

## CONSUMER: Lodging

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## Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

## Lodging: US RevPAR +32% Y/Y Last Week. +11% vs. 2019 with perhaps a modest holiday shift boost

Overall U.S. RevPAR was +32.4% y/y for the week ending 6/11/2022, per STR, stronger than the prior week's result of +21.5%. Last week's RevPAR was up against a +121.5% comparable result in 2021 vs. +127.4% in the prior week. **On a 3-year run-rate (vs. 2019), RevPAR was +10.7% vs. -2.2% in the prior week's 3-year run-rate.**

**Given the shift of Memorial Day (one week earlier in 2019), there is an easy 3-year comp with 2022 business travel (individual/group/convention) pushed into last week. This year is also impacted by the new Juneteenth holiday which further narrows June corporate travel to select days.**

**Weekend leisure occupancy flattish vs. 2019 but ADR way up - probably a good indicator into the summer:** Similar to the discussions we held with CoStar/STR on our conference call last Friday and earlier today with Airdna, we are seeing indications of strong leisure demand showing up in pre-summer trends. ADRs continue to run strong at mid 20% over 2019 levels for Friday and Saturday; however, we note that some urban locations remain laggards relative to rural and outdoorsy markets (coasts, national parks, etc.). Luxury ADR was +42% on Saturday versus the comparable 2019. Conversely, despite an easier business week comp, midweek corporate ADR was on average single-digit positive -- underwhelming given double-digit hourly hotel wage cost growth y/y.

### Major RevPAR statistics presented below:

- Luxury RevPAR: +60.3% y/y and +17.6% over 3 years;
- Upper Upscale RevPAR: +76.1% y/y and +2.4% over 3 years;
- Upscale RevPAR: +40.3% y/y and +2.9% over 3 years;
- Upper Midscale RevPAR: +20.3% y/y and +8.9% over 3 years;
- Midscale RevPAR: +10.3% y/y and +12.0% over 3 years;
- Economy RevPAR: +6.8% y/y and +12.7% over 3 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +21.3% y/y and +17.9% over 3 years; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +229.6% y/y vs. +177.0% prior week; over 3 years: +5.3% vs -33.8% prior week.
  - Transient: +24.8% y/y vs. +13.3% prior week; over 3 years: +13.3% vs +6.0% prior week.

### Last week's RevPAR details and sequential trends:

- **Headline RevPAR** was +32.4% y/y vs. the running 28-day average of +33.7% y/y.
- **Occupancy:** Absolute occupancy was 70.6% y/y vs. the running 28-day average of 67.2% y/y.
- **Absolute Group occupancy impacted by holiday:** 25.3% last week vs. 21.5% for the running 28 days.

As far as specific stocks/sub-sectors, we continue to be most favorable on the leisure-centric companies, namely WH (Buy) and the Vacation Ownership companies, HGV (Buy), VAC (Buy), BVH (Buy), and TNL (Buy). Common characteristics besides high leisure exposure include attractive valuations, recovered balance sheets, and return of capital to shareholders via repurchases and/or dividends. To the list of favorites, we include Hyatt (H, Buy) given its increasing exposure to leisure via its acquisition of Apple Leisure Group and its progress on selling owned assets and shifting to a more asset-lite company. We also continue to favor RLJ (RLJ, Buy, Miller) driven partly by our continued view of its relative valuation discount and operational enhancements/hotel repositionings supporting incremental EBITDA growth. Lastly, we are encouraged by the progress we are seeing in higher-end corporate and group travel, which was reflected in our recent (6/1) upgrade of PK (Buy) to Buy from Hold.

