Equity Research Report

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CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: U.S. RevPAR +2.8% y/y last week; Luxury continues to outperform. Impact from school breaks. D.C. getting worse.

Overall U.S. RevPAR was +2.8% y/y for the week ending 03/22/2025, per STR/ CoStar, above the prior week's result of -4.2% y/y and above the trailing 10-week average of +2.4% y/y.

The prior week's STR results garnered significant investor attention due to surprisingly weak and hard-to-fully-explain results. Last week was a sequential overall improvement that we think is due in part to more students on Spring Break (~24% per STR) -- although we question if the school calendars are being too emphasized by investors to explain the weekly trends. Other key themes: bifurcation of chain scales with Luxury still outperforming and D.C. only getting worse.

We provide our key takeaways of the weekly results and read-throughs to trends:

- **Bifurcation of chain scales with Luxury outperformance: a continued trend.** Once again, Luxury chain scale RevPAR was significantly ahead of all other chain scales. Last week was 660 bps above Upper Upscale and 700+ bps above all other chain scales ex-Economy. We continue to view the "wealth effect" a factor combined with a more leisure-centric school break week.
- **Spring break/calendar considerations: Most leisure-heavy winter markets positive plus Transient/Group results suggestive of a greater leisure-oriented week as a theme:** Supporting our view is Resort RevPAR of +9.5% y/y last week. Top winter leisure markets were mostly positive with Miami -2.4%, Oahu +5.3%, Orange County CA +20.8%, Orlando +7.2%, Phoenix +2.4%, and Tampa +12.9%.
  - **Independents RevPAR helped the headline result.** Independents RevPAR was +4.3% y/y -- and this is despite Las Vegas RevPAR of -1.8%. Independents tend to skew more leisure and more high ADR and low ADR hotels rather than the corporate demand-oriented chain scales in the middle.
  - **Luxury/Upper Upscale Transient RevPAR of +7.5% y/y versus Group -2.7% also supports a more leisure-oriented week, given the headline results, supported by a tough Group comp.** Hotels of over 1,000 keys had the weakest Group RevPAR on a size basis. We view the Group comp as difficult y/y given the prior year benefitted in advance of Easter. Group RevPAR in 2024 for the same week was +11.8%. In 2024, the week ending 3/23/24 was two full weeks ahead of Easter and one week ahead of Good Friday.
  - **St. Patrick's Day's calendar shift was likely a relative tailwind with Boston and Chicago RevPAR y/y in the double-digits positive early in the week.** St. Patrick's Day shifted to Monday in 2025 from Sunday in 2024.
  - Per STR/CoStar, the largest percentage of schools were on break last week (24%) within this year's spring break period. The next heaviest spring break week is the week of Easter (20% of schools).
- **D.C. market RevPAR considerably underperformed all other top markets and trends seem to be only getting worse.** RevPAR was -17.8% y/y last week, well below the trailing 28 day result of -6.6%. We note that D.C. market exposure is significant for many of the REITS and was a contributing factor in our downgrade of RLJ (RLJ, Hold, Miller). For both the Lodging C-corps (especially Marriott (MAR, Hold)) and the Lodging REITS, we expect negative demand impact not just to the District but also to the many government and government-affiliated businesses in Maryland and Virginia (defense, NIH, consulting-related businesses, etc.). Please see our RevPAR Roadmap note for more detail.
- **Business transient-heavy chain scales relatively underperformed for the week (perhaps as expected for a more leisure-heavy week). Positively, occupancy levels midweek were decent enough considering the leisure dynamics noted above plus D.C. softness and the choppier macro.** Midweek occupancy was in the

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upper 70s for Upper Upscale and Upscale, generally -2% to +1% y/y on average. **We are watchful of Upscale chain scale performance on less leisure-heavy weeks in 2Q as a better signal for trends.**

Rest of March/April considerations:

- As a possible read-through to the final week of the month, we encourage attention to day of week RevPAR which declined over the course of the week from Sunday +9.8% y/y to the following Saturday of -4.4%.
- The next few weeks of STR data will be noisy especially into the lapping of Easter/Passover/Good Friday in the y/y comp (Easter was on March 31st last year) and then the same holidays in April for 2025 (Easter is on April 20th this year). We add that an elongated school break calendar as discussed by STR will add to the complexity in analyzing weekly results and trends.

Major RevPAR statistics presented below:

- Luxury RevPAR: +8.4% y/y
- Upper Upscale RevPAR: +1.8% y/y
- Upscale RevPAR: +0.0% y/y
- Upper Midscale RevPAR: +1.0% y/y
- Midscale RevPAR: +1.4% y/y
- Economy RevPAR: +1.8% y/y
- Independent hotels (~ 1/3rd of the data set) RevPAR: +4.3% y/y; and
- Within Upper Upscale & Luxury class hotels:
  - Group: -2.7% y/y vs. +1.0% prior week;
  - Transient: +7.5% y/y vs. -6.0% prior week;
- Las Vegas RevPAR: -1.8% y/y
  - **As a caveat, we note that many large Strip casino hotel operators do not participate in STR's survey.**

Last week's RevPAR details and sequential trends (all comparable information on new STR methodology):

- **Headline RevPAR** was +2.8% y/y vs. the running 28-day average of +0.5% y/y.
- **Occupancy:** Absolute occupancy was 66.0% vs. 63.8% for the running 28-day average.
- **Absolute Group occupancy:** 20.8% last week vs. 22.5% for the running 28 days.

