

Lodging

China & Europe hotels: RevPAR -30% y/y (2yr: -47%) & +324% y/y (2yr: -15%) for wk ending 11/13

2yr comp: China stays very depressed, Europe continues to gradually get “less bad”

What's Incremental To Our View

Quick take: Per STR for the week ending November 13th, hotel RevPAR in China in local currency was -30.2% y/y vs. -23.6% y/y in the prior week. Last week's RevPAR was up against a -24.1% comparable result in 2020 vs. -23.9% in the prior week. On a 2-year run-rate, which we believe is an equally if not more important KPI, RevPAR was -47.3% vs. -44.7% 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 +324.2% y/y vs. +311.5% in the prior week. Last week's RevPAR was up against a -80.9% comparable result in 2020 and -80.3% in the prior week. **On a 2-year run-rate, RevPAR was -15.5%, vs. the -18.6% in the prior week's 2-year run-rate and the trajectory of RevPAR has shown strong improvement over the past nine weeks.**

- Frankly, given the [uptick in Covid in Europe](#), we are surprised that the 2-year results have continued to improve week-over-week.

US: Overall RevPAR was +104.2%, stronger than the prior week's result of +89.7%. Last week's RevPAR was up against a -52.0% comparable result in 2020 vs. -55.8% in the prior week's 2-year run-rate. **On a 2-year run-rate, RevPAR was -1.4% vs. -15.8% in the prior week's 2-year run-rate.**

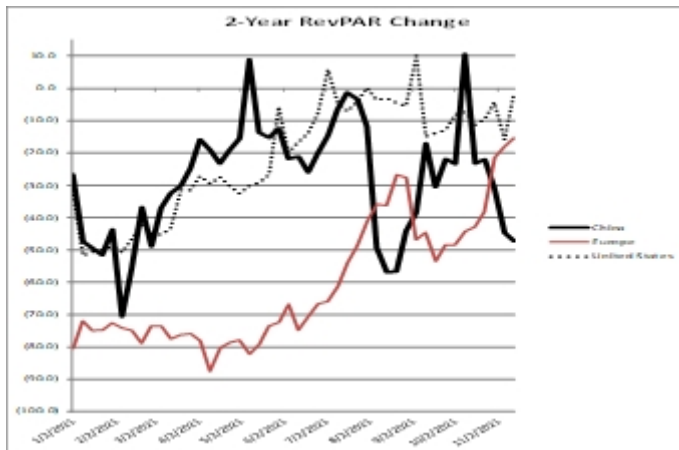
- Last week presented another strong performance for weekend leisure and small group travel relative to weekday business demand.

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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 November 13th vs. trailing 28 days (see charts at end of note for graphical representations):

China (local currency):

- RevPAR was -30.2% y/y for the week ending November 13th, **a deceleration from** the -16.9% for the trailing 28 days.
- ADR was +4.1% y/y for the week ending November 13th, **worse than** the +5.2% for the trailing 28 days.
- Occupancy was -32.9% y/y for the week ending November 13th, **a deceleration from** the -21.0% for the trailing 28 days.

Europe (in Euros):

