Jan. Lodging RevPAR Monitor: Small uptick in last-minute Group bookings

Raising RevPAR ests.

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What's Inside

What's Incremental To Our View

Though have not seen conclusive evidence of uptick in individual corporate segment. Leisure solid.

Based on our forward-looking observations in our internal RevPAR data analytics lab combined with conversations with private hotel owners, the most noticeable forward looking trend over the past month was a second consecutive month of small improvement in In-The-Quarter-For-The-Quarter ("ITQFTQ ") Group bookings without an offsetting decrease in room rates. This is notable as it has been many quarters since we have seen last-minute Group bookings not disappoint. Though to be clear, we are still measuring any improvements in basis points as opposed to percentage points --- **But for 9 years into a cycle, the fact that trend lines are not going downwards at all is highly unusual at this stage of the game.**

However, individual transient business did not see similar green shoots like ITQFTQ Group did, but it did not decline either. Transient leisure continues to be the stand-out performer of the three major customer segments and this continues to bode well for Vacation Ownership, Regional Gaming, and Cruise companies. Our theme for the high-flying hotel C-Corps in 2018 continues to be "It's all good until it isn't" and over the past six weeks we have not observed anything that is overly worrisome.

Raising RevPAR forecasts for 1Q18 and full-year 2018 and introducing 2Q18 projection: Due to a slight uptick in expectations for Group RevPAR (or perhaps less fear of last-minute declines) and an Easter shift that does not look overly negative on March, we are taking our 1Q18 US full-service branded hotel (the typical US hotel for MAR and HLT) RevPAR projection to +0-2% from -1% to +1%. We are introducing a 2Q18 forecast of +1.5-3.5%. Additionally we are taking our full-year 2018 projection to +0-2% from -0.5% to +1.5% as a negative result for 2018 looks to be off the table at this juncture. This 2018 range is now in-line with guidance from MAR and the implied 1-2% outlook from HLT and we see these guided ranges as realistic and achievable. 4Q18 will face difficult y/y hurricane comps and will likely be the weakest growth rate quarter of the year; that said it is still January and it is not something we believe investors will dwell on until we get closer to 4Q18 and until we have better transient demand visibility.

As far as the stocks, based on our last several months of RevPAR data analytics observations, we are less cautious on the hotel REITS then we were at the same time last year, though to be clear not overly bullish. Given recent forward-looking demand and pricing trends, we continue to have higher confidence

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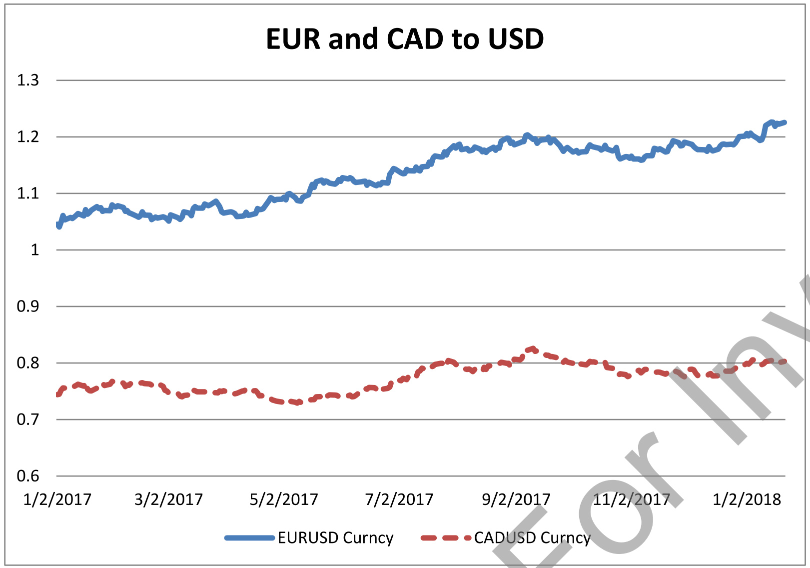
that numbers will not need to be cut in 2018 and that dividends will be paid (though we're not expecting dividend raises of any size this year). We see the major issue/ challenge for the hotel owners in 2018 as cost containment. In an environment of property-level operating costs of 2.5%+ vs. flat to 2% RevPAR growth, this does not bode well for margin expansion for hotel owners (outside of PK, which has some unique self-help drivers). A second strike against the hotel REITS at this moment is that the growth in RevPAR is primarily driven by the leisure segment as opposed to the corporate segment (discussed further in this report), the latter being the bread and butter customer for the hotel REITS. **Of the hotel REITS, PK is our favorite** (see last month's upgrade for detail). Positives for the REITS this year include:

