

## Global Lodging

## Global RevPAR Tracker: November RevPAR stalls further

We update our Global RevPAR Tracker for November 2020 data, highlighting recent global trends in nominal and real (inflation-adjusted) RevPAR across our global Lodging coverage: Americas, Europe and Asia Pacific. Using global data from STR, MKG and figures from government sites, we highlight key Lodging trends around the world.

Overall, Global RevPAR growth declined -57.9% in November vs. -52.3% in October, and c.-53.5% in 3mma. November RevPAR came in lower sequentially (although better vs. record low March/April/May/June/July), as lack of meaningful business transient demand weighed in a seasonally business heavy travel season. RevPAR declines were still most pronounced in Europe (RevPAR down -81.2%). Sequentially, US/Europe/APAC decelerated by 3.8pp/12.2pp/1.9pp in November 2020. Recent weekly trends in December have deteriorated further with RevPAR declining the most since the beginning of June (on YoY basis) primarily due to mix shift to business transient guests, lower leisure demand for upcoming winter season and reinstatement of stricter social distancing measures, especially in Europe.

**RevPAR details:**

- In the US, nominal RevPAR for November 2020 decreased to -52.6% yoy, slightly lower vs. -48.8% in October 2020. December trends indicate further deterioration as mix shifts towards business transient guests and the return to school slowing leisure travel. Sequentially, lower end chain scales (which had also seen lower declines in March/April/May/June/July 2020) fared better than higher end chain scales. Number of total opened rooms in November are now in-line vs. Jan 2020 (against ~13% rooms closures in April in North America as per STR). Notably, ~2.4% of January's room supply still remains closed which is offset by newly added hotel rooms.
- In Europe, RevPAR deteriorated to -81.2% (from -69.0%/-64.8%/-51.8% in October/September/August, STR data) with more comprehensive social distancing requirements across many countries in Europe in November. Occupancy also deteriorated to 21.3% (from 32.3%/38.9%/43% in October/September/August). In the UK, RevPAR followed similar trends, coming

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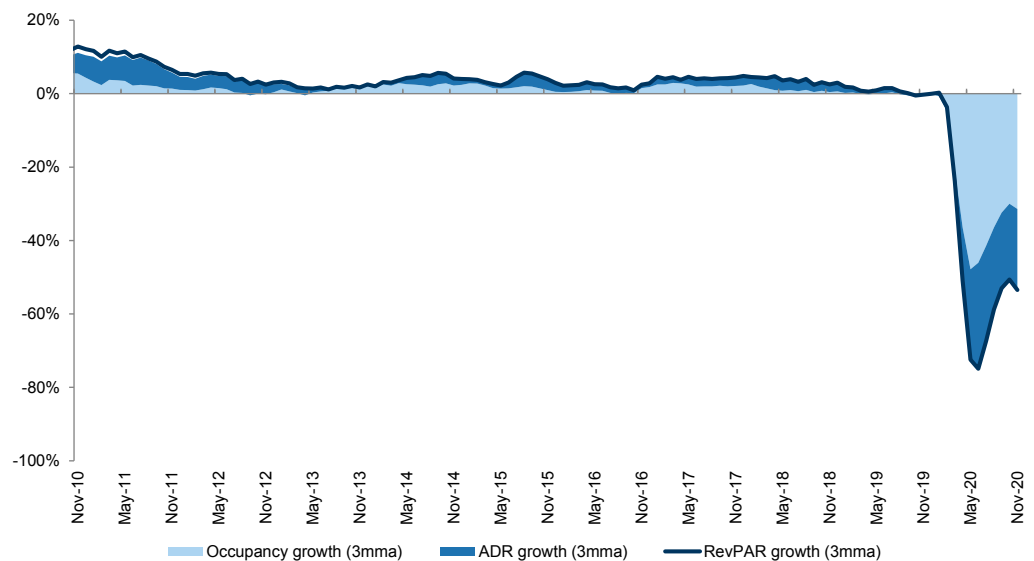
in at -79.8% in November (vs. -65.9%/-62.0%/-57.8% in October/September/August, STR data). This was driven by deterioration in RevPAR in UK Regions to -70.2% (from -51.2% in Oct) while London RevPAR also sequentially dropped further to -87.6% (from -81.4% in Oct). More recently, occupancy has remained at below 35% in December from c.30% in November. RevPAR in France, Germany and Spain also came in near historical lows at -82.2%/-86.7%/-79.9% in November (vs. -68.2%/-67.1%/-82.4% in October).

- In APAC, nominal RevPAR declined by -43.3% in November (vs. -41.4%/-42.4%/-49.8% in October/September/August). China RevPAR deteriorated sequentially again to -23.0% (vs. -17.0%/-15.8%/-25.4% in October/September/August) after posting strong sequential improvement trends every month (over Feb-Sep) post trough levels in Feb. c.98% of the hotel rooms (vs. Jan 2020) in APAC region were open in November as per STR.
- Our index of 8 gateway cities around the world decelerated to -72.8% RevPAR growth in the trailing 3 months in November vs. -71.0% in October 2020. Amongst cities which declined sequentially were Paris (-7% sequentially), Miami (-6.2% sequentially), and London (-6.2% sequentially) with the overall run-rate since January 2012 coming in at -1.9%.

