

Lodging

China & Europe hotels: RevPAR +83% y/y (3yr: -48%) & +151% y/y (3yr: -35%) for wk ending 2/5

Vs. 2019: Minimal week-over-week improvement so far this year for China & Europe

What's Incremental To Our View

Quick take: Per STR for the week ending February 5th, hotel RevPAR in China in local currency was +82.7% y/y vs. +9.4% y/y in the prior week. Last week's RevPAR was up against a +149.0% comparable result in 2021 vs. +70.6% in the prior week. Versus 2019, which we believe is an equally if not more important KPI, RevPAR was -48.1% vs. -40.0% in the prior week's result and -50.2% in the week before that.

- **Ongoing lockdowns continue to suppress travel. See exhibit 1.**

Europe: RevPAR in Europe in Euros was +151.4% y/y vs. +140.1% in the prior week. Last week's RevPAR was up against a -76.7% comparable result in 2020 and -77.2% in the prior week. Versus 2019, RevPAR was -34.9% vs. the -34.3% in the prior week's result.

U.S.: Overall U.S. RevPAR was +68.2% y/y, slightly weaker than the prior week's result of +67.4%. Last week's RevPAR was up against a -50.6% comparable result in 2021 vs. -50.6% in the prior week's 3-year run-rate. On a 3-year run-rate (vs. 2019), RevPAR was -16.8% vs. -13.9% in the prior week's 3-year run-rate.

- We have not seen a material pick-up in higher-end business travel even with Omicron case counts fading in some U.S. markets; overall lodging trends have remained rather consistent on a weekly basis so far this quarter.

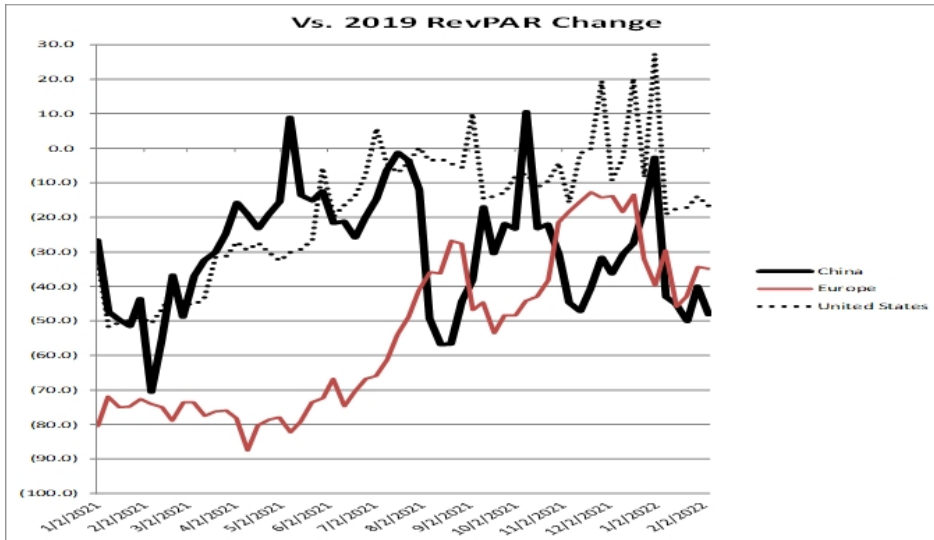
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What's Inside

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 February 5th vs. trailing 28 days (see charts at end of note for graphical representations):

China (local currency):

- RevPAR was +82.7% y/y for the week ending February 5th, **an improvement from** the +23.4% for the trailing 28 days.
- ADR was +86.1% y/y for the week ending February 5th, **above** the +25.1% for the trailing 28 days.
- Occupancy was -1.9% y/y for the week ending February 5th, **slightly below** the -1.4% for the trailing 28 days.