- At this level of RevPAR growth dividends are not stretched and barring a negative demand shock we do not attach a high level of risk they will be cut over the next year. Most hotel REITS dividends are at an attractive 4-6% yield.
- The bounce-back in San Francisco beginning in 2Q18 and accelerating through 2018. In this cycle, San Francisco has supplanted NYC as the most important market for the hotel REITS. Please see the city-specific discussion below for additional detail and company impact.
- Following a number of sell-side downgrades over the past several months, sentiment and expectations for the hotel REITS are fairly low. Historically, this helps set the foundation for *eventual* outperformance.
- The recent depreciation in the US$ vs. the Euro and CAD$ should be a benefit especially for the hotel REITS as they are congregated in major gateway markets that are popular for international visitation. *Assuming* this trend continues, we would expect to see it to be a small tailwind to RevPAR growth beginning in the first half of next year (there is a six month lag as to when changes in FX begin to help/hurt visitation due to the lengthy booking window of international leisure travel).



Source: Bloomberg

For the C-Corps, we are skeptical if surprise catalysts can happen 4x again. MAR stock has been a huge outperformer over the past year (+64% in 2017 vs. +20% S&P 500) and for the most part we do not see this strength driven by its underlying US RevPAR performance. Rather, large tailwinds to MAR in 2017 were from the rotation out of Amazon-threatened names into high quality consumer stocks, a credit card negotiation result that is likely better than anyone imagined at this time last year (we peg the benefit at $250-$300M), demand tailwinds in 4Q17 from the hurricanes, and the cut in corporate tax rates. Historically, "surprises" for lodging companies have been of the negative variety, so last year was certainly an unusually favorable surprise year for MAR and other C-corps (though to a lesser degree) and we will be surprised if lighting can strike again in 2018.

- **We repeat: It's all good until it isn't, though.** While most C-corps trade at expensive multiples by historical standards (not the case for the hotel REITS as the gap between hotel REITS and C-Corps is as wide as it has ever been), we note that historically asset-lite C-Corp multiples can get "whacky" (See Four Seasons and Choice Hotels in the prior cycle, for example) and can stay expensive up to the point where a management team delivers unexpected bad news (then look out below!); **Based on our data checks and industry conversations we are not expecting such unexpected bad news (the "all good until it isn't" part) in February/March earnings releases as it relates to 4Q results and forward expectations.**

Looking at our most recent forward-looking demand and pricing observations:

1Q18

- **January:** Washington DC faces a very difficult y/y comp due to last year's Inauguration and Women's March in Washington, DC. RevPAR in DC last year in January was +51% y/y. That said, we see the month tracking at the higher-end of our 1Q18 range of +0-2%.
- **February:** Looks to be a clean comp month. That said early indications are for a fairly mediocre month, tracking towards the mid-point of our +0-2% range for overall 1Q18.
- **March:** Will be hurt by the timing of Easter but not to the degree it impacted March/April last year. Last year Easter fell on April 16 while this year it falls on April 1. The RevPAR impact will be that the last week of March 2018 will see a drop-off in group and transient business whereas April 2018 will have an easy comp. We see the month tracking towards the mid-point of our +0-2% range for overall 1Q18.

