

Lodging

China hotels: RevPAR -18% y/y, 2yr: -31% for wk ending 12/11

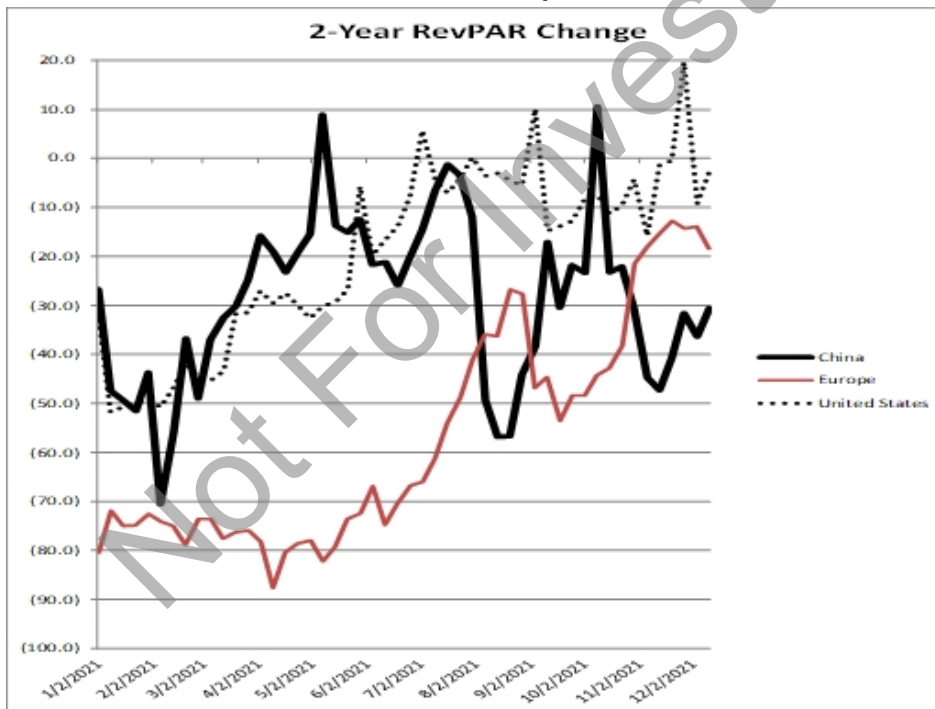
2yr comp: Better w/w but still very depressed. China locked-down pre-Omicron

What's Incremental To Our View

Quick take: Per STR for the week ending December 11th, hotel RevPAR in China in local currency was -17.9% y/y vs. -19.9% y/y in the prior week. Last week's RevPAR was up against a -14.7% comparable result in 2020 vs. -20.1% in the prior week. On a 2-year run-rate, which we believe is an equally if not more important KPI, RevPAR was -30.6% vs. -36.4% 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).
- Regarding Omicron, China is not making major changes likely due to the fact that its travel restrictions are already extremely tight with few if any foreigners able to enter the country (CNN).

Exhibit 1: 2-Year RevPAR for China, Europe, US



Source: STR, Truist Securities research

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What's Inside

China and Europe data and analysis following last week's results

RevPAR detail for week ending November 27th vs. trailing 28 days (see charts at end of note for graphical representations):

China (local currency):

- RevPAR was -17.9% y/y for the week ending December 11th, **an improvement from** the -21.3% for the trailing 28 days.
- ADR was +1.9% y/y for the week ending December 11th, **approx. equal to** the +2.4% for the trailing 28 days.
- Occupancy was -19.4% y/y for the week ending December 11th, **an improvement from** the -23.2% for the trailing 28 days.

