

## Lodging

China & Europe hotels: RevPAR +6% y/y (3yr: -50%) & +128% y/y (3yr: -43%) for wk ending 1/22

Vs. 2019: China lockdowns = -50% RevPAR; Europe not much better

### What's Incremental To Our View

**Quick take: Per STR for the week ending January 22nd, hotel RevPAR in China in local currency was +5.5% y/y vs. +11.5% y/y in the prior week. Last week's RevPAR was up against a -13.2% comparable result in 2021 vs. -39.4% in the prior week. Versus 2019, which we believe is an equally if not more important KPI, RevPAR was -50.2% vs. -45.1% in the prior week's result.**

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

**Europe: RevPAR in Europe in Euros was +127.7% y/y vs. +116.4% in the prior week. Last week's RevPAR was up against a -78.1% comparable result in 2020 and -76.9% in the prior week. Versus 2019, RevPAR was -42.8% vs. the -45.9% in the prior week's result.**

**U.S.: Overall RevPAR was +64.9% y/y, slightly weaker than the prior week's result of +66.2%. Last week's RevPAR was up against a -50.1% comparable result in 2021 vs. -53.6% in the prior week's 3-year run-rate. On a 3-year run-rate (vs. 2019), RevPAR was -17.1% vs. -17.6% in the prior week's 3-year run-rate.**

- *While occupancy was down versus 2019 for all chain scales ex-Economy, ADR continues to hold fairly well during this traditionally low demand period of 1Q. Luxury's ADR outperformance (+25% vs. industry -1%) is likely leisure demand/resort-driven.*
- Group demand remains very light with occupancy -55.5% versus 2019. Results are relatively more impaired for large urban and convention hotels.

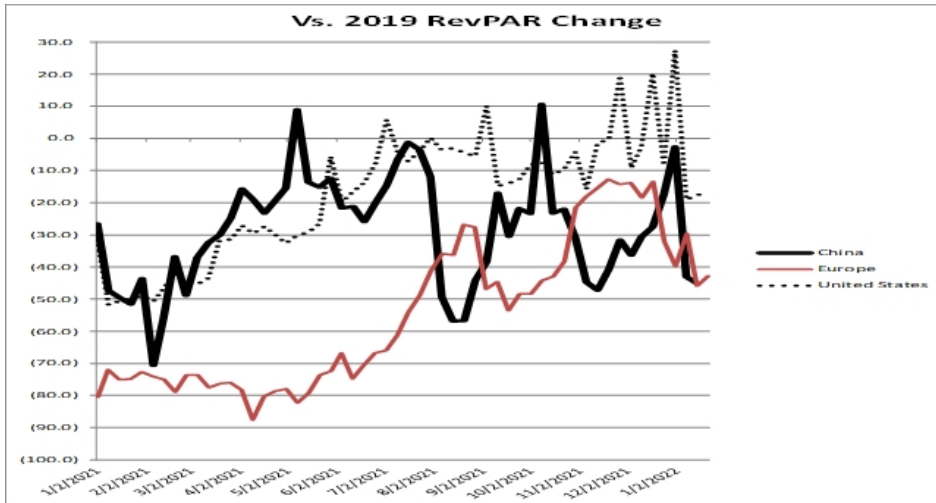
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### What's Inside

China and Europe data and analysis following last week's results

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

Source: STR, Truist Securities research

**RevPAR detail for week ending January 22nd vs. trailing 28 days (see charts at end of note for graphical representations):**

China (local currency):

- RevPAR was +5.5% y/y for the week ending January 22nd, **basically unchanged** from the +6.0% for the trailing 28 days.
- ADR was +5.0% y/y for the week ending January 22nd, **slightly above** the +4.1% for the trailing 28 days.
- Occupancy was +0.5% y/y for the week ending January 22nd, **below** the +1.9% for the trailing 28 days.