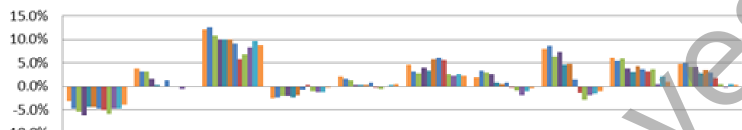
2Q18

- **April:** This month will see some benefit from the Easter shift. We see this month currently tracking at or above the high-end of our 2Q18 forecast of +1.5-3.5%.
- **May:** Looks to be a clean comp month, tracking at the mid-point of the 1Q18 range.
- **June:** Also looks to be a clean comp month, tracking at the mid-to-high-end of the range.

Quarterly Tracking

	4Q17E	2017E	1Q18E	2Q18E	2018E
	Overall	Overall forecast	Overall	Overall	Overall forecast
Dec-17	+2-4% High-end	+0-2%	+0-2%	+1.5-3.5%	+0-2%
Nov-17	+2-4% High-end	+0-2%	-1% to +1%		-0.5% to +1.5%
Oct-17	+2-4% High-end	+0-2%	-1% to +1%		-0.5% to +1.5%
Sep-17	+2-4% High-end	+0-2%	-1% to +1%		-0.5% to +1.5%
Aug-17	+2-4%	+0-2%	-1% to +1%		-0.5% to +1.5%
Jul-17	+1-3%	+0-2%			-0.5% to +1.5%
Jun-17	+1-3%	+0-2%			-0.5% to +1.5%
May-17	+1-3%	+0-2%			
Apr-17		+0-2%			
Mar-17		+0-2%			
Feb-17		+0-2%			
Jan-17		+0-2%			
Dec-16		+0-2%			
Nov-16		+0-2%			
Oct-16		+0-2%			
Sep-16		+0-2%			
Aug-16		+1-3%			
Jul-16		+1-3%			
Jun-16		+1-3%			

Net of Supply Growth Changes to 2018/2019
Y/Y Citywide Group Pace (by Quarter/Year)



	1Q18	2Q18	3Q18	4Q18	YE 18	1Q19	2Q19	3Q19	4Q19	YE 19
Pace as of January 2017	-3.2%	3.7%	12.0%	-2.6%	2.1%	4.6%	1.8%	7.9%	6.0%	4.7%
Pace as of February 2017	-4.8%	3.2%	12.5%	-2.3%	1.7%	3.3%	3.4%	8.6%	5.4%	4.9%
Pace as of March 2017	-5.4%	3.1%	10.8%	-2.1%	1.2%	2.7%	2.9%	6.4%	5.8%	4.2%
Pace as of April 2017	-6.3%	1.5%	10.0%	-2.0%	0.3%	4.0%	2.5%	7.4%	3.7%	4.2%
Pace as of May 2017	-4.5%	0.3%	10.0%	-2.3%	0.3%	3.4%	0.8%	4.6%	3.0%	2.8%
Pace as of June 2017	-4.4%	-0.2%	9.9%	-1.9%	0.3%	5.8%	0.4%	4.7%	4.3%	3.6%
Pace as of July 2017	-4.7%	1.2%	9.1%	-0.7%	0.7%	6.0%	0.8%	1.4%	3.7%	2.9%
Pace as of August 2017	-5.1%	-0.1%	5.7%	0.3%	-0.2%	5.5%	-0.3%	-1.4%	3.1%	1.7%
Pace as of September 2017	-5.8%	-0.2%	6.9%	-1.2%	-0.6%	2.6%	-1.0%	-2.9%	3.6%	0.5%
Pace as of October 2017	-4.7%	-0.6%	8.3%	-1.3%	-0.1%	2.2%	-1.9%	-1.9%	0.4%	-0.3%
Pace as of November 2017	-4.8%	-0.1%	9.7%	-1.3%	0.3%	2.6%	-1.0%	-1.5%	2.1%	0.5%
Pace as of December 2017	-4.0%	-0.1%	8.8%	-0.3%	0.5%	2.2%	-0.5%	-1.2%	1.0%	0.4%

Source: STRH Research, TAP. Figures are net of new supply.

On the good news front, international RevPAR growth continues to be very positive though 2018 is a year of difficult comps. While we admittedly have far less visibility into the future in Europe and Asia than we do for the US, 4Q17 RevPAR growth in constant currency for Europe of approx. +7% and growth in US $ of approx. +15% were extremely strong. The bad news is this strength is only a benefit to the C-Corps, most notably for HLT and MAR.

