

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

2016 Topline Outlook Comparison

	Supply	Demand	Occ	ADR	RevPAR
PKF (3/16)	1.8%	2.1%	0.3%	5.2%	5.5%
PWC (1/16)	1.9%	2.1%	0.2%	5.2%	5.5%
STR (2/16)	1.7%	2.3%	0.6%	4.4%	5.0%

Source: STR, PKF, PwC

Transaction Volume 2015 vs. 2014

	Transaction Volume				Average Pricing		
	(\$B)	YoY Δ	# props	YoY Δ	\$/RM	Cap R.	YoY Δ (bps)
Total U.S.	\$49.4	42%	2,341	26%	\$158,517	8.3%	19
Full-Service	\$35.3	56%	621	1%	\$242,145	7.8%	28
Limited Service	\$14.1	15%	1,720	38%	\$88,410	8.6%	4
Major Metros	\$21.1	93%	396	9%	\$298,800	7.4%	45
Secondary Mkts	\$28.3	18%	1,945	30%	\$112,441	8.5%	10
NE/Mid-Atlantic	\$12.8	68%	375	16%	\$232,812	7.8%	26
SE	\$11.3	43%	634	32%	\$122,302	8.5%	15
Midwest	\$5.6	100%	446	58%	\$91,746	8.6%	15
SW	\$6.5	29%	478	35%	\$109,928	8.9%	-2
West	\$13.0	19%	390	3%	\$219,423	7.8%	46

Source: RCA, 1/16

U.S. New Supply Pipeline by Chain Scale 2015 vs 2014 (As of Dec 31, 2015)

Chain Scale	Preliminary Existing Supply	% Change	In Construction	% Change	Under Contract	% Change
Total	5,038,485	1.2%	140,703	17.2%	469,139	13.6%
Luxury	108,485	0.4%	7,440	35.0%	11,549	18.7%
Upper Upscale	583,906	2.7%	11,524	-13.5%	38,885	23.4%
Upscale	660,640	4.7%	49,203	10.8%	135,580	18.1%
Upper Midscale	888,843	1.4%	47,954	36.1%	157,034	23.9%
Midscale	479,040	-0.8%	5,321	1.3%	29,533	17.0%
Economy	784,149	1.3%	1,512	130.8%	6,801	70.0%
Independent	1,533,422	-0.2%	17,749	13.2%	89,757	-11.0%

Source: STR, Inc

Reported North America RevPAR Comparison 2015 Actual vs. 2016 Outlook - % Change

	2015	2016 Outlook As of		
	Actual	PKF (Dec'15 / Mar'16)	STR (Dec'15 / Feb'16)	PWC (Nov'15 / Jan'16)
Total U.S.	6.3%	6.1% / 5.5%	5.7% / 5.0%	5.7% / 5.5%
Luxury	4.7%	5.4% / 4.3%	5.5% / 4.9%	5.0% / 4.8%
Upper Upscale	4.8%	5.3% / 4.4%	6.0% / 5.2%	5.5% / 5.2%
Upscale	5.6%	6.3% / 4.8%	5.4% / 4.3%	4.7% / 4.7%
UpperMidscale	6.3%	7.6% / 6.0%	5.4% / 4.5%	5.6% / 5.4%
Midscale	6.3%	5.5% / 4.9%	5.0% / 4.0%	5.8% / 4.9%
Economy	6.5%	5.9% / 5.3%	5.6% / 4.6%	5.9% / 5.5%
Independent	7.1%	N/A	5.2% / 5.1%	5.6% / 5.3%

Source: PKF 12/15, 3/16; STR 12/15, 2/16; PwC 11/15, 01/16

Future Committed Demand (Top 25 Markets)

Forward 12 Months	% Change	
Total Demand as of	Demand	ADR
1-Feb-16	3.4%	3.6%
1-Nov-15	2.9%	3.3%
1-May-15	2.8%	4.7%
1-Oct-14	4.8%	5.0%
1-Jul-14	3.0%	4.1%
1-Apr-14	4.4%	2.8%
Group as of		
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-Jul-14	2.1%	1.0%
1-Apr-14	3.1%	-1.0%
Transient as of		
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-Jul-14	4.9%	5.4%
1-Apr-14	7.7%	4.8%