Not For Investment Purposes

### Weekly RevPAR Summary

YoY % change in RevPAR													
U.S.	Upper		Upper		Inde-		pendent	New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Midscale	Midscale	Economy	pendent							
3/26/2022	<b>55.5%</b>	93.0%	108.8%	62.8%	39.5%	25.5%	14.1%	43.6%	145.1%	203.3%	100.0%	100.9%	162.3%
4/2/2022	<b>42.8%</b>	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	<b>48.4%</b>	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	<b>48.3%</b>	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	<b>57.2%</b>	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	<b>56.8%</b>	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	<b>49.9%</b>	101.3%	109.8%	54.8%	31.8%	21.1%	11.9%	37.9%	154.9%	180.4%	67.8%	83.0%	180.7%
5/14/2022	<b>46.6%</b>	87.2%	96.1%	53.5%	32.0%	22.3%	14.2%	34.2%	164.8%	175.4%	69.1%	103.9%	200.0%
5/21/2022	<b>48.7%</b>	83.4%	98.2%	55.9%	32.8%	21.8%	15.3%	37.8%	203.7%	192.5%	46.8%	135.8%	167.6%
5/28/2022	<b>33.1%</b>	56.2%	70.4%	41.0%	21.8%	12.7%	8.3%	23.7%	136.4%	201.2%	38.0%	120.6%	118.3%
6/4/2022	<b>21.5%</b>	36.9%	49.4%	29.0%	14.6%	7.9%	6.1%	12.5%	94.9%	128.1%	33.7%	123.6%	99.7%
6/11/2022	<b>32.4%</b>	60.3%	76.1%	40.3%	20.3%	10.3%	6.8%	21.3%	130.7%	165.1%	51.4%	121.5%	132.9%

Easier comp post-Holiday shift      Upper Upscale and Luxury led the industry      Boston and DC 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	0.7%	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