- **East Asia by and large still presents a considerable long-term growth story for the C-Corps.** While we are seeing supply maturation in some of the primary emerging markets (a good sign for rate integrity in our view), there are growth opportunities in many other markets. 4Q17 RevPAR in Asia-Pacific came in at approx. +7% in US$.

Examining the three customer segments:

Leisure travel: In the near term hurricane demand is giving a lift to this segment (we acknowledge, and hope not to appear insensitive, that while hurricane demand is certainly not "leisure travel" in the traditional sense, for customer segmentation some of it falls in the leisure category). Additionally, underlying relative strength is coming from 2016 (2017 statistics not out yet, though we believe not too dissimilar to 2016's) US household income growth of 3.2% and continued low gas prices, which translates into moderate growth in the forward-looking hotel demand and pricing trends.

- Our latest pricing and demand observations from our RevPAR data lab show RevPAR growth for Spring and Summer leisure travel tracking approx. +3-4% for US full service hotels (approx. 100-200 bps. higher for limited service properties as hurricane demand falls under this segment). Very early indications point to a strong summer.
- The one area in leisure travel that is soft is in Western US ski resorts. These locations are seeing low-single digit increases in rate with flat to slightly decreasing occupancy. Given how bad a ski year it is for many Western US ski resorts, these trends could be far worse.

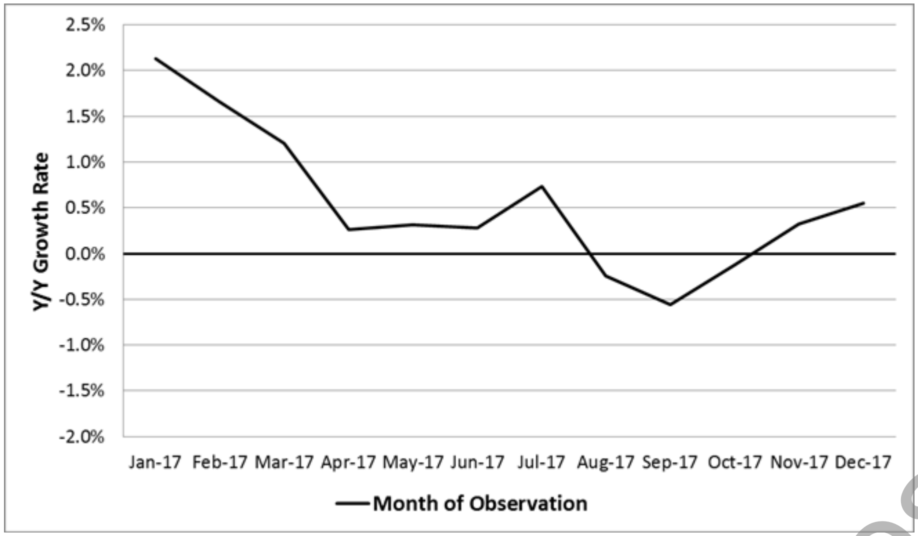
Individual business travel RevPAR expectations (visibility is about 60 days) have been steady. Prior to the hurricanes, forward expectations for this segment hovered around zero to slightly negative growth (primary data source: corporate travel agencies and OTAs) with no major changes over the past month. **Due to the aforementioned hurricane related demand, the RevPAR expectation for the next several months for this business segment is now in the positive low-single digits.**

- Perhaps suppressing an uptick in corporate RevPAR growth in 2018 was that pricing was locked-in in October-November and the tax cut bill passed in late December. If it had been passed earlier we suspect one would have seen the hotels better able to negotiate from a stronger position. Please see our recent report on corporate rate negotiations for additional detail.

Forward-looking Group/convention demand expectations again bucked the downward trend line over past six weeks (primary data source: TAP).

- **2018: ticked up for the third month in a row over the past month.** Headline group demand is now pacing approx. +0.5% vs. the prior observation of +0.3% (net of new supply). To this we add approx. 1.5 percentage points of rate growth to come up with a projection that same-store Group RevPAR is tracking at approx. +1.0-2.0% for 2018 at the moment.