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Weekly RevPAR Summary

YoY % change in RevPAR

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
10/5/2024	**-7.7%**	-10.4%	-13.5%	-7.3%	-3.6%	-1.2%	-2.8%	-9.2%	-8.7%	-7.8%	-12.0%	-25.8%	-12.6%
10/12/2024	**3.8%**	6.4%	2.2%	4.0%	5.1%	6.5%	5.7%	0.7%	10.9%	0.7%	-6.5%	10.5%	3.2%
10/19/2024	**4.2%**	11.1%	2.8%	3.7%	4.0%	4.9%	3.8%	1.5%	16.7%	6.1%	4.2%	17.3%	12.2%
10/26/2024	**9.3%**	15.7%	9.0%	9.1%	9.8%	9.4%	6.9%	5.4%	13.1%	16.0%	6.1%	18.3%	21.1%
11/2/2024	**3.1%**	9.5%	5.2%	4.5%	4.1%	2.8%	1.3%	-3.4%	20.7%	11.7%	-6.5%	12.1%	6.2%
11/9/2024	**-3.5%**	-5.6%	-9.1%	-5.8%	-1.2%	1.5%	2.9%	-2.4%	-7.3%	-20.2%	-12.3%	18.5%	-27.9%
11/16/2024	**0.4%**	5.7%	1.0%	2.7%	2.0%	3.0%	3.6%	-8.1%	14.1%	-4.8%	8.5%	9.9%	-8.0%
11/23/2024	**31.1%**	25.5%	61.9%	46.6%	29.6%	16.4%	10.1%	9.1%	27.3%	100.1%	30.7%	113.7%	104.0%
11/30/2024	**-10.5%**	-2.4%	-24.9%	-17.9%	-7.9%	1.8%	7.1%	-5.5%	-17.3%	-21.6%	-6.2%	-28.2%	-30.9%
12/7/2024	**4.3%**	6.9%	3.1%	1.0%	3.7%	5.0%	7.3%	4.1%	6.7%	-11.0%	-0.3%	42.9%	-0.7%
12/14/2024	**18.2%**	26.2%	22.4%	18.4%	14.9%	11.5%	10.1%	14.2%	35.0%	15.4%	14.9%	20.4%	67.6%
12/21/2024	**14.3%**	2.1%	17.2%	21.7%	19.2%	15.8%	11.9%	6.0%	25.5%	15.8%	8.1%	30.3%	42.4%
12/28/2024	**-6.5%**	-9.1%	-7.8%	-6.0%	-5.8%	-3.5%	1.4%	-9.0%	3.0%	-1.0%	-9.7%	5.7%	-1.4%
1/4/2025	**14.9%**	37.3%	18.0%	6.1%	2.7%	2.0%	5.8%	18.5%	48.4%	4.5%	4.6%	24.6%	6.6%
1/11/2025	**-13.2%**	-15.0%	-18.9%	-15.6%	-10.6%	-3.3%	3.4%	-14.2%	-3.2%	-23.0%	8.6%	-5.9%	-16.3%
1/18/2025	**17.4%**	37.7%	25.3%	14.8%	11.9%	7.4%	6.4%	11.5%	18.9%	11.8%	3.7%	6.7%	83.9%
1/25/2025	**-0.2%**	11.4%	-0.9%	-4.3%	-2.9%	-0.3%	4.5%	-1.3%	3.7%	-10.9%	4.4%	-34.0%	86.8%
2/1/2025	**4.1%**	8.2%	6.8%	4.1%	3.4%	2.4%	1.3%	-0.3%	11.6%	8.4%	8.1%	6.0%	4.2%
2/8/2025	**-2.7%**	3.8%	-0.3%	-0.5%	-0.3%	2.0%	1.9%	-12.4%	1.3%	4.2%	7.6%	2.9%	12.1%
2/15/2025	**3.4%**	11.6%	7.5%	4.8%	1.5%	1.7%	0.9%	-2.2%	12.2%	-1.7%	1.0%	28.3%	5.5%
2/22/2025	**-0.3%**	7.2%	0.6%	-1.6%	-2.6%	-2.1%	-1.4%	-1.4%	7.7%	14.2%	16.7%	-0.5%	-8.4%
3/1/2025	**3.1%**	10.7%	3.9%	2.3%	2.1%	1.5%	1.0%	1.0%	11.0%	-11.0%	3.3%	5.5%	5.0%
3/8/2025	**0.6%**	4.0%	1.3%	-1.1%	-0.7%	0.7%	1.4%	-0.1%	1.5%	-8.9%	-4.9%	19.5%	-6.3%
3/15/2025	**-4.2%**	-0.6%	-4.2%	-5.2%	-4.4%	-4.3%	-2.7%	-5.7%	-2.0%	-3.3%	-7.2%	4.6%	-3.2%
3/22/2025	**2.8%**	8.4%	1.8%	0.0%	1.0%	1.4%	1.8%	4.3%	8.3%	1.2%	9.5%	21.8%	-17.8%

Luxury continues to outperform. Impact from school breaks. D.C. getting worse.

