

Lodging

China & Europe hotels: RevPAR -13% y/y (2yr: -31%) & +227% y/y (2yr: -21%) for wk ending 10/30

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 October 30th, hotel RevPAR in China in local currency was -12.9% y/y vs. +3.1% y/y in the prior week. Last week's RevPAR was up against a -20.2% comparable result in 2020 vs. -23.7% in the prior week. On a 2-year run-rate, which we believe is an equally if not more important KPI, RevPAR was -30.7% vs. -22.0% 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 +227.0% y/y vs. +194.3% in the prior week. Last week's RevPAR was up against a -70.7% comparable result in 2020 and -72.5% in the prior week. **On a 2-year run-rate, RevPAR was -21.4%, vs. the -38.2% in the prior week's 2-year run-rate and the trajectory of RevPAR has shown strong improvement over the past seven weeks.**

US: Overall U.S. RevPAR was +84.5% y/y, slightly softer than the prior week's result of +86.0%. Last week's RevPAR was up against a -48.4% comparable result in 2020 vs. -51.8% in the prior week's 2-year run-rate. **On a 2-year run-rate, RevPAR was -4.3% vs. -9.6% in the prior week's 2-year run-rate.**

- *We have noted in past years of the impact of the day that Halloween falls during the week and view a midweek impact negative to business travel. A Sunday holiday in 2021 is less a factor than a Thursday in 2019, making for an easier 2-year comparison.*

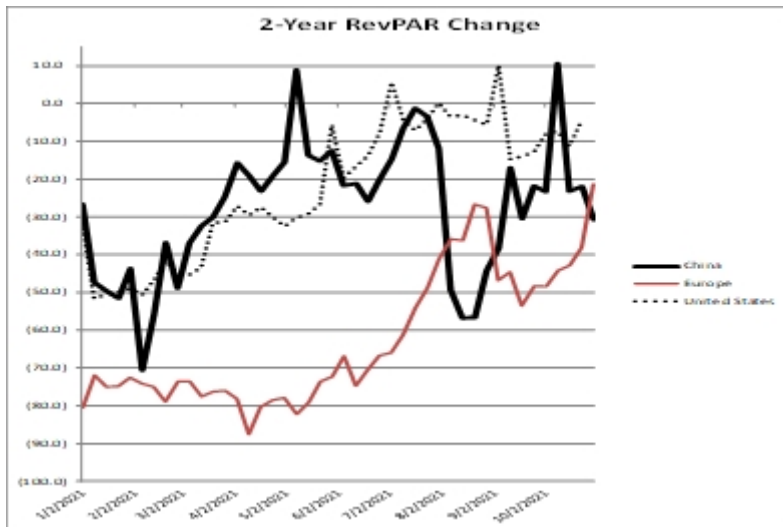
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What's Inside

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 -12.9% y/y for the week ending October 30th, **a deceleration from** the -1.7% for the trailing 28 days.
- ADR was +5.6% y/y for the week ending October 30th, **worse than** the +7.6% for the trailing 28 days.
- Occupancy was -17.5% y/y for the week ending October 30th, **a deceleration from** the -8.7% for the trailing 28 days.

Europe (in Euros):

