

Lodging

Europe hotels: RevPAR +170% y/y, 2yr: -19%. China data delayed

2yr comp: Europe slips 500 bps. week-over-week, likely from Omicron

What's Incremental To Our View

Quick take: Per STR for the week ending December 11th, hotel RevPAR in Europe in Euros was +170.4% y/y vs. +224.5% in the prior week. Last week's RevPAR was up against a -74.2% comparable result in 2020 and -78.4% in the prior week. On a 2-year run-rate, RevPAR was -18.6% vs. the -13.9% in the prior week's 2-year run-rate. As this is the largest week-over-week drop on the 2-year result since early September when summer vacation season ended, we have to believe the drop is due to Omicron's impact on travel.

Results out of China are delayed and we will publish those once we receive them.

U.S.: Overall U.S. RevPAR was +126.7% y/y for the week ending 12/11/2021, per STR, stronger than the prior week's result of +117.1%. Last week's RevPAR was up against a -57.3% comparable result in 2020 vs. -58.4% in the prior week's 2-year run-rate. *On a 2-year run-rate, RevPAR was -2.7% vs. -9.2% in the prior week's 2-year run-rate.*

- The calendar shift of Chanukah (started Sunday 11/28/21 vs. prior years Thursday 12/10/20 and Sunday 12/22/19) resulted in a somewhat easier y/y comp. We suspect there was Omicron impact in last week's results but impossible to tell the degree due to the holiday shift.

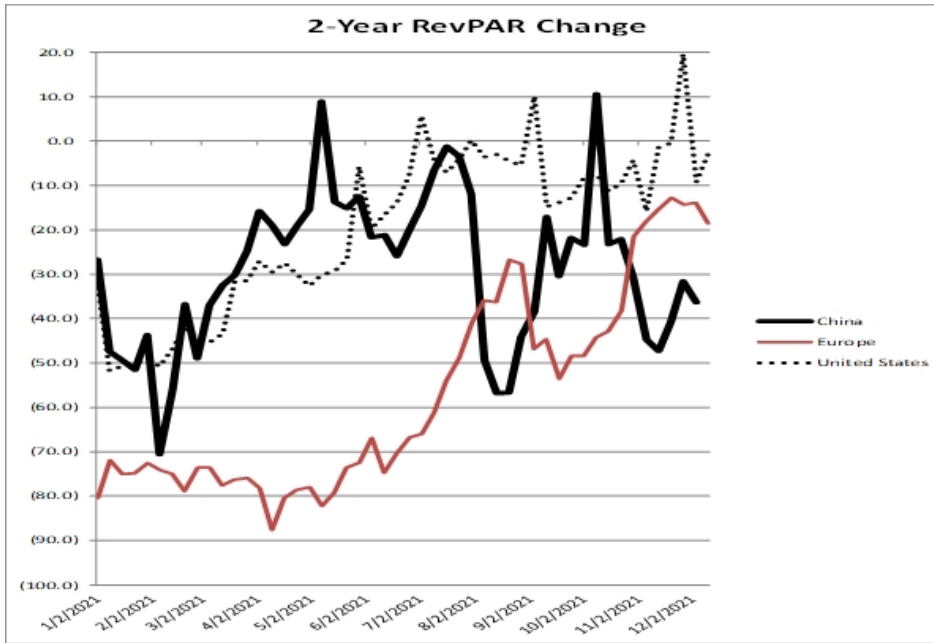
C. Patrick Scholes
212-319-3915
Patrick.Scholes@truist.com

Gregory J. Miller
212-303-4198
Gregory.J.Miller@truist.com

Alexander Barenklau
212-303-4166
Alexander.Barenklau@truist.com

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 27th vs. trailing 28 days (see charts at end of note for graphical representations):

Europe (in Euros):