Europe (in Euros):

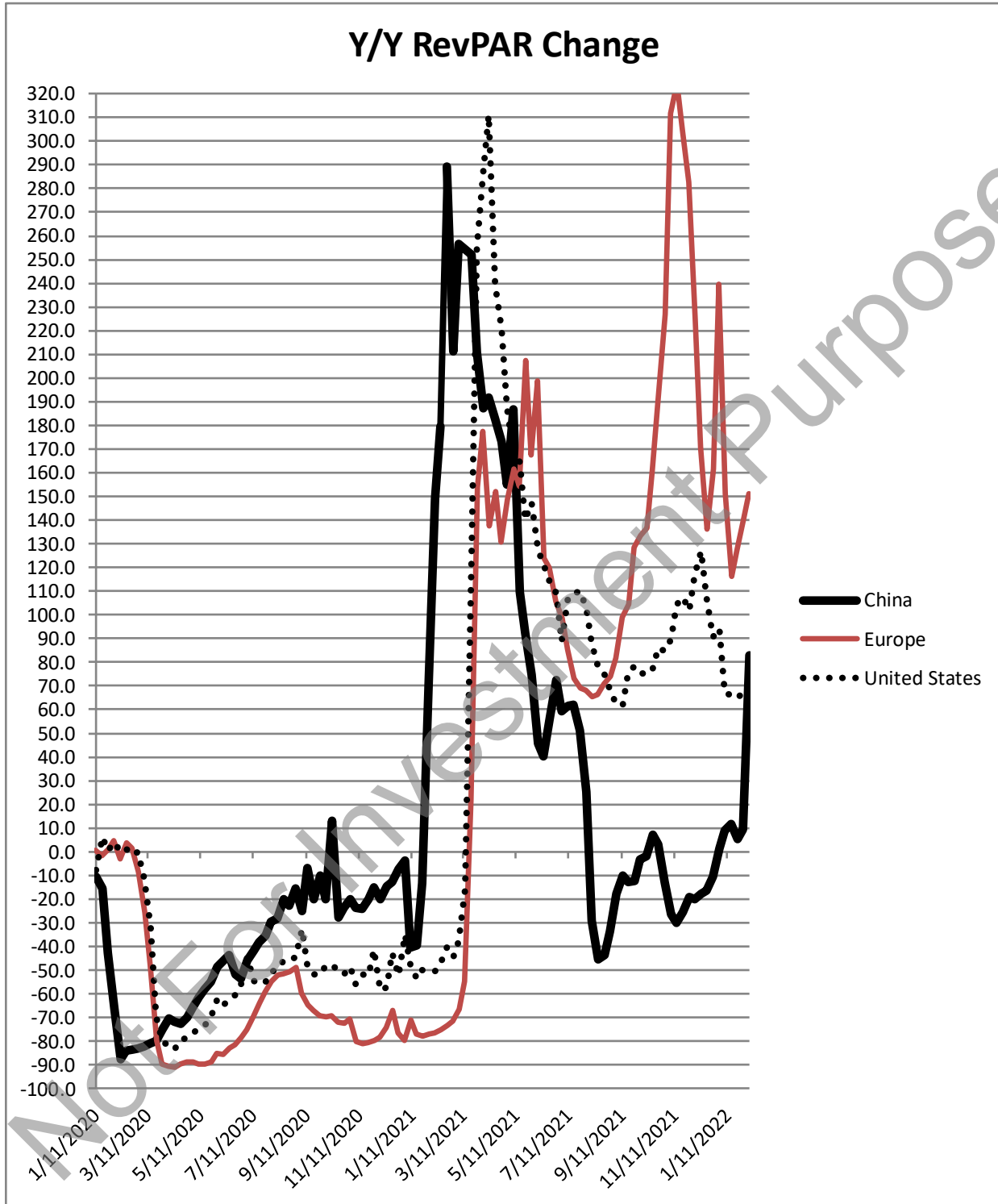
- RevPAR was +151.4% y/y for the week ending February 5th, **an improvement from** the +134.4% for the trailing 28 days.
- ADR was +39.7% y/y for the week ending February 5th, **an improvement from** the +37.3% for the trailing 28 days.
- Occupancy was +79.9% y/y for the week ending February 5th, **an improvement from** the +70.7% for the trailing 28 days.

