

Lodging

China & Europe hotels: RevPAR -27% y/y (2yr: -45%) & +312% y/y (2yr: -18%) for wk ending 11/6

2yr comp: With improvements in Europe, China now worse than Europe & US

What's Incremental To Our View

Quick take: Per STR for the week ending November 6th, hotel RevPAR in China in local currency was -26.6% y/y vs. -12.9% y/y in the prior week. Last week's RevPAR was up against a -23.9% comparable result in 2020 vs. -20.2% in the prior week. On a 2-year run-rate, which we believe is an equally if not more important KPI, RevPAR was -44.7% vs. -30.7% 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 +311.5% y/y vs. +227.0% in the prior week. Last week's RevPAR was up against a -80.3% comparable result in 2020 and -70.7% in the prior week. **On a 2-year run-rate, RevPAR was -18.6%, vs. the -21.4% in the prior week's 2-year run-rate and the trajectory of RevPAR has shown strong improvement over the past eight weeks.**

US: Overall U.S. RevPAR was +89.7% y/y, stronger than the prior week's result of +84.5%. Last week's RevPAR was up against a -55.8% comparable result in 2020 vs. -48.4% in the prior week's 2-year run-rate. **On a 2-year run-rate, RevPAR was -15.8% vs. -4.3% in the prior week's 2-year run-rate.**

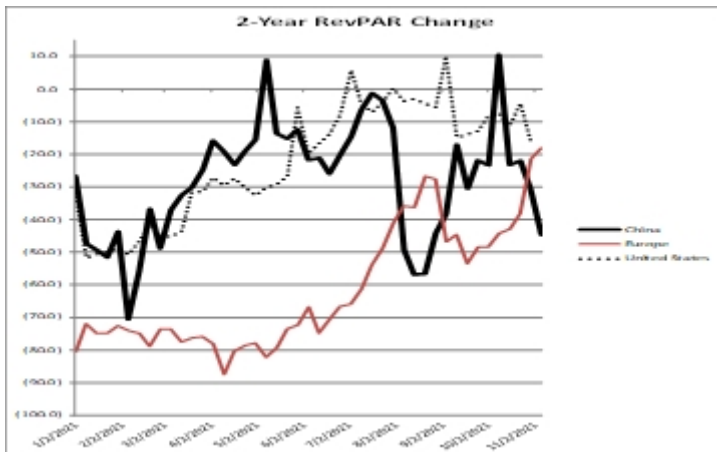
- *Much of the sequential change was driven by the timing of Halloween (Sunday in 2021, Saturday prior week in 2020, and Wednesday prior week in 2019). Averaging out the two weeks impacted by Halloween, overall RevPAR trends have been fairly steady on average in recent weeks.*

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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 30th vs. trailing 28 days (see charts at end of note for graphical representations):

China (local currency):

- RevPAR was -26.6% y/y for the week ending November 6th, **a deceleration from** the -7.8% for the trailing 28 days.
- ADR was +3.8% y/y for the week ending November 6th, **worse than** the +6.5% for the trailing 28 days.
- Occupancy was -29.3% y/y for the week ending November 6th, **a deceleration from** the -13.4% for the trailing 28 days.

Europe (in Euros):