## Global

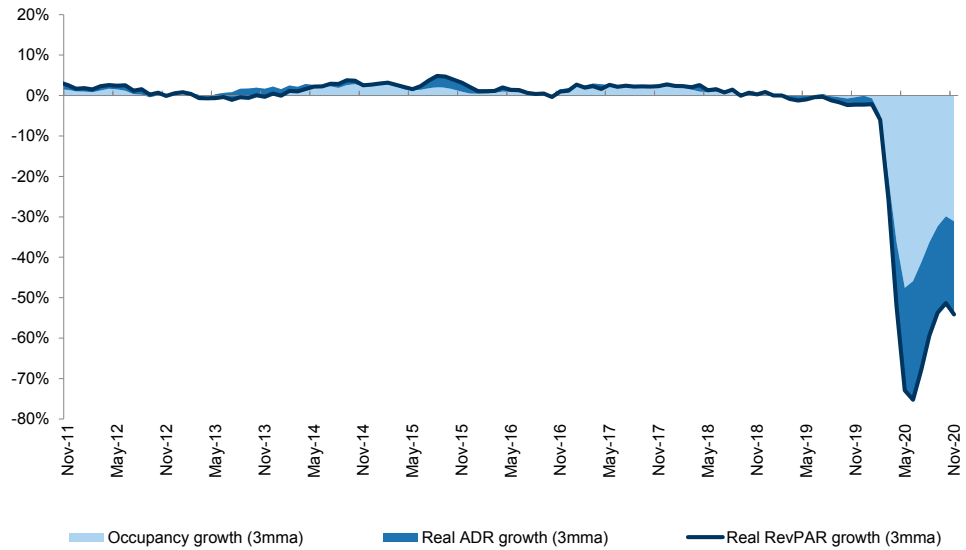
**Exhibit 1: GS Global Nominal RevPAR growth index**

Global nominal RevPAR growth in constant FX (3mma, % chg yoy)



Source: Goldman Sachs Global Investment Research, STR, MKG

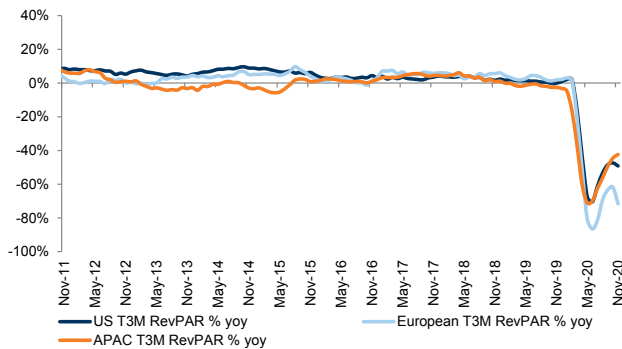
**Exhibit 2: GS Global Real RevPAR growth index**  
Global real RevPAR growth (3mma, % chg yoy)



Source: Goldman Sachs Global Investment Research, STR, MKG

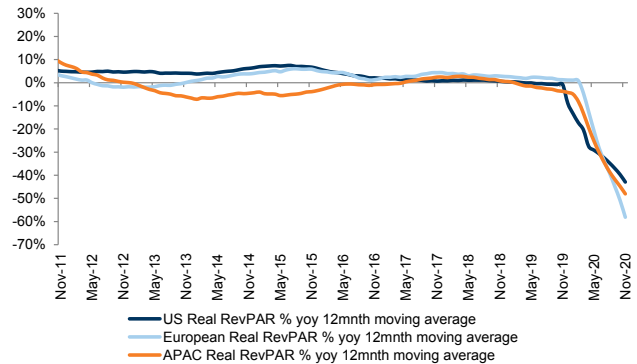
**Nominal and Real RevPAR by region**

**Exhibit 3: All regions (except APAC) saw decelerating trends in Nominal RevPAR and still remain near record low levels...**



Source: STR, Euromonitor

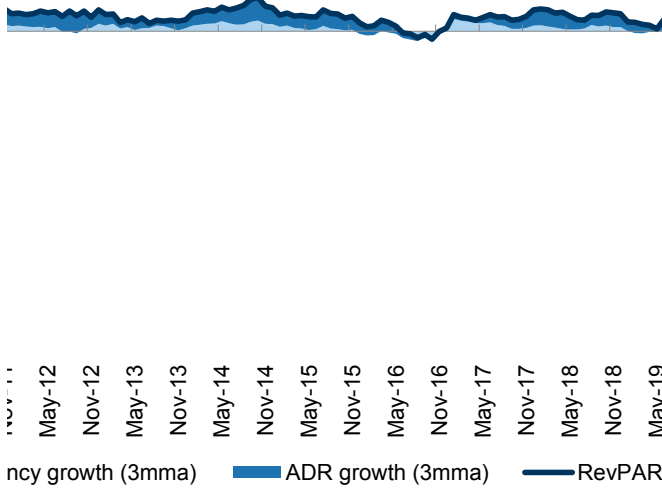
**Exhibit 4: ... and 12m moving average Real RevPAR shrank further in negative for all regions**



Source: STR, Euromonitor

Major gateway cities (New York, London, San Francisco, Miami, Los Angeles, Atlanta, Paris and Madrid) saw RevPAR declines, with November 2020 (3mma) growth of -72.8% vs. -71.0% in October 2020. The decrease was primarily due to sluggish trends in almost all cities.

