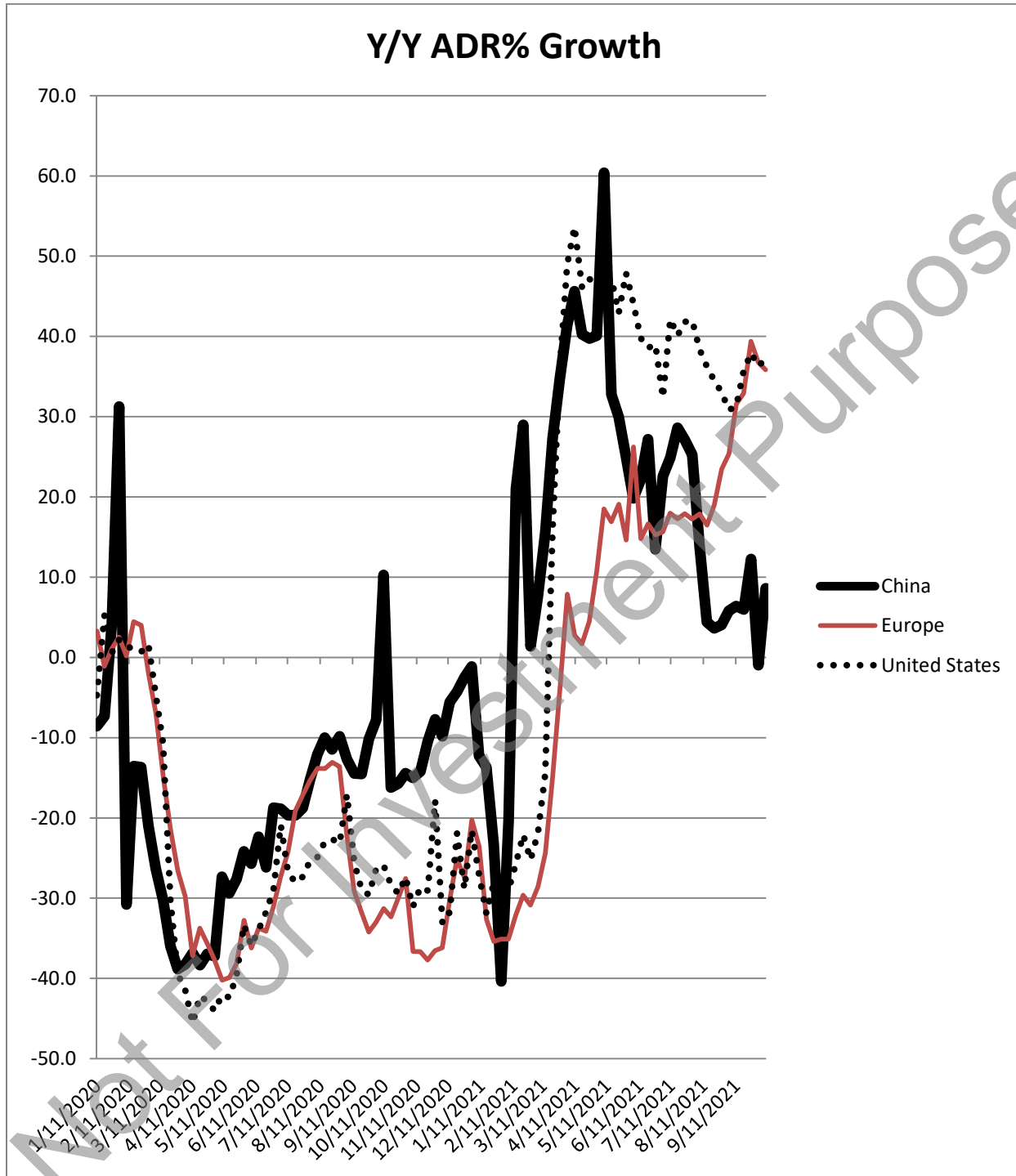
Source: STR, Truist Securities research

Exhibit 4: Absolute Occupancy % for China, Europe, US



Source: STR, Truist Securities research

Exhibit 5: Y/Y ADR % change for China, Europe, US



Source: STR, Truist Securities research

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