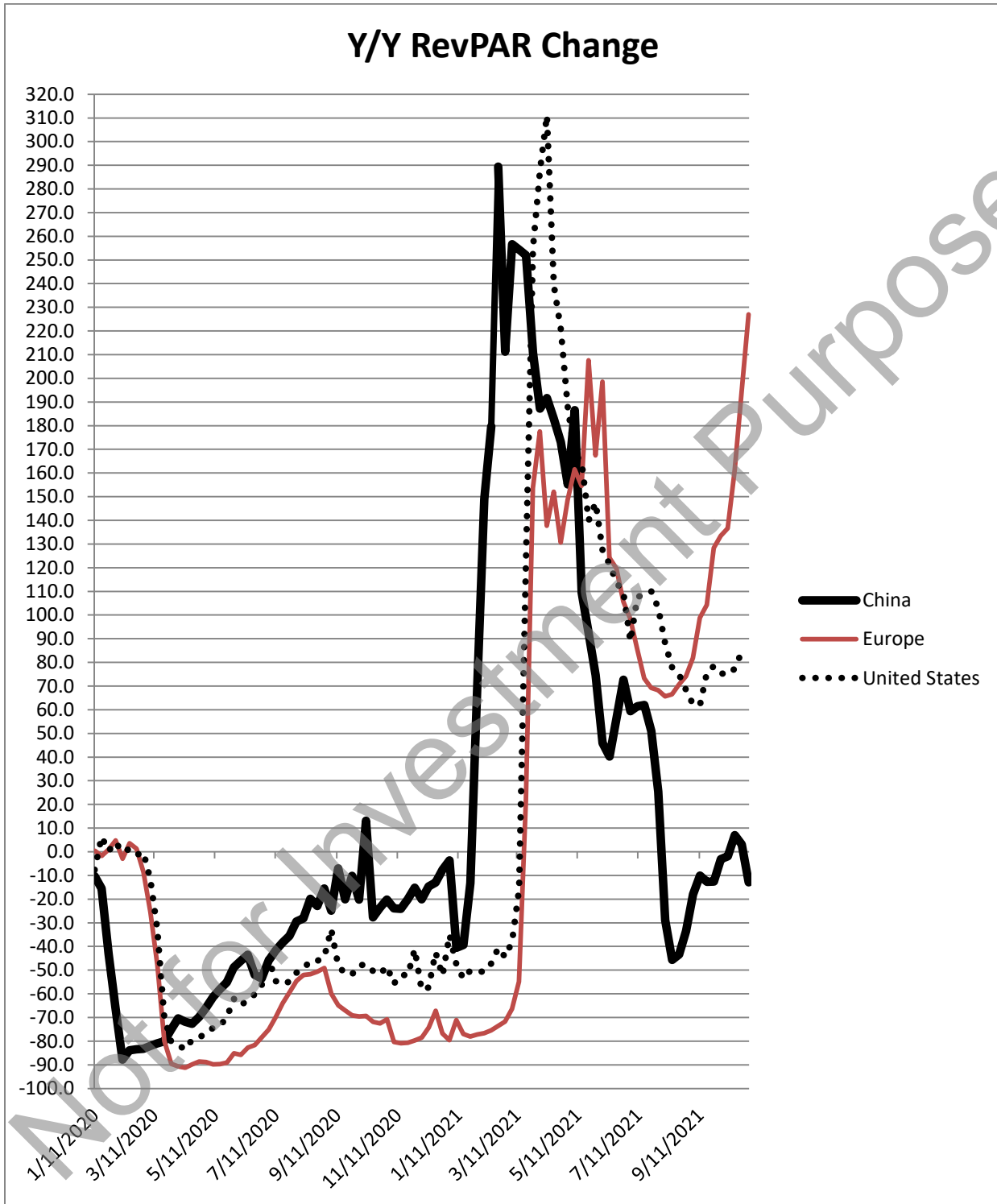
- RevPAR was +227.0% y/y for the week ending October 30th, **an improvement from** the +177.3% for the trailing 28 days.
- ADR was +48.0% y/y for the week ending October 30th, **higher than** the +40.7% for the trailing 28 days.
- Occupancy was +120.9% y/y for the week ending October 30th, **higher than** the +97.0% for the trailing 28 days.