**Exhibit 5: Our index of 8 gateway cities around the world posted -72.8% RevPAR over the trailing 3m in November**



Source: STR

**Exhibit 6: While North Americas/Europe are opened back up to Jan-20 levels, APAC/Middle East/Africa/Americas are still below Jan-20 levels**

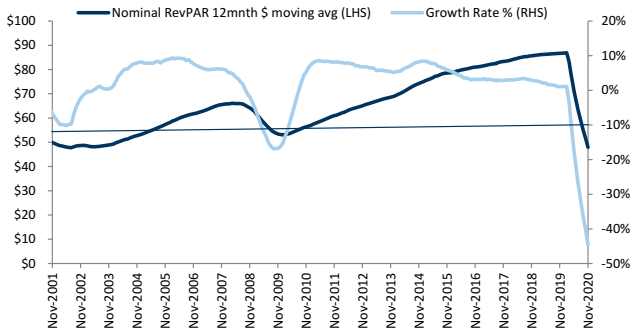
November 2020 vs. Jan 2020

Regions	% of rooms closed vs. Jan 2020
Asia Pacific	-2%
Americas	-1%
North America	0%
Europe	5%
Middle East / Africa	-4%
Cities	
Madrid	-12%
Dubai	-10%
Buenos Aires	-8%
New York	-7%
Paris	-4%
Rome	-3%
Tokyo	-2%
Los Angeles	-2%
Sydney	-2%
Toronto	-1%
Beijing	-1%
Hong Kong	1%
London	3%
Berlin	4%

Source: STR

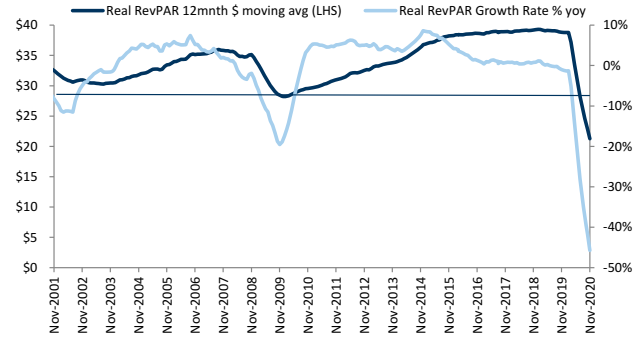
# Americas

**Exhibit 7: Nominal RevPAR in the United States declined significantly on a \$ basis**



Source: STR

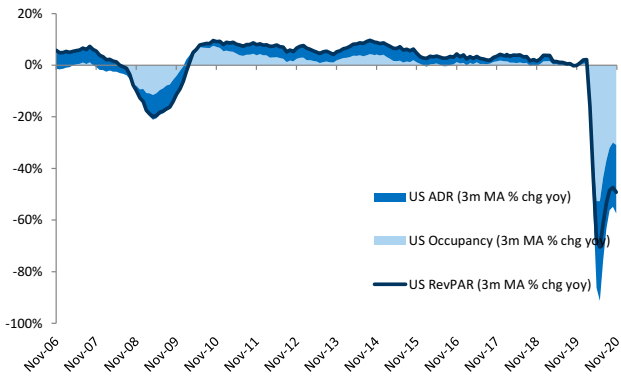
**Exhibit 8: Real RevPAR has declined as well**