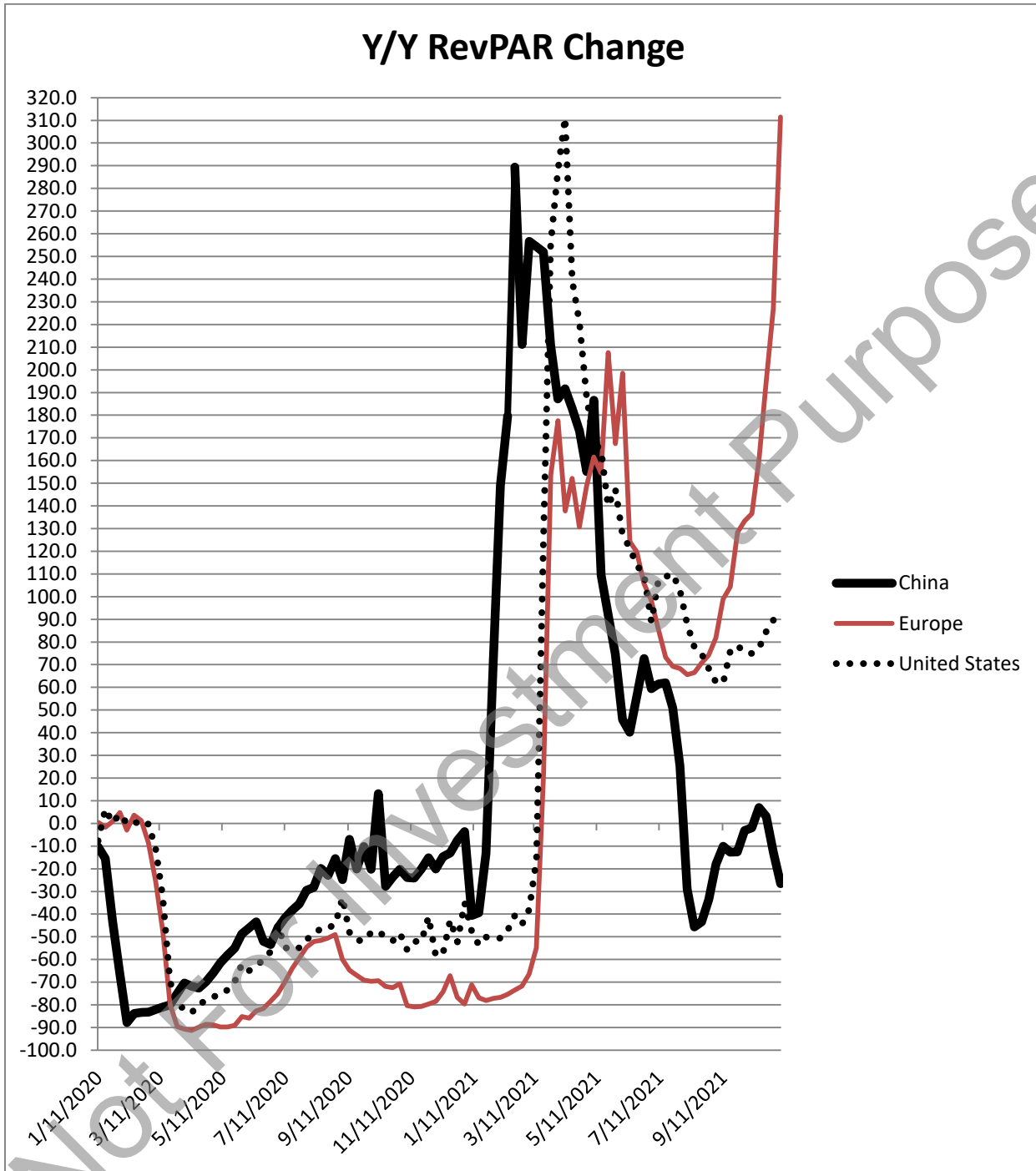
- RevPAR was +311.5% y/y for the week ending November 6th, **an improvement from** the +212.5% for the trailing 28 days.
- ADR was +59.1% y/y for the week ending November 6th, **higher than** the +45.2% for the trailing 28 days.
- Occupancy was +158.6% y/y for the week ending November 6th, **higher than** the +115.2% for the trailing 28 days.