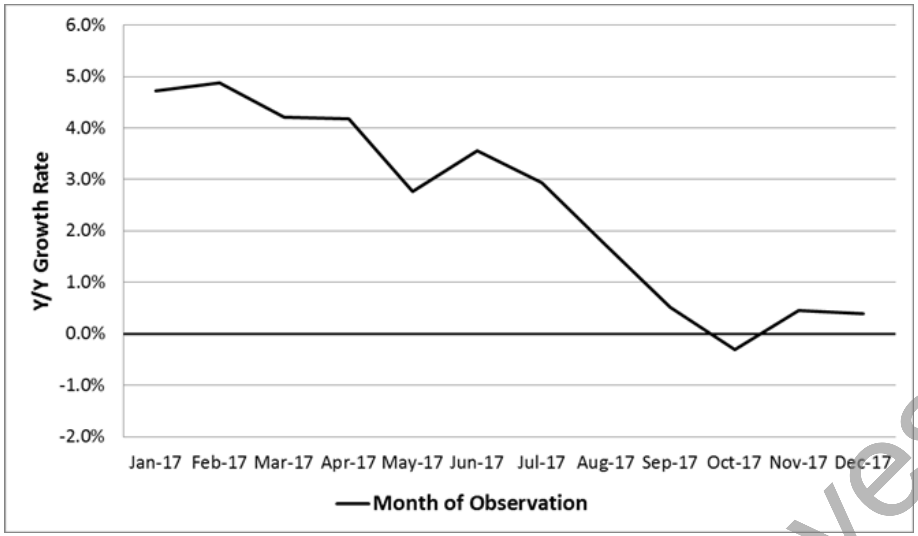
2018 Group demand pace trend



Source: STRH Research, TAP

- **2019: Stable over the past month.** Our net-of-supply group pace for 2019 is +0.4% at the moment vs. +0.5% in our prior observation. To this we add approx. 1.5 percentage points of rate growth to come up with a projection that same-store Group RevPAR is tracking at approx. +1.0-2.0% for 2019 at the moment. We note that 2019 will show massive gains in SF due to the renovation and expansion of the Moscone center.
  - We advise readers that these figures represent a fraction of what will be the aggregated actual bookings (we estimate that the 2019 pace represents about 25-35% of what will actually be booked). The group pace for now mostly reflects citywide and far-in-advance in-house group bookings. The wildcard of course is how actual "paid & stayed" attendance is vs. the initial projection.

2019 Group demand pace trend



Source; STRH Research, TAP

Segmentation By Company

	Transient Corporate	Transient Leisure	Group
REITS			
CHSP	45%	20%	35%
DRH	45%	20%	35%
HST	45%	15%	40%
LHO	55%	20%	25%
PK	45%	20%	35%
RHP	5%	15%	80%
RLJ	55%	25%	20%
SHO	45%	20%	35%
PEB (not covered)	60%	20%	20%

C-corps	Transient Corporate	Transient Leisure	Group
CHH	45%	45%	10%
H	40%	20%	40%
HLT	50%	20%	30%
IHG	45%	40%	15%
MAR	45%	20%	35%
WYN	45%	45%	10%

Source: STRH Research

Major Markets:

The markets we observe with strong hurricane driven bump-ups in forward demand are (not surprisingly) Houston (though difficult y/y Superbowl comp in early February), Miami, and Orlando (easy Zika comps Florida, especially Miami, and seeing demand that would have gone to Key West and hurricane devastated Caribbean islands) in that order. We expected these markets to have outsized RevPAR growth rates through early September 2018, followed by difficult comps (though with positive 2-year growth rates, especially for Houston).