Source: STR, BLS

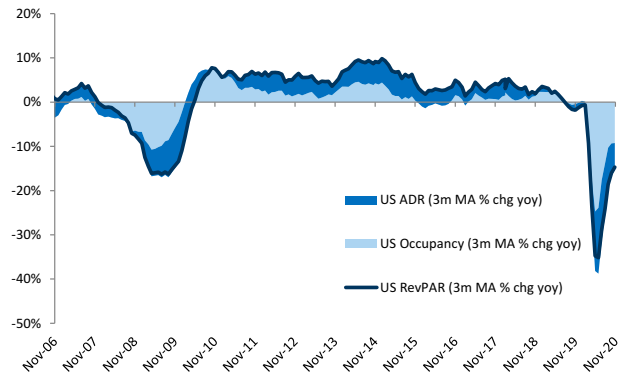
## RevPAR trends by chain scale

**Exhibit 9: United States (3mma, % chg yoy)**



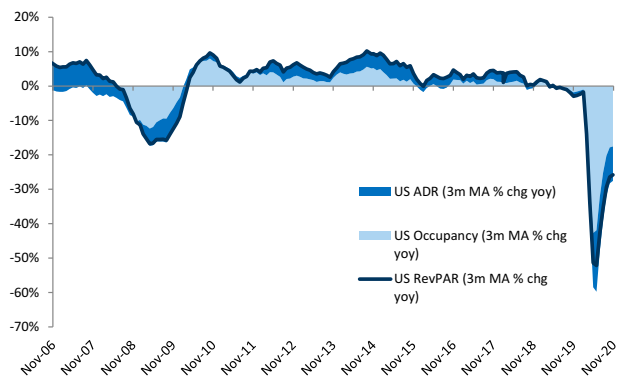
Source: STR

**Exhibit 10: Economy improved and has notably outperformed other chain scales (3mma, % chg yoy)**



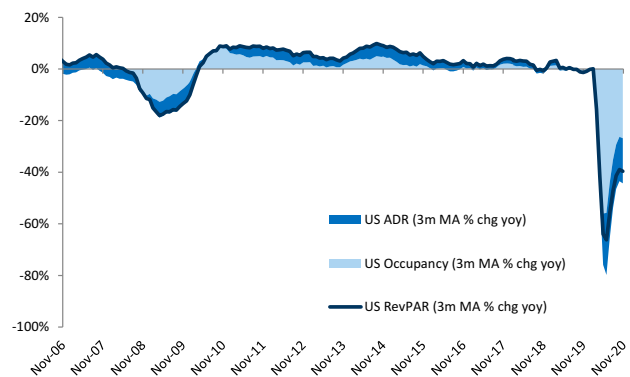
Source: STR

**Exhibit 11: Midscale remained stable although still near record lows (3mma, % chg yoy)**



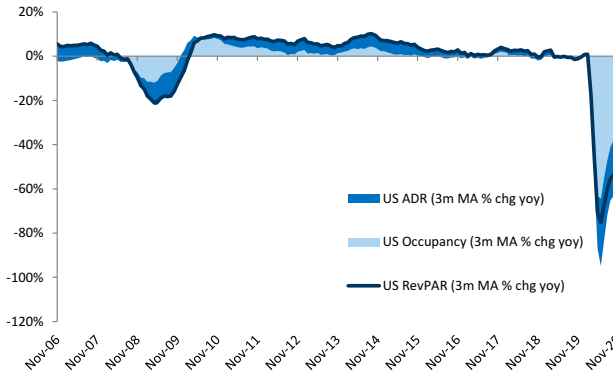
Source: STR

**Exhibit 12: Upper Midscale remained stable although still near record lows (3mma, % chg yoy)**



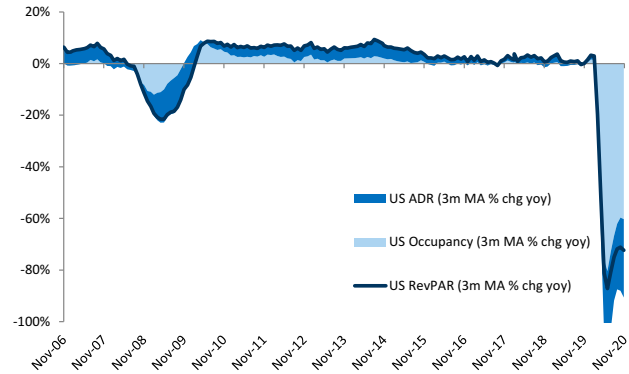
Source: STR

**Exhibit 13: Upscale declined and still remains near record lows (3mma, % chg yoy)**



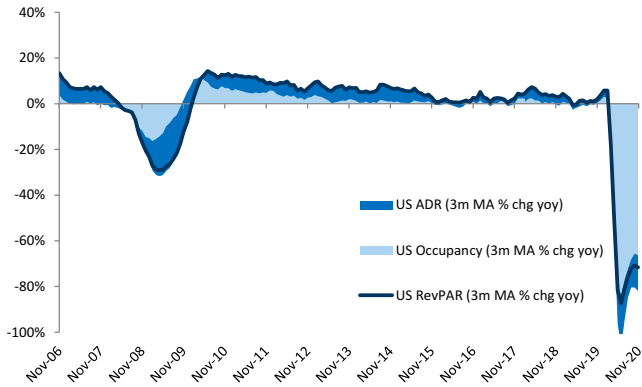
Source: STR

**Exhibit 14: Upper Upscale declined and still remains near record lows (3mma, % chg yoy)**



Source: STR

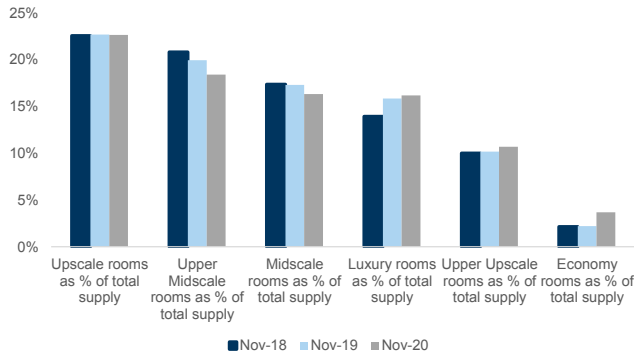
**Exhibit 15: Luxury RevPAR declined and still remains near record lows (3mma, % chg yoy)**



Source: STR

**Supply**

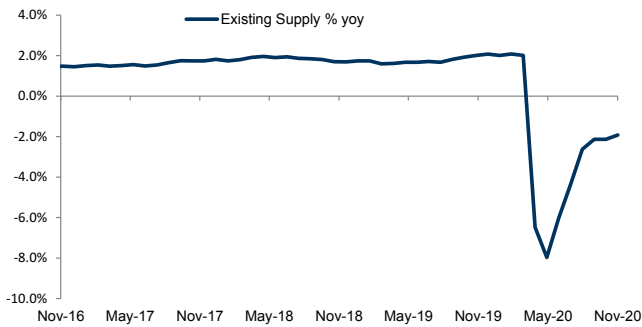
**Exhibit 16: Pipelines as a % of total rooms are largely steady across chain scales except for an increase in the Luxury segment and upper upscale segment, which spiked largely due to COVID-19 related closures of existing hotels as a % of total supply**



Pipeline includes following stages of development: a) construction, b) final planning and c) planning