Additional thoughts and observations:

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

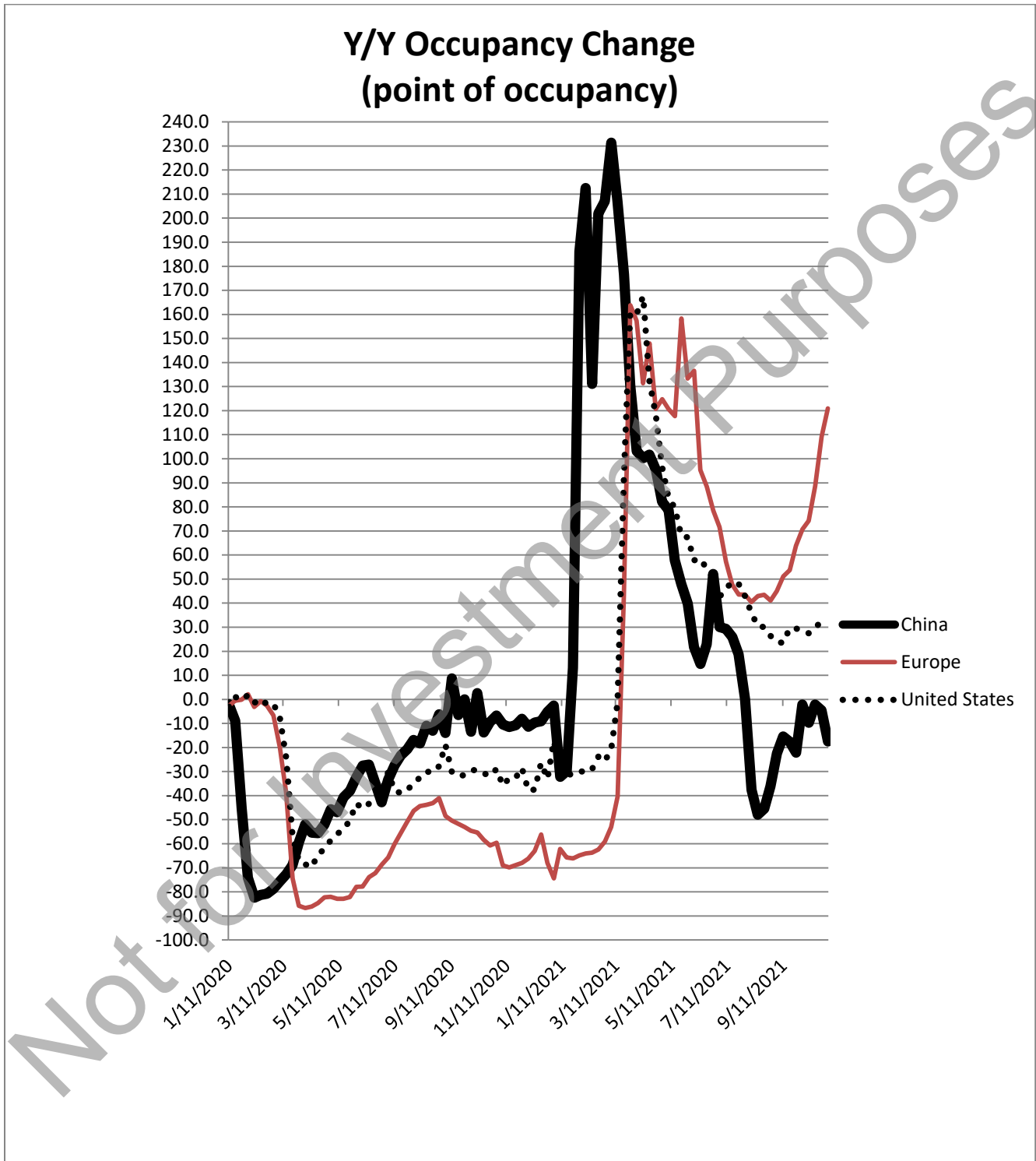
- **China: Absolute occupancy was 53.7%.** By comparison, occupancy was 65.1% during the comparable week last year.
- **Europe: Absolute occupancy was 63.9%.** So far it has been approx. 87 weeks after occupancy first started to see rapid deceleration in Europe. *By comparison, occupancy was 28.9% during the comparable week last year.*
- **US: Absolute occupancy was 58.9%.** So far it has been approx. 86 weeks after occupancy first started to see rapid deceleration in mid-March 2020 in the US. *By comparison, occupancy was 44.5% during the comparable week last year.*

