

## Lodging

China & Europe hotels: RevPAR +3% y/y (2yr: -22%) & +194% y/y (2yr: -38%) for wk ending 10/23

2yr: China and Europe each “less bad” week-over-week

What's Incremental To Our View

**Quick take:** Per STR for the week ending October 23th, hotel RevPAR in China in local currency was +3.1% y/y vs. +7.0% y/y in the prior week. Last week's RevPAR was up against a -23.7% comparable result in 2020 vs. -27.7% in the prior week. *On a 2-year run-rate, which we believe is an equally if not more important KPI, RevPAR was -22.0% vs. -23.2% in the prior week's 2-year run-rate.*

- **Versus 2019, China continues to be meaningfully down which we see due to its “zero Covid” strategy (Seattle Times).**

**Europe:** RevPAR in Europe in Euros was +194.3% y/y vs. +231.0% in the prior week. Last week's RevPAR was up against a -72.8% comparable result in 2020 and -71.8% in the prior week. *On a 2-year run-rate, RevPAR was -38.2%, vs. the -42.9% in the prior week's 2-year run-rate.*

**US:** Overall U.S. RevPAR was +86.0% y/y, stronger than the prior week's result of +77.3%. Last week's RevPAR was up against a -51.8% comparable result in 2020 vs. -50.3% in the prior week's 2-year run-rate. *On a 2-year run-rate, RevPAR was -9.6% vs. -11.3% in the prior week's 2-year run-rate.*

- There were no real surprises in last week's results. The overall theme of the results remains “limited service hotels have never had it better” whereas “urban full service remains very depressed.”

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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 23th vs. trailing 28 days (see charts at end of note for graphical representations):**

China (local currency):

- RevPAR was +3.1% y/y for the week ending October 23th, **an improvement from** the +0.6% for the trailing 28 days.
- ADR was +8.0% y/y for the week ending October 23th, **better than** the +5.6% for the trailing 28 days.
- Occupancy was -4.5% y/y for the week ending October 23th, **essentially unchanged from** the -4.7% for the trailing 28 days.

Europe (in Euros):

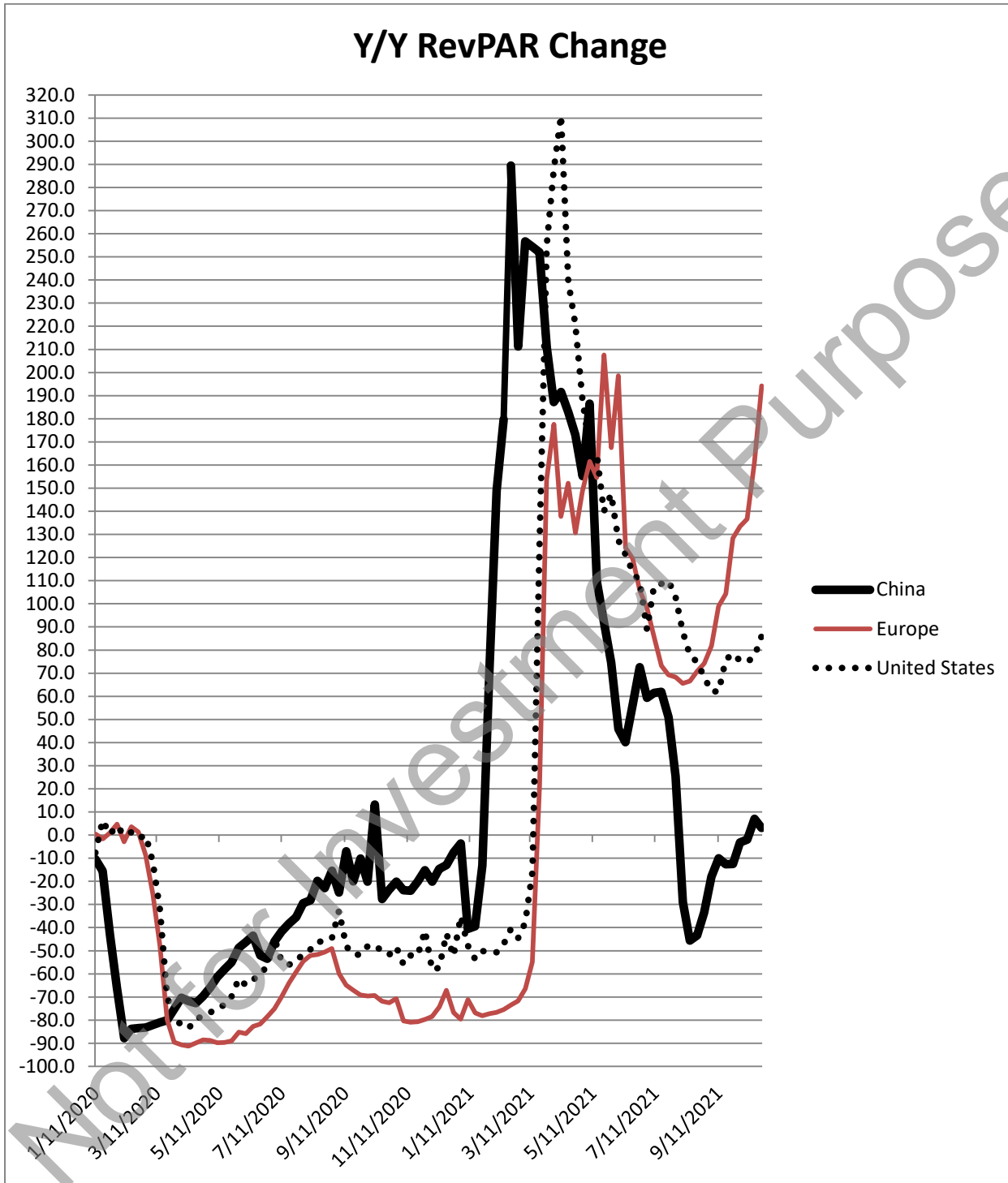
- RevPAR was +194.3% y/y for the week ending October 23th, **an improvement from** the +155.5% for the trailing 28 days.
- ADR was +40.6% y/y for the week ending October 23th, **higher than** the +38.1% for the trailing 28 days.
- Occupancy was +109.2% y/y for the week ending October 23th, **higher than** the +85.0% for the trailing 28 days.