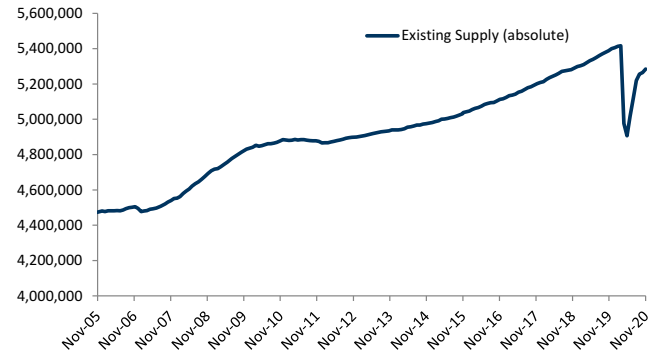
Source: STR

**Exhibit 18: ...with supply growth rate increasing sequentially..**



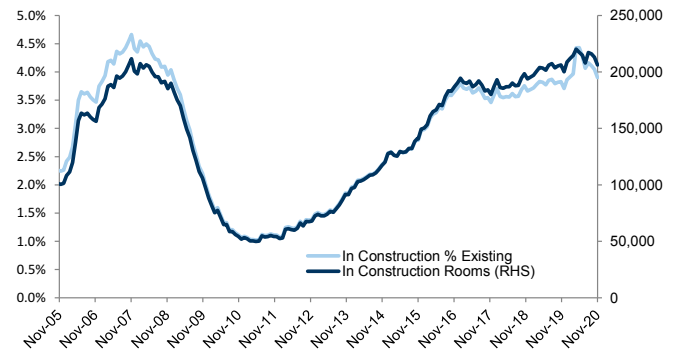
Source: STR

**Exhibit 17: The absolute number of rooms in supply increased further in November...**



Source: STR

**Exhibit 19: ... as pipeline under construction declines due to COVID-19 related hotel closures reopen**

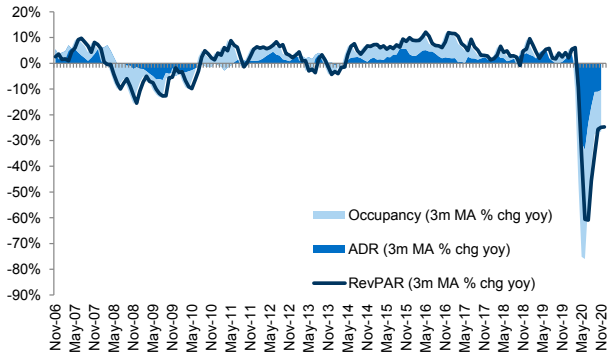


Source: STR

**Key cities**

**Exhibit 20: Norfolk-Virginia Beach saw the least decline of 24.7% yoy RevPAR in November...**

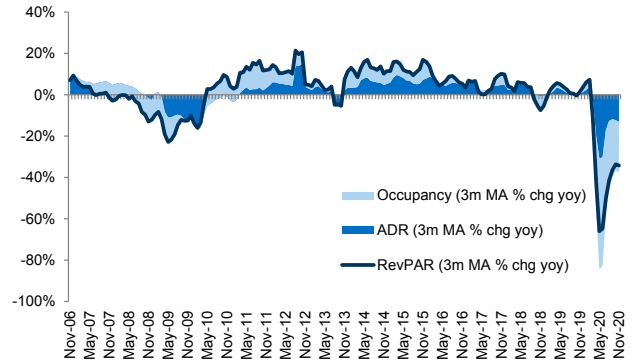
Trailing 3 month average



Source: STR

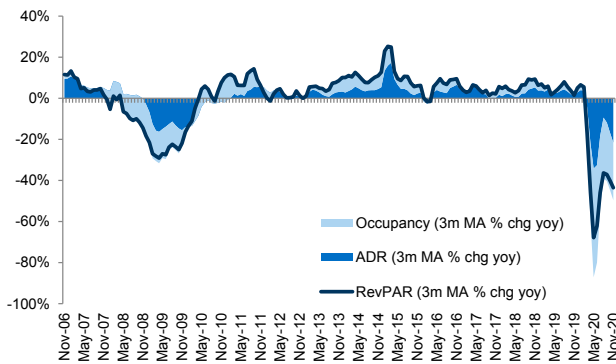
**Exhibit 21: ...and Tampa-St Petersburg saw a 34.2% yoy RevPAR decrease...**