Europe (in Euros):

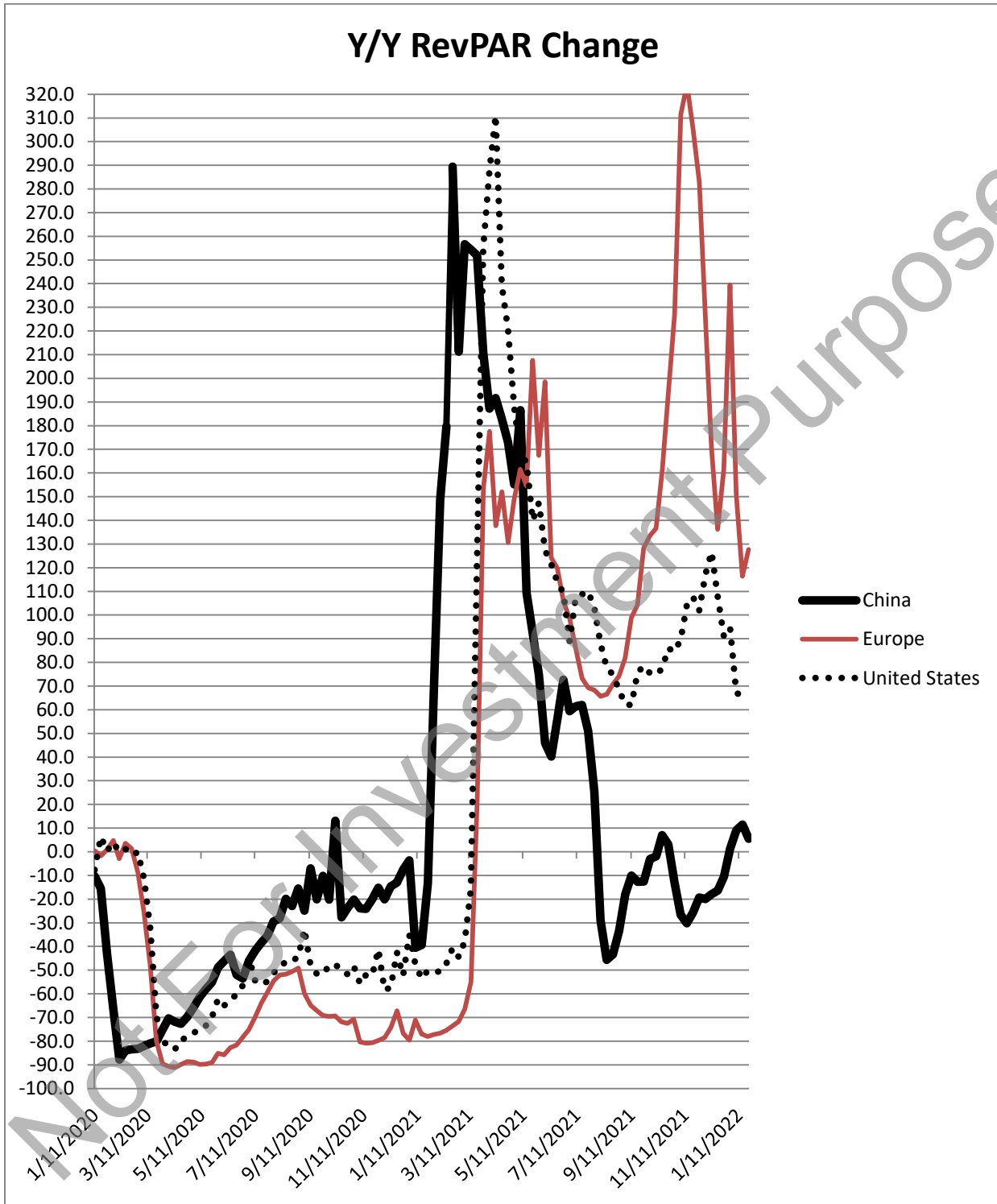
- RevPAR was +127.7% y/y for the week ending January 22nd, **a deceleration from** the +163.2% for the trailing 28 days.
- ADR was +36.4% y/y for the week ending January 22nd, **a deceleration from** the +38.6% for the trailing 28 days.
- Occupancy was +66.9% y/y for the week ending January 22nd, **a deceleration from** the +90.0% for the trailing 28 days.