Luxury and Upper Upscale led chain scales

Chicago and LA led 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%
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%
2Q22	38.8%	70.2%	82.9%	46.8%	26.2%	15.4%	8.8%	27.7%	141.2%	172.1%	51.0%	109.5%	145.7%
3Q22	16.6%	27.7%	36.6%	22.5%	10.8%	3.5%	2.0%	11.3%	67.4%	59.9%	21.4%	48.1%	54.6%
4Q22	16.3%	19.7%	30.1%	20.5%	11.7%	5.1%	1.4%	12.3%	50.8%	35.8%	11.4%	37.3%	53.2%
1Q23	16.7%	16.0%	29.8%	20.4%	13.4%	4.8%	0.8%	12.9%	46.6%	35.0%	11.6%	26.6%	56.7%
2Q23	2.5%	-2.3%	5.1%	5.8%	3.8%	-0.4%	-3.8%	-0.6%	13.3%	11.2%	1.2%	12.1%	17.4%
3Q23	1.7%	0.1%	3.8%	3.7%	1.7%	-1.0%	-3.5%	0.2%	16.4%	8.0%	1.2%	-1.9%	11.5%
4Q23	1.3%	-0.5%	4.3%	2.7%	-0.1%	-3.0%	-5.4%	0.2%	14.6%	13.8%	0.6%	0.7%	5.7%
1Q24	0.2%	-0.3%	2.9%	0.1%	-2.1%	-4.5%	-6.9%	-0.2%	11.6%	9.7%	-4.3%	1.9%	5.3%
2Q24	2.5%	2.0%	3.8%	3.1%	2.1%	1.4%	-2.0%	0.4%	8.6%	7.9%	-3.4%	3.0%	5.5%
3Q24	0.9%	2.3%	2.3%	1.3%	0.4%	-0.4%	-2.4%	-1.1%	5.2%	6.2%	0.1%	13.4%	3.6%
4Q24	3.4%	6.8%	2.9%	3.4%	4.3%	4.3%	4.2%	-0.4%	10.7%	2.0%	0.1%	12.2%	5.8%

YoY % change in ADR

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
10/5/2024	**-4.4%**	-4.6%	-6.2%	-3.8%	-2.0%	-0.6%	-1.7%	-5.5%	-6.2%	-3.5%	-4.8%	-16.6%	-4.2%
10/12/2024	**1.4%**	3.3%	1.5%	1.6%	2.2%	2.4%	1.6%	-0.6%	6.5%	1.0%	-3.6%	7.8%	-1.0%
10/19/2024	**2.5%**	7.7%	2.7%	2.7%	2.5%	2.0%	1.5%	-0.2%	10.9%	5.9%	3.4%	12.2%	6.8%
10/26/2024	**4.6%**	9.6%	5.3%	4.6%	4.7%	3.5%	2.4%	1.6%	9.8%	10.6%	0.5%	9.6%	15.1%
11/2/2024	**1.2%**	3.0%	2.0%	2.4%	2.0%	0.9%	0.3%	-3.8%	11.1%	8.5%	-5.5%	8.4%	6.5%
11/9/2024	**-0.1%**	2.5%	-0.5%	-0.5%	1.5%	1.1%	1.6%	0.5%	-2.6%	-8.6%	-5.7%	13.9%	-13.4%
11/16/2024	**-1.1%**	-0.8%	0.3%	1.3%	1.5%	2.0%	1.6%	-9.5%	7.8%	-2.8%	2.4%	7.3%	-1.3%
11/23/2024	**8.6%**	-9.3%	10.8%	10.9%	7.4%	4.3%	2.7%	1.1%	12.9%	36.0%	9.4%	43.8%	39.7%
11/30/2024	**-3.0%**	15.9%	-5.1%	-5.5%	-1.4%	4.1%	4.8%	-2.9%	-14.9%	-10.9%	-3.6%	-15.5%	-17.3%
12/7/2024	**3.8%**	5.4%	4.2%	2.6%	3.1%	3.3%	3.0%	3.7%	7.0%	-7.2%	1.2%	21.4%	1.7%
12/14/2024	**8.9%**	9.2%	8.4%	8.0%	6.7%	5.4%	4.9%	7.1%	30.1%	7.1%	5.4%	8.2%	26.8%
12/21/2024	**2.7%**	-10.5%	0.1%	4.9%	5.2%	5.7%	4.9%	-0.3%	20.1%	6.1%	2.7%	9.8%	13.2%
12/28/2024	**-1.7%**	-3.4%	-2.6%	-1.8%	0.2%	1.4%	2.6%	-3.6%	3.1%	-0.4%	-5.5%	2.5%	0.8%
1/4/2025	**11.7%**	16.6%	10.6%	5.1%	3.7%	4.5%	5.0%	11.6%	30.7%	1.6%	-0.3%	11.5%	0.6%
1/11/2025	**-5.9%**	-5.2%	-7.6%	-4.3%	-2.4%	1.3%	3.1%	-9.0%	-0.3%	-3.9%	2.7%	-0.7%	-2.6%
1/18/2025	**10.0%**	20.9%	11.9%	5.4%	4.8%	4.4%	4.5%	7.4%	10.3%	2.7%	1.5%	1.5%	52.8%
1/25/2025	**3.4%**	15.7%	6.0%	1.8%	1.5%	2.0%	2.9%	0.2%	3.7%	-4.9%	-1.6%	-16.1%	78.0%
2/1/2025	**1.8%**	4.0%	1.9%	1.2%	1.2%	2.1%	1.8%	-1.7%	6.4%	3.6%	0.0%	3.3%	3.5%
2/8/2025	**-2.2%**	2.7%	0.4%	0.4%	0.3%	1.9%	1.5%	-11.4%	3.6%	1.6%	0.6%	-3.1%	7.0%
2/15/2025	**2.2%**	4.3%	2.4%	1.9%	2.0%	2.3%	1.4%	-1.8%	12.0%	-2.3%	1.0%	12.1%	4.5%
2/22/2025	**2.5%**	5.7%	2.0%	1.0%	1.5%	1.4%	0.5%	1.9%	6.2%	5.3%	3.8%	0.8%	-1.3%
3/1/2025	**2.7%**	7.0%	3.2%	1.5%	1.4%	1.8%	1.4%	1.6%	8.6%	-5.4%	0.5%	3.1%	5.3%
3/8/2025	**2.1%**	4.9%	1.9%	1.1%	1.4%	1.7%	1.7%	1.7%	4.2%	-3.9%	-4.7%	9.2%	0.6%
3/15/2025	**-0.7%**	2.1%	-1.0%	-1.9%	-0.8%	-0.6%	-0.9%	-1.1%	1.2%	-2.6%	-1.7%	-1.2%	1.6%
3/22/2025	**1.8%**	6.5%	2.3%	0.2%	0.2%	0.5%	0.3%	2.0%	4.8%	0.9%	-1.8%	17.6%	-8.8%
1Q19	1.1%	2.2%	2.5%	1.0%	0.8%	-0.2%	-0.3%	1.0%	-3.8%	0.4%	-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%	0.5%	3.9%	0.3%	-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%	-34.6%	-42.8%	-56.1%	-40.5%	-53.7%	-48.8%
3Q20	-24.1%	-12.6%	-25.6%	-24.2%	-17.3%	-11.6%	-9.4%	-16.1%	-37.7%	-47.3%	-31.6%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-20.0%	-54.1%	-49.5%	-29.2%	-44.8%	-40.7%
1Q22	37.5%	21.0%	39.7%	34.1%	27.3%	20.8%	17.3%	34.8%	52.2%	50.5%	61.8%	41.1%	31.7%
2Q22	26.2%	14.3%	29.0%	27.1%	18.9%	14.8%	11.6%	20.5%	69.0%	73.6%	32.9%	53.6%	60.6%
3Q22	11.6%	6.7%	12.6%	13.3%	7.6%	5.9%	4.2%	6.9%	32.6%	30.0%	14.6%	25.4%	25.5%
4Q22	12.0%	6.5%	12.6%	13.7%	8.7%	6.2%	4.5%	10.2%	28.0%	20.5%	8.4%	20.2%	27.9%
1Q23	10.2%	-1.9%	8.4%	11.0%	8.1%	4.7%	3.0%	9.1%	13.4%	15.6%	3.8%	11.5%	24.4%
2Q23	3.2%	-1.2%	2.5%	4.3%	3.5%	1.6%	0.5%	2.1%	9.6%	5.8%	2.5%	8.5%	11.6%
3Q23	2.2%	-1.4%	1.3%	2.2%	2.2%	0.3%	0.0%	2.1%	9.8%	3.8%	0.2%	-2.1%	6.2%
4Q23	2.9%	-2.3%	2.7%	2.5%	1.6%	-0.3%	-1.3%	3.7%	9.6%	7.0%	0.0%	0.7%	3.5%
1Q24	2.2%	-2.4%	1.9%	1.1%	0.6%	-1.0%	-3.0%	3.1%	6.7%	3.3%	-2.2%	0.4%	2.8%
2Q24	1.6%	-2.2%	1.5%	1.6%	1.3%	0.7%	1.4%	0.7%	4.6%	3.6%	-3.1%	0.3%	3.6%
3Q24	1.4%	0.1%	1.8%	1.3%	0.8%	0.7%	0.8%	0.2%	3.6%	5.7%	-1.6%	10.1%	3.2%
4Q24	1.9%	4.4%	1.7%	1.8%	2.4%	2.7%	3.0%	-0.9%	7.7%	1.3%	-0.7%	6.7%	3.8%