Trailing 3 month average



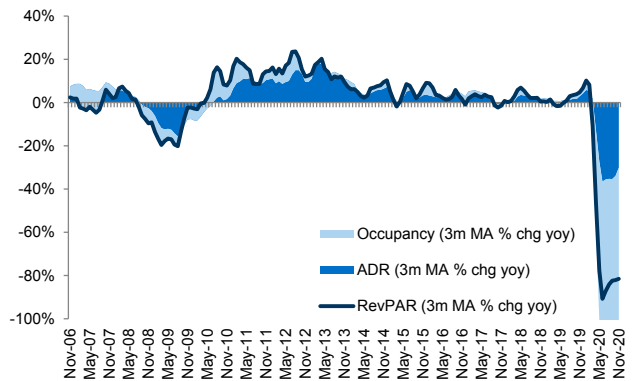
Source: STR

**Exhibit 22: ...while Phoenix saw a 43.5% decline in the month**



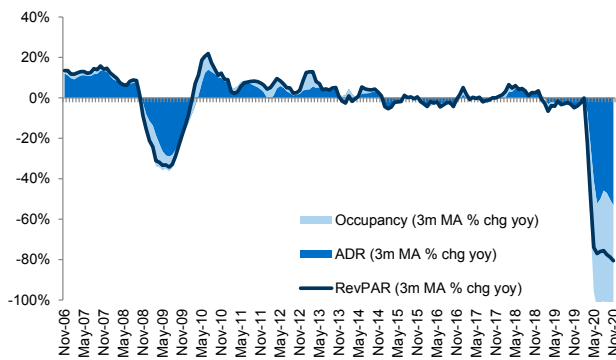
Source: STR

**Exhibit 23: Moving to the worst markets, Oahu Island declined -81.5% in November...**



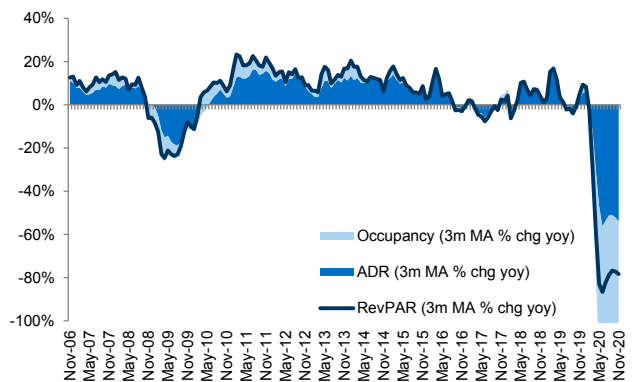
Source: STR

**Exhibit 24: ...while New York saw a 80.6% RevPAR decline ...**



Source: STR

**Exhibit 25: ...and San Francisco saw a 78.4% yoy RevPAR decline**



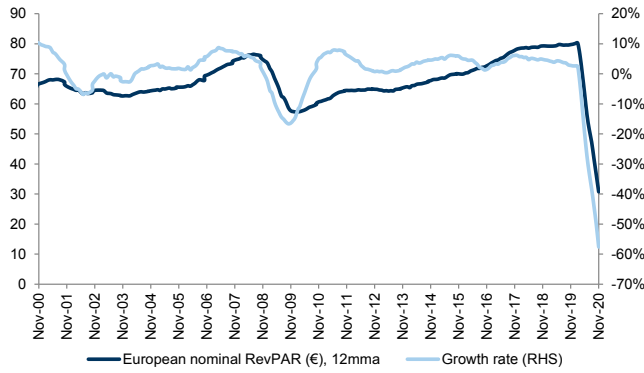
Source: STR



# Europe

**Exhibit 26: European nominal RevPAR was negatively impacted by COVID-19**

European nominal RevPAR (€, 12mma) and 12mma growth rate (RHS)

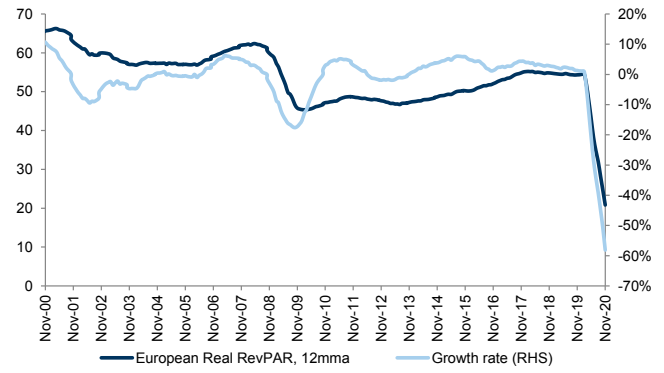


Data includes hotels closed as a result of COVID-19

Source: MKG, Goldman Sachs Global Investment Research

**Exhibit 27: Real RevPAR in Europe fell sharply in April as a result of COVID-19 impact**

European real RevPAR (12mma) and 12mma growth rate (RHS)



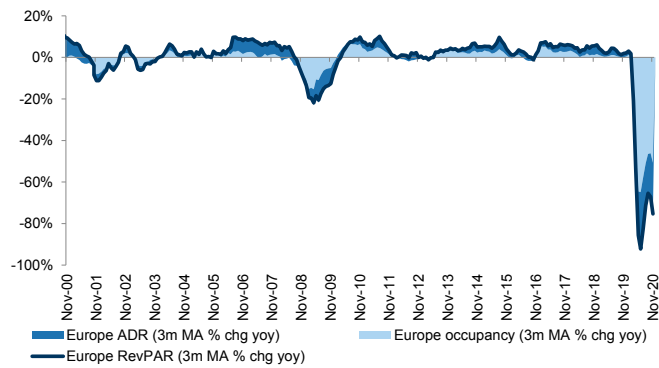
Data includes hotels closed as a result of COVID-19

Source: MKG, Goldman Sachs Global Investment Research

## RevPAR trends by chain scale

**Exhibit 28: European RevPAR has declined by -75.4% in the last three months (vs. CY2019: 2.6%)...**

European RevPAR (3mma, % chg yoy)

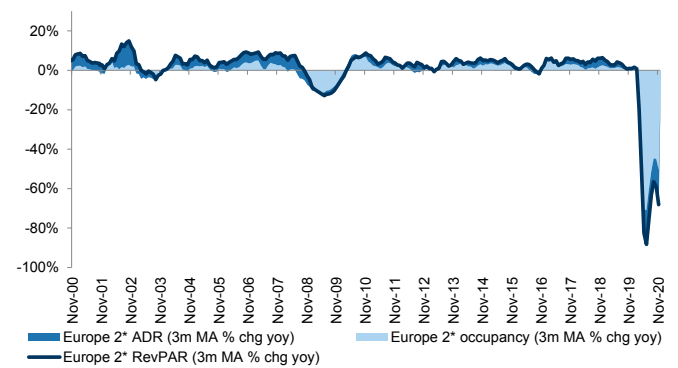


Data includes hotels closed as a result of COVID-19

Source: MKG

**Exhibit 29: ...with the economy segment trending at -68.1% (vs. CY2019: 2.4%)**

Europe - Economy Segment RevPAR (3mma, % chg yoy)