Ranking the big six major US markets for 2018. Group/meeting bookings is the best way to think about market outperformance/underperformance for time periods more than 90 days out. A healthy (or weak) convention calendar really drives city performance (with the notable exception of NYC as that is mostly a transient market). Based on initial group/convention bookings, we lump the top six markets into four buckets:

1. **Strong in 2018:** SF
2. **Average to slightly above average:** NYC (but see NYC comments above), Chicago (good city-wide performance but partly driven by demand at newly opened hotels and less good for same-store results)
3. **Weak:** Boston
4. **Very Weak:** LA, DC

Outside of the big six in North America, Canadian cities such as Montreal, Toronto, and Vancouver continue to look relatively strong, though as y/y comps get tougher and the FX tailwind subsides, the strength is beginning to wane. Unfortunately, very few REITS (only HST in our coverage) own hotels in Canada.

Additional color on the big six:

Boston: 1Q and 2Q of 2018 are weak but shows improvement for the back half of the year.

Est exposure to Boston market									
	CHSP	DRH	HST	LHO	PEB	PK	RHP	RLJ	SHO
Boston	15%	16%	6%	19%	8%	2%	0%	4%	17%
Rank	4	3	6	1	5	8	9	7	2
Note: Est. exposures include surrounding areas									
Source: STRH Research, Company data									

Chicago: Chicago looks strong for 1Q, soft in 2Q, and then followed by a very strong 3Q and 4Q. That being said, with a new Marriott Marquis at McCormick, we are surprised the lift is so uneven from 3Q17 onward and that 2019 is a pull back. 2019 looks extremely weak at this point.

Group/convention outlook for Chicago

Pace as of	1Q17A	2Q17A	3Q17E	4Q17E	1Q18E	2Q18E	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E
Dec-17	22.1%	10.4%	-3.6%	-7.6%	40.0%	1.9%	36.0%	25.2%	-28.0%	-4.5%	-16.2%	-19.5%
Nov-17	22.1%	10.3%	-4.2%	-7.3%	38.0%	2.7%	42.3%	22.9%	-27.2%	-4.7%	-17.0%	-19.2%
Sep-17	22.1%	10.4%	-4.4%	-8.2%	34.9%	1.6%	36.7%	25.1%	-27.4%	-2.0%	-20.0%	-19.7%
Aug-17	22.1%	10.4%	-2.6%	-10.6%	10.4%	2.1%	33.6%	26.7%	7.3%	5.1%	-21.3%	-17.1%
Jul-17	23.1%	10.6%	-14.9%	-2.4%	5.0%	3.0%	61.4%	14.4%	-9.4%	4.9%	-14.7%	-22.1%

Source: STRH Research, TAP

Est exposure to Chicago market									
	CHSP	DRH	HST	LHO	PEB	PK	RHP	RLJ	SHO
Chicago	12%	13%	4%	7%	0%	6%	0%	6%	8%
Rank	2	1	7	4	8	6	8	5	3

Note: Est. exposures include surrounding areas

Source: STRH Research, Company data

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Los Angeles: In 2017 transient hotel demand received a lift from the fires, demand which we expect to last for several months. For 2018 we expect LA to be one of the weakest major markets.

Group/convention outlook for Los Angeles

Pace as of	1Q17A	2Q17A	3Q17E	4Q17E	1Q18E	2Q18E	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E
Dec-17	3.4%	61.3%	-0.5%	12.6%	16.9%	-29.7%	-4.0%	4.8%	-24.0%	11.9%	-17.3%	13.7%
Nov-17	3.4%	61.3%	-0.5%	10.7%	16.8%	-29.7%	-1.1%	6.2%	-25.6%	11.9%	-20.6%	22.2%
Sep-17	3.4%	61.2%	-2.1%	3.9%	13.1%	-32.1%	1.1%	8.1%	-24.0%	13.4%	-18.4%	28.6%
Aug-17	3.4%	61.1%	-5.8%	3.3%	16.9%	-32.3%	-0.3%	14.9%	-19.8%	13.3%	-19.6%	9.5%
Jul-17	3.4%	70.2%	-14.0%	1.4%	18.8%	-37.3%	16.5%	12.6%	-19.8%	13.3%	-15.5%	11.1%