**Additional thoughts and observations:**

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

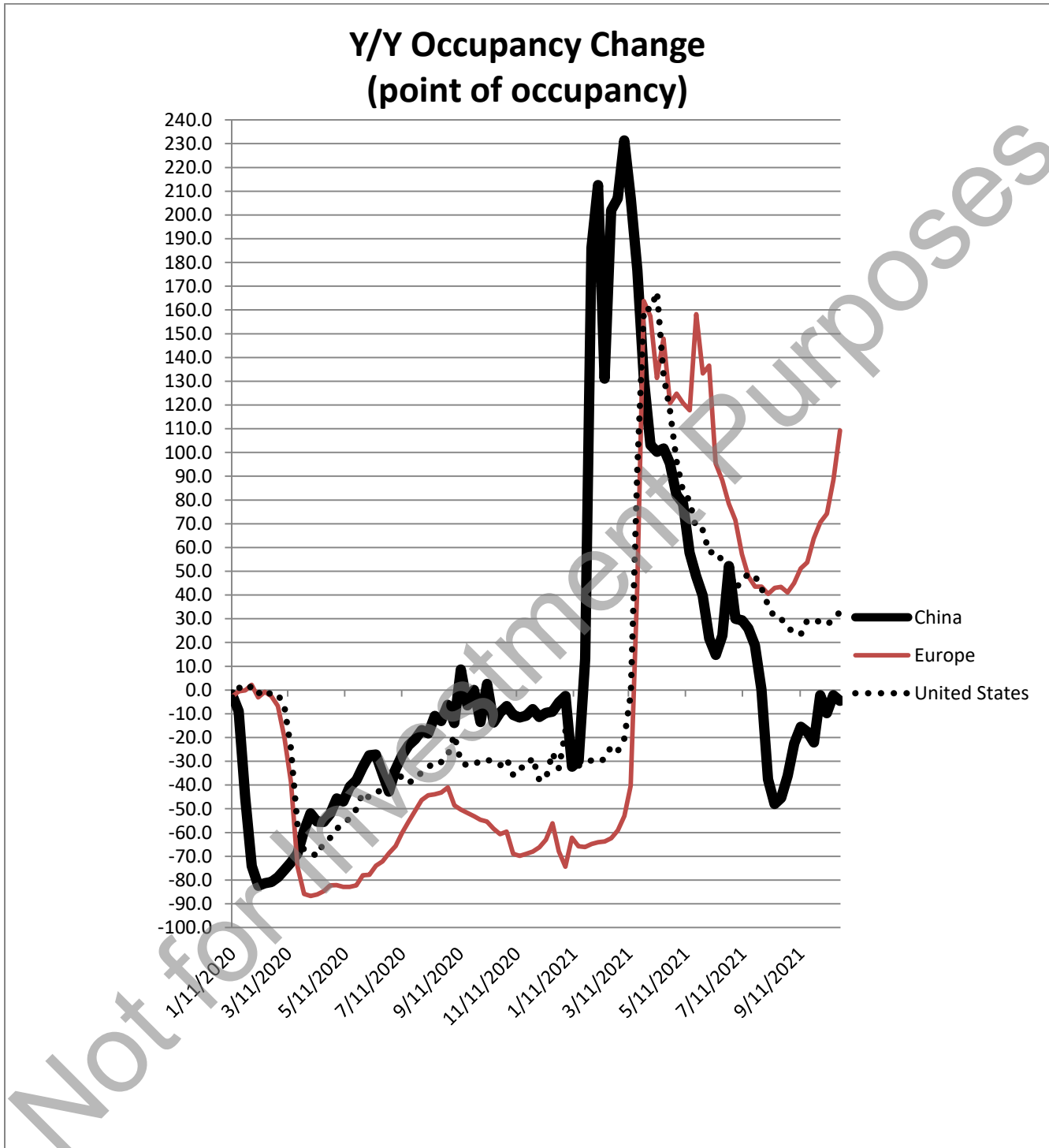
- **China: Absolute occupancy was 63.9%.** *By comparison, occupancy was 66.9% during the comparable week last year.*
- **Europe: Absolute occupancy was 63.4%.** *So far it has been approx. 86 weeks after occupancy first started to see rapid deceleration in Europe. By comparison, occupancy was 30.3% during the comparable week last year.*
- **US: Absolute occupancy was 63.9%.** *So far it has been approx. 85 weeks after occupancy first started to see rapid deceleration in mid-March 2020 in the US. By comparison, occupancy was 48.1% during the comparable week last year.*

