

Published Quarterly 05/07/2016

Asset Management • Loan Surveillance • Lender Support • Receivership • Acquisition Due Diligence • Manager & Franchise Selection • Development & Repositioning Services • Project Management • Property Management

North America RevPAR Comparison 2016 Outlook vs. 2015 Actual - % Change					Transaction Volume 2016 vs. 2015						U.S. New Supply Pipeline by Chain Scale 2016 vs 2015 (As of Apr 30, 2016)							
	2015	2016 Outlook As of			Total U.S.	Transaction Volume 1Q16 vs. 1Q15				Avg Pricing		Chain Scale	Preliminary Existing Supply	% Change	In Construction	% Change	Under Contract	% Change
	Actual	PKF (12/15, 3/16, 5/16)	PWC (11/15, 1/16, 5/16)	STR (12/15, 2/16, 6/16)		Total Sales (\$B)	YoY Δ	Single Assets (\$B)	YoY Δ	Cap R.	YoY Δ (bps)							
<b>Total U.S.</b>	6.3%	6.1%/5.5%/4.2% ↓	5.7%/5.5%/4.6% ↓	5.7%/5.0%/4.4% ↓	6.0	-61%	5.0	-42%	8.6%	11	<b>Total</b>	5,062,725	1.2	161,014	28.3	506,000	14.6	
<b>Luxury</b>	4.7%	5.4%/4.3%/3.0% ↓	5.0%/4.8%/3.6% ↓	5.5%/4.9%/4.2% ↓	3.9	-60%	3.3	-54%	8.2%	10	<b>Luxury</b>	109,017	2.5	7,880	47.2	12,651	31.4	
<b>Upper Upscale</b>	4.8%	5.3%/4.4%/3.8% ↓	5.5%/5.2%/3.8% ↓	6.0%/5.2%/4.3% ↓	2.2	-61%	1.7	18%	8.8%	8	<b>Upper Upscale</b>	582,675	1.0	14,965	7.9	42,332	22.0	
<b>Upscale</b>	5.6%	6.3%/4.8%/3.4% ↓	4.7%/4.7%/3.5% ↓	5.4%/4.3%/3.6% ↓	2.1	-66%	1.8	-66%	7.9%	14	<b>Upscale</b>	678,763	5.8	55,994	18.2	145,049	10.4	
<b>Upper Midscale</b>	6.3%	7.6%/6.0%/3.1% ↓	5.6%/5.4%/4.5% ↓	5.4%/4.5%/3.8% ↓	2.8	-47%	2.2	-1%	8.8%	18	<b>Upper Midscale</b>	899,537	2.4	52,934	45.0	170,725	23.2	
<b>Midscale</b>	6.3%	5.5%/4.9%/2.6% ↓	5.8%/4.9%/3.3% ↓	5.0%/4.0%/2.9% ↓	1.1	-70%	1.0	-17%	8.7%	6	<b>Midscale</b>	473,378	-0.3	6,316	25.6	31,925	15.4	
<b>Economy</b>	6.5%	5.9%/5.3%/3.3% ↓	5.9%/5.5%/4.5% ↓	5.6%/4.6%/3.6% ↓	4.6	-50%	3.8	-12%	8.7%	23	<b>Economy</b>	782,568	-0.1	1,276	94.8	4,731	41.2	
<b>Independent</b>	7.1%	N/A	5.6%/5.3%/5.1% ↓	5.2%/5.1%/4.9% ↓	1.5	-76%	1.2	-72%	8.5%	-1	<b>Independent</b>	1,536,787	-0.3	21,649	29.4	98,587	2.4	
					4.2	-69%	3.3	-55%	8.3%	16								
					1.8	16%	1.8	24%	8.8%	5								

Source: PKF 12/15, 3/16, 5/16; PwC 11/15, 1/16, 5/16; STR 12/15, 2/16, 6/16

Source: RCA, 4/16

Source: STR, Inc—including data current as of 4/16

2016 Topline Outlook Comparison					
	Supply	Demand	Occ	ADR	RevPAR
PKF (5/16)	1.8%	1.6%	-0.1%	4.3%	4.2%
PWC (5/16)	1.9%	1.9%	0.0%	4.7%	4.6%
STR (6/16)	1.7%	2.1%	0.4%	4.0%	4.4%