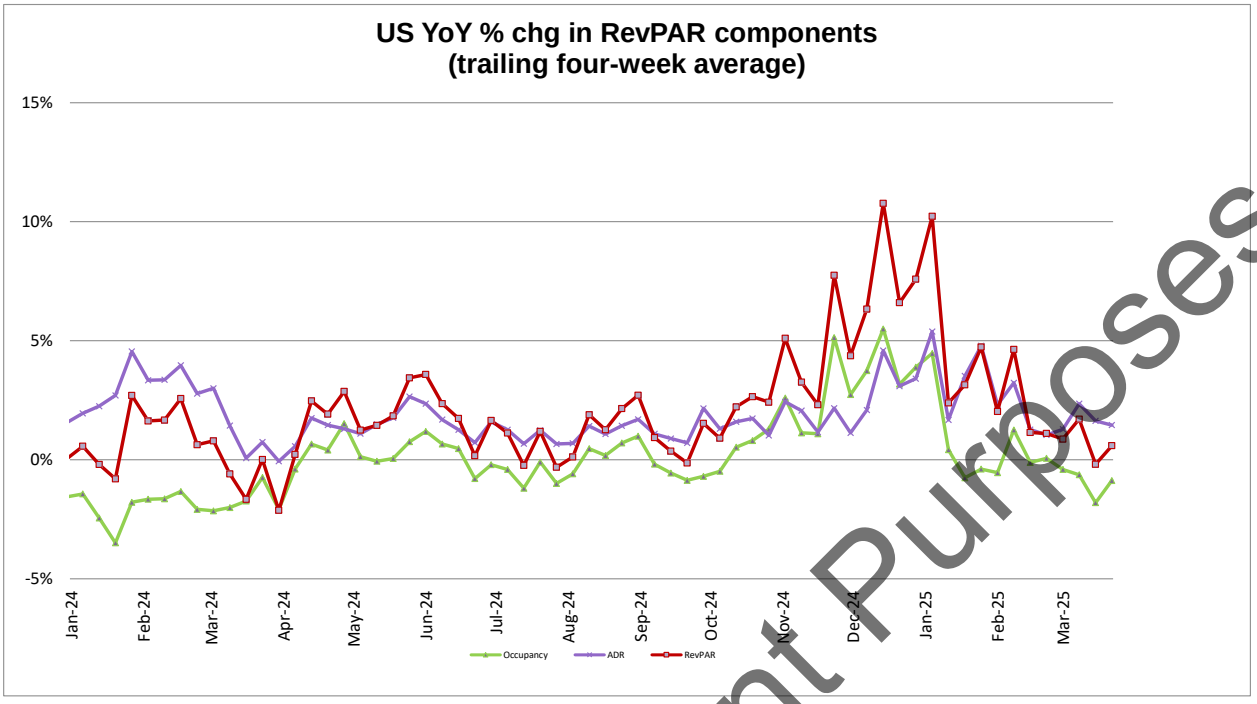
YoY % change in Occupancy

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
10/5/2024	**-3.4%**	-6.1%	-7.9%	-3.6%	-1.6%	-0.6%	-1.1%	-4.0%	-2.6%	-4.4%	-7.5%	-11.0%	-8.7%
10/12/2024	**2.4%**	3.0%	0.7%	2.4%	2.8%	4.0%	4.0%	1.3%	4.1%	-0.3%	-3.1%	2.5%	4.3%
10/19/2024	**1.6%**	3.1%	2.2%	0.9%	1.5%	2.8%	2.3%	1.7%	5.3%	0.2%	0.8%	4.5%	5.1%
10/26/2024	**4.5%**	5.6%	3.6%	4.3%	4.9%	5.7%	4.4%	3.7%	3.0%	4.9%	5.5%	8.0%	5.1%
11/2/2024	**1.9%**	6.3%	3.1%	2.1%	2.1%	1.9%	1.0%	0.4%	8.6%	3.0%	-1.0%	3.4%	-0.3%
11/9/2024	**-3.5%**	-7.5%	-8.6%	-5.3%	-2.7%	0.3%	1.3%	-2.8%	-4.8%	-12.7%	-7.0%	4.0%	-16.7%
11/16/2024	**1.5%**	6.0%	0.7%	1.4%	0.5%	1.0%	1.9%	1.5%	5.8%	-2.0%	5.7%	2.4%	-6.8%
11/23/2024	**20.7%**	38.3%	46.2%	32.2%	20.7%	11.6%	7.2%	8.0%	12.8%	47.1%	19.4%	48.7%	46.0%
11/30/2024	**-7.7%**	-15.8%	-20.8%	-13.1%	-6.5%	-2.2%	2.3%	-2.7%	-2.8%	-12.0%	-2.7%	-15.1%	-16.4%
12/7/2024	**0.5%**	1.4%	-1.0%	-1.5%	0.6%	1.6%	4.2%	0.5%	-0.3%	-4.1%	-1.5%	17.8%	-2.3%
12/14/2024	**8.5%**	15.5%	9.3%	9.6%	7.6%	5.7%	4.9%	6.6%	3.7%	7.7%	9.0%	11.4%	32.2%
12/21/2024	**11.4%**	14.1%	17.9%	16.1%	13.3%	9.6%	6.7%	6.3%	4.5%	9.2%	5.2%	18.7%	25.7%
12/28/2024	**-4.5%**	-5.9%	-5.3%	-4.3%	-5.9%	-4.8%	-1.2%	-5.7%	-0.1%	-0.6%	-4.4%	3.1%	-2.0%
1/4/2025	**2.9%**	17.8%	6.7%	0.9%	-1.0%	-2.4%	0.8%	6.1%	13.6%	2.8%	4.8%	11.8%	6.0%
1/11/2025	**-7.7%**	-10.3%	-12.2%	-11.8%	-8.4%	-4.6%	0.3%	-5.7%	-2.9%	-19.8%	5.7%	-5.2%	-14.1%
1/18/2025	**6.7%**	13.9%	11.9%	9.0%	6.8%	2.9%	1.9%	3.8%	7.8%	8.9%	2.2%	5.1%	20.4%
1/25/2025	**-3.4%**	-3.7%	-6.5%	-6.0%	-4.3%	-2.3%	1.6%	-1.6%	0.0%	-6.2%	6.0%	-21.3%	4.9%