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



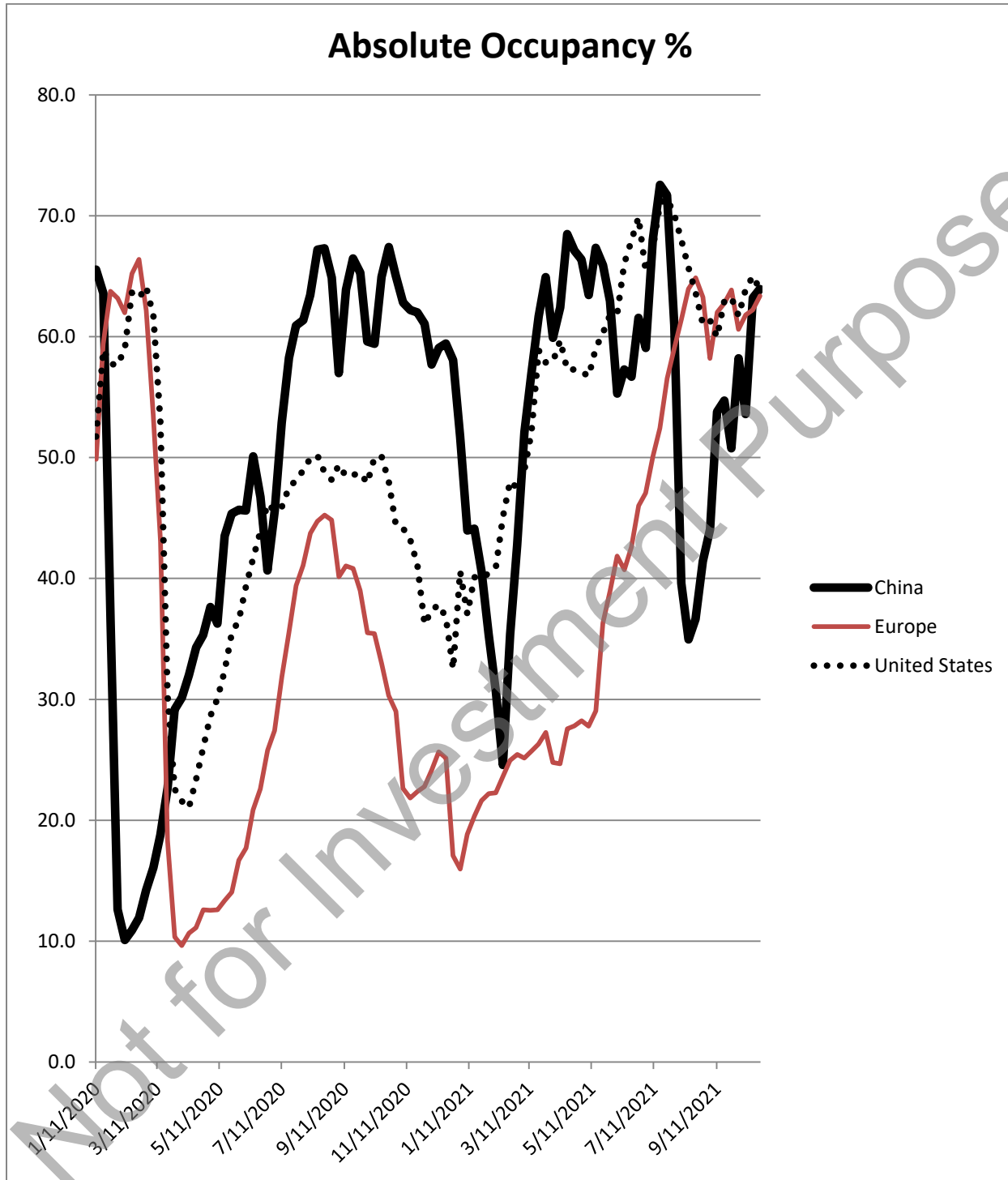
Source: STR, Truist Securities research

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