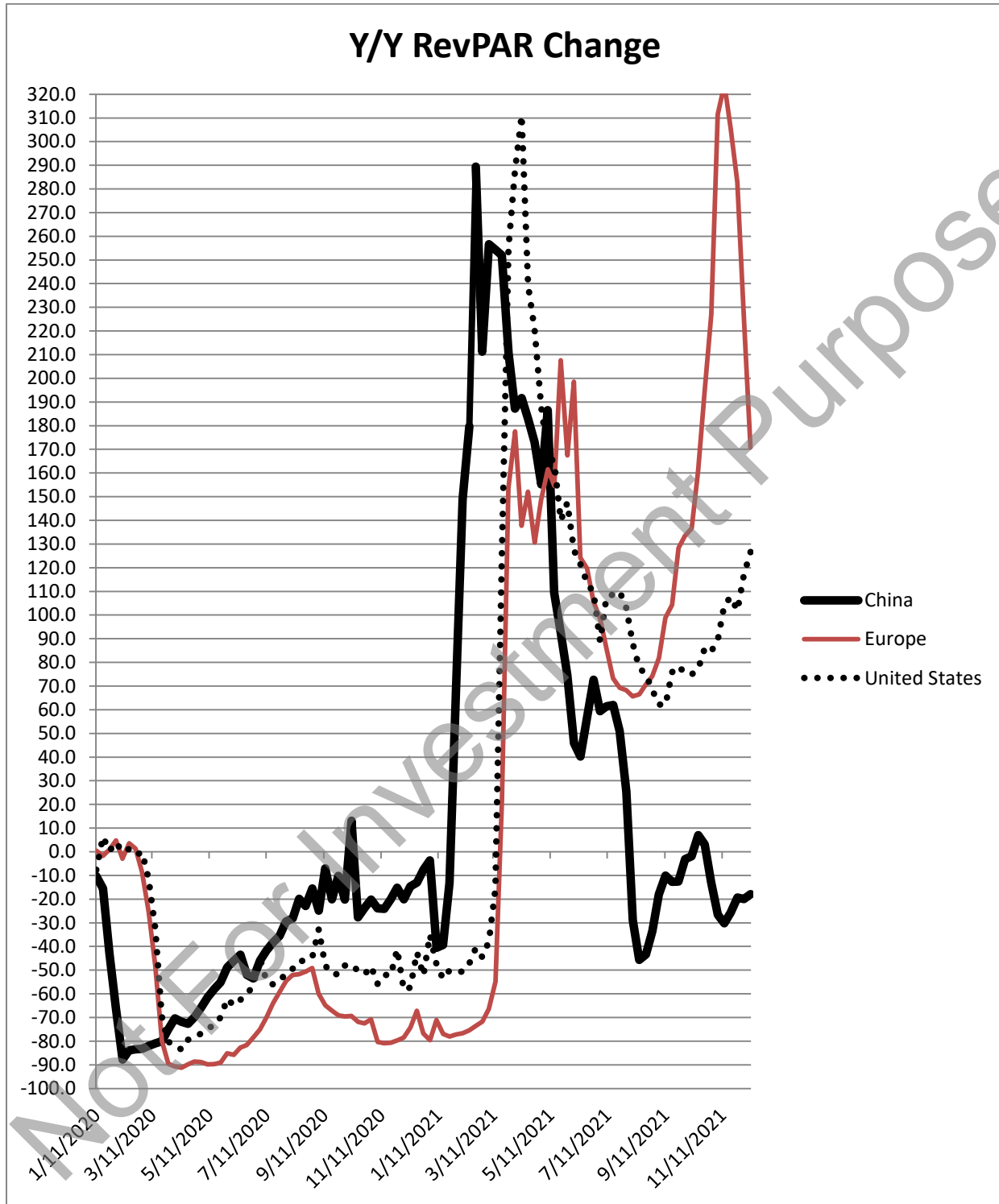
Additional thoughts and observations:

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

- **China: Absolute occupancy was 47.6%. By comparison, occupancy was 59.1% during the comparable week last year.**

