

CONSUMER: Lodging

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

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR +46.6% Y/Y Last Week. +4.1% vs. 2019. Clean comp; slight w/w decel vs. 2019

Overall U.S. RevPAR was +46.6% y/y for the week ending 5/14/2022, per STR, softer than the prior week's result of +49.9%. Last week's RevPAR was up against a +164.5% comparable result in 2021 vs. +168.2% in the prior week. **On a 3-year run-rate (vs. 2019), RevPAR was +4.1% vs. +5.1% in the prior week's 3-year run-rate.**

Last week was a clean comp and sequentially slightly softer than the prior week (vs. 2019).

Major RevPAR statistics presented below:

- Luxury RevPAR: +87.2% y/y and +10.5% over 3 years;
- Upper Upscale RevPAR: +96.1% y/y and -6.4% over 3 years;
- Upscale RevPAR: +53.5% y/y and -3.8% over 3 years;
- Upper Midscale RevPAR: +32.0% y/y and +4.1% over 3 years;
- Midscale RevPAR: +22.3% y/y and +9.7% over 3 years;
- Economy RevPAR: +14.2% y/y and +11.7% over 3 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +34.2% y/y and +10.2% over 3 years; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +282.8% y/y vs. +342.4% prior week; over 3 years: -9.2% vs -5.8% prior week.
 - Transient: +41.8% y/y vs. +48.0% prior week; over 3 years: +8.7% vs +9.4% prior week.

Last week's RevPAR details and sequential trends:

- **Headline RevPAR** was +46.6% y/y vs. the running 28-day average of +52.6% y/y.
- **Occupancy:** Absolute occupancy was 66.5% y/y vs. the running 28-day average of 65.7% y/y.
- **Absolute Group occupancy was flattish to Running 28 days:** 22.4% last week vs. 22.3% for the running 28 days.

As far as stocks, we reiterate our view the companies relatively best positioned here in our coverage universe are the drive-to leisure-centric C-Corps CHH (Hold), WH (Buy), and RLJ (Buy) for the value-play business traveler in the early corporate demand recovery, H (Buy) for its increased leisure exposure and plans to divest materially from its owned assets, and the timeshare companies, HGV (Buy), VAC (Buy), BVH (Buy), and TNL (Buy, formerly WYND).

While the broader economy may have a U-shaped recovery, we believe hotel operating performance will take substantially longer to recover and be much choppier, and vary by segmentation and geography. Additionally, we believe work from home will have a short-to-medium impact on hotel demand, though the longer-term impact is still unknown. While some travel industry leaders, news reporters, and businesspeople have predicted that 35-50% of business travel will be permanently lost, our view is that it will be far less than 35-50%, though it will not be zero either (Hospitality Net).

Weekly RevPAR Summary

YoY % change in RevPAR													
U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
3/26/2022	55.5%	93.0%	109.8%	62.8%	39.5%	25.5%	14.1%	43.6%	145.1%	203.3%	100.0%	100.9%	162.3%
4/2/2022	42.8%	47.4%	88.4%	55.3%	37.5%	23.7%	12.6%	26.0%	132.6%	144.7%	60.6%	70.7%	137.0%
4/9/2022	48.4%	76.0%	100.3%	58.6%	36.1%	21.4%	10.8%	34.3%	177.7%	206.1%	68.1%	98.0%	172.3%
4/16/2022	48.3%	114.9%	104.9%	52.1%	24.2%	10.3%	4.5%	43.6%	202.9%	229.2%	73.0%	73.3%	142.8%
4/23/2022	57.2%	112.2%	111.0%	62.1%	37.7%	24.9%	13.1%	49.7%	168.0%	246.7%	71.2%	92.8%	178.5%
4/30/2022	56.8%	109.3%	122.0%	63.2%	36.5%	23.4%	12.9%	45.1%	160.5%	175.9%	73.6%	118.6%	184.5%
5/7/2022	49.9%	101.3%	109.8%	54.8%	31.8%	21.1%	11.9%	37.9%	154.9%	180.4%	67.8%	93.0%	180.7%
5/14/2022	46.6%	87.2%	96.1%	53.5%	32.0%	22.3%	14.2%	34.2%	164.8%	175.4%	69.1%	103.9%	200.0%

Slightly softer to prior week (vs. 2019)