Source: STRH Research, TAP

Est exposure to LA market

	CHSP	DRH	HST	LHO	PEB	PK	RHP	RLJ	SHO
LA	11%	1%	5%	9%	16%	0%	0%	5%	10%
Rank	2	7	5	4	1	8	8	6	3

Note: Est. exposures include surrounding areas

Source: STRH Research, Company data

NYC: Just might squeak out a positive RevPAR growth result for 2018 (we said the same things for 2017: It was very close but the final result was -0.3%). However even a negative 1%-ish should be considered a success given the massive amount of supply that has and is coming into the market. Helping NYC are new regulations on short-term rentals (Airbnb) which may take some of the new "shadow supply" pressure away. Additionally FX should move from a headwind to tailwind by the summer. That said, we believe it will be difficult for NYC to see anything much above flat RevPAR growth in 2018 as new hotel supply looms large.

- A major headwind to same store RevPAR growth in NYC is several years of compounded 4-6% new supply growth. Per Lodging Econometrics, city-wide new room supply grew 5.1% in 2016 and is forecasted to grow 5.1% in 2017, 8.3% in 2018, and 4.1% in 2019. Even if some of these expected new hotels never open, it is difficult to envision that NYC will not have continued pressure from above-average supply over the next several years.

Est exposure to NYC market

	CHSP	DRH	HST	LHO	PEB	PK	RHP	RLJ	SHO
NYC	4%	10%	11%	9%	0%	6%	0%	6%	4%
Rank	6	2	1	3	8	4	8	5	7

Note: Est. exposures include surrounding areas

Source: STRH Research, Company data

San Francisco: 1Q18 will be the last quarter of Moscone-driven weakness. Specifically, March 2018 will be the month where SF turns the corner.

Group/convention outlook for San Francisco

Pace as of	1Q17A	2Q17A	3Q17E	4Q17E	1Q18E	2Q18E	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E
Dec-17	-16.3%	-44.7%	-20.9%	-3.2%	-23.7%	25.5%	68.5%	-3.7%	108.6%	47.7%	43.3%	48.5%
Nov-17	-9.5%	-36.9%	-20.9%	-1.5%	-25.0%	10.1%	78.0%	-3.9%	113.2%	47.2%	49.8%	48.2%
Sep-17	-16.1%	-44.7%	-21.9%	-2.7%	-21.9%	37.3%	77.6%	2.3%	121.8%	40.9%	49.1%	64.1%
Aug-17	-16.1%	-44.7%	-21.6%	-2.8%	-17.9%	50.7%	69.4%	6.3%	124.1%	42.5%	49.1%	67.5%
Jul-17	-16.1%	-44.7%	-24.7%	-3.4%	-15.2%	51.4%	70.0%	9.0%	126.0%	49.5%	50.5%	66.1%

Source: STRH Research, TAP

Est exposure to SF market	CHSP	DRH	HST	LHO	PEB	PK	RHP	RLJ	SHO
San Francisco	21%	1%	7%	15%	23%	12%	0%	11%	8%
Rank	2	8	7	3	1	4	9	5	6

Note: Est. exposures include surrounding areas

Source: STRH Research, Company data

Washington DC: 1Q18 will have an extremely difficult y/y comp followed by a much stronger 2Q. The back half of 2018 has a very weak convention calendar with 3Q18 especially weak.

Group/convention outlook for Washington, D.C.

Pace as of	1Q17A	2Q17A	3Q17E	4Q17E	1Q18E	2Q18E	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E
Dec-17	22.0%	-12.0%	4.8%	0.3%	-27.7%	30.4%	-41.0%	-20.6%	37.1%	-36.1%	30.0%	-9.6%
Nov-17	22.0%	-12.0%	4.8%	2.0%	-27.2%	31.3%	-40.9%	-20.0%	37.1%	-35.3%	30.5%	-9.6%
Sep-17	21.9%	-12.2%	7.2%	4.2%	-26.5%	29.4%	-45.7%	-17.6%	36.7%	-36.4%	7.0%	-6.0%
Aug-17	21.9%	-12.2%	10.4%	3.4%	-26.4%	29.5%	-50.0%	-18.2%	37.7%	-35.7%	10.1%	-4.7%
Jul-17	21.9%	-13.3%	10.9%	4.1%	-26.0%	28.3%	-46.2%	-18.8%	33.7%	-35.4%	9.7%	-4.7%