Source: CBRE Hotels Americas Research, PwC, STR

Future Committed Demand (Top 25 Markets)		
Forward 12 Months	% Change	
Total Demand as of	Demand	ADR
1-Apr-16	2.5	2.5
1-Feb-16	3.4	3.6
1-Nov-15	2.9	3.3
1-May-15	4.8	4.7
1-Oct-14	4.8	5.0
1-Apr-14	4.4	2.8
Group as of		
1-Apr-16	3.7	3.6
1-Feb-16	4.4	5.3
1-Nov-15	3.2	3.9
1-May-15	2.3	3.7
1-Oct-14	5.5	2.8
1-Apr-14	3.1	-1.0
Transient as of		
1-Apr-16	-0.2	2.0
1-Feb-16	1.1	2.9
1-Nov-15	2.2	3.1
1-May-15	3.9	5.1
1-Oct-14	4.0	5.8
1-Apr-14	7.7	4.8

Reported North America RevPAR Comparison 1Q2016 vs 1Q2015		
	1Q16 vs 1Q15	2016E
Ashford	3.2%	No Guidance
Chesapeake	10.1%	5.0% - 7.0%
Chatham	2.6%	2.0% - 3.5%
DiamondRock	-2.1%	2.0% - 4.0%
Extended Stay America	5.0%	No Guidance
FelCor	4.7%	3.5% - 5.5%
Hersha	2.7%	4.0% - 6.0%
Hilton (US Systemwide)	1.8%	3.0% - 5.0%
Host (Domestic)	3.4%	3.0% - 4.0%
HPT	4.4%	No Guidance
Hyatt (US Full Service)	2.2%	3.0% - 5.0%
Hyatt (US Select Service)	6.8%	3.0% - 5.0%
LaSalle	2.1%	No Guidance
Marriott(US Systemwide)	2.4%	3.0% - 5.0%
Pebblebrook	8.0%	2.0% - 4.0%
RLJ	2.1%	3.0% - 5.0%
Starwood	2.0%	2.0% - 5.5%
Summit	4.5%	4.0% - 5.5%
Sunstone	1.5%	2.5% - 5.5%

Financing Trends			
	Debt Yields	Max Leverage	Interest Rates (bps)
Life Companies	12%+	50% - 55%	T + 275 - 300
CMBS Fixed Rate (A)	14%+	55% - 60%	S+ 250 - 400
CMBS Fixed Rate (A+B)	10%+	65% - 70%	S+ 350 - 450
Domestic Banks	12%+	60%	L+ 350 - 400
Alt Lenders, Debt Funds, Mortgage REITs	8%+	65% - 75%	5.5%+

Source: hotelAVE, Cushman and Wakefield, CBRE, HFF

Lodging Coverage Universe Summary			Historical Transaction Volume		
Company	EV/EBITDA Multiples		Year	Transaction Volume (\$B)	Cap Rate
	2016	2017			
Hilton Worldwide	10.2x	9.5x	2007	80.8	8.8%
Marriott International	11.0x	9.9x	2008	11.6	9.0%
Starwood Hotels	12.9x	11.6x	2009	3.2	9.6%
Hyatt Hotels	8.7x	8.0x	2010	14.4	8.2%
Belmond Ltd	12.8x	11.8x	2011	20.1	7.9%
Wyndham Worldwide	7.8x	7.4x	2012	20.5	8.1%
Choice Hotels	12.9x	11.9x	2013	27.2	8.2%
InterContinental	12.4x	11.4x	2014	34.5	8.1%
Host Hotels & Resorts	9.7x	10.9x	2015	49.9	8.2%
Extended StayAmerica	9.0x	8.5x	Mar 15	15.3	8.1%
La Quinta Holdings	8.3x	8.0x	Mar 16	6.0	8.4%
C-Corps	10.6x	9.8x			
REITs	10.5x	10.6x			

Source: JF Capital Advisors, 5/16

Source: RCA, 4/16

Source: TravelClick 5/16

Source: 1Q16 Earnings Release \*Excludes currency effect

Source: PwC 1Q16, US Realty Consultants Winter 2016, RERC 4Q15