Additional thoughts and observations:

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

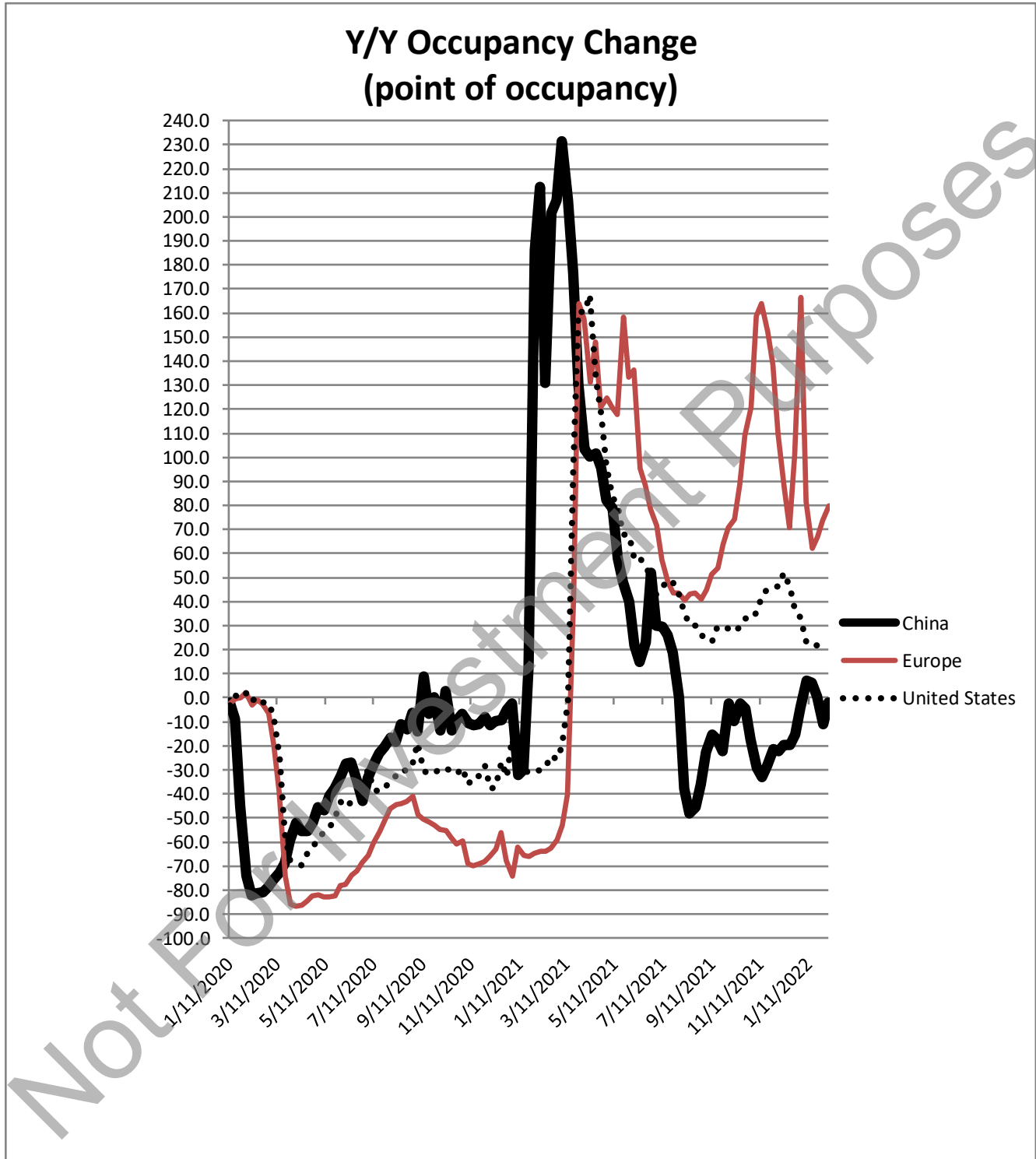
- **China: Absolute occupancy was 30.9%. By comparison, occupancy was 31.5% during the comparable week last year.**
- **Europe: Absolute occupancy was 39.9%. By comparison, occupancy was 22.2% during the comparable week last year.**
- **US: Absolute occupancy was 50.4%. By comparison, occupancy was 40.9% during the comparable week last year.**

