

CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly China and Europe lodging results

**China & Europe hotels: RevPAR -7% y/y (vs. '19: -42%) & +232% y/y (vs. '19: -13%) for wk ending 3/5**

**Quick take:** Per STR for the week ending March 5th, hotel RevPAR in China in local currency was -7.3% y/y vs. +29.5% y/y in the prior week. Last week's RevPAR was up against a +256.7% comparable result in 2021 vs. +211.2% in the prior week. *Versus 2019, which we believe is an equally if not more important KPI, RevPAR was -42.5% vs. -35.1% in the prior week's result.*

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

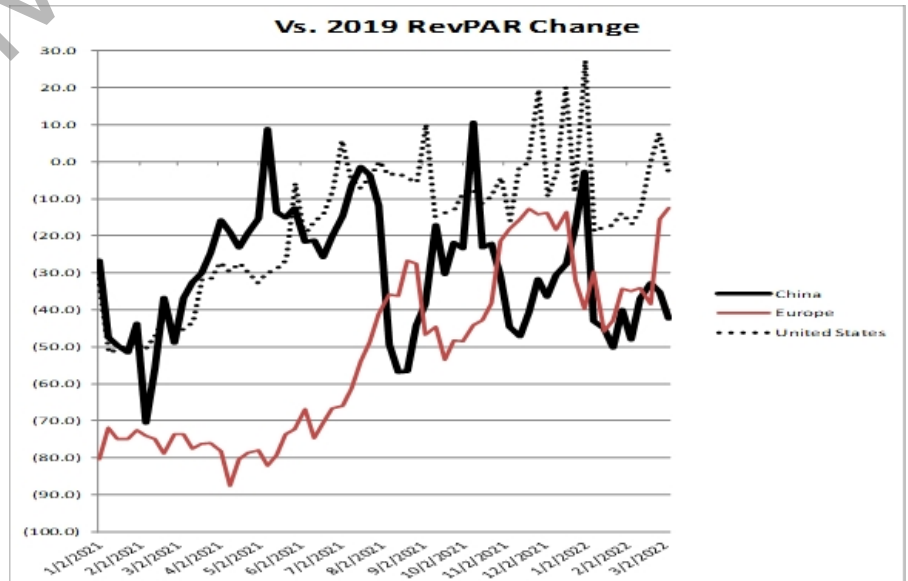
**Europe:** RevPAR in Europe in Euros was +231.7% y/y vs. +219.5% in the prior week. Last week's RevPAR was up against a -66.4% comparable result in 2021 and -71.7% in the prior week. *Versus 2019, RevPAR was -12.5% vs. the -15.6% in the prior week's result.*

- **Interestingly for Europe, despite the Russia/Ukraine concerns, results (for now) vs. 2019 continue to improve week-over-week. We believe this is due to western Europe "opening up" post-Omicron.**

**U.S.:** Overall RevPAR was +74.7% y/y, softer than the prior week's result of +93.8%. Last week's RevPAR was up against a -37.9% comparable result in 2021 vs. -44.5% in the prior week. *On a 3-year run-rate (vs. 2019), RevPAR was -3.8% vs. +7.7% in the prior week's 3-year run-rate.*

- Ex-the lowest rated hotel chain scales (Economy/Midscale), occupancy was slightly softer on an absolute basis versus the prior week. Given the prior week included President's Day, we await a few more weeks of data to see the degree of war/gas price impact.

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



Source: STR, Truist Securities research

**RevPAR detail for week ending March 5th vs. trailing 28 days (see charts at end of note for graphical representations):**

China (local currency):

- RevPAR was -7.3% y/y for the week ending March 5th, **a deceleration from** the +17.4% for the trailing 28 days.
- ADR was +3.8% y/y for the week ending March 5th, **above** the -1.4% for the trailing 28 days.
- Occupancy was -10.6% y/y for the week ending March 5th, **below** the +19.1% for the trailing 28 days.