**Additional thoughts and observations:**

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

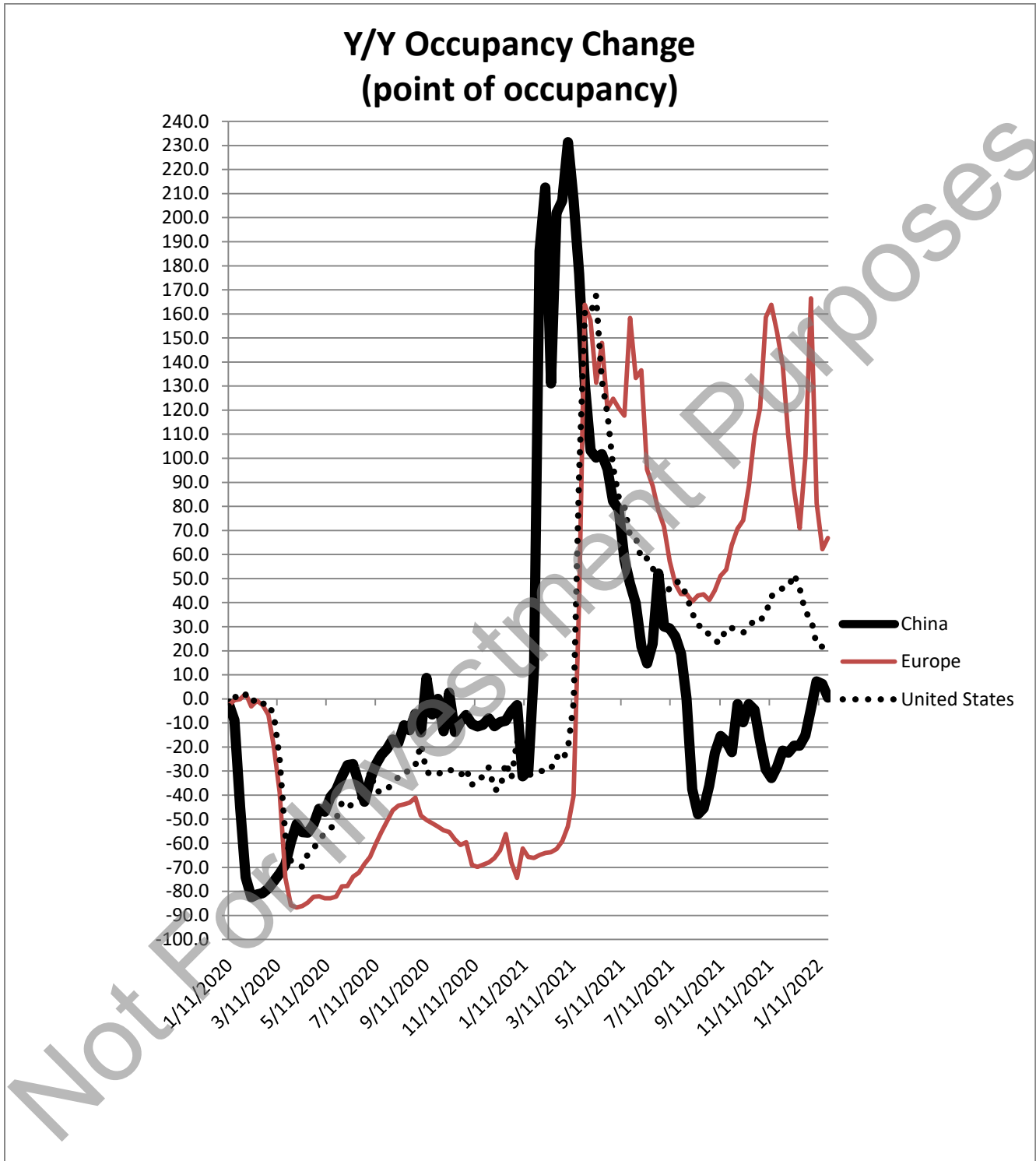
- **China: Absolute occupancy was 42.0%. By comparison, occupancy was 41.7% during the comparable week last year.**
- **Europe: Absolute occupancy was 36.0%. By comparison, occupancy was 21.6% during the comparable week last year.**
- **US: Absolute occupancy was 48.7%. By comparison, occupancy was 48.0% during the comparable week last year.**