Upper Upscale and Luxury led the industry

DC and Boston led the Top 5 markets

1Q19	1.5%	-0.7%	1.2%	-0.5%	0.4%	-0.1%	1.9%	3.1%	-7.1%	-2.1%	-1.7%	-4.5%	-2.4%
2Q19	1.1%	1.1%	0.5%	-0.4%	0.0%	-0.7%	1.7%	2.4%	-1.8%	4.5%	1.6%	-0.1%	-1.5%
3Q19	0.7%	1.3%	1.1%	-0.5%	-0.1%	-1.0%	-0.9%	1.6%	-2.2%	-0.4%	-0.2%	-2.2%	4.5%
4Q19	0.1%	3.6%	1.0%	-0.6%	-1.0%	-2.7%	-1.5%	2.3%	-4.1%	-11.6%	1.1%	-0.7%	5.2%
1Q20	-19.3%	-21.4%	-23.1%	-20.8%	-19.1%	-16.8%	-11.2%	-16.7%	-28.0%	-24.5%	-19.3%	-21.0%	-23.2%
2Q20	-69.9%	-86.8%	-86.7%	-74.8%	-65.4%	-51.3%	-35.0%	-65.2%	-76.9%	-88.2%	-74.5%	-83.7%	-83.7%
3Q20	-48.5%	-72.0%	-71.8%	-55.2%	-41.7%	-29.7%	-19.0%	-39.0%	-77.6%	-79.1%	-58.4%	-73.4%	-68.0%
4Q20	-50.6%	-71.4%	-72.4%	-55.5%	-40.6%	-26.3%	-14.5%	-43.5%	-81.0%	-76.1%	-59.3%	-75.4%	-71.4%
1Q21	-27.7%	-42.7%	-54.4%	-34.3%	-17.4%	-5.9%	4.1%	-18.0%	-48.4%	-56.7%	-45.3%	-45.0%	-43.5%
2Q21	160.4%	391.1%	305.3%	173.3%	150.1%	100.7%	61.1%	162.0%	73.8%	192.1%	166.4%	158.3%	126.2%
3Q21	83.8%	201.3%	162.9%	91.2%	72.8%	56.4%	39.5%	71.1%	169.2%	207.8%	95.8%	166.4%	96.9%
4Q21	96.4%	215.5%	185.6%	98.3%	74.2%	55.2%	37.2%	86.4%	273.7%	225.6%	124.8%	195.9%	129.6%
1Q22	67.2%	112.3%	127.2%	69.7%	51.0%	38.2%	24.3%	58.3%	97.1%	137.1%	115.2%	85.1%	58.1%

YoY % change in ADR

U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
3/26/2022	37.1%	17.5%	37.7%	36.5%	28.0%	20.7%	16.6%	30.8%	67.0%	79.1%	55.4%	52.5%	64.8%
4/2/2022	28.6%	7.2%	31.5%	32.5%	26.2%	18.9%	14.3%	19.3%	69.1%	66.2%	41.3%	39.3%	64.6%
4/9/2022	33.0%	14.6%	33.4%	33.3%	25.9%	20.1%	15.2%	26.2%	82.6%	80.5%	43.3%	46.3%	74.1%
4/16/2022	36.7%	30.3%	37.9%	32.7%	21.2%	15.6%	12.7%	34.7%	93.3%	97.4%	43.2%	40.1%	60.1%
4/23/2022	36.6%	27.8%	37.9%	33.4%	24.3%	19.1%	15.2%	34.0%	80.9%	101.7%	42.9%	45.2%	69.5%
4/30/2022	34.0%	17.7%	35.9%	31.3%	22.5%	17.2%	14.1%	29.2%	77.8%	70.5%	42.9%	53.4%	73.9%
5/7/2022	32.5%	21.5%	36.1%	30.3%	22.2%	18.1%	13.9%	27.0%	72.8%	72.4%	42.4%	46.3%	68.8%
5/14/2022	29.8%	18.6%	32.9%	29.6%	21.2%	17.6%	14.2%	24.2%	80.2%	71.8%	41.7%	50.8%	75.7%