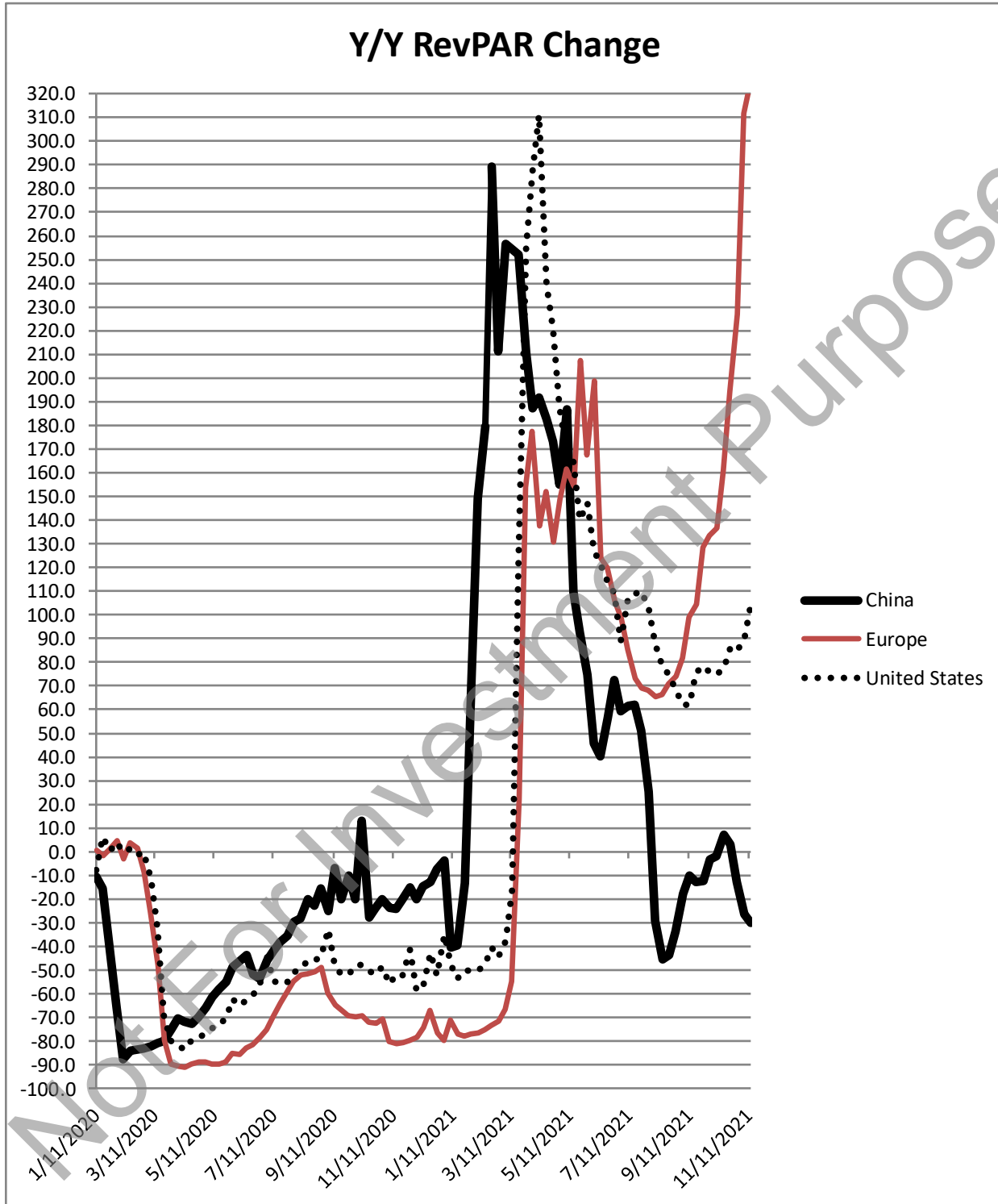
- RevPAR was +324.2% y/y for the week ending November 13th, **an improvement from** the +250.9% for the trailing 28 days.
- ADR was +60.8% y/y for the week ending November 13th, **higher than** the +50.4% for the trailing 28 days.
- Occupancy was +163.8% y/y for the week ending November 13th, **higher than** the +133.3% for the trailing 28 days.