2/1/2025	**2.3%**	4.9%	4.8%	2.8%	2.1%	0.2%	-0.5%	1.5%	4.8%	4.6%	8.1%	2.7%	0.7%
2/8/2025	**-0.5%**	1.1%	-0.7%	-0.9%	-0.6%	0.1%	0.4%	-1.2%	-2.2%	2.5%	6.9%	0.8%	4.3%
2/15/2025	**1.2%**	7.0%	5.0%	2.9%	-0.4%	-0.5%	-0.5%	-0.4%	0.2%	0.6%	2.0%	14.4%	1.0%
2/22/2025	**-2.7%**	1.4%	-1.4%	-2.6%	-4.0%	-3.5%	-2.0%	-3.3%	1.5%	8.5%	10.4%	-1.3%	-7.2%
3/1/2025	**0.4%**	3.4%	0.7%	0.8%	0.7%	-0.3%	-0.4%	-0.5%	2.2%	-6.0%	2.7%	2.3%	-0.3%
3/8/2025	**-1.4%**	-0.9%	-0.6%	-2.2%	-2.0%	-1.0%	-0.3%	-1.8%	-2.6%	-5.2%	-0.2%	9.5%	-6.8%
3/15/2025	**-3.5%**	-2.7%	-3.2%	-3.4%	-3.6%	-3.6%	-1.8%	-4.6%	-3.2%	-2.7%	-5.7%	0.4%	-4.7%
3/22/2025	**1.0%**	1.8%	-0.4%	-0.2%	0.8%	0.9%	1.6%	2.3%	3.4%	-0.7%	5.0%	3.4%	-9.9%
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%
1Q22	54.2%	54.0%	53.2%	60.3%	59.4%	52.3%	55.5%	54.2%	29.5%	57.6%	33.5%	31.2%	20.1%
2Q22	10.0%	48.8%	41.8%	15.5%	6.2%	0.5%	-2.6%	5.9%	42.7%	56.7%	13.7%	36.3%	53.0%
3Q22	4.5%	19.7%	21.3%	8.1%	2.9%	-2.3%	-4.0%	2.2%	26.3%	23.0%	5.9%	18.1%	23.2%
4Q22	3.8%	12.4%	15.5%	6.0%	2.7%	-1.1%	-2.9%	1.9%	17.8%	12.7%	7.6%	14.2%	19.8%
1Q23	5.9%	18.3%	19.8%	8.5%	4.9%	0.1%	-2.9%	3.5%	29.3%	16.8%	7.5%	13.6%	25.9%
2Q23	-0.7%	-1.0%	2.6%	1.4%	0.3%	-2.0%	-4.6%	-2.7%	3.3%	5.1%	-1.3%	3.3%	5.1%
3Q23	-0.5%	1.5%	2.6%	1.4%	-0.5%	-1.3%	-3.5%	-1.8%	6.0%	4.1%	1.1%	0.3%	5.0%
4Q23	-1.6%	1.8%	1.5%	0.2%	-1.8%	-2.7%	-4.2%	-3.3%	4.5%	6.4%	0.5%	0.1%	2.1%
1Q24	-2.0%	2.1%	0.9%	-0.9%	-2.7%	-3.6%	-4.0%	-3.2%	4.6%	6.2%	-2.1%	1.5%	2.4%
2Q24	0.9%	4.3%	2.3%	1.5%	0.7%	0.7%	-0.6%	-0.3%	3.8%	4.1%	-0.4%	2.7%	1.8%
3Q24	-0.5%	2.2%	0.4%	0.1%	-0.4%	-1.1%	-1.6%	-1.2%	1.5%	0.5%	1.8%	3.0%	0.4%
4Q24	1.5%	2.3%	1.1%	1.5%	1.9%	1.5%	2.2%	0.5%	2.9%	0.6%	0.8%	5.1%	1.9%