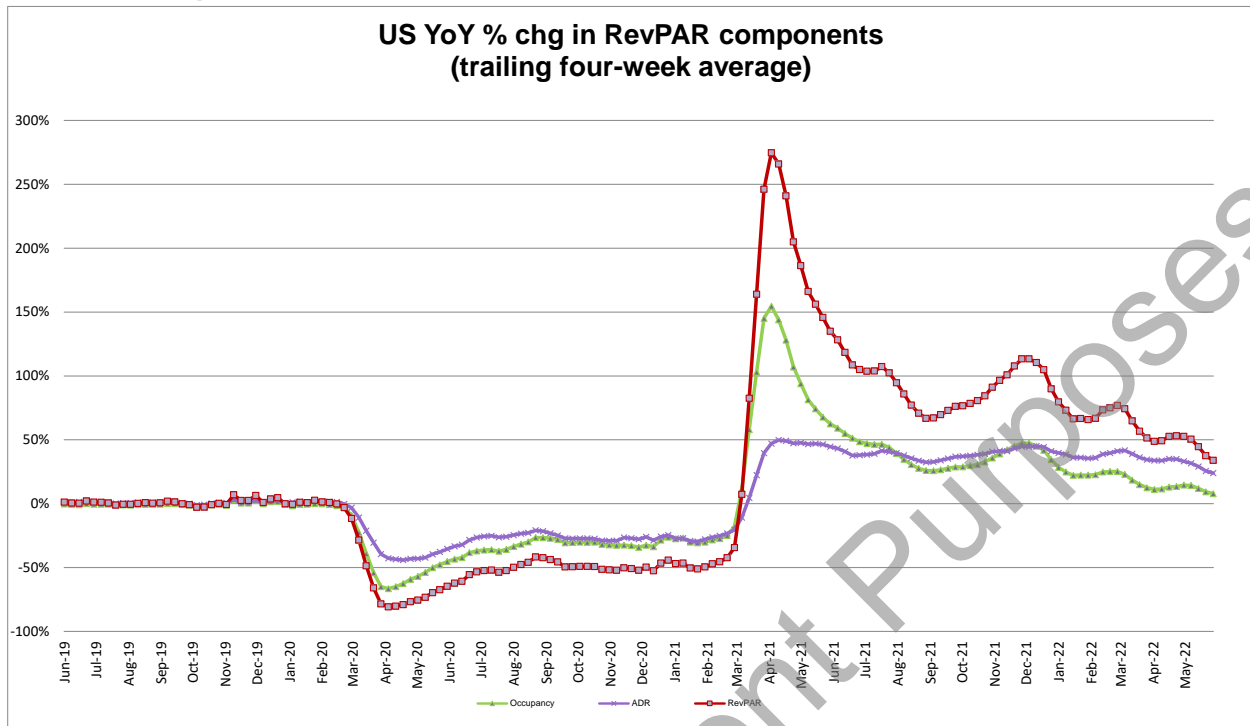
U.S.	Upper		Upper		Inde-		pendent	New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Midscale	Midscale	Economy	pendent							
3/26/2022	<b>37.1%</b>	17.5%	37.7%	36.5%	28.0%	20.7%	16.6%	30.8%	67.0%	79.1%	55.4%	52.5%	64.8%
4/2/2022	<b>28.6%</b>	7.2%	31.5%	32.5%	26.2%	18.9%	14.3%	19.3%	69.1%	66.2%	41.3%	39.3%	64.6%
4/9/2022	<b>33.0%</b>	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	<b>36.7%</b>	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	<b>36.6%</b>	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	<b>34.0%</b>	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	<b>32.5%</b>	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	<b>29.8%</b>	18.6%	32.9%	29.6%	21.2%	17.6%	14.2%	24.2%	80.2%	71.8%	41.7%	50.8%	75.7%
5/21/2022	<b>30.4%</b>	18.7%	33.7%	30.7%	21.4%	17.5%	14.4%	25.3%	100.2%	81.2%	32.1%	63.9%	65.6%
5/28/2022	<b>23.6%</b>	10.1%	25.5%	25.2%	17.0%	14.2%	11.6%	19.1%	67.3%	86.6%	27.6%	59.1%	51.4%
6/4/2022	<b>18.5%</b>	10.0%	21.5%	21.1%	14.3%	12.1%	10.4%	13.7%	51.3%	59.6%	25.1%	69.1%	42.6%
6/11/2022	<b>23.3%</b>	15.8%	28.7%	24.3%	15.8%	12.5%	10.5%	17.9%	67.3%	76.4%	31.7%	62.1%	56.0%
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%	18.6%	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%	22.8%	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-		pendent	New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Midscale	Midscale	Economy	pendent							
3/26/2022	<b>13.5%</b>	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	<b>11.0%</b>	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	<b>11.6%</b>	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	<b>8.5%</b>	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	<b>15.1%</b>	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	<b>17.1%</b>	77.3%	65.4%	24.3%	11.4%	5.3%	-1.1%	12.3%	46.5%	61.8%	21.5%	42.5%	63.6%
5/7/2022	<b>13.1%</b>	65.7%	54.1%	16.9%	7.8%	2.5%	-1.7%	8.6%	47.5%	62.6%	17.8%	31.9%	66.3%
5/14/2022	<b>13.0%</b>	57.9%	47.3%	16.4%	8.3%	4.0%	0.0%	8.1%	46.9%	60.3%	19.3%	35.2%	70.8%
5/21/2022	<b>14.0%</b>	54.5%	48.2%	19.3%	9.3%	3.7%	0.8%	10.0%	51.7%	61.4%	11.1%	43.8%	61.6%
5/28/2022	<b>7.6%</b>	41.9%	35.9%	12.6%	4.1%	-1.3%	-3.0%	3.9%	41.3%	61.4%	8.2%	38.6%	44.2%
6/4/2022	<b>2.5%</b>	24.5%	23.0%	6.5%	0.3%	-3.7%	-3.9%	-1.1%	28.8%	42.9%	6.9%	32.2%	40.0%
6/11/2022	<b>7.4%</b>	38.4%	36.8%	12.9%	3.8%	-1.9%	-3.3%	2.9%	37.9%	51.1%	15.0%	36.7%	49.3%
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%