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



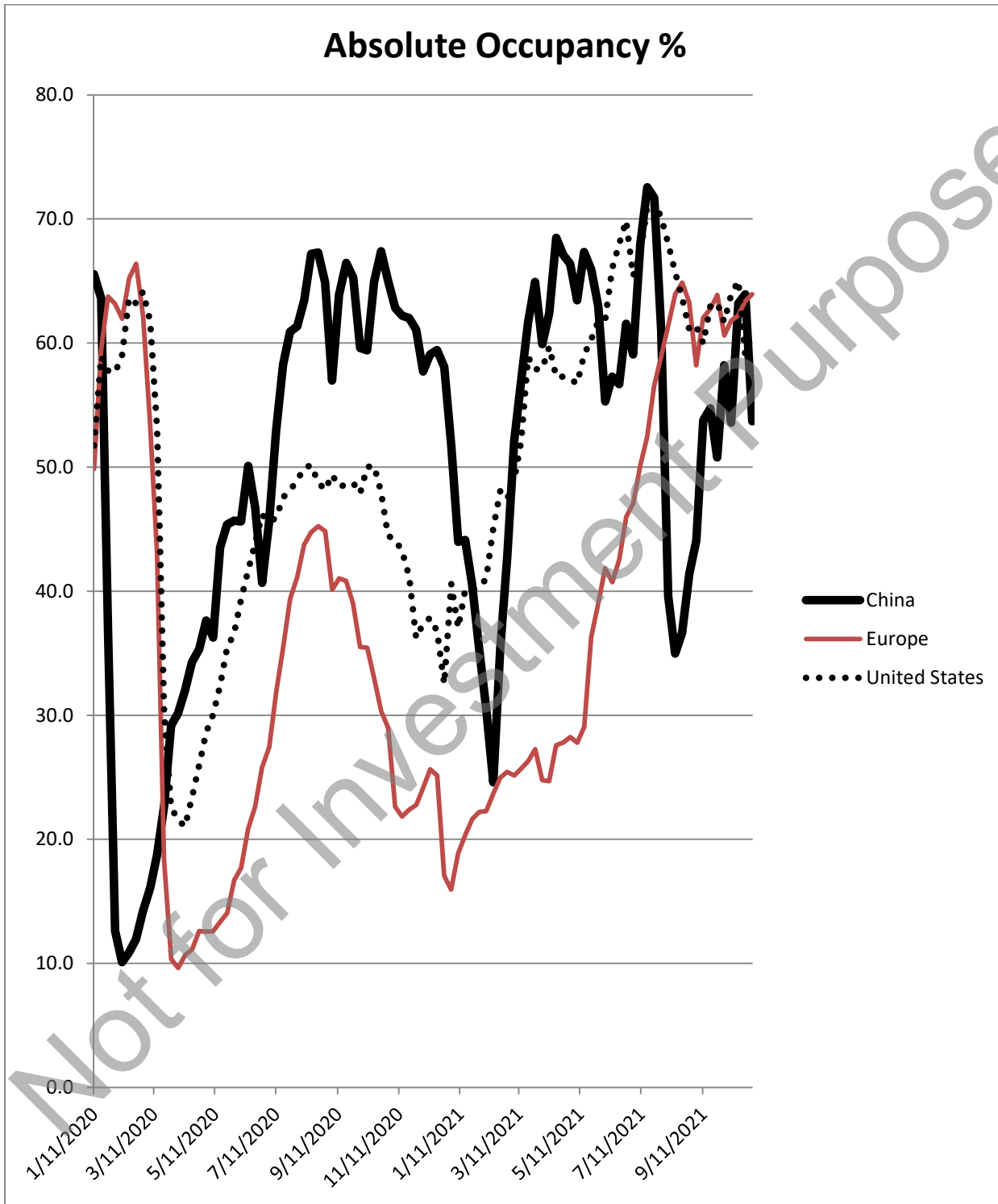
Source: STR, Truist Securities research

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