Additional thoughts and observations:

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

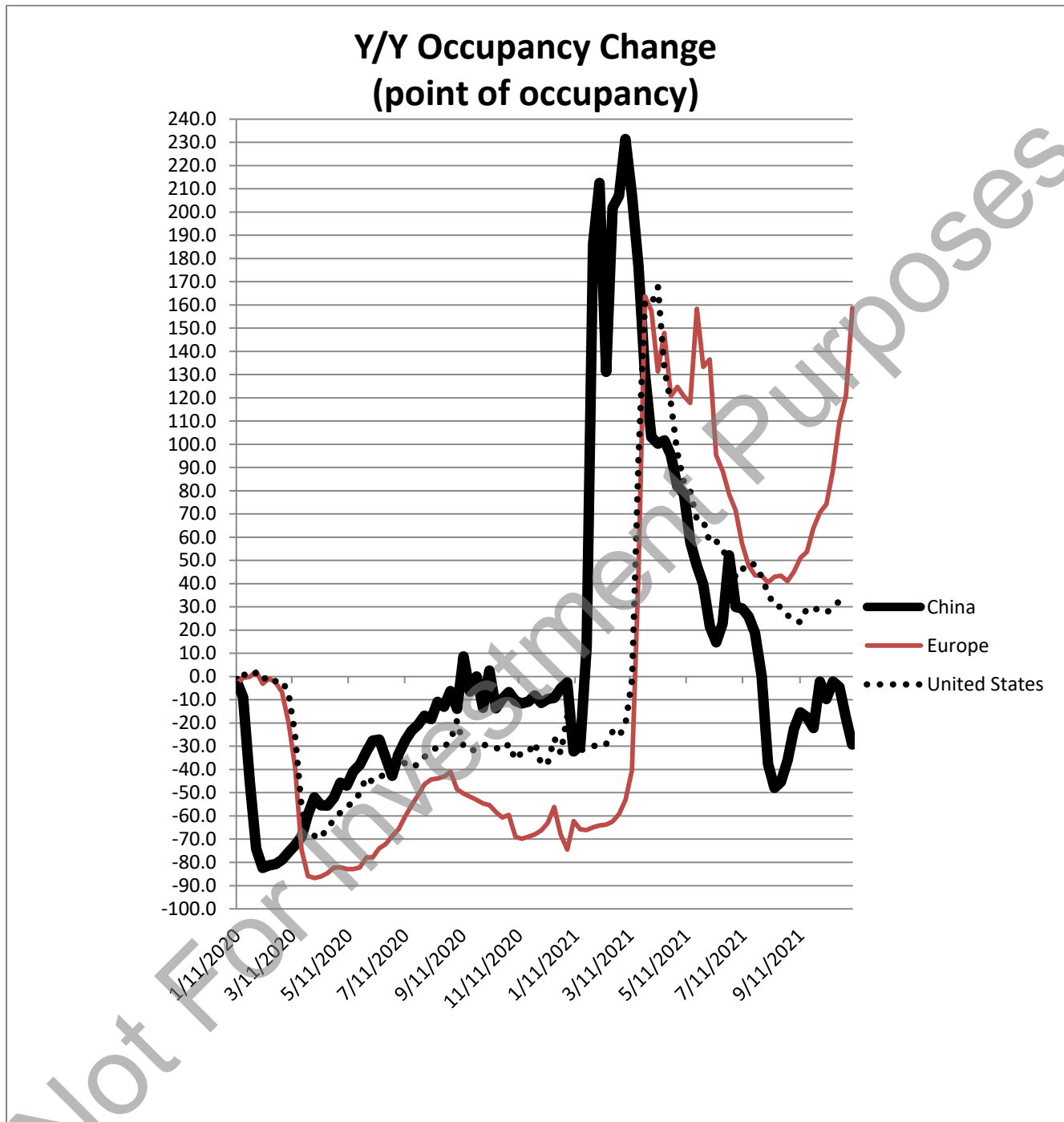
- **China: Absolute occupancy was 44.2%.** *By comparison, occupancy was 62.5% during the comparable week last year.*
- **Europe: Absolute occupancy was 58.4%.** *So far it has been approx. 88 weeks after occupancy first started to see rapid deceleration in Europe. By comparison, occupancy was 22.6% during the comparable week last year.*
- **US: Absolute occupancy was 59.8%.** *So far it has been approx. 87 weeks after occupancy first started to see rapid deceleration in mid-March 2020 in the US. By comparison, occupancy was 44.2% during the comparable week last year.*