Source: STR data, Truist Securities research

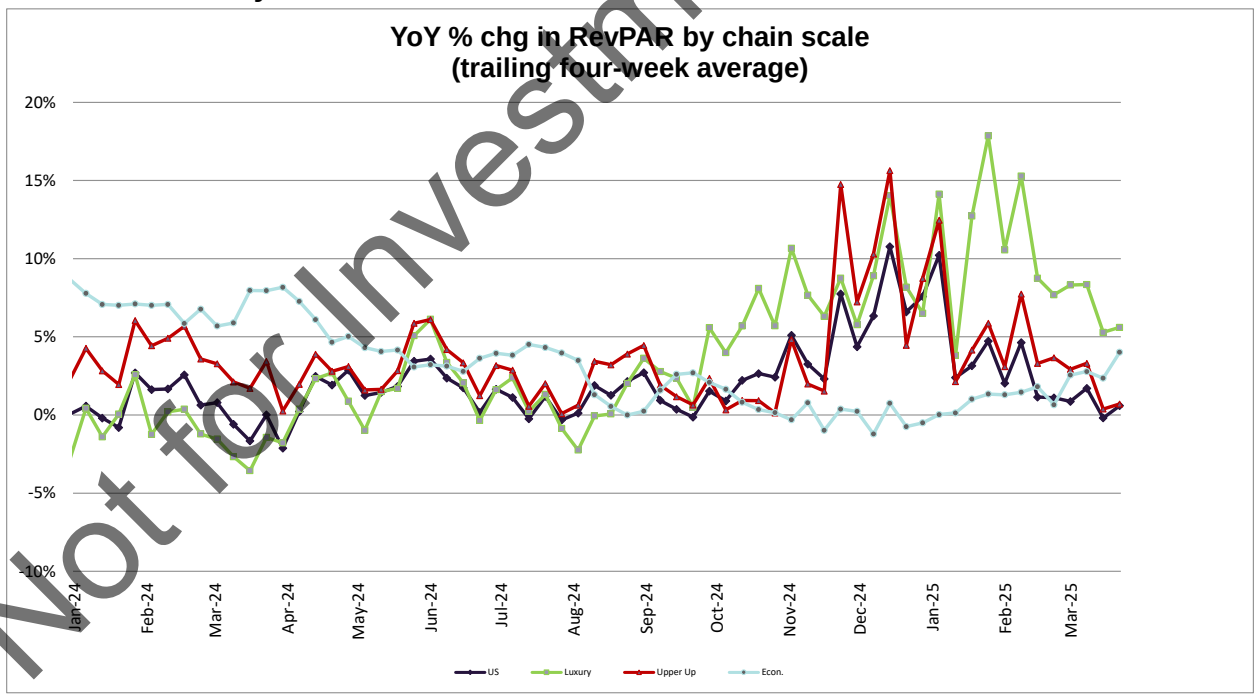
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RevPAR Component Trends