1Q19	1.1%	2.2%	2.5%	1.0%	0.8%	-0.2%	-0.3%	1.0%	-3.8%	0.7%	-1.0%	-2.4%	1.5%
2Q19	1.2%	2.5%	1.4%	0.6%	0.7%	-0.2%	0.6%	1.7%	-1.0%	3.2%	0.8%	-1.7%	0.2%
3Q19	0.8%	1.5%	1.3%	0.2%	-0.1%	-0.5%	-0.5%	1.6%	-1.9%	0.9%	-0.2%	-2.8%	4.0%
4Q19	0.7%	2.4%	0.6%	-0.4%	-0.3%	-1.0%	-1.0%	1.9%	-3.7%	-5.5%	0.3%	-2.2%	3.9%
1Q20	-4.0%	1.6%	-1.4%	-2.9%	-3.1%	-3.8%	-3.8%	-2.3%	-8.6%	-6.2%	-2.7%	-2.6%	-6.8%
2Q20	-37.1%	-22.0%	-34.0%	-30.0%	-23.1%	-17.1%	-14.6%	-34.8%	-52.3%	-56.9%	-40.5%	-53.7%	-48.8%
3Q20	-24.1%	-12.6%	-25.6%	-24.2%	-17.3%	-11.6%	-9.4%	-16.1%	-47.7%	-47.3%	-31.6%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-20.9%	-54.1%	-45.5%	-29.2%	-44.8%	-40.7%
1Q21	-19.6%	3.4%	-23.4%	-23.0%	-14.2%	-6.3%	-1.5%	-12.1%	-28.3%	-32.7%	-29.7%	-25.7%	-27.9%
2Q21	43.2%	37.8%	30.6%	21.3%	23.1%	20.4%	16.6%	52.6%	33.5%	38.0%	42.5%	46.1%	23.1%
3Q21	36.2%	31.8%	35.0%	29.7%	28.3%	23.5%	21.1%	32.8%	64.2%	57.7%	43.1%	59.6%	29.4%
4Q21	41.5%	29.6%	41.9%	34.2%	28.5%	22.9%	18.8%	39.2%	99.6%	69.6%	46.1%	64.9%	41.6%
1Q22	37.5%	21.0%	39.7%	34.1%	27.3%	20.8%	17.3%	34.0%	52.2%	50.5%	61.8%	41.1%	31.7%