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



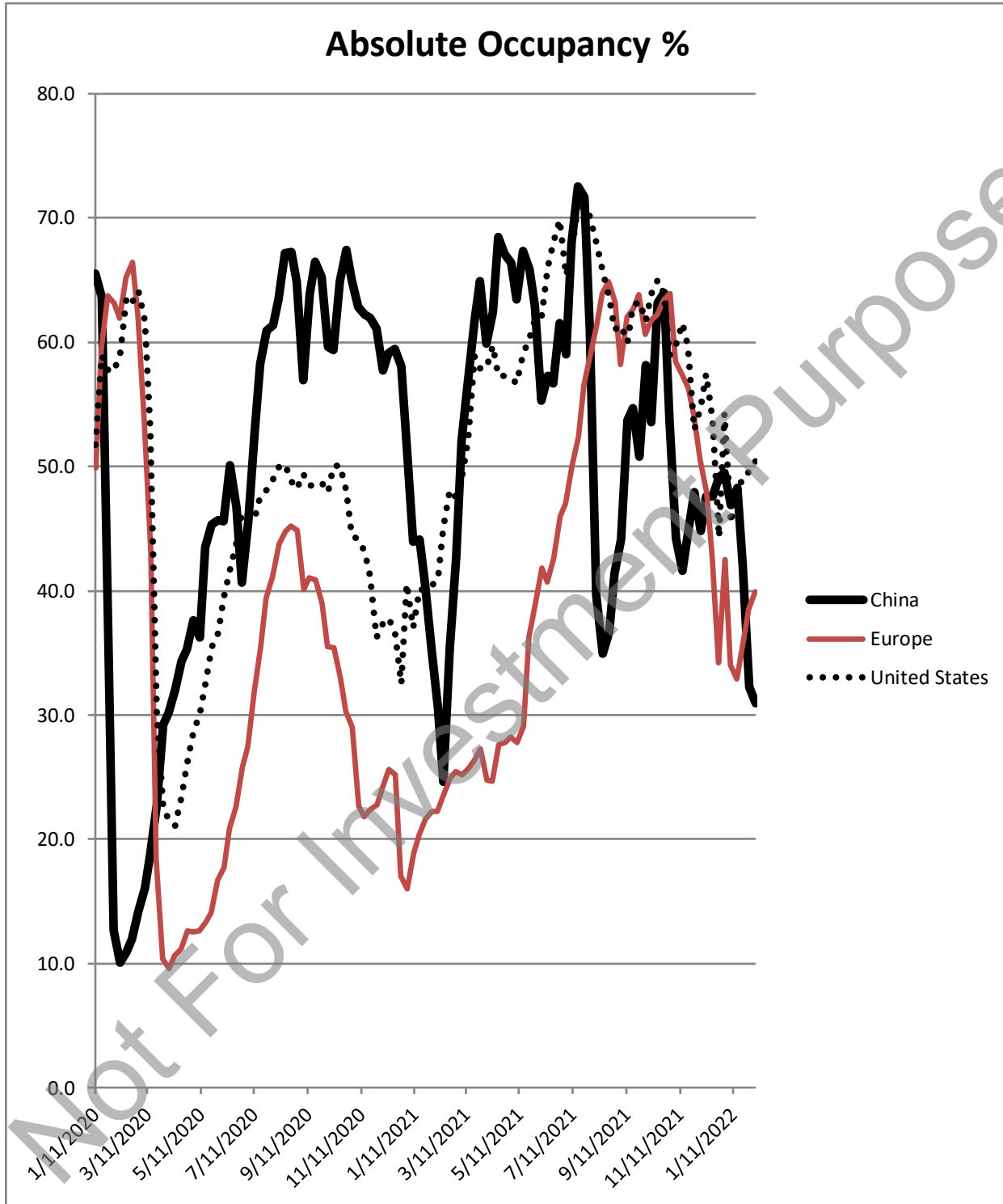
Source: STR, Truist Securities research

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