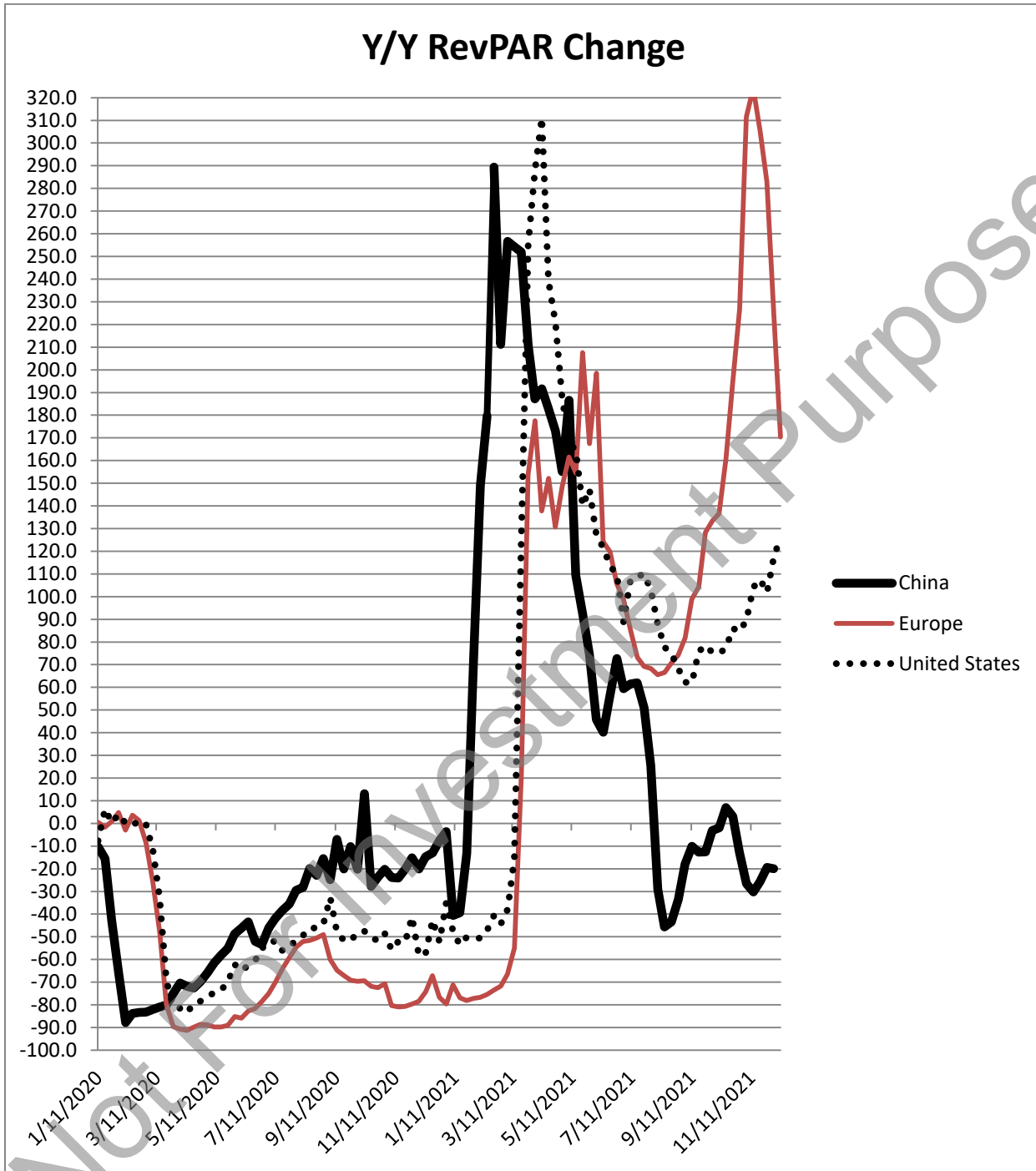
- RevPAR was +170.4% y/y for the week ending December 11th, a **deceleration from** the +241.1% for the trailing 28 days.
- ADR was +44.6% y/y for the week ending December 11th, a **deceleration from** the +54.7% for the trailing 28 days.
- Occupancy was +87.1% y/y for the week ending December 11th, **lower than** the +120.4% for the trailing 28 days

Additional thoughts and observations:

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

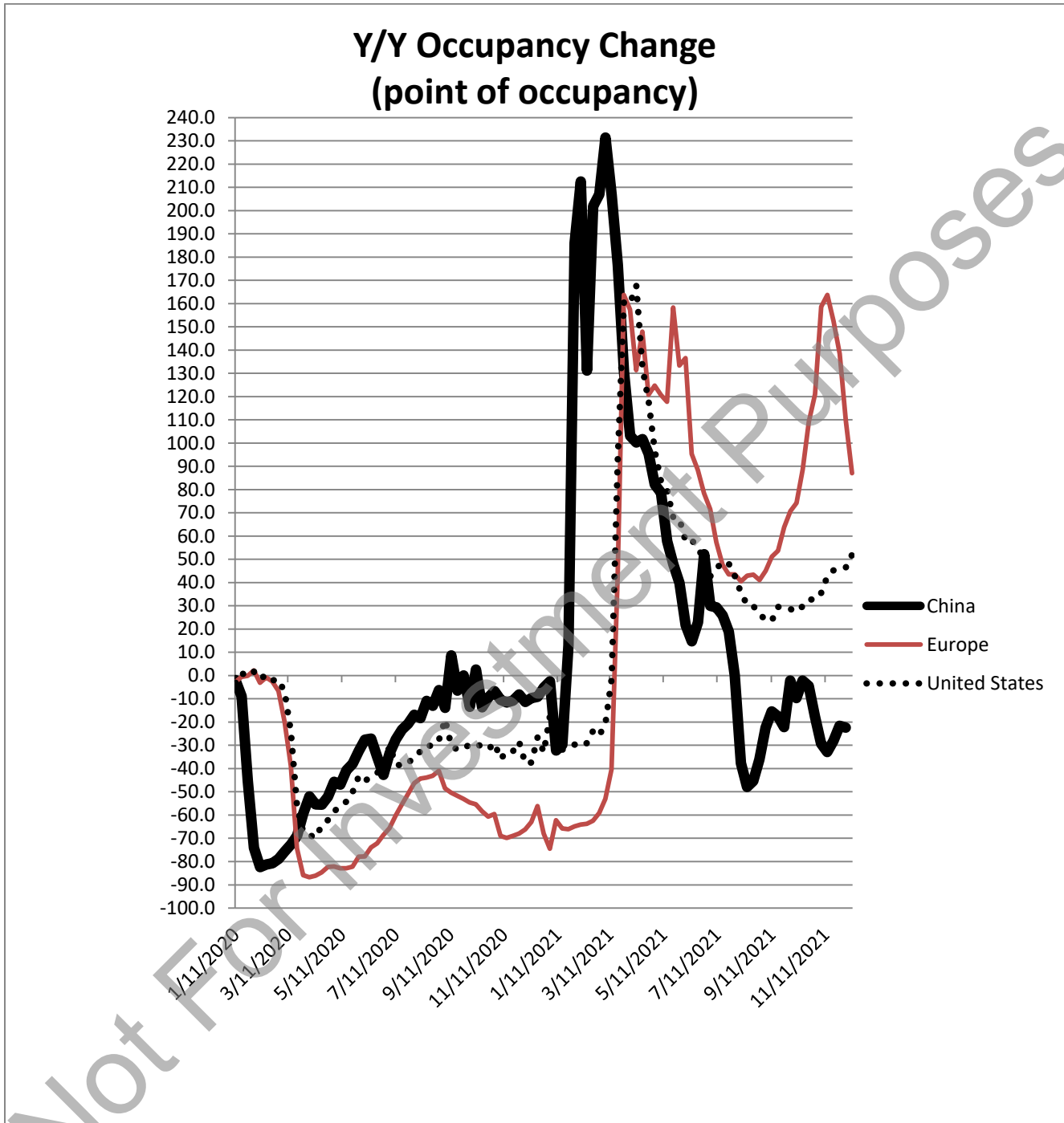
- **Europe: Absolute occupancy was 47.9%. By comparison, occupancy was 25.6% during the comparable week last year.**
- **US: Absolute occupancy was 57.4%. By comparison, occupancy was 37.8% during the comparable week last year.**

Exhibit 2: Y/Y RevPAR change for China, Europe, US. Does not reflect latest results for China.