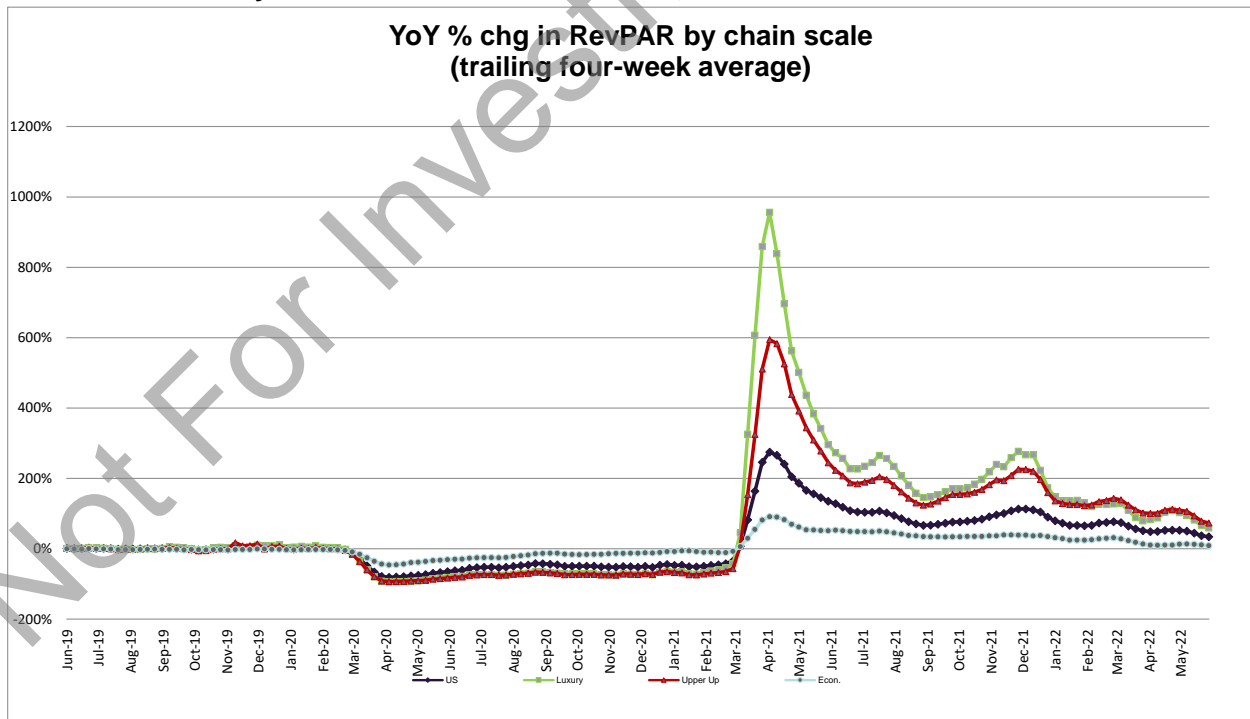
Source: STR data, Truist Securities research