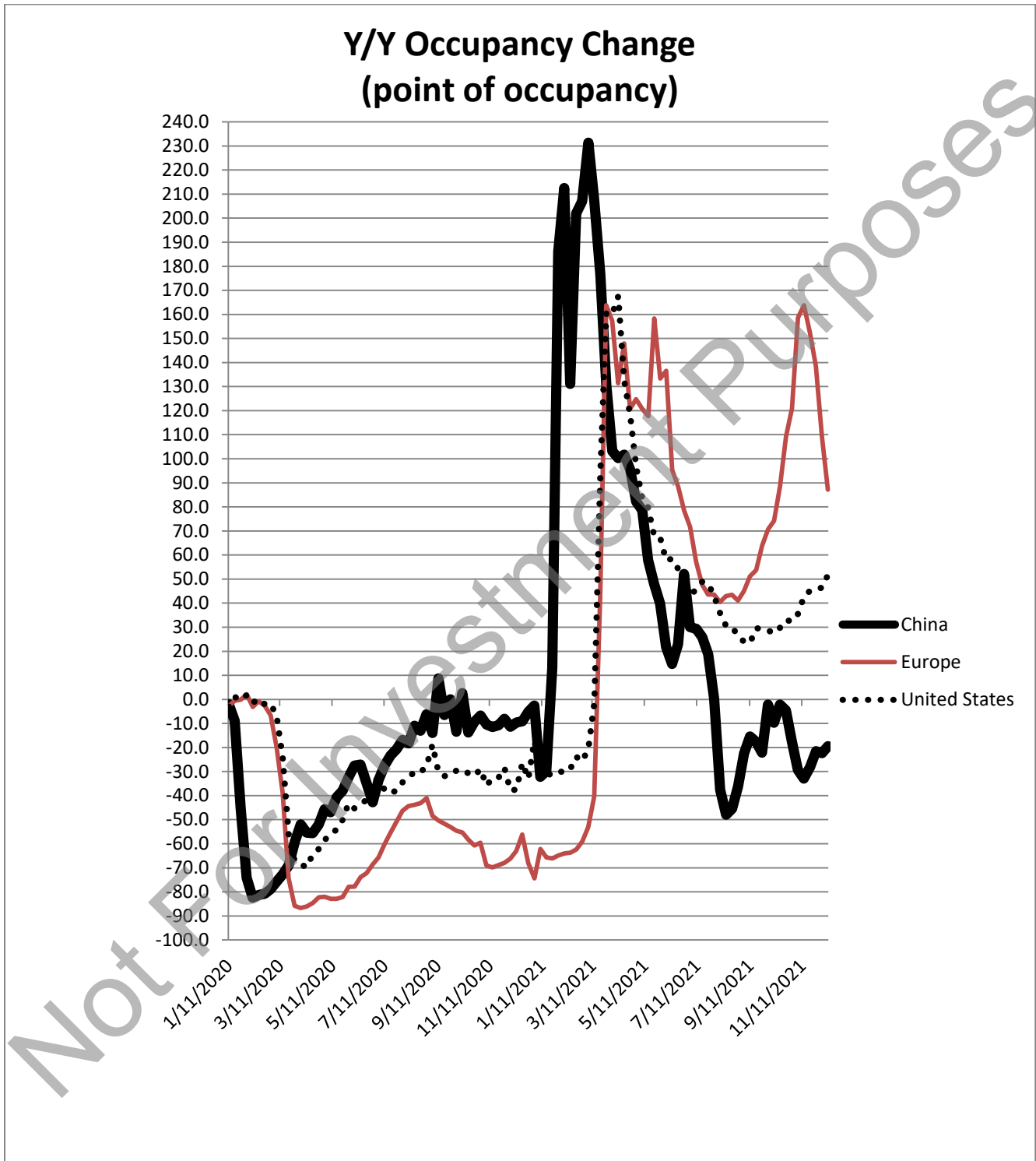
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Exhibit 2: Y/Y RevPAR change for China, Europe, US