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



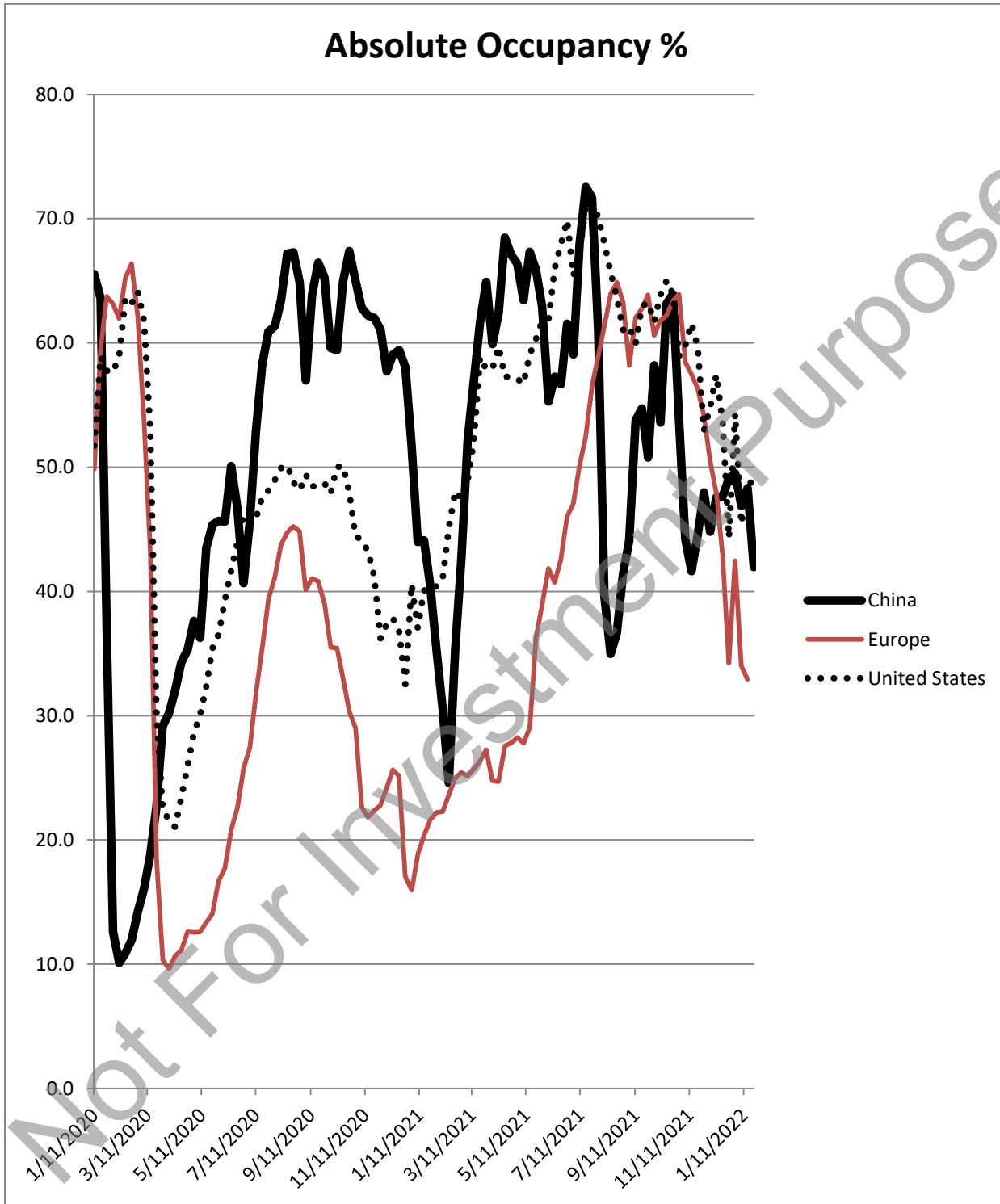
Source: STR, Truist Securities research

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