RevPAR Component Trends



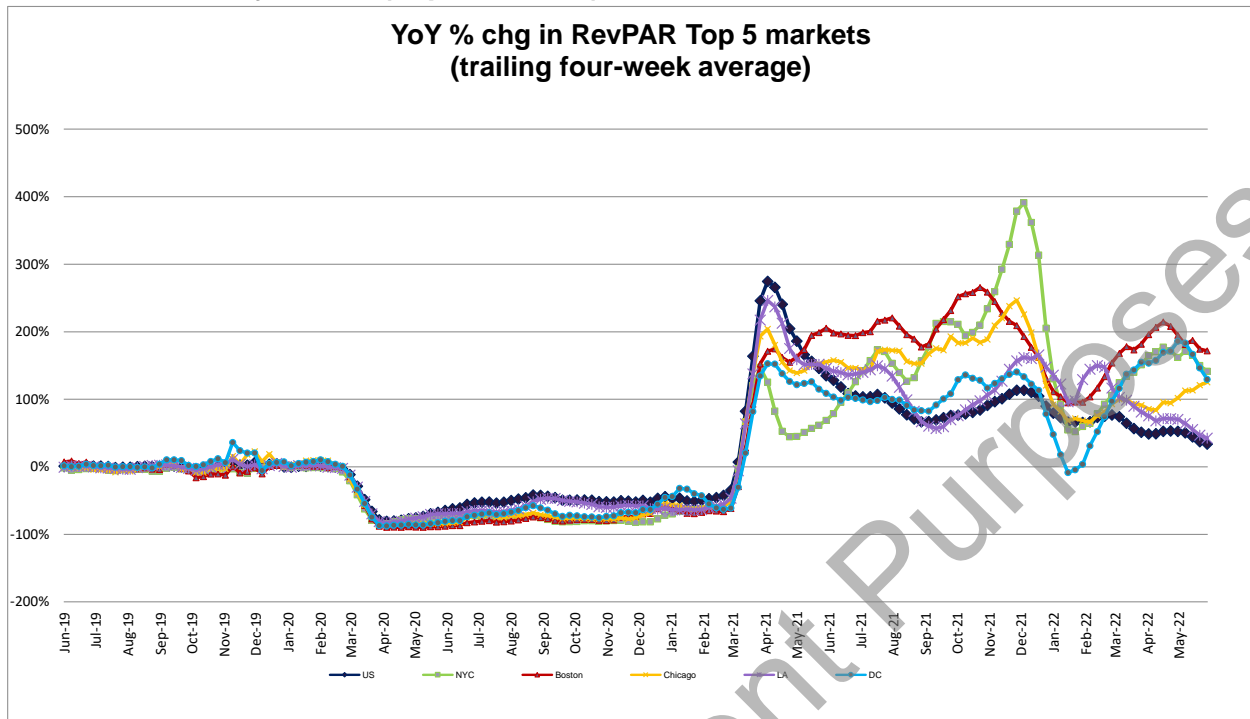
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



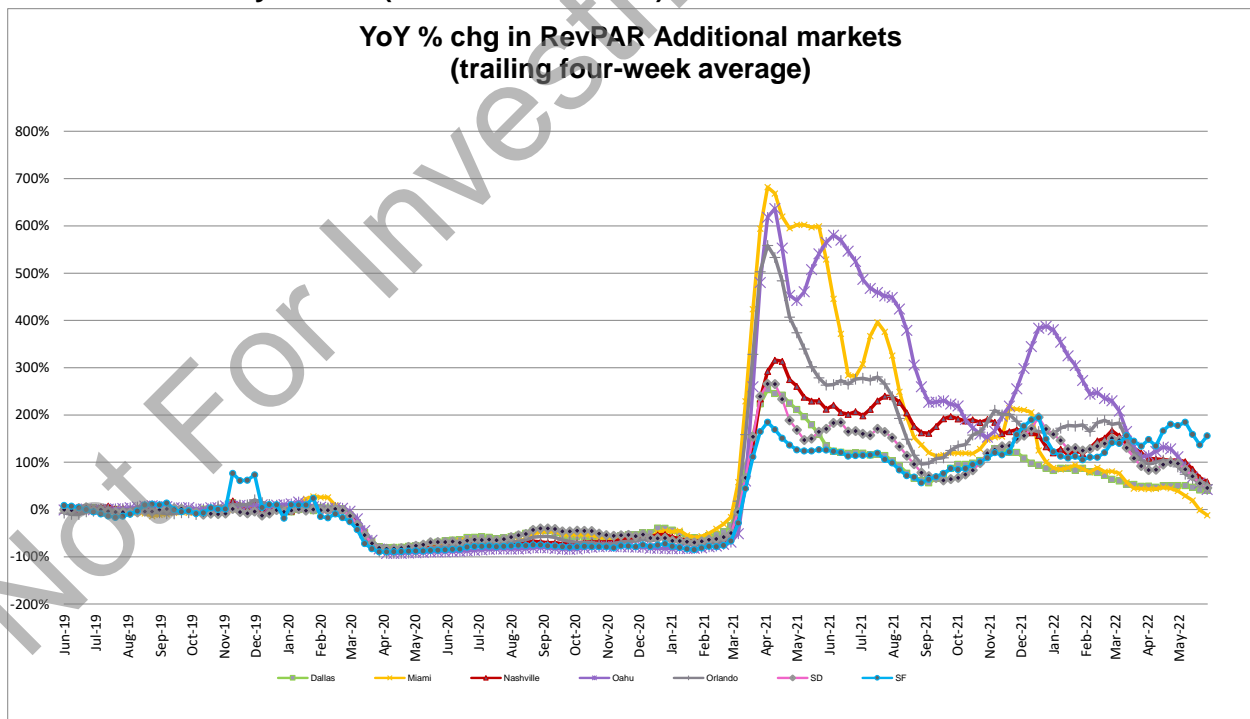
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