Source: TravelClick 2/16

Reported North America RevPAR Comparison 2015 vs 2016 Outlook

	2015	2016 Outlook
Ashford	6.5%	No guidance
Chesapeake	5.7%	5.0 ~ 7.0%
Chatham	5.6%	3.0 ~ 4.0%
DiamondRock	4.7%	2.0 ~ 4.0%
Extended Stay America	6.1%	No guidance
FelCor	8.1%	3.5 ~ 5.5%
Hersha	6.9%	4.0 ~ 6.0%
Hilton (US Systemwide)	5.2%	3.0 ~ 5.0%
Host (Domestic)	3.8%	3.0 ~ 4.0%
HPT	8.1%	No guidance
Hyatt (US Full Service)	6.5%	3.0 ~ 5.0%
Hyatt (US Select Service)	7.6%	3.0 ~ 5.0%
LaSalle	1.4%	No guidance
Marriott (US systemwide)	5.2%	3.0 ~ 5.0%
Pebblebrook	3.3%	2.0 ~ 4.0%
RLJ	3.9%	3.0 ~ 5.0%
Starwood	5.4%	2.0 ~ 4.0%
Summit	7.3%	3.5 ~ 5.5%
Sunstone	5.9%	2.5 ~ 5.5%

Source: 4Q Earnings Release *Excludes currency effect

Financing Trends

	Debt Yields	Max Leverage	Interest Rates
Life Companies	12%-14%	55%	4.00%-4.75%
CMBS Fixed Rate (A)	13%-14%	60%	4.50% - 5.00%
CMBS Fixed Rate (A+B)	9.5%+	75%	5.00% - 6.00%
Domestic Banks	10%-12%	65%	3.25% - 4.25%
Alt Lenders, Debt Funds, Mortgage REITs	7%+	75%	5.00% - 6.00%

Source: hotelAVE, Cushman and Wakefield, CBRE, HFF

Investor Surveys

	Discount Rate		Going In Cap Rate		Terminal Cap Rate	
	Range	Avg.	Range	Avg.	Range	Avg.
PWC Real Estate Investor Survey						
Luxury/UpperUpscale	7.3-11%	9.7%	4.6-9%	7.0%	6-10%	7.4%
Full Service	8.5-13%	10.5%	6-10%	7.6%	6.5-10%	8.2%
Midscale/Economy	8.5-12%	10.5%	7.5-10%	8.8%	7.8-10.5%	9.5%
Select Service	9-12%	10.9%	6.5-11%	8.5%	7-11%	9.0%
US Realty Consultants						
Full Service	8.5-11%	9.9%	6-9%	7.3%	6.5-10%	8.1%
Limited Service	9-12.5%	11.0%	5.5-10%	8.5%	6.8-11%	9.5%
RERC						
All Hotels/Avg.	8-10.2%	9.3%	6.3-8.5%	7.3%	7-8.8%	7.9%

Source: PwC 3Q15, US Realty Consultants mid-2015, RERC 4Q15

Lodging Coverage Universe Summary

Company	EV/EBITDA Multiples	
	2015	2016E
Hilton Worldwide	9.5x	9.0x
Marriott International	11.0x	10.4x
Starwood Hotels	9.9x	9.9x
Hyatt Hotels	8.6x	7.9x
Belmond Ltd	12.7x	11.8x
Wyndham Worldwide	7.7x	7.2x
Choice Hotels	12.8x	12.5x
Extended StayAmerica	8.7x	8.1x
La Quinta Holdings	7.8x	7.6x
C-Corps	10.0x	9.4x

Source: JF Capital Advisors, 1/31/16

Historical Transaction Volume

Year	Transaction Volume (B)	Cap Rate
2007	\$80.8	8.8%
2008	\$11.6	9.0%
2009	\$3.2	9.6%
2010	\$14.4	8.2%
2011	\$20.1	7.9%
2012	\$20.5	8.1%
2013	\$27.2	8.2%
2014	\$34.5	8.1%
2015	\$49.9	8.2%
Jan 15	\$4.0	8.1%
Jan 16	\$1.6	8.4%

Source: RCA, 2/16