Europe (in Euros):

- RevPAR was +231.7% y/y for the week ending March 5th, **an improvement from** the +203.3% for the trailing 28 days.
- ADR was +55.8% y/y for the week ending March 5th, **higher than** the +47.9% for the trailing 28 days.
- Occupancy was +112.9% y/y for the week ending March 5th, **an improvement from** the +105.1% for the trailing 28 days.

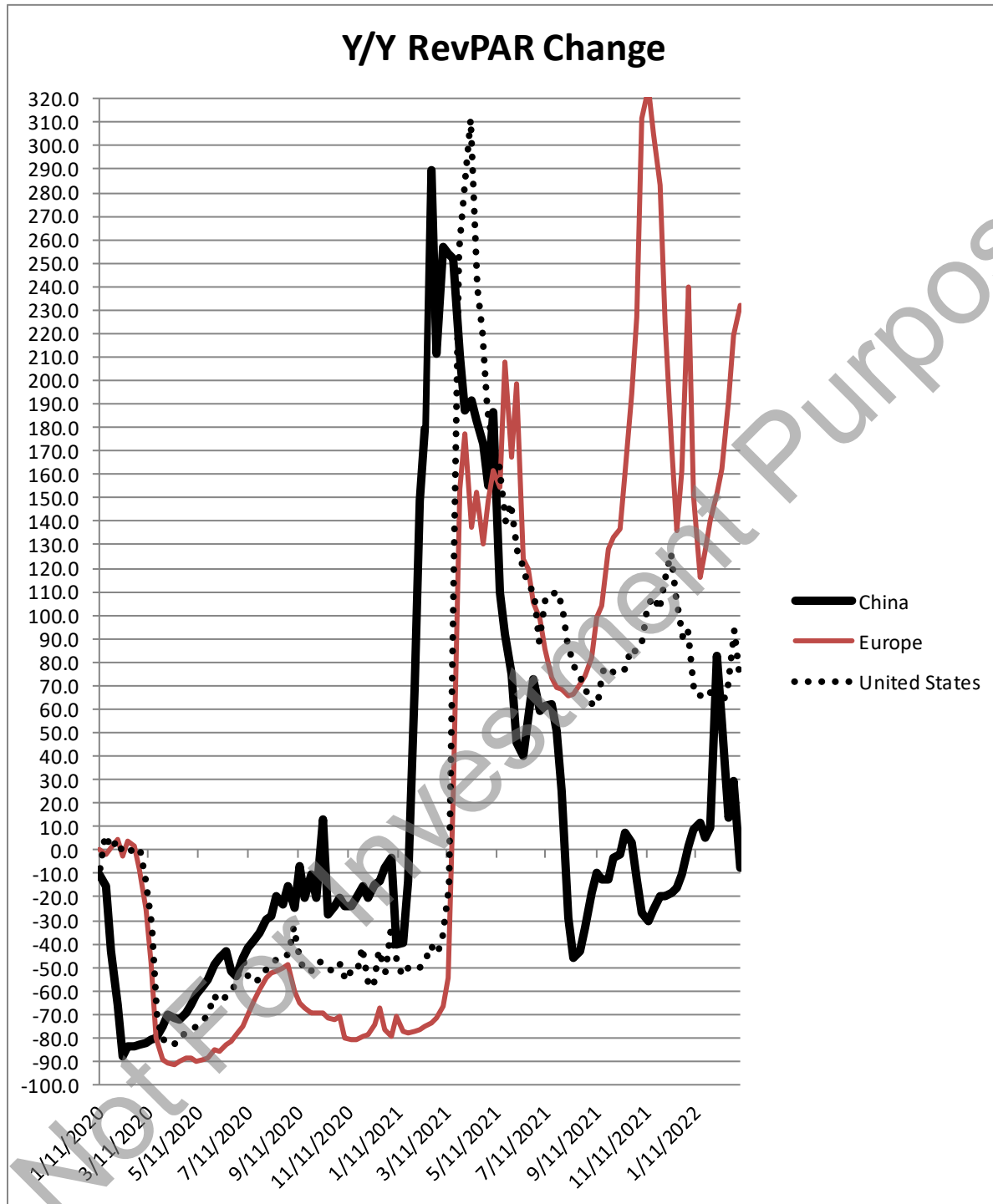
**Additional thoughts and observations:**