Additional thoughts and observations:

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

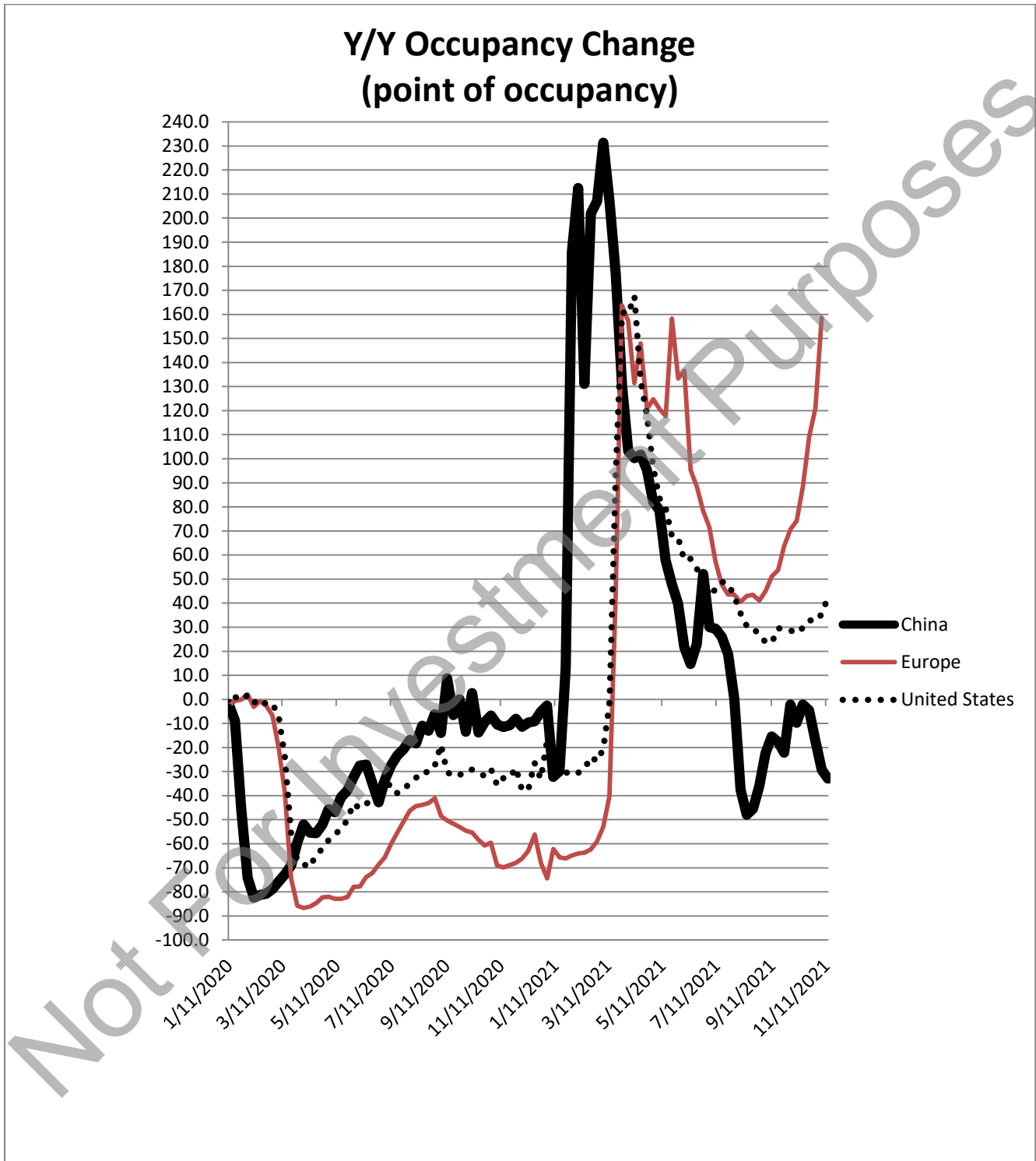
- **China: Absolute occupancy was 41.6%.** *By comparison, occupancy was 62.1% during the comparable week last year.*
- **Europe: Absolute occupancy was 57.4%.** *So far it has been approx. 89 weeks after occupancy first started to see rapid deceleration in Europe. By comparison, occupancy was 21.8% during the comparable week last year.*
- **US: Absolute occupancy was 61.6%.** *So far it has been approx. 88 weeks after occupancy first started to see rapid deceleration in mid-March 2020 in the US. By comparison, occupancy was 43.2% during the comparable week last year.*