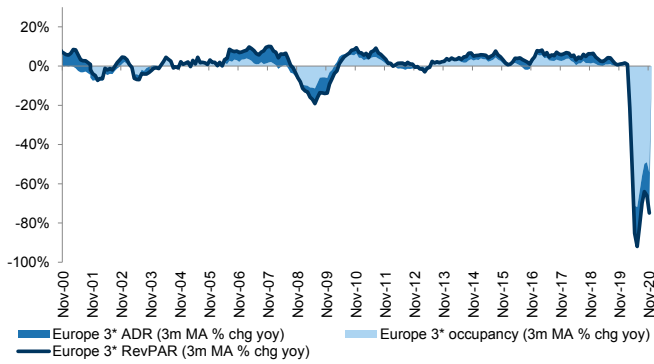


Data includes hotels closed as a result of COVID-19

Source: MKG

**Exhibit 30: ...and the midscale segment trending at -74.9% (vs. CY2019: 2.3%)...**

European Midscale RevPAR (3mma, % chg yoy)

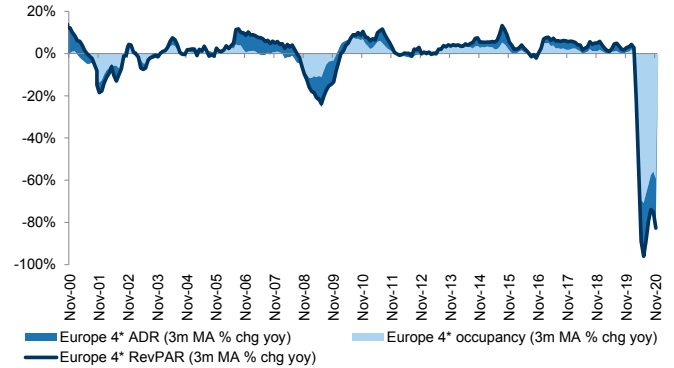


Data includes hotels closed as a result of COVID-19

Source: MKG

**Exhibit 31: ...while the upscale segment declined by -82.7% in last three months (vs. CY2019: 2.8%)**

European Upscale RevPAR (3mma, % chg yoy)



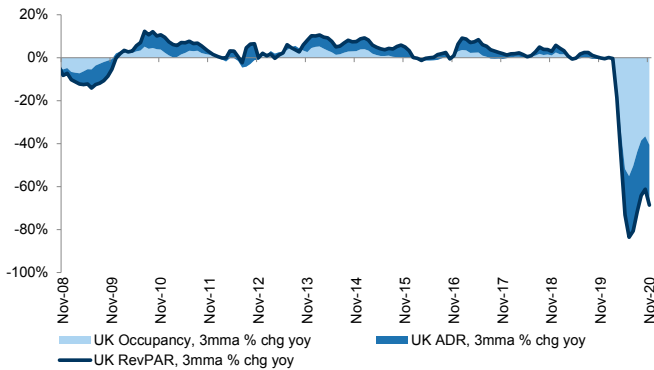
Data includes hotels closed as a result of COVID-19

Source: MKG

**RevPAR trends by country**

**Exhibit 32: UK RevPAR growth was -68.6% in the last three months...**

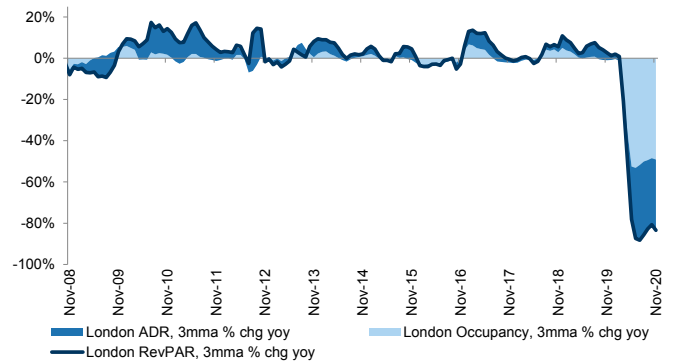
UK RevPAR (3mma, % chg yoy)



Source: STR

**Exhibit 33: London RevPAR is trending at -83.4% (3mma) while UK regions growth came in at -55.5% in the last three months**

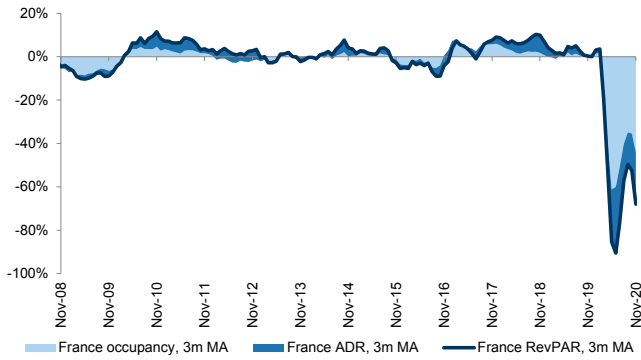
London RevPAR (3mma, % chg yoy)



Source: STR

**Exhibit 34: France RevPAR growth was -68.0% in the last three months...**

France RevPAR (3mma, % chg yoy)

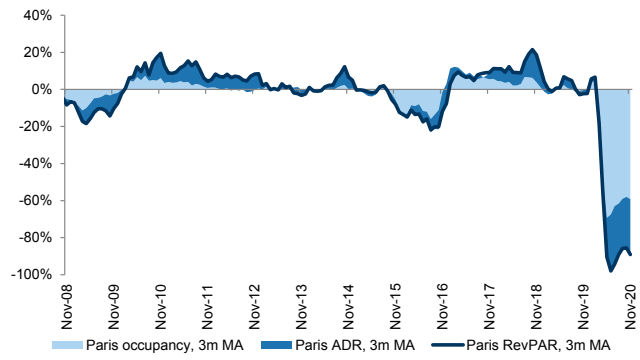


Data includes hotels closed as a result of COVID-19

Source: MKG

**Exhibit 35: ...with Paris RevPAR coming in at -89.1% in the last three months**

Paris RevPAR (3mma, % chg yoy)