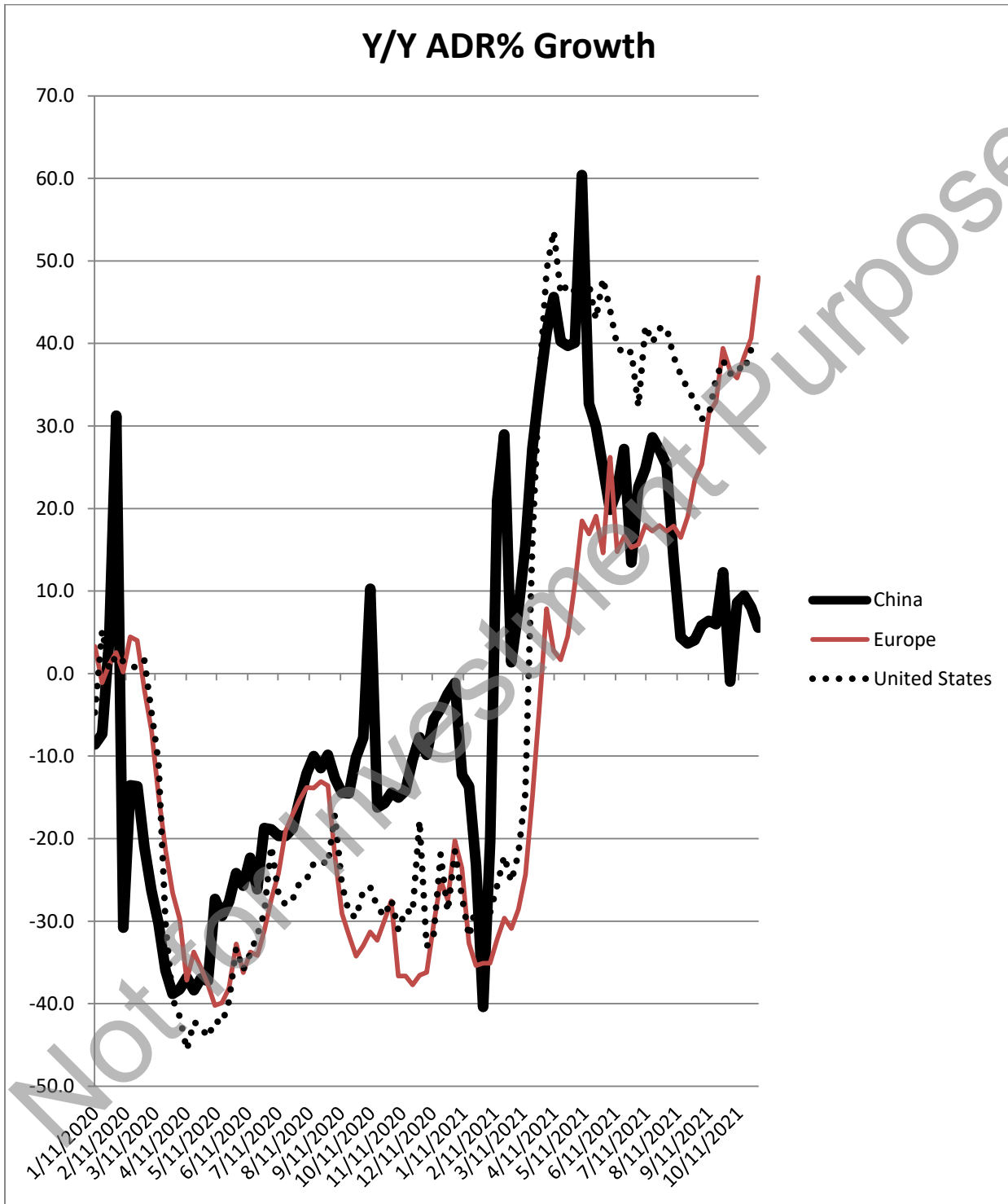
Source: STR, Truist Securities research

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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