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



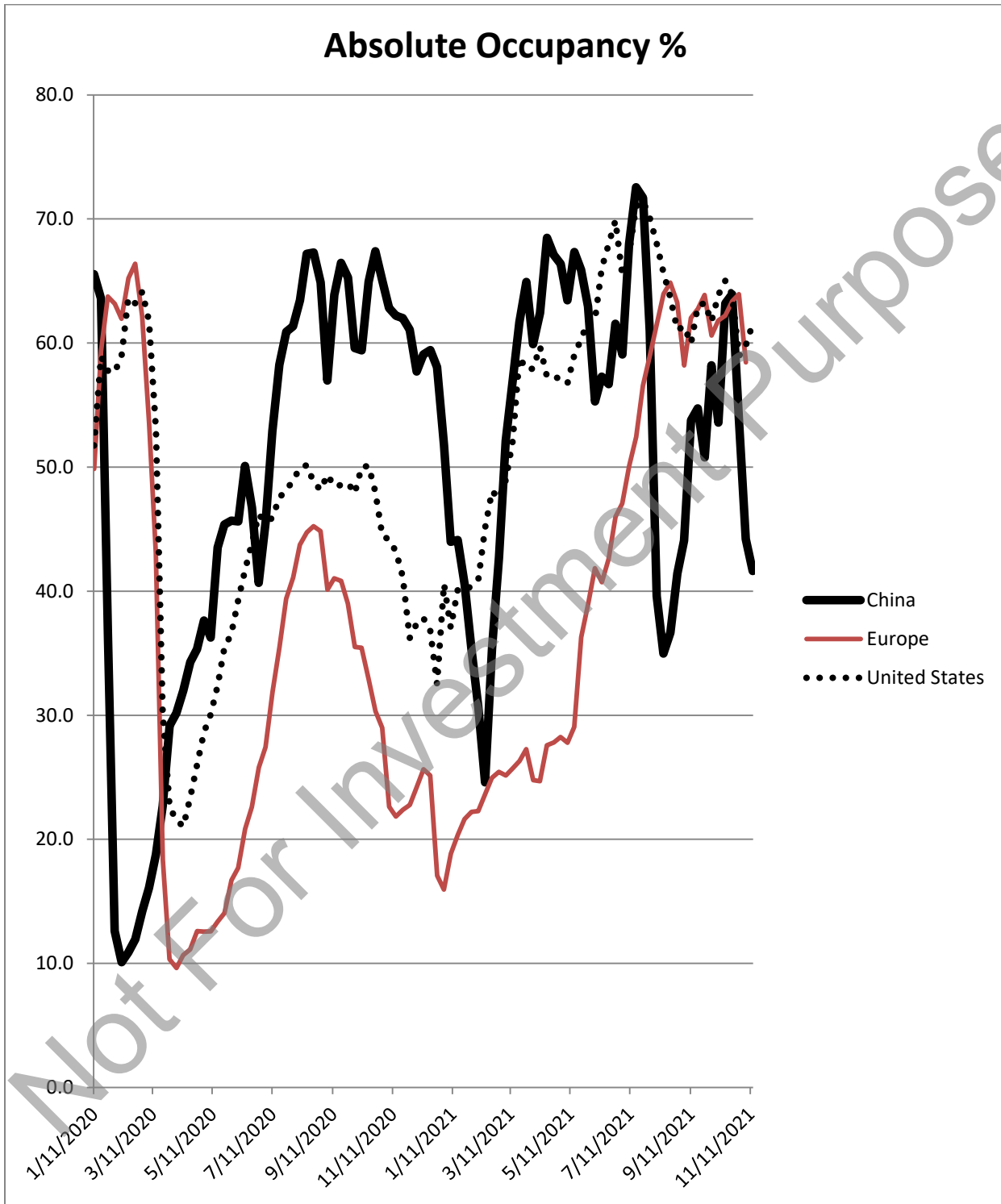
Source: STR, Truist Securities research

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