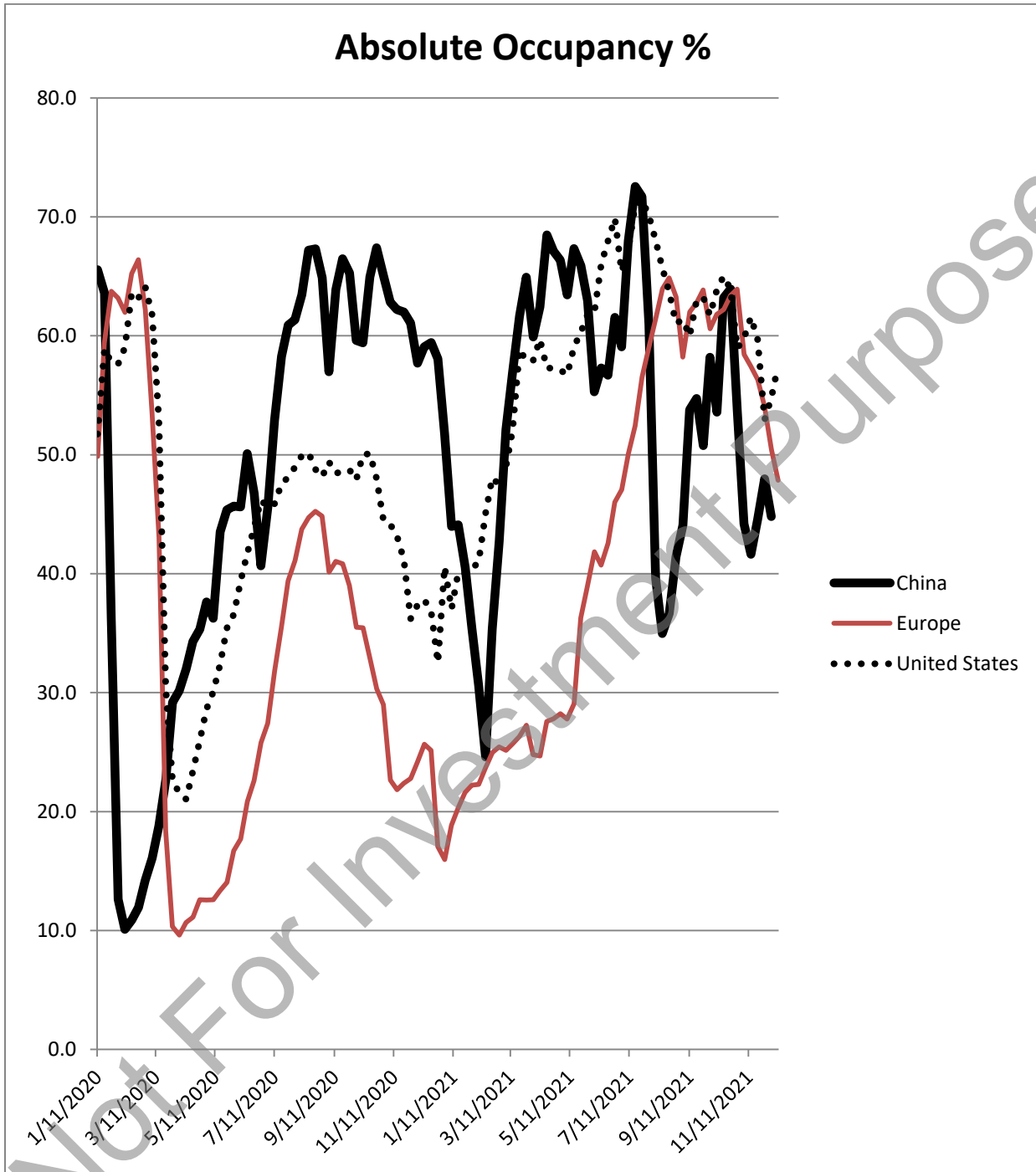
Source: STR, Truist Securities research

Exhibit 3: Y/Y Occupancy change for China, Europe, US. Does not reflect latest results for China.