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

- **China: Absolute occupancy was 48.5%.** *By comparison, occupancy was 54.2% during the comparable week last year.*
- **Europe: Absolute occupancy was 53.4%.** *By comparison, occupancy was 25.1% during the comparable week last year.*
- **US: Absolute occupancy was 61.2%.** *By comparison, occupancy was 48.9% during the comparable week last year.*

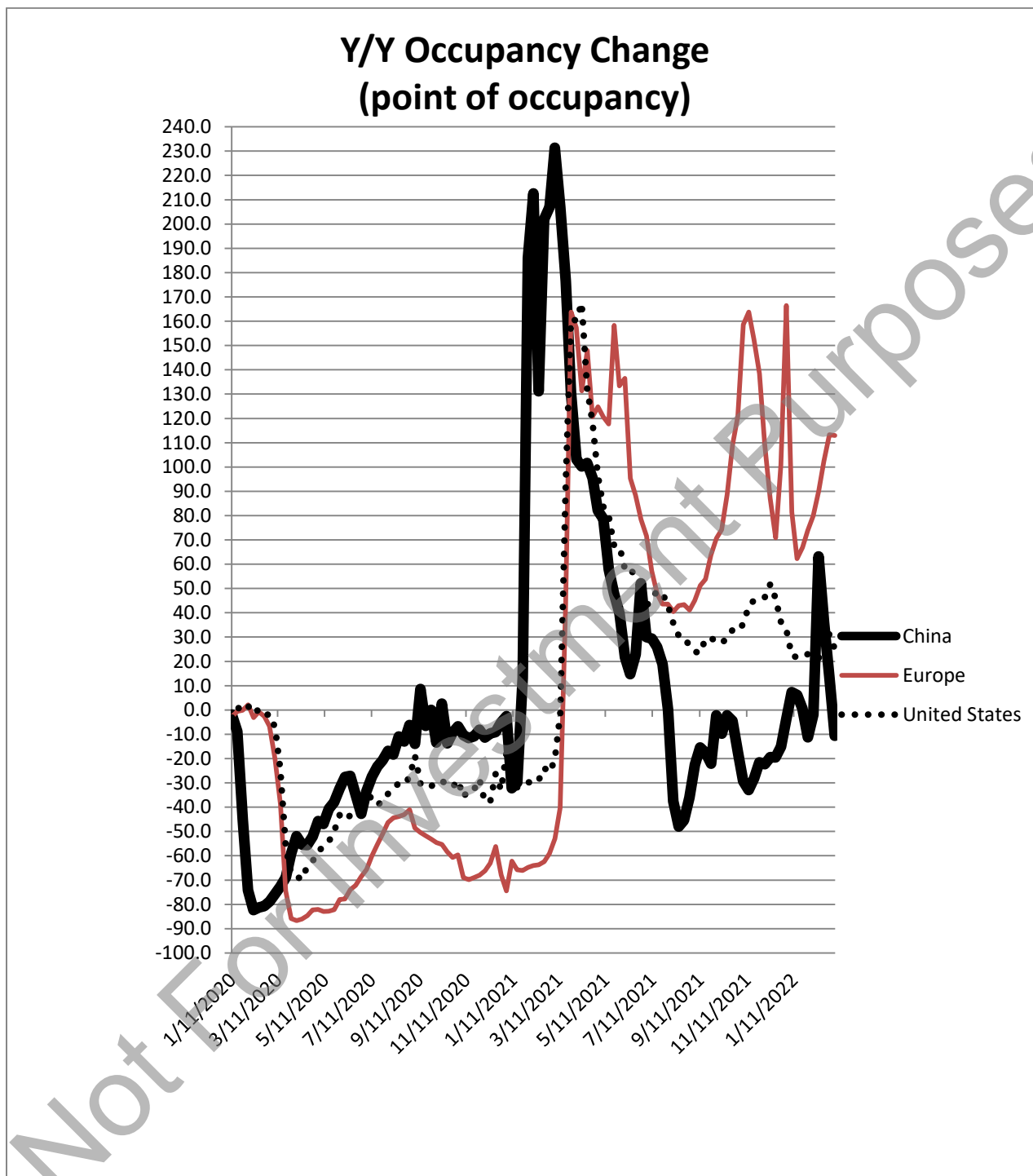
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Exhibit 2: Y/Y RevPAR change for China, Europe, US