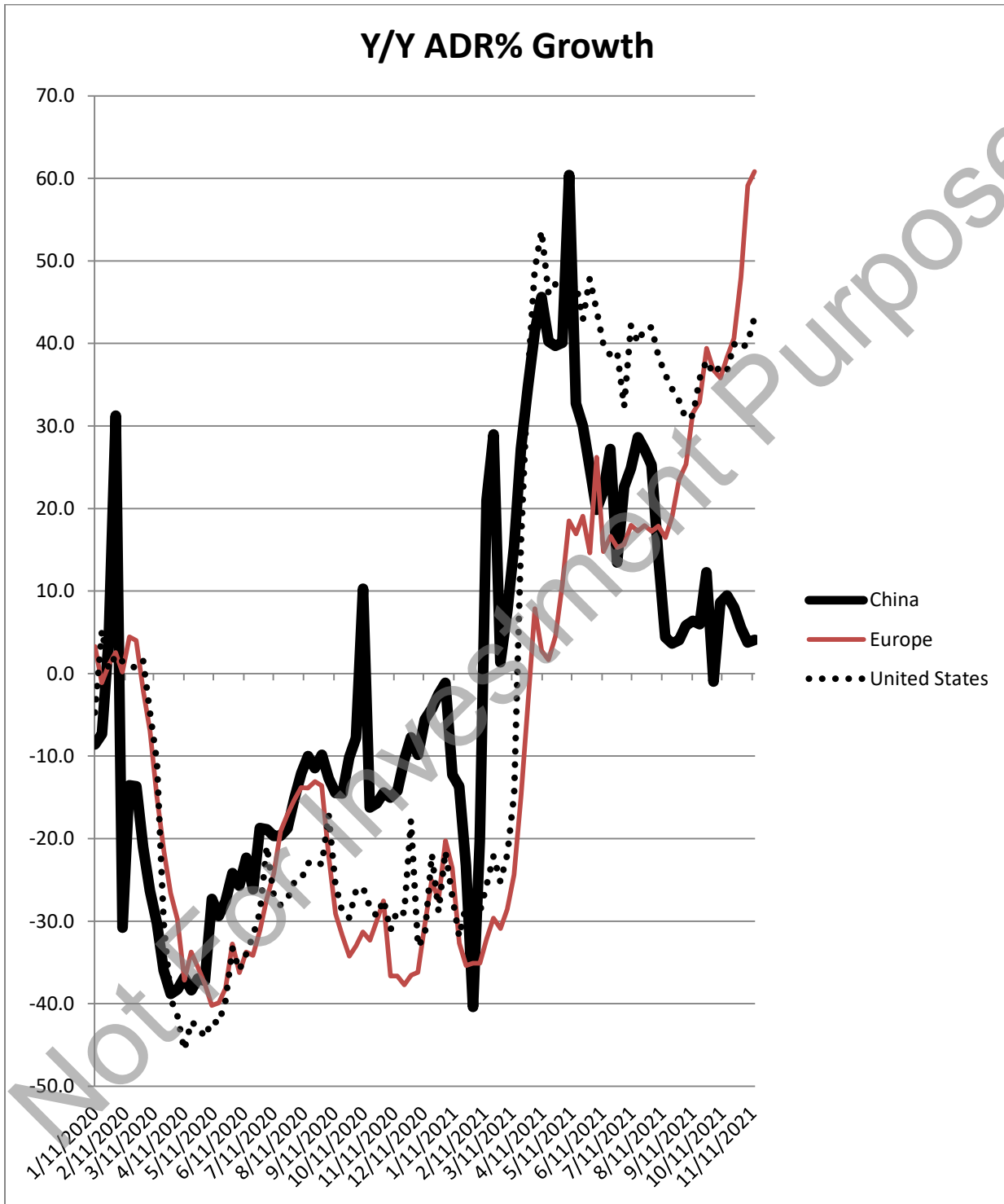
Source: STR, Truist Securities research

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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