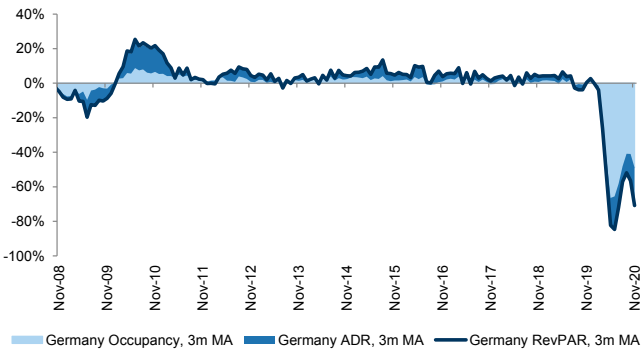


Data includes hotels closed as a result of COVID-19

Source: MKG

**Exhibit 36: Germany RevPAR declined by -70.8% over the last 3 months...**

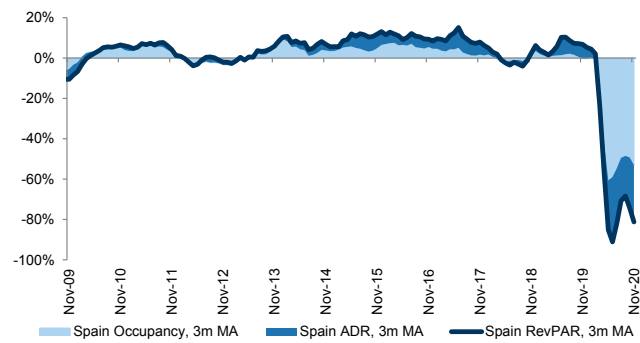
Germany RevPAR (3mma, % chg yoy)



Source: STR

**Exhibit 37: ...while Spanish RevPAR growth declined by -81.2% (3mma)**

Spain RevPAR (3mma, % chg yoy)

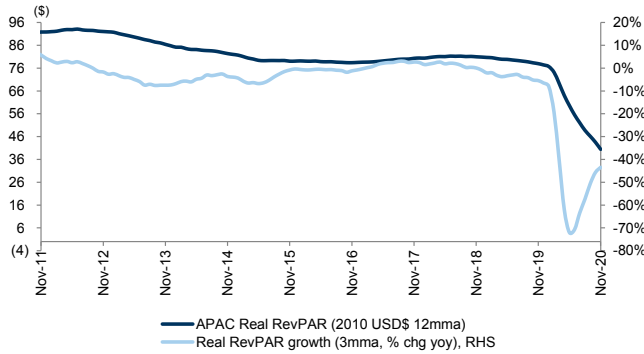


Source: STR

# APAC

**Exhibit 38: APAC real RevPAR, already decelerating since the end of 2018, fell sharply**

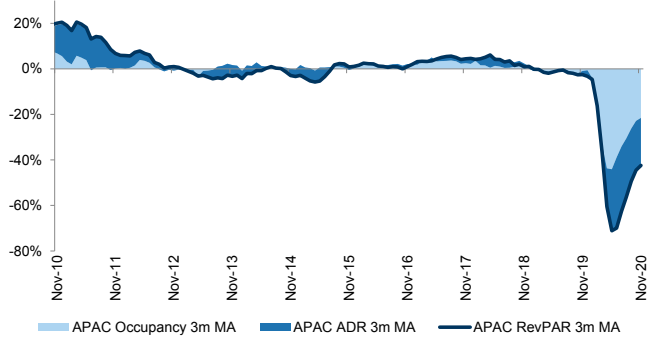
APAC real RevPAR (\$, 12mma) and 3mma growth rate (RHS)



Source: STR, Goldman Sachs Global Investment Research

**Exhibit 39: APAC nominal RevPAR growth has been decelerating since 1H18, with the decline in the last three months coming at -42.4% given the ongoing uncertainty...**

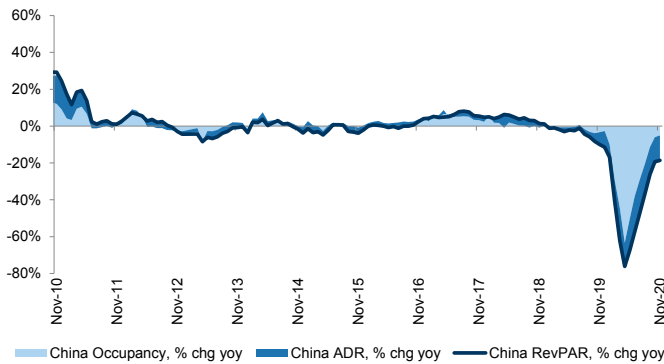
APAC Nominal RevPAR (3mma, % chg yoy)



Source: STR

**Exhibit 40: ...with China RevPAR growth coming in at -18.6% over the last three months**

China RevPAR (3mma, % chg yoy) (pending)



Source: STR

# Disclosure Appendix

## Reg AC

We, Stephen Grambling, CFA, Daria Fomina, Kushal Kasliwal and Sambhav Golechha, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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**Growth** is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

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