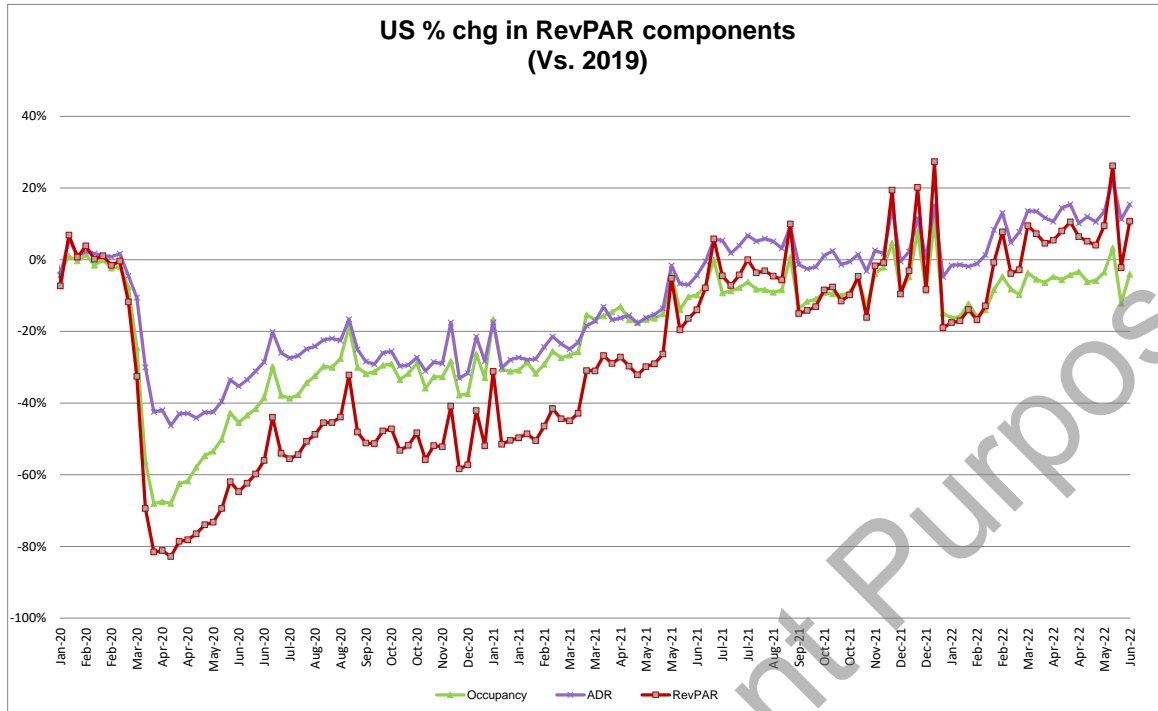
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