Source: STRH Research, TAP

Est exposure to DC market									
	CHSP	**DRH**	**HST**	**LHO**	**PEB**	**PK**	**RHP**	**RLJ**	**SHO**
DC	3%	5%	10%	16%	4%	3%	23%	4%	13%
Rank	8	5	4	2	7	8	1	6	3
Note: Est. exposures include surrounding areas									
Source: STRH Research, Company data									

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Current expectations for Top 25 Market new supply:

Supply By Top 25 Markets (Sorted by Pipeline Rooms Growth as % of Census)
As of 3Q17

	Census Rank	YE 2015 Growth Rate	YE 2016 Growth Rate	2017F Growth Rate	2018F Growth Rate	2019F Growth Rate
Nashville	24	2.4%	3.7%	3.0%	11.7%	8.0%
Miami	14	3.0%	4.2%	2.8%	4.8%	3.6%
New York City	4	4.8%	5.1%	5.6%	6.8%	4.1%
Seattle	20	3.2%	2.3%	4.1%	6.2%	5.3%
Denver	17	2.9%	2.6%	5.5%	3.7%	10.2%
Dallas	8	1.5%	3.2%	5.5%	4.7%	4.0%
Boston	13	1.7%	4.3%	2.9%	4.8%	1.0%
Houston	9	3.6%	6.8%	3.5%	4.1%	4.8%
Detroit	21	1.3%	2.3%	2.8%	3.8%	4.0%
Los Angeles	6	0.8%	1.0%	3.7%	2.5%	4.0%
Philadelphia	18	0.3%	1.6%	2.7%	3.5%	3.3%
San Diego	11	1.2%	1.7%	1.3%	1.4%	3.8%
Anaheim	12	1.1%	3.3%	1.2%	1.9%	3.5%
San Francisco	15	0.7%	0.1%	2.4%	2.0%	0.8%
Minneapolis	23	2.4%	6.0%	1.9%	3.4%	3.5%
Orlando	2	0.8%	1.8%	0.7%	0.9%	1.5%
Atlanta	7	0.7%	1.4%	1.6%	2.8%	3.6%
Washington, D.C.	5	1.6%	2.0%	1.7%	1.9%	1.5%
Tampa	16	0.7%	1.5%	3.4%	2.8%	1.9%
Phoenix	10	1.4%	1.6%	2.6%	1.3%	3.0%
San Antonio	19	0.8%	1.9%	1.6%	2.7%	1.0%
Chicago	3	2.6%	2.5%	2.3%	1.7%	1.6%
St. Louis	27	0.5%	1.3%	1.5%	2.1%	2.4%
Norfolk	25	0.6%	0.0%	0.8%	0.0%	0.3%
Oahu Island	36	0.5%	1.3%	0.6%	0.0%	0.0%
Total Top 25 Markets		**1.7%**	**2.6%**	**2.7%**	**3.2%**	**3.2%**

Source: Lodging Econometrics, STRH Research

Notes: The largest market in the U.S., Las Vegas, is not included in this chart due to its casino orientation. 2017-2019 are forecasts.

Companies Mentioned in This Note

Bluegreen Vacations Corp. (BXG, $19.48, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, $80.45, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, $28.29, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, $11.98, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, $81.56, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, $44.54, Buy, Bradford Dalinka)
Hilton Worldwide Holdings Inc. (HLT, $85.79, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, $21.29, Hold, C. Patrick Scholes)
InterContinental Hotels Group, PLC (IHG, $68.68, Hold, C. Patrick Scholes)
ILG, Inc. (ILG, $31.08, Buy, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, $30.76, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, $144.39, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, $29.68, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, $77.09, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, $23.57, Hold, C. Patrick Scholes)
Sunstone Hotel Investors (SHO, $17.21, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corp. (VAC, $145.51, Hold, C. Patrick Scholes)
Wyndham Worldwide Corporation (WYN, $125.27, Buy, C. Patrick Scholes)
Airbnb (Private)

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