

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 -27% y/y (vs. '19: -51%) & +224% y/y (vs. '19: -27%) for wk ending 3/12

Quick take: Per STR for the week ending March 12th, hotel RevPAR in China in local currency was -26.6% y/y vs. +7.3% y/y in the prior week. Last week's RevPAR was up against a +254.3% comparable result in 2021 vs. +256.7% in the prior week. *Versus 2019, which we believe is an equally if not more important KPI, RevPAR was -51.4% vs. -42.5% in the prior week's result.*

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

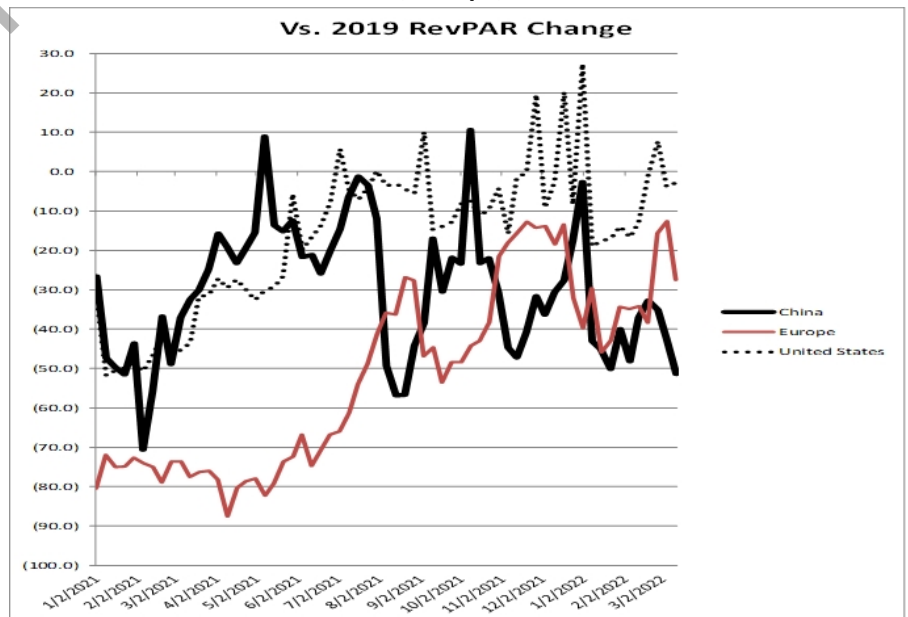
Europe: RevPAR in Europe in Euros was +224.1% y/y vs. +231.7% in the prior week. Last week's RevPAR was up against a -54.9% comparable result in 2021 and -66.4% in the prior week. *Versus 2019, RevPAR was -27.4% vs. the -12.5% in the prior week's result.*

- Following several weeks of week-over-week improvement vs. comparable 2019, Europe took a big step backwards in the most recent results. While one week does not make a trend, we have to think that Russia/Ukraine concerns are a major factor in this deceleration.

U.S.: Overall RevPAR was +70.1% y/y, softer than the prior week's result of +74.7%. Last week's RevPAR was up against a -15.8% comparable result in 2021 vs. -37.9% in the prior week. *On a 3-year run-rate (vs. 2019), RevPAR was -2.8% vs. -3.8% in the prior week's 3-year run-rate.*

- *Past the headline stats we view decent improvement in midweek travel, especially on Group. Group occupancy had one of the best weekly occupancy results vs. 2019 since COVID that we can recall. Upper Upscale in general remains a laggard (high-end individual business travel).*

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



Source: STR, Truist Securities research

RevPAR detail for week ending March 12th vs. trailing 28 days (see charts at end of note for graphical representations):

China (local currency):

- RevPAR was -26.6% y/y for the week ending March 12th, **a deceleration from** the -1.2% for the trailing 28 days.
- ADR was -1.6% y/y for the week ending March 12th, **approx. equal to** the -1.2% for the trailing 28 days.
- Occupancy was -25.4% y/y for the week ending March 12th, **below** the -0.1% for the trailing 28 days.