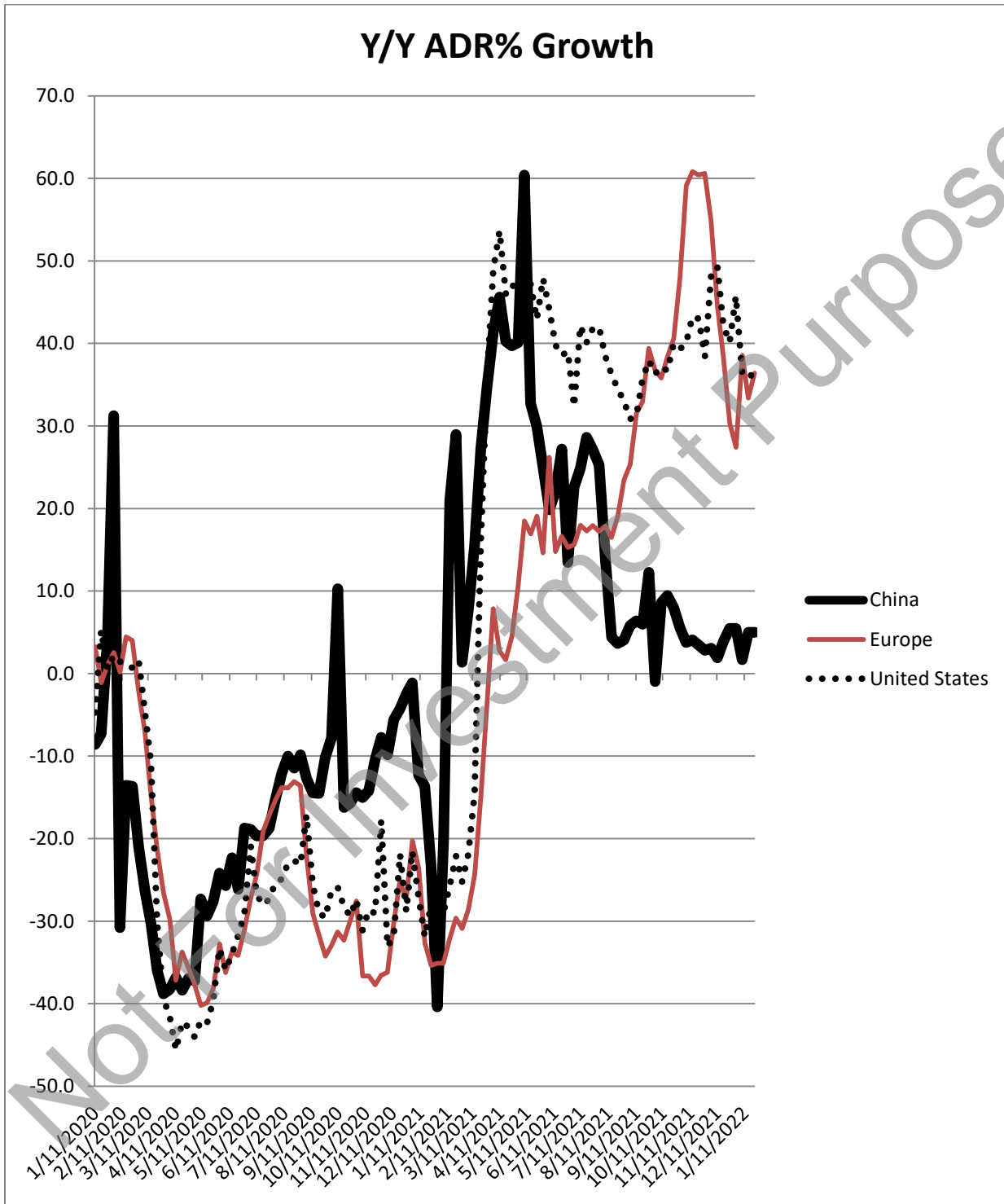
Source: STR, Truist Securities research

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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