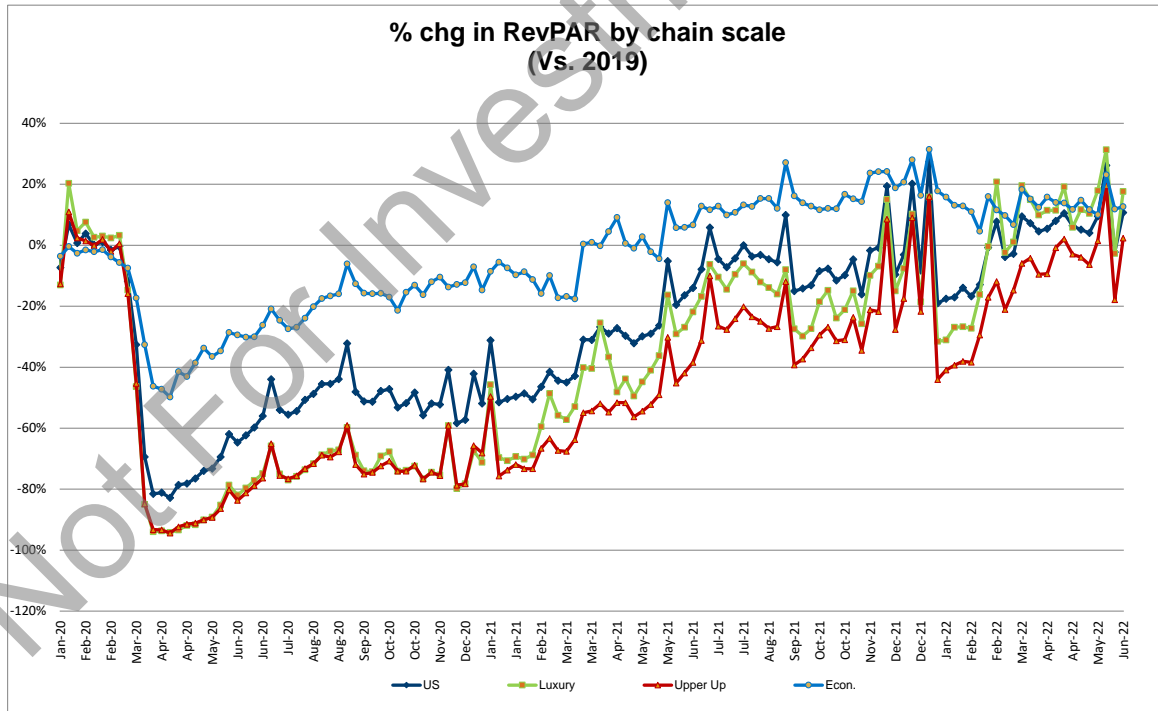
Source: STR data, Truist Securities research

RevPAR Component Trends (3-year)



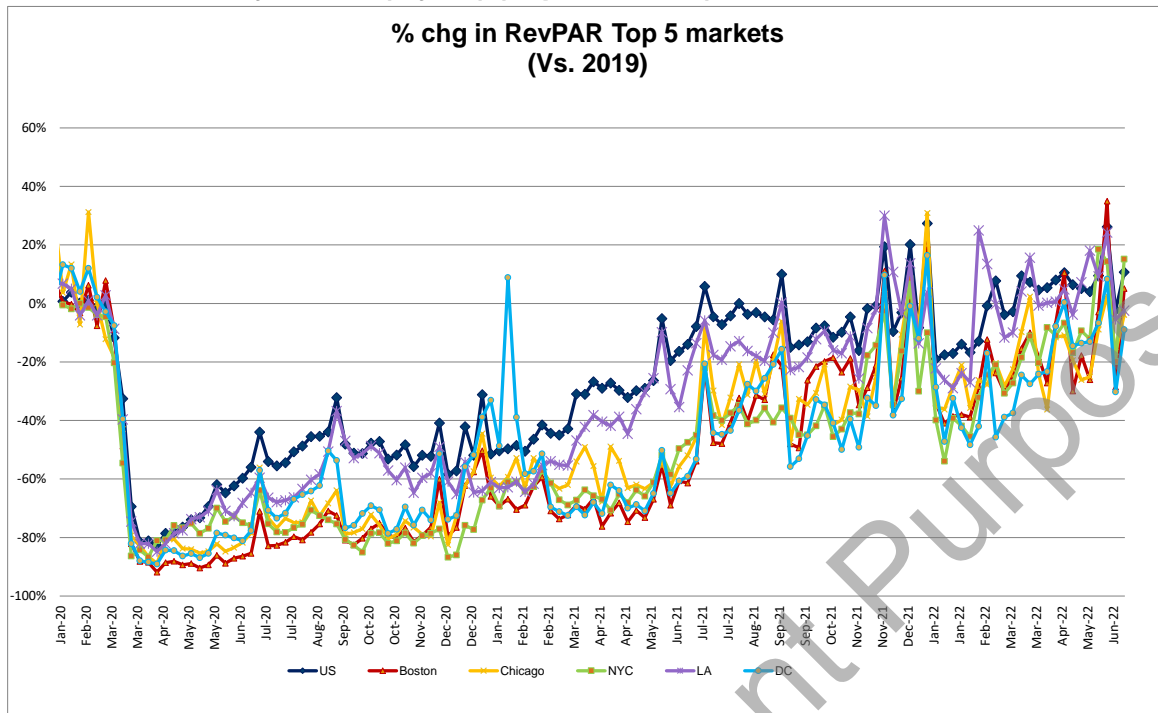
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (3-year)