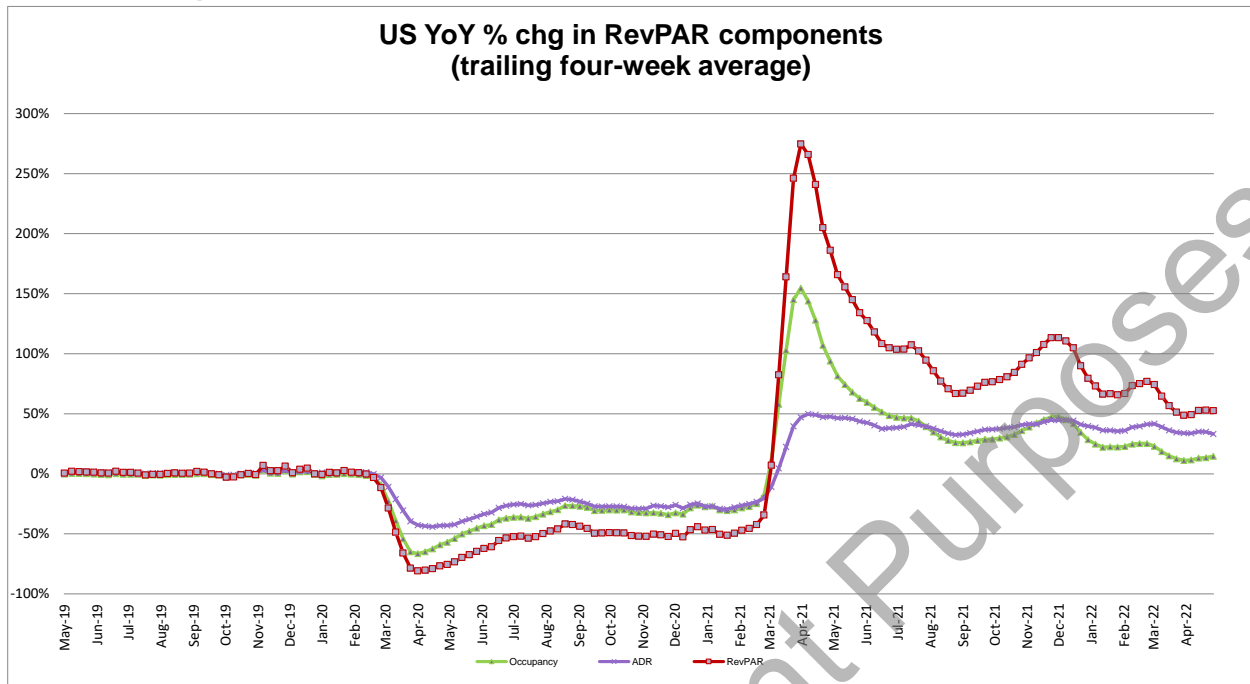
YoY % change in Occupancy

U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
3/26/2022	13.5%	64.2%	52.3%	19.3%	9.0%	4.0%	-2.2%	9.8%	46.8%	69.3%	28.7%	31.8%	59.2%
4/2/2022	11.0%	37.6%	43.3%	17.2%	9.0%	4.1%	-1.5%	5.6%	37.5%	47.3%	13.7%	22.5%	44.0%
4/9/2022	11.6%	53.6%	50.1%	19.0%	8.0%	1.1%	-3.8%	6.4%	52.1%	69.5%	17.3%	35.4%	56.4%
4/16/2022	8.5%	64.9%	48.6%	14.6%	2.5%	-4.6%	-7.2%	6.6%	56.7%	66.7%	20.8%	23.7%	51.6%
4/23/2022	15.1%	66.1%	53.1%	21.6%	10.8%	4.9%	-1.8%	11.7%	48.1%	71.9%	19.8%	32.8%	64.3%
4/30/2022	17.1%	77.9%	63.4%	24.3%	11.4%	5.3%	-1.1%	12.3%	46.5%	61.8%	21.5%	42.5%	63.6%
5/7/2022	13.1%	65.7%	54.1%	18.9%	7.8%	2.5%	-1.7%	8.6%	47.5%	62.6%	17.8%	31.9%	66.3%
5/14/2022	13.8%	57.9%	47.5%	18.4%	8.9%	4.0%	0.0%	8.1%	46.9%	60.3%	19.3%	35.2%	70.8%

1Q19	0.4%	-2.8%	-1.3%	-1.4%	-0.5%	0.0%	2.3%	2.1%	-3.5%	-2.8%	-0.7%	-2.2%	-3.8%
2Q19	-0.1%	-1.4%	-0.9%	-1.0%	-0.7%	-0.6%	1.1%	0.7%	-0.7%	1.3%	0.8%	1.7%	-1.7%
3Q19	-0.1%	-0.2%	-0.2%	-0.7%	0.0%	-0.5%	-0.4%	0.0%	-0.3%	-1.4%	0.1%	0.6%	0.4%
4Q19	-0.1%	1.2%	0.4%	-0.2%	-0.8%	-1.7%	-0.4%	0.4%	-0.4%	-6.5%	0.8%	1.5%	1.3%
1Q20	-15.9%	-22.6%	-21.9%	-18.4%	-16.5%	-13.6%	-7.7%	-14.8%	-21.3%	-19.5%	-17.1%	-18.8%	-17.6%
2Q20	-52.1%	-83.0%	-79.8%	-64.0%	-55.1%	-41.3%	-23.9%	-46.6%	-51.5%	-72.7%	-57.1%	-64.7%	-68.2%
3Q20	-32.2%	-68.0%	-62.2%	-40.9%	-29.5%	-20.5%	-10.6%	-27.3%	-57.3%	-60.3%	-39.1%	-53.1%	-51.2%
4Q20	-32.1%	-67.8%	-61.2%	-39.1%	-27.8%	-17.8%	-9.1%	-28.5%	-58.7%	-56.2%	-42.5%	-55.5%	-51.7%
1Q21	-10.1%	-44.6%	-40.5%	-14.7%	-3.8%	0.5%	5.6%	-6.7%	-28.0%	-35.6%	-22.2%	-26.0%	-21.6%
2Q21	81.9%	256.5%	210.5%	125.3%	103.2%	66.7%	35.9%	71.7%	30.2%	111.7%	86.9%	76.8%	83.8%
3Q21	34.9%	128.5%	94.7%	47.4%	34.7%	26.6%	15.2%	28.8%	64.0%	95.2%	36.9%	67.0%	52.1%
4Q21	38.8%	143.4%	101.3%	47.8%	35.6%	26.3%	15.4%	33.9%	87.3%	92.1%	53.9%	79.4%	62.2%
1Q22	56.2%	54.0%	53.2%	60.3%	59.4%	52.3%	55.5%	54.2%	29.5%	57.6%	33.0%	31.2%	20.1%

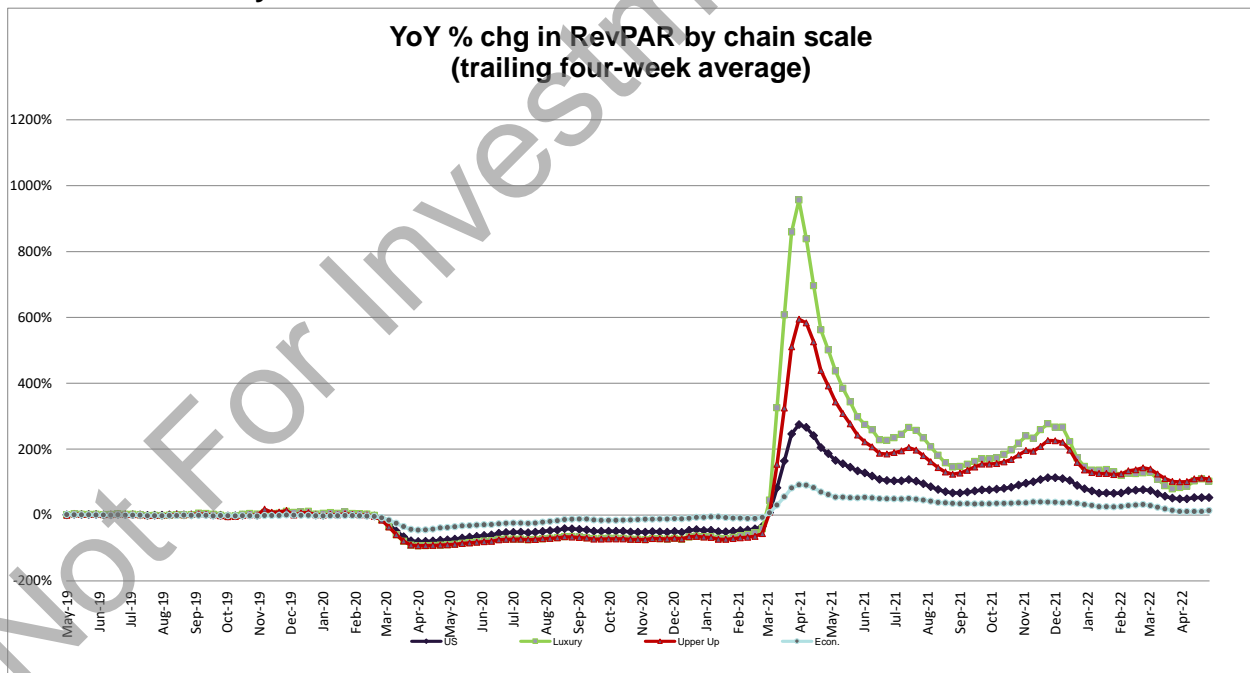
Source: STR data, Truist Securities research