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



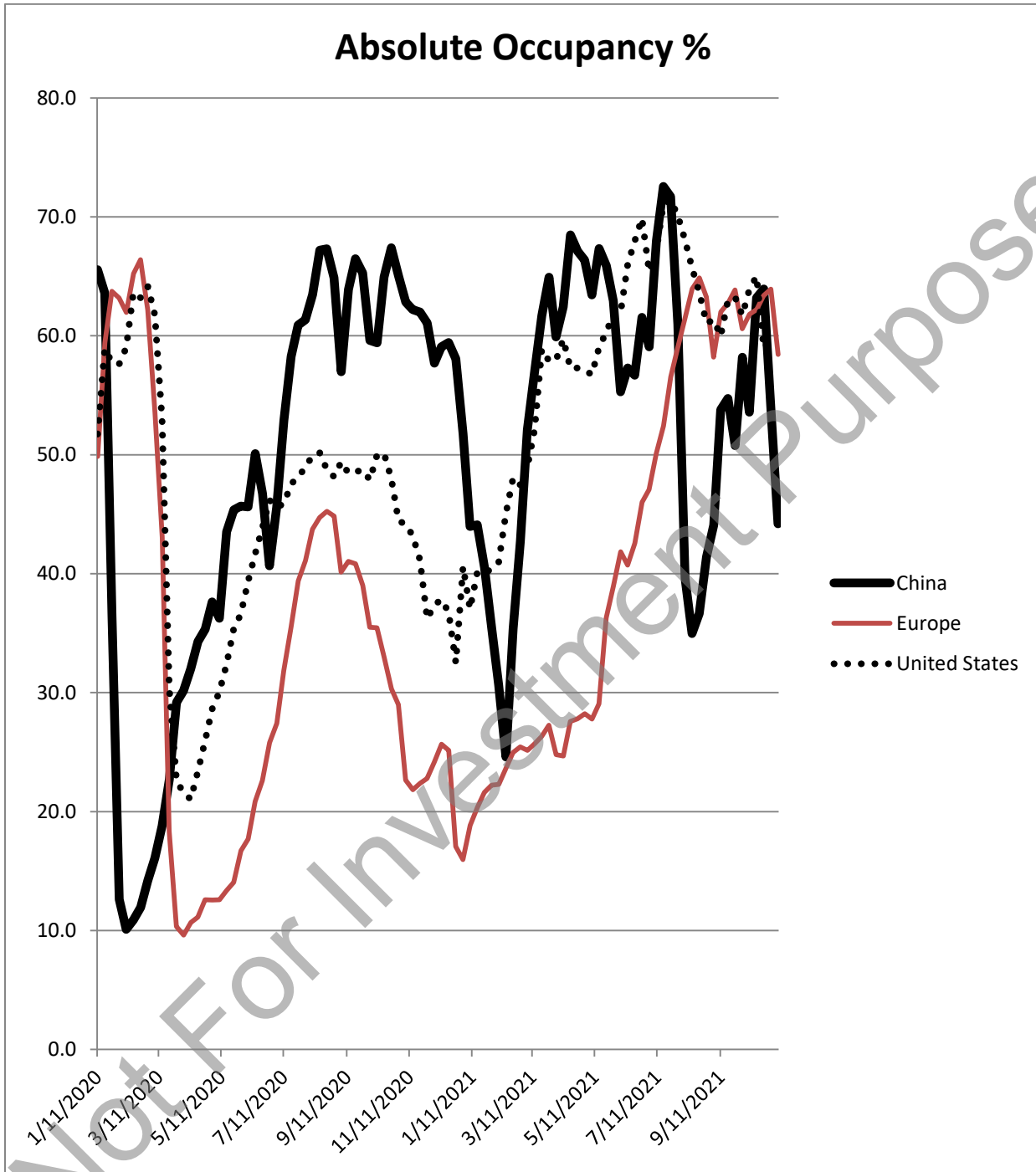
Source: STR, Truist Securities research

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