Source: STR data, Truist Securities research

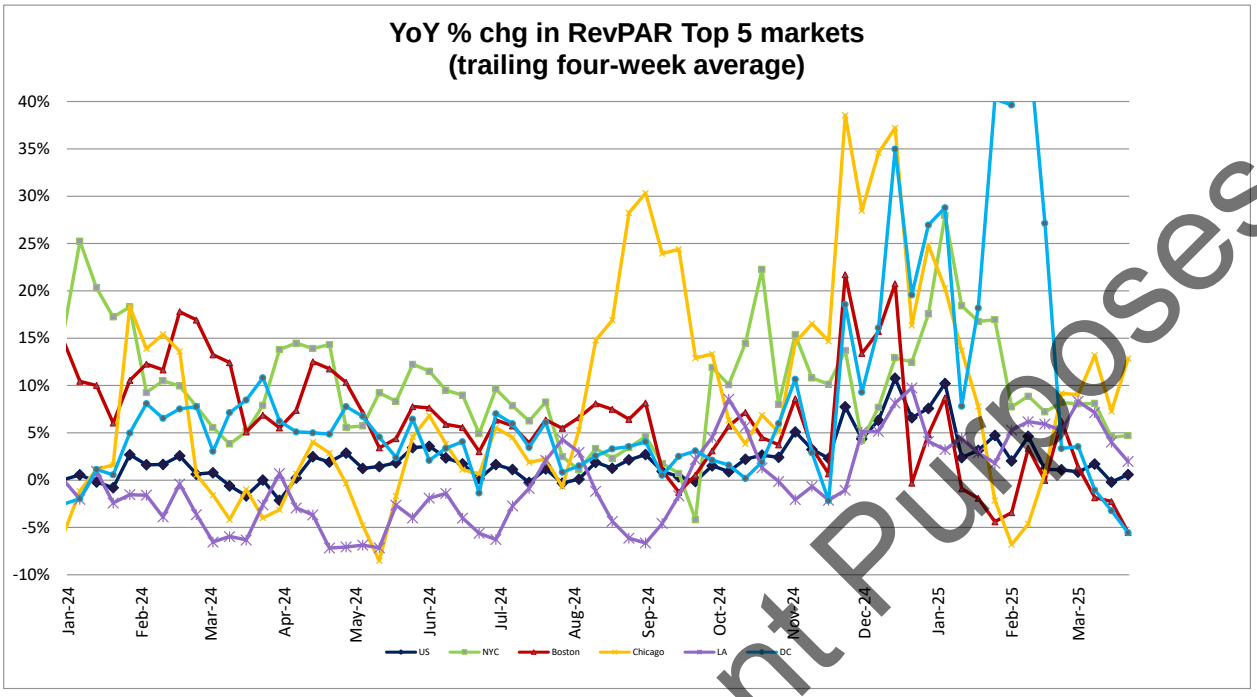
RevPAR Trends by Chain Scale



Source: STR data, Truist Securities research

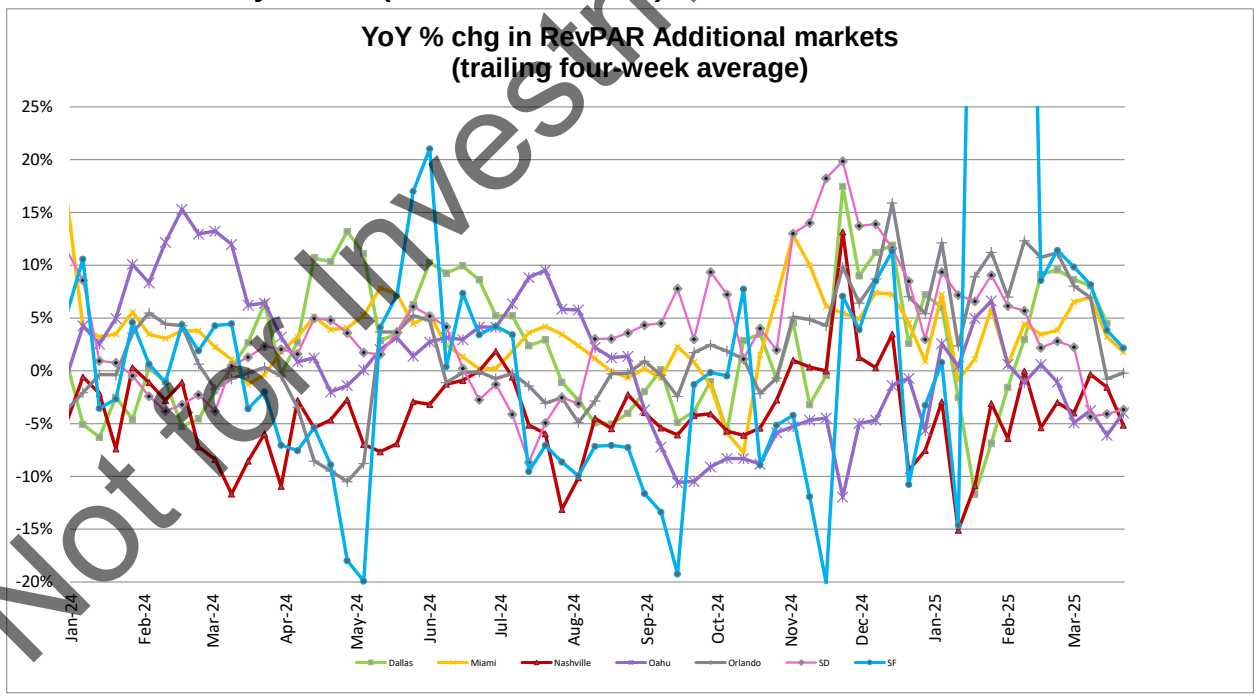
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RevPAR Trends by Market (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



Source: STR data, Truist Securities research

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MAR: Valuation and Risks

Our $300 price target is based on a 17.6x blended multiple on our 2026E EBITDA. In the parts, we assign a 12.0x multiple of EBITDA to the Owned segment and 18.0x fees EBITDA (the fees EBITDA also includes credit card branding fees, a 10x multiple business) to the managed/franchised business. The multiple is towards the higher end of the historical range of 9-18x.