RevPAR Component Trends



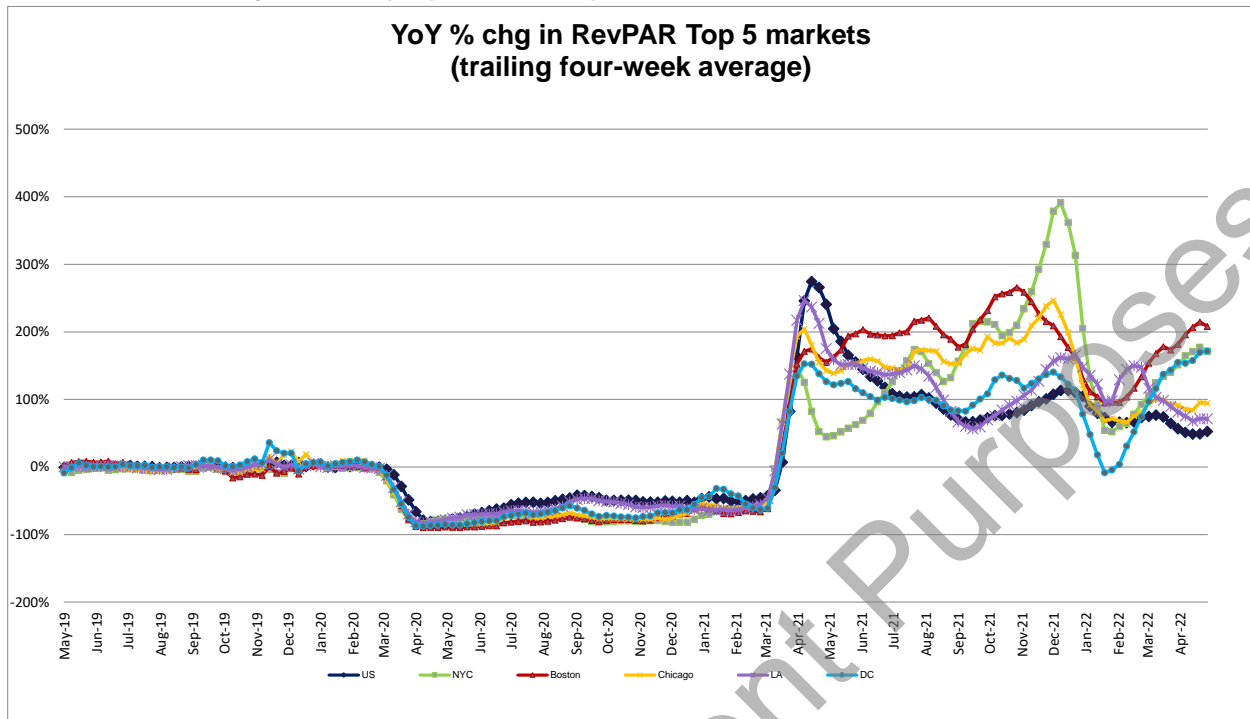
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