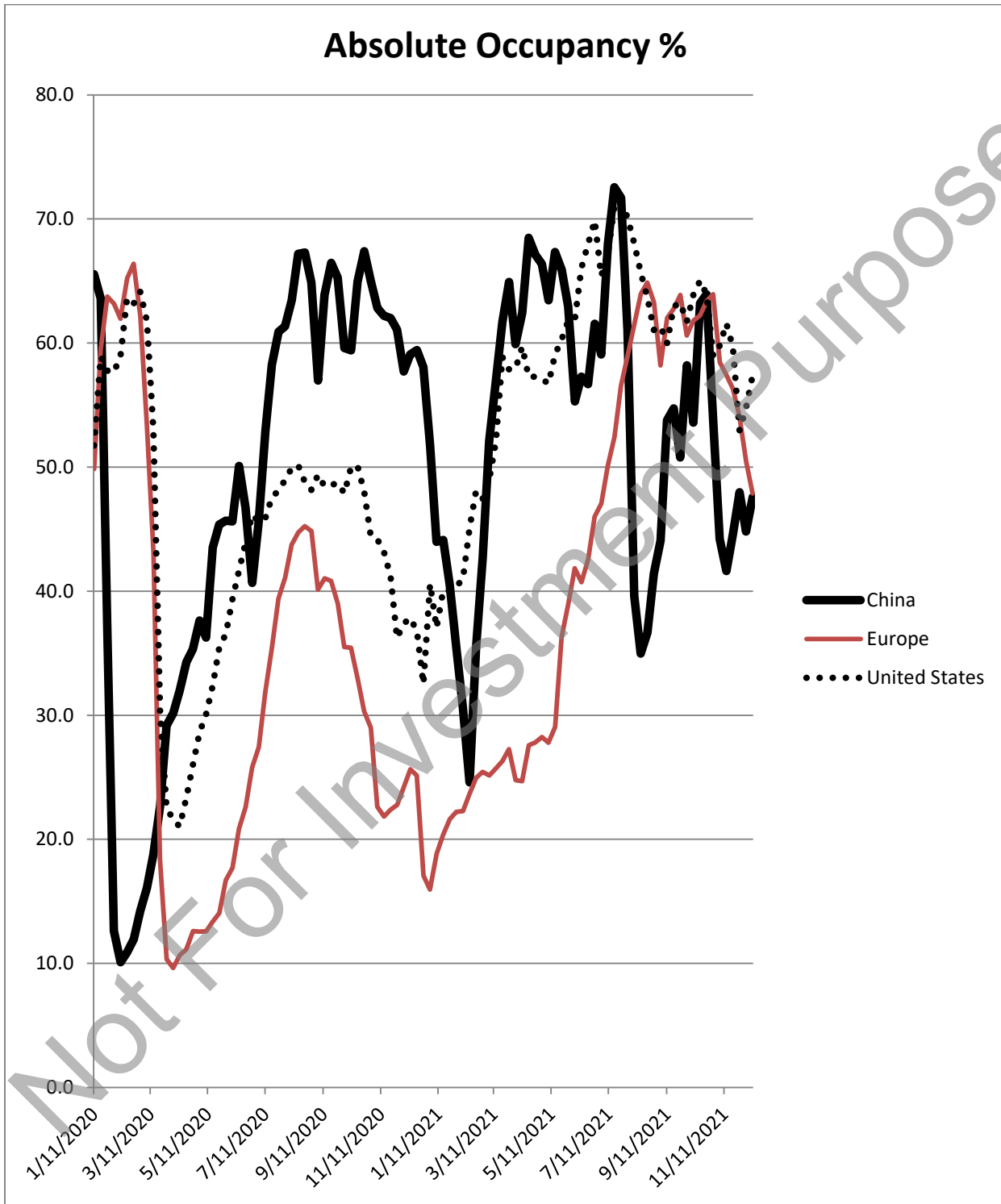
Source: STR, Truist Securities research

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



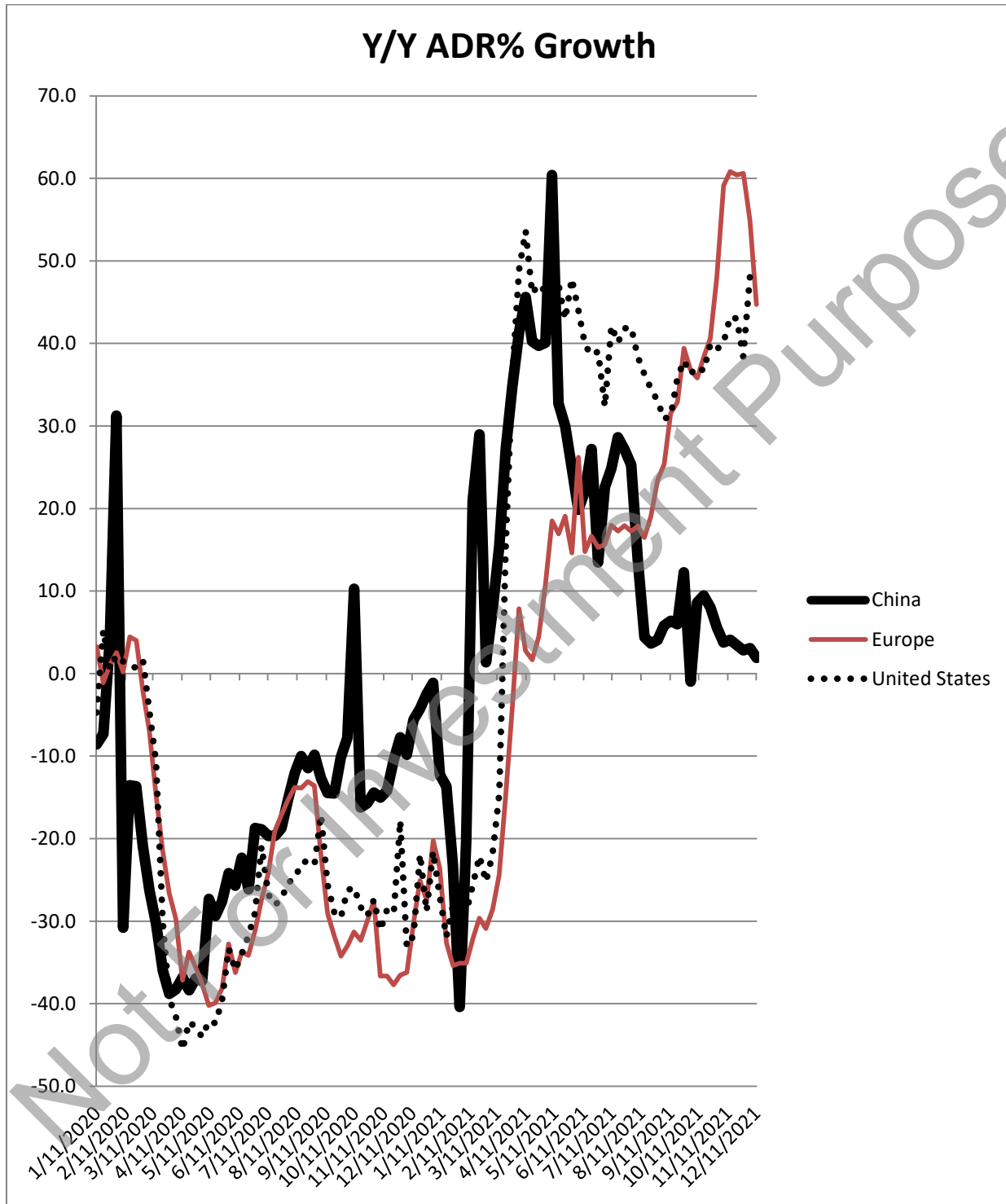
Source: STR, Truist Securities research

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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