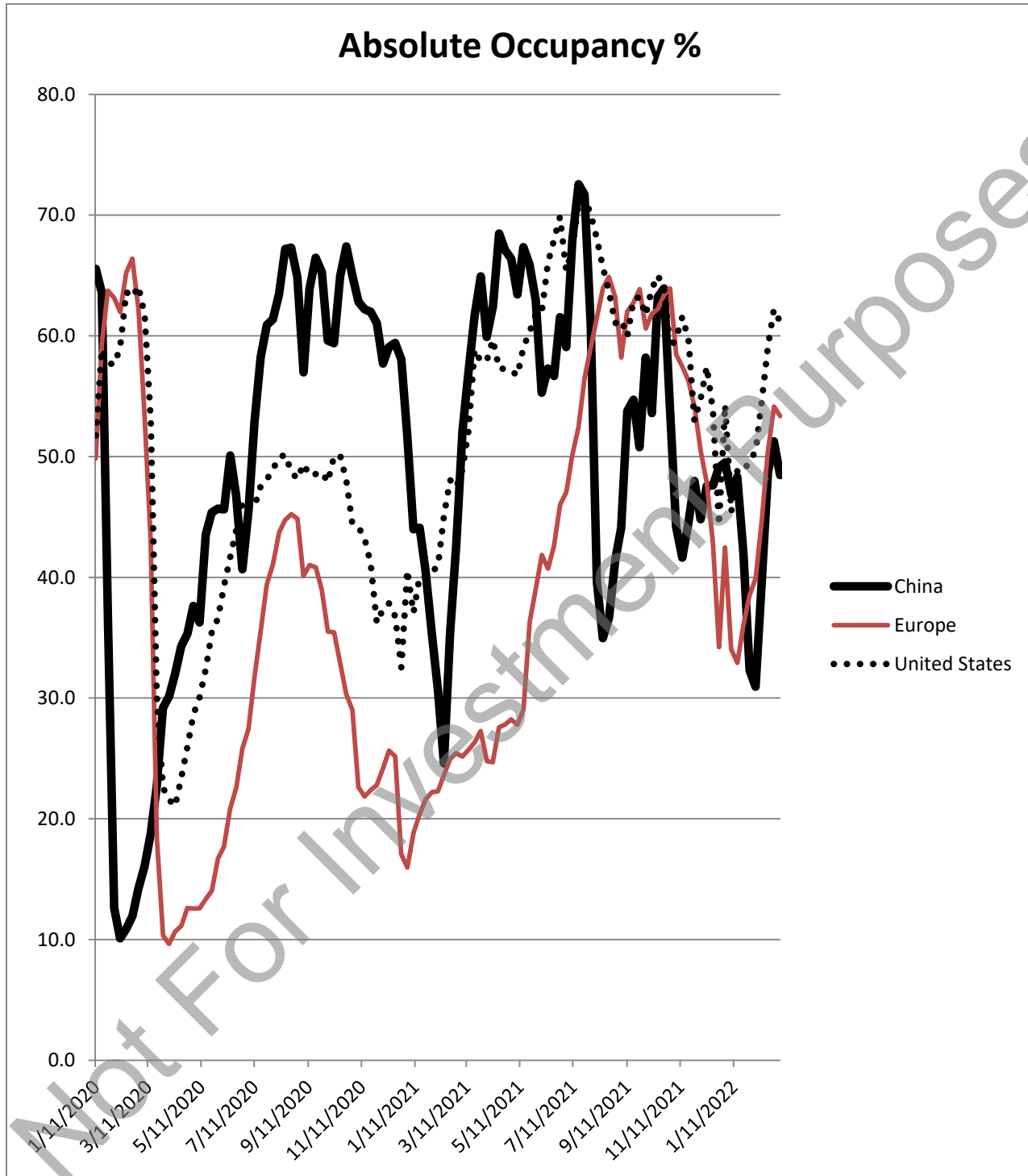
Source: STR, Truist Securities research

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



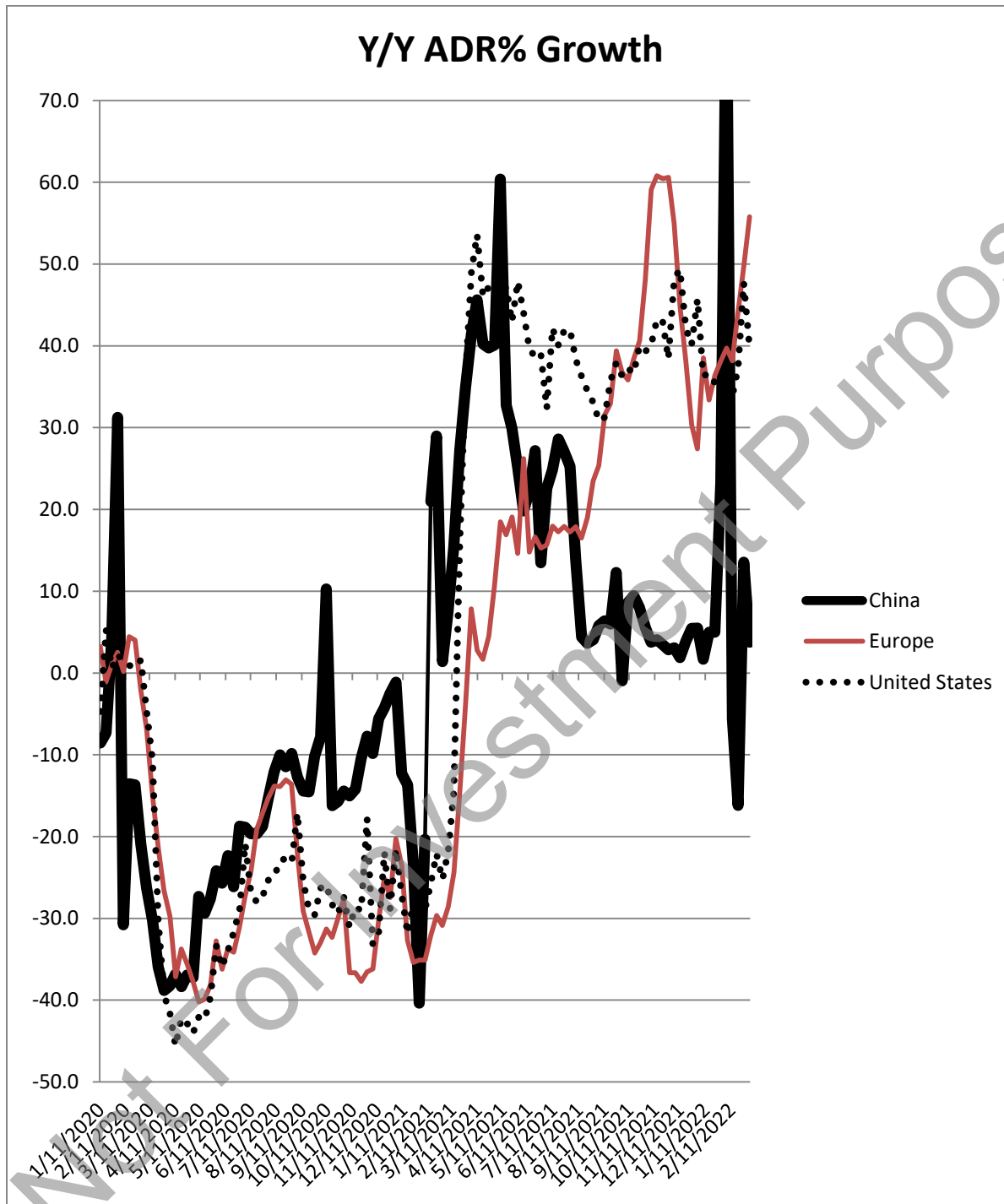
Source: STR, Truist Securities research

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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