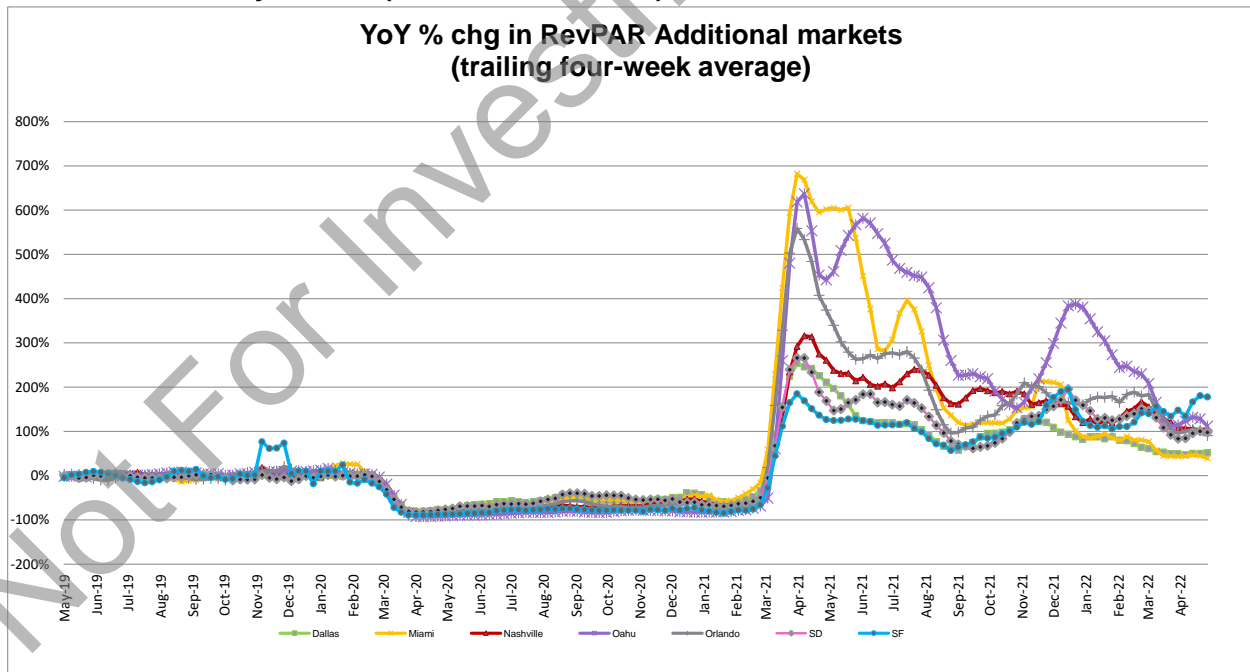
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



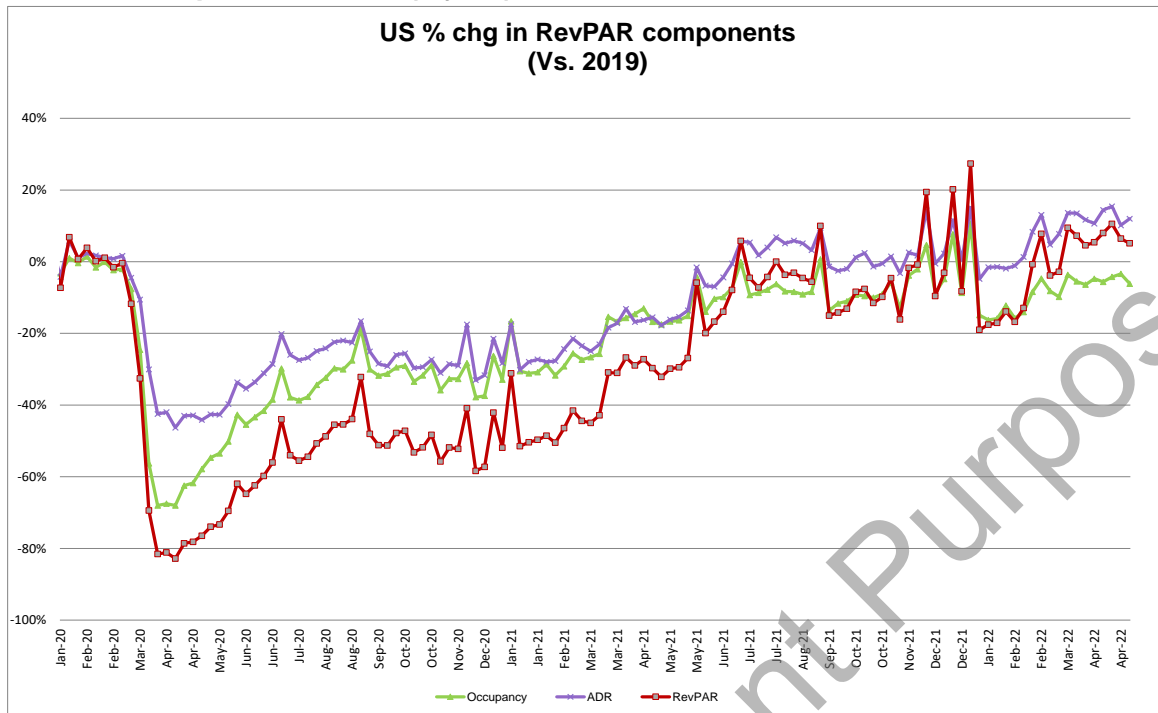
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