Europe (in Euros):

- RevPAR was +224.1% y/y for the week ending March 12th, **an improvement from** the +217.4% for the trailing 28 days.
- ADR was +51.9% y/y for the week ending March 12th, **higher than** the +50.7% for the trailing 28 days.
- Occupancy was +113.4% y/y for the week ending March 12th, **an improvement from** the +110.6% for the trailing 28 days.

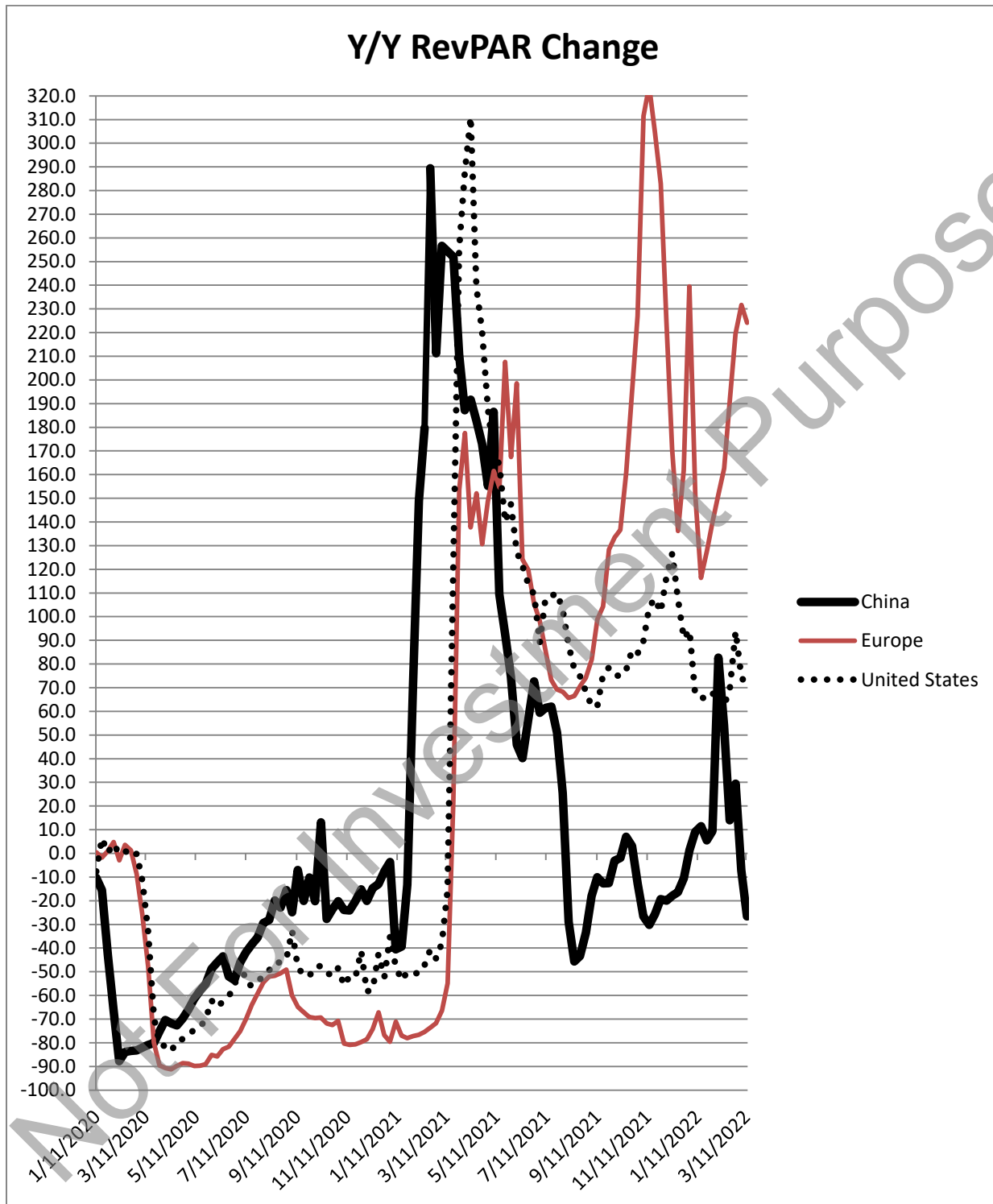
Additional thoughts and observations:

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

- **China: Absolute occupancy was 44.0%.** *By comparison, occupancy was 59.0% during the comparable week last year.*
- **Europe: Absolute occupancy was 54.6%.** *By comparison, occupancy was 25.6% during the comparable week last year.*
- **US: Absolute occupancy was 63.2%.** *By comparison, occupancy was 52.1% during the comparable week last year.*

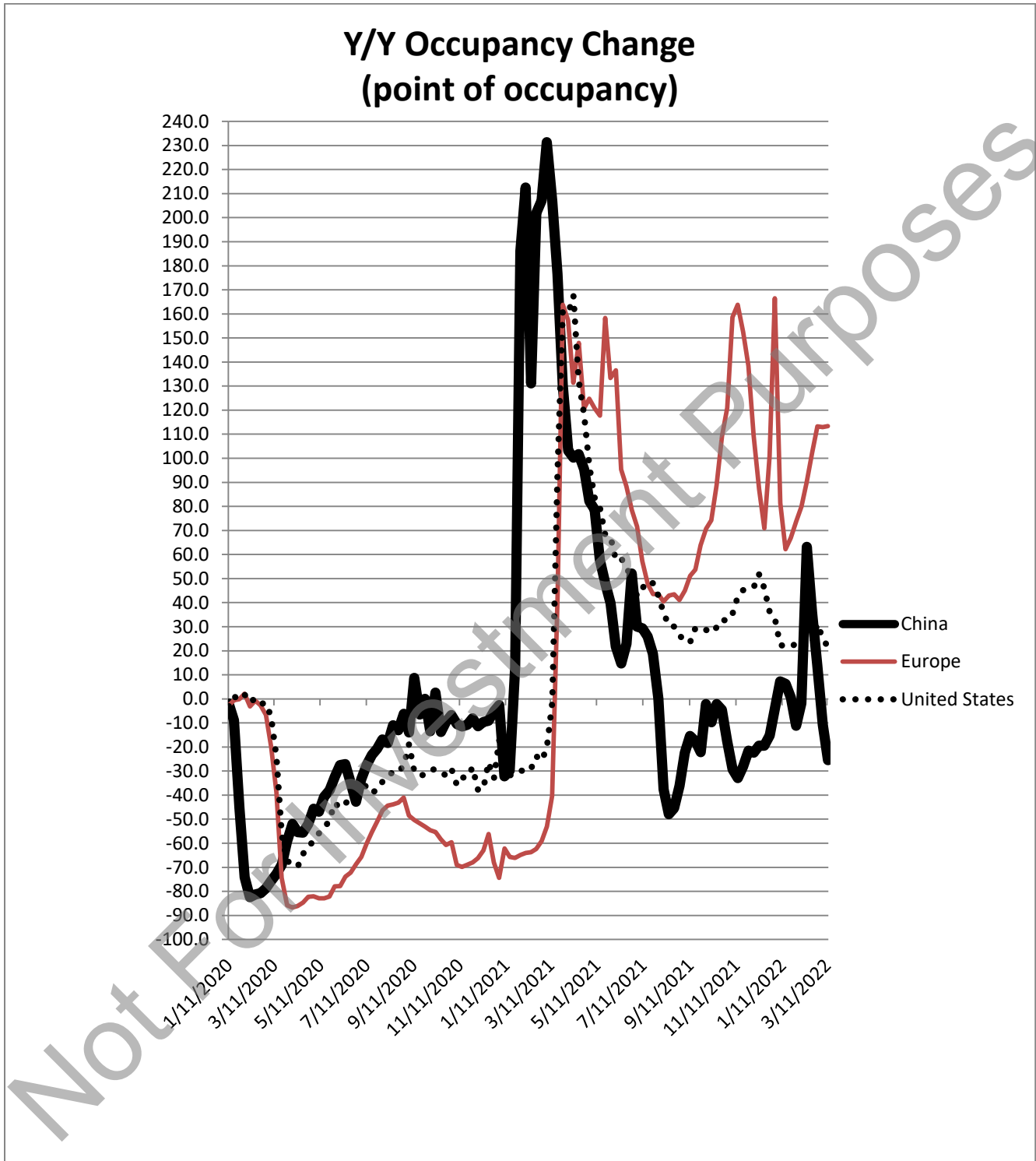
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Exhibit 2: Y/Y RevPAR change for China, Europe, US



