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Lodging | North America

US RevPAR Declines 82% Last Week, Declines Stabilizing

US RevPAR trends. Total US RevPAR fell 82% for the week of March 29 - April 4. This follows growth of 0.9% in 2019, 2.2% in Jan, 1.7% in Feb, but continues March declines (first week fell 11.6%, second 32.5%, third 69.5%, and fourth 80%) as Covid-19 impacts the industry. Overall occupancy for the week hit 22% (from 69% a year ago) while room rates fell 41.5% y/y. Trends are coming closer to a bottom as occupancy will not go to zero as some people live in hotels, some stay in them for extended periods of time, and some hotels are likely to be used as makeshift hospital beds. Note STR data includes hotels that are closed (TripBAM estimates 32% of their dataset closed) until the hotel has been closed for a full calendar month. Our economists and Biotech analysts expect Covid-19 cases to peak in April/May. For context, China RevPAR fell 7% in 2019, 27% in Jan, 82% in Feb (with 32% occupancy), but appears to be gradually improving, falling 66% this week vs. 82%/80%/79%/71.5% the prior 4 weeks.

Additional details. Upper upscale and luxury chain scales saw the steepest RevPAR declines, both down 94%, while Economy and Midscale continue to see the lowest declines, at 47% and 66%, respectively. For the higher-end properties, group RevPAR fell 97% while transient fell 94%. The worst performing markets were New Orleans, Oahu, Orlando, Minneapolis, and San Francisco, all down >90%. All Top 25 markets saw RevPAR decline >72%, with Norfolk/Virginia Beach continuing to see the least bad declines.

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(as of March 31, 2020)

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STOCK RATING CATEGORY	COVERAGE UNIVERSE		INVESTMENT BANKING CLIENTS (IBC)			OTHER MATERIAL INVESTMENT SERVICES CLIENTS (MISC)	
	COUNT	% OF TOTAL	COUNT	% OF TOTAL IBC	% OF RATING CATEGORY	COUNT	% OF OTHER MISC
Overweight/Buy	1228	38%	306	44%	25%	543	37%
Equal-weight/Hold	1437	45%	322	46%	22%	702	48%
Not-Rated/Hold	2	0%	0	0%	0%	2	0%
Underweight/Sell	543	17%	72	10%	13%	212	15%
TOTAL	3,210		700			1459	

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (04/07/2020)
Thomas Allen		
Boyd Gaming Corporation (BYD.N)	O (12/20/2018)	\$12.68
Caesars Entertainment Corp (CZR.O)	E (06/25/2019)	\$7.35
Choice Hotels International Inc (CHH.N)	E (05/05/2017)	\$66.60
DiamondRock Hospitality Co (DRH.N)	U (09/26/2016)	\$4.82
Eldorado Resorts Inc. (ERI.O)	O (11/18/2019)	\$15.11
Extended Stay America Inc (STAY.O)	E (08/09/2019)	\$7.76
Gaming and Leisure Properties Inc (GLPI.O)	O (07/24/2018)	\$24.72
Hilton Worldwide Holdings Inc (HLT.N)	E (01/17/2018)	\$65.83
Host Hotels & Resorts, Inc. (HST.N)	U (12/20/2018)	\$10.69
Hyatt Hotels Corporation (H.N)	E (03/07/2017)	\$48.83
Las Vegas Sands Corp. (LVS.N)	E (01/21/2020)	\$42.70
Marriott International Inc. (MAR.O)	E (07/24/2018)	\$73.82
MGM Growth Properties LLC (MGP.N)	E (01/21/2020)	\$21.97
MGM Resorts International (MGM.N)	E (01/21/2020)	\$13.63
Penn National Gaming, Inc. (PENN.O)	O (05/09/2019)	\$11.03
Stars Group Inc (TSG.O)	E (05/01/2019)	\$19.64
Sunstone Hotel Investors Inc (SHO.N)	U (09/26/2016)	\$8.15
VCI Properties Inc (VCI.N)	O (08/26/2019)	\$14.52
Wynn Resorts, Limited (WYNN.O)	E (02/09/2018)	\$60.85
Xenia Hotels & Resorts Inc (XHR.N)	U (12/20/2018)	\$8.41

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