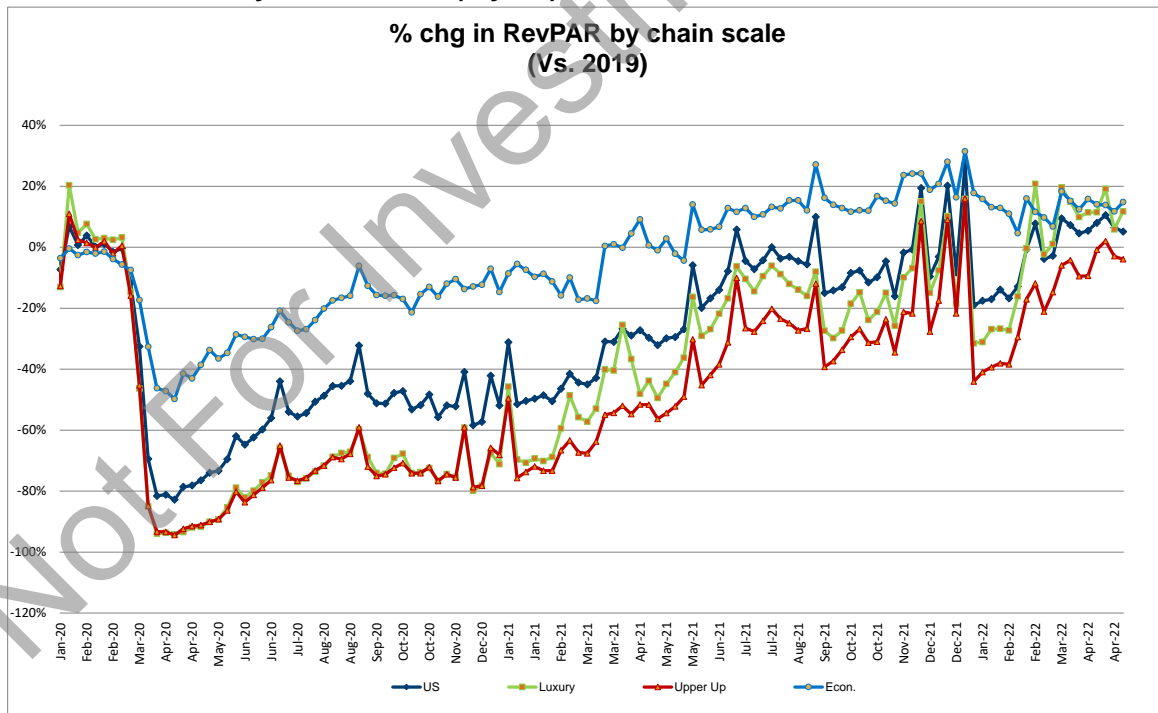
Source: STR data, Truist Securities research

RevPAR Component Trends (3-year)



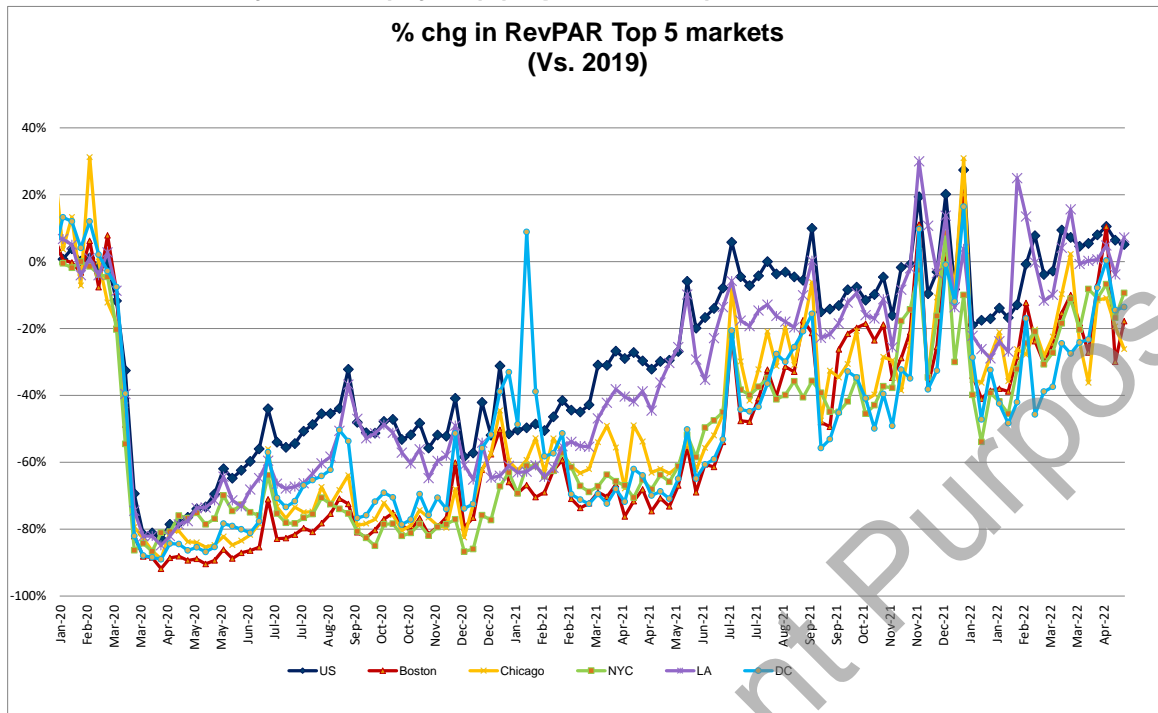
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (3-year)