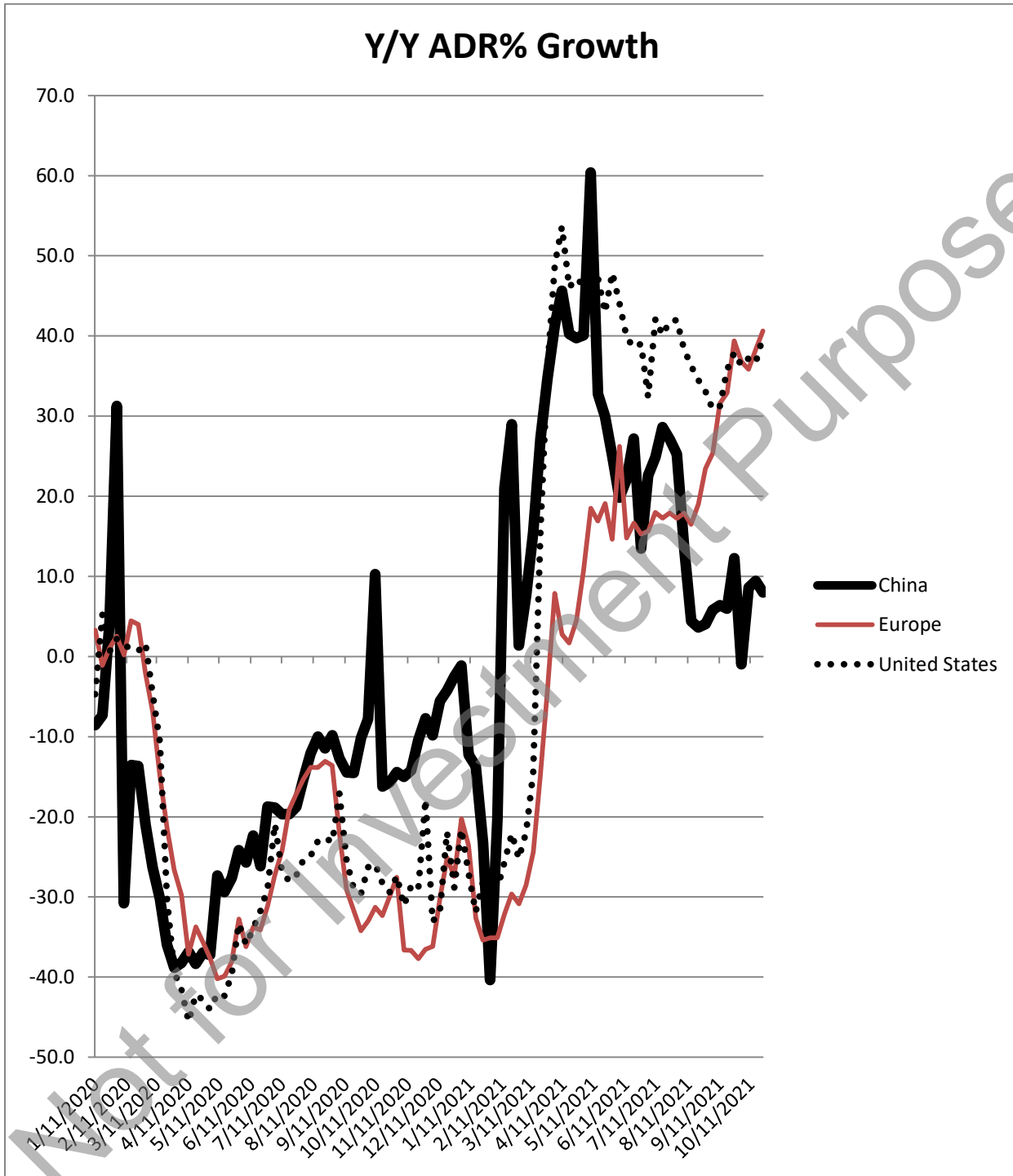
Source: STR, Truist Securities research

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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