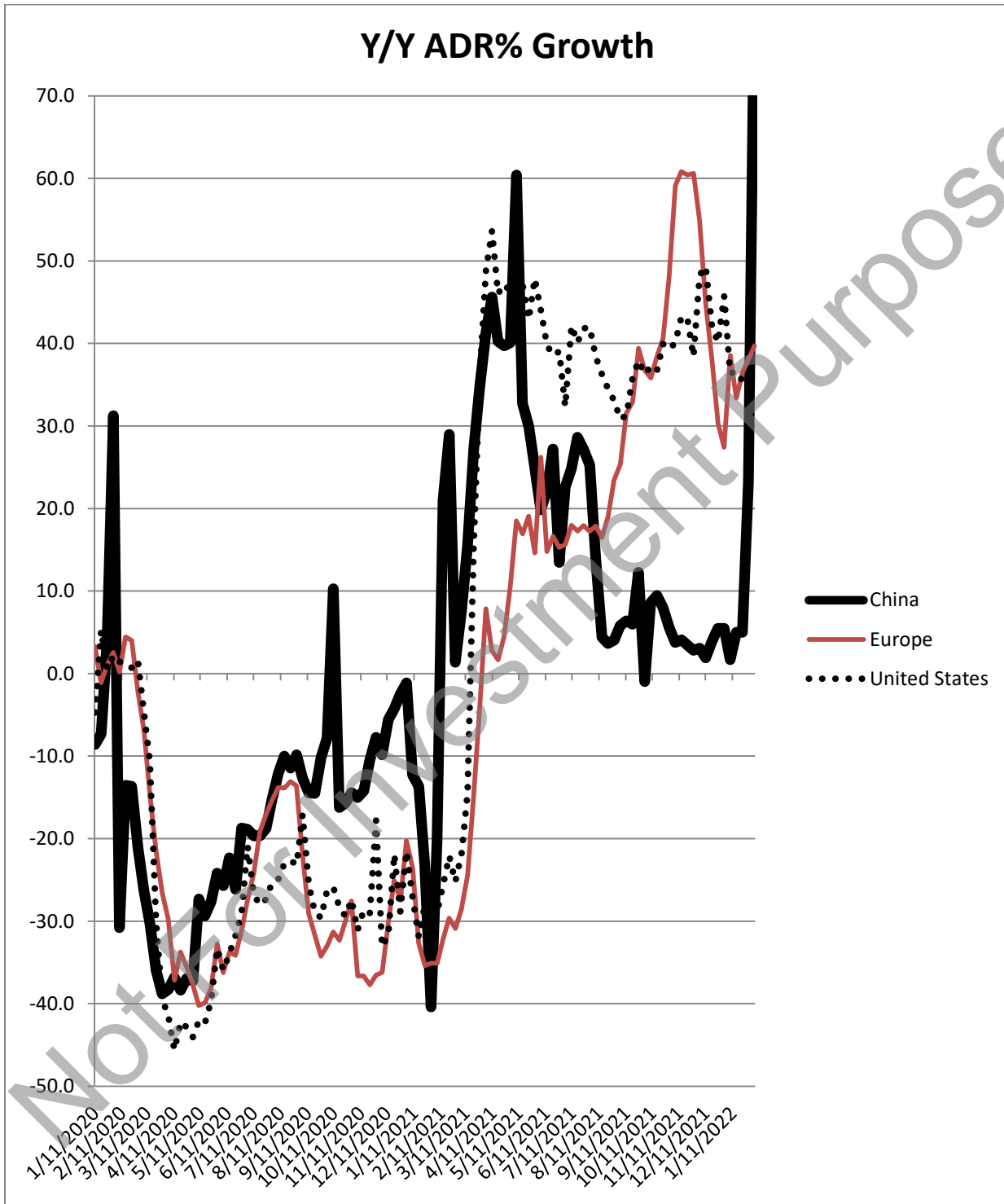
Source: STR, Truist Securities research

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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