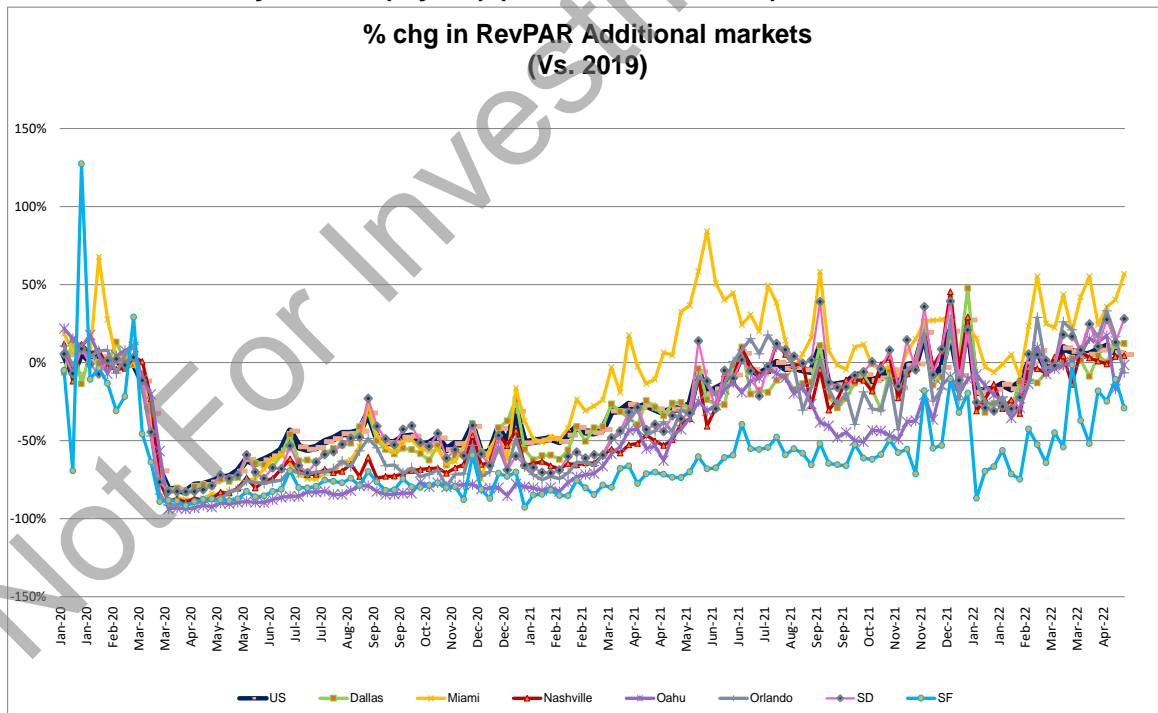
Source: STR data, Truist Securities research

RevPAR Trends by Market (3-year) (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (3-year) (Additional markets)



Source: STR data, Truist Securities research

Companies Mentioned in This Note

Bluegreen Vacations Holding Corporation (BVH, \$25.16, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$121.68, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$79.03, Buy, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$42.18, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$128.66, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$13.55, Buy, Gregory Miller)
Travel + Leisure Co. (TNL, \$48.85, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$141.24, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$74.40, Buy, C. Patrick Scholes)

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D = Drop Coverage

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NR = Not Rated

I = Initiate Coverage

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Rating	Count	Percent	Rating	Count	Percent
Buy	531	70.24%	Buy	84	15.82%
Hold	224	29.63%	Hold	43	19.20%
Sell	1	0.13%	Sell	0	0.00%

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