Risks to our rating and price target:

Upside Risks: Significant U.S macroeconomic improvement results in large recovery in transient corporate and group/convention demand. Owned assets sell for premium prices relative to MAR expectations. Supply growth is stronger than expectations. Consolidation in the lodging industry benefits MAR.

Downside Risks: Deep macroeconomic recession. Geopolitical, inflation, and policy risks negatively impact lodging demand. Inability to grow pipeline in line with Street expectations.

RLJ: Valuation and Risks

Our price target of $10 for RLJ is derived by applying a 10.5x target EV/EBITDA multiple (in-line with portfolio quality and investor sentiment; REIT peers are primarily ~11.5x-13.0x) to our estimate for 2026 EBITDA.

Upside risks:

- Government policy reversals that lead to RLJ and sector rebound
- Improved consumer confidence
- Return to office mandates lead to improvement in business travel
- Relative outperformance versus other Lodging REITS

Downside risks:

- Delays on conversion completions and/or underperformance versus RLJ guidance negatively impact investor confidence
- Investor sentiment is permanently challenged to urban, non-leisure oriented assets and markets as well as to hybrid Lodging REITS (select- and full-service combined portfolios), impacting trading multiples
- Severe recession
- A permanent and material reduction of business travel, especially transient corporate, to RLJ hotels and markets
- Delayed/incomplete recovery of international travel through the projection period

Companies Mentioned in This Note

Marriott International, Inc. (MAR, $246.72, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, $8.33, Hold, Gregory Miller)

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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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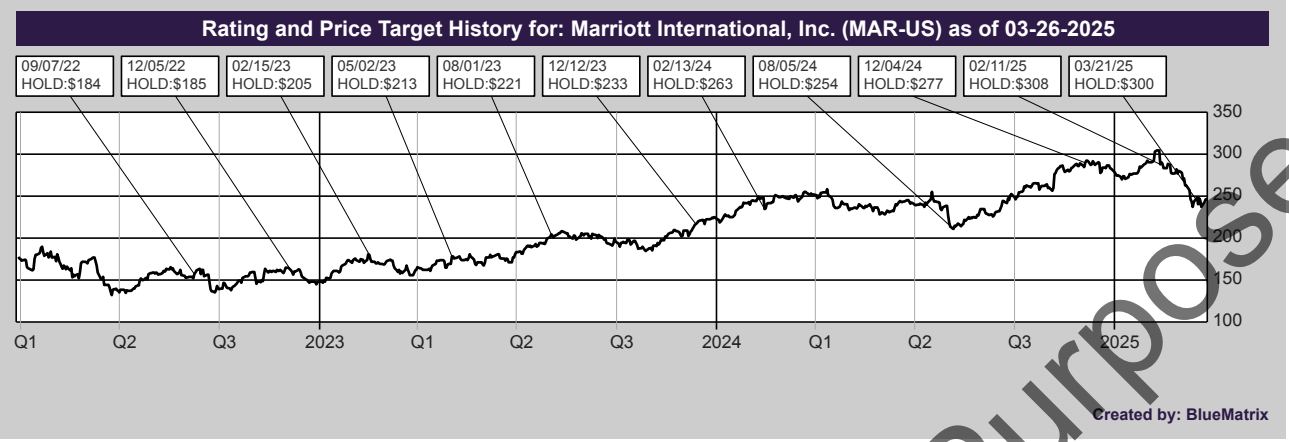
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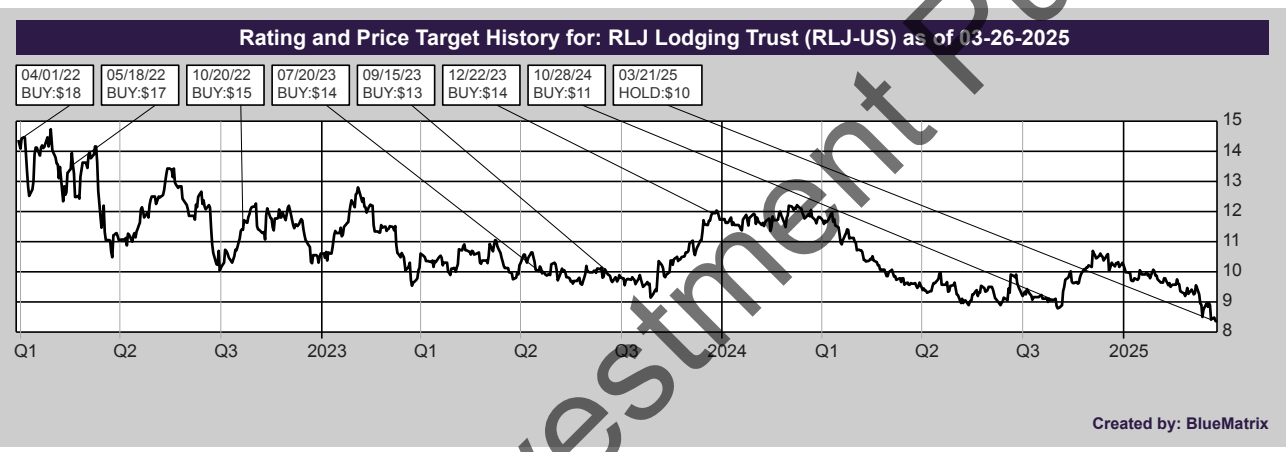
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Hold (H) – the stock's total return is expected to perform in line with the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

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Legend for Rating and Price Target History Charts:

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S = Sell

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CS = Coverage Suspended

NR = Not Rated

I = Initiate Coverage

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Coverage Universe			Investment Banking Clients Past 12 Months		
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Hold	254	35.98%	Hold	31	12.20%
Sell	1	0.14%	Sell	0	0.00%

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