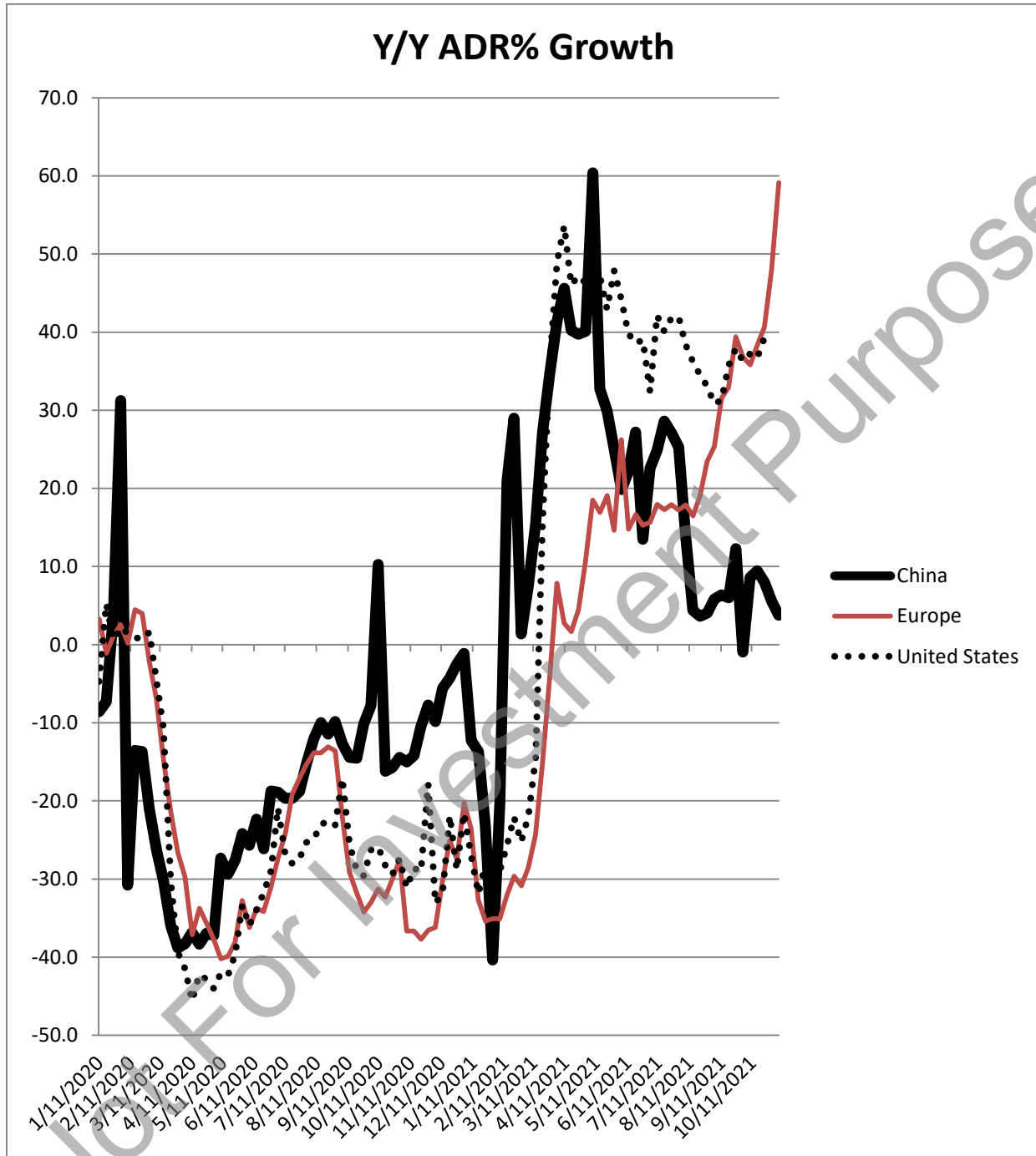
Source: STR, Truist Securities research

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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