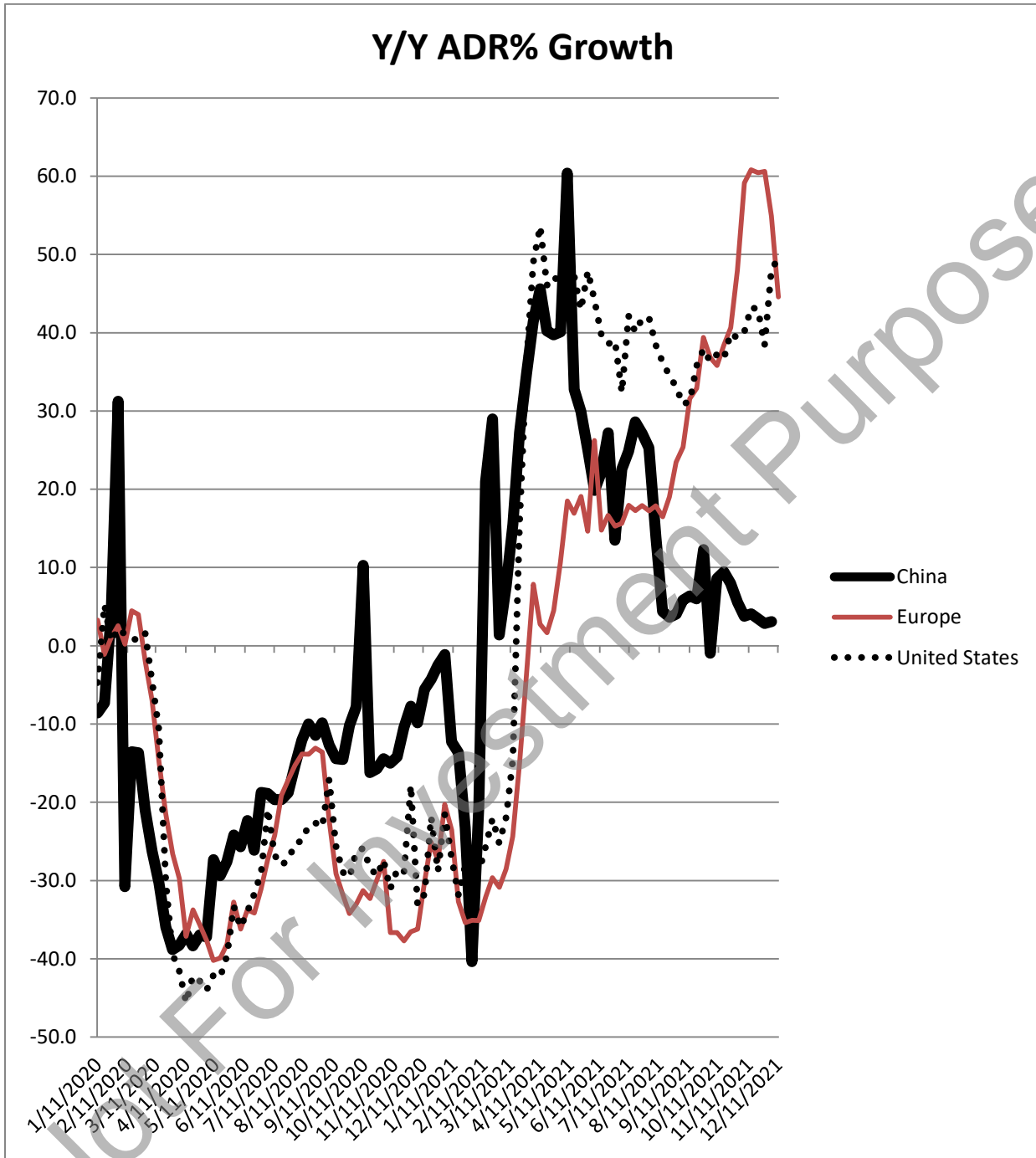
Source: STR, Truist Securities research

Exhibit 4: Absolute Occupancy % for China, Europe, US. Does not reflect latest results for China.



Source: STR, Truist Securities research

Exhibit 5: Y/Y ADR % change for China, Europe, US. Does not reflect latest results for China.



Source: STR, Truist Securities research

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