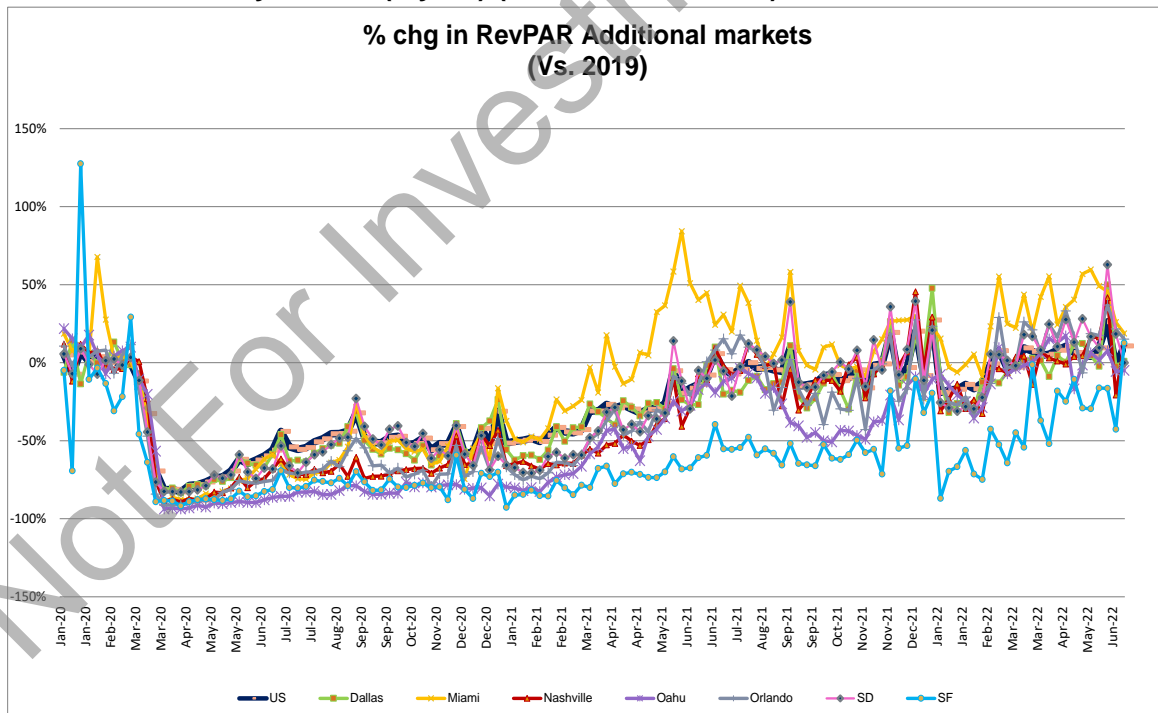
Source: STR data, Truist Securities research

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, \$26.80, Buy, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$79.42, Buy, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$41.26, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$119.14, Hold, C. Patrick Scholes)  
**Park Hotels & Resorts Inc.** (PK, \$15.34, Buy, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$11.71, Buy, Gregory Miller)  
**Travel + Leisure Co.** (TNL, \$42.97, Buy, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$125.01, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$70.46, Buy, C. Patrick Scholes)

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I, C. Patrick Scholes, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

I, Gregory J. Miller, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

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