Source: STR, Truist Securities research

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



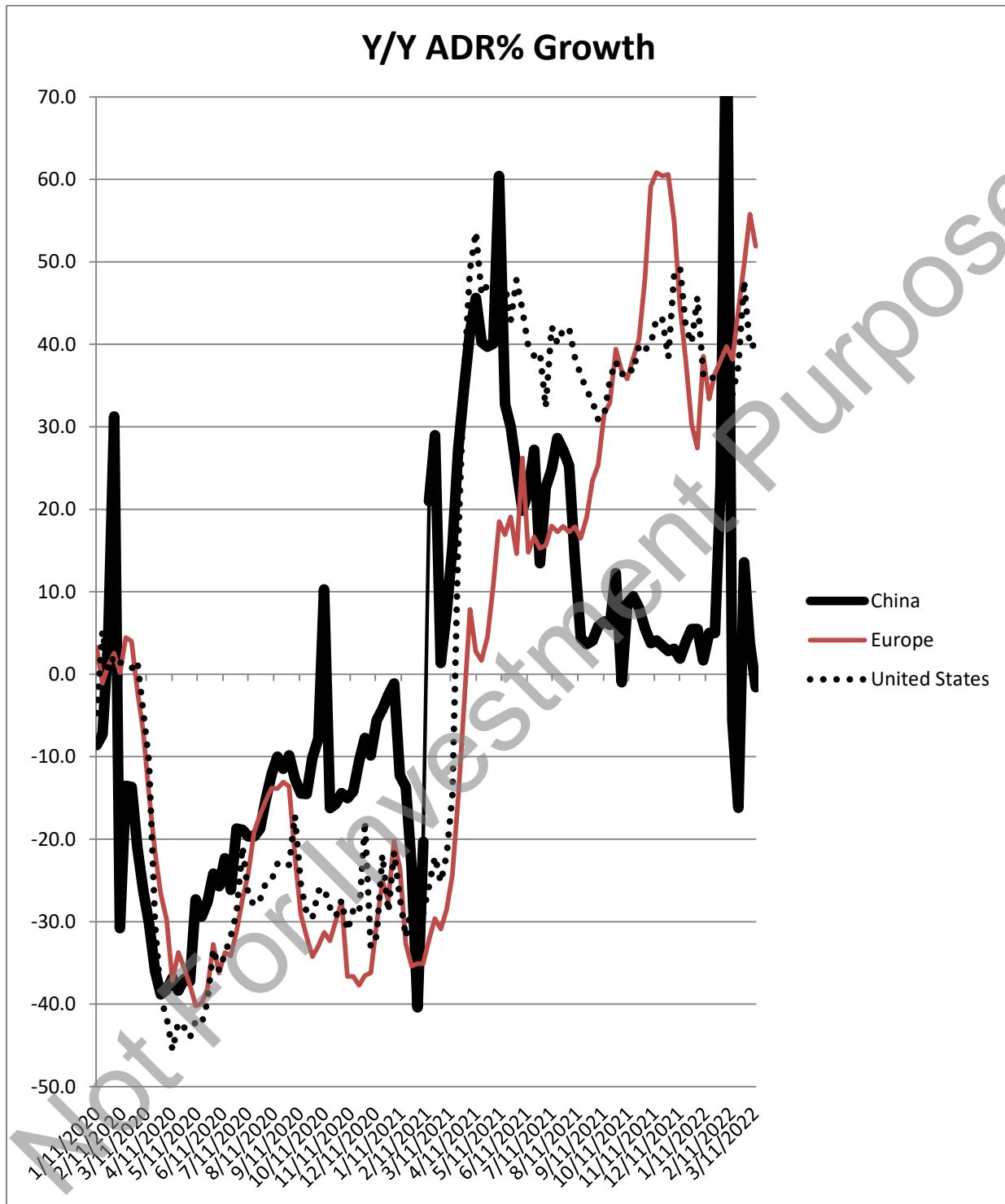
Source: STR, Truist Securities research

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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