

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

2017 Topline Outlook Comparison				
	2016 Actual	2017 CBRE	2017 PWC	2017 STR
Supply	1.6%	1.8%	1.9%	2.0%
Demand	1.7%	1.5%	1.6%	1.7%
Occupancy	0.1%	-0.5%	-0.3%	-0.3%
ADR	3.1%	3.3%	2.6%	2.8%
RevPAR	3.2%	2.9%	2.3%	2.5%

Source: CBRE Hotels' Americas Research; PwC; STR

Financing Trends						
	Debt Yields		Max Leverage		Interest Rates (bps)	
	Q1 '17	Q1 '16	Q1 '17	Q1 '16	Q1 '17	Q1 '16
Life Companies	12-15%	12-14%	55%	55%	4.90-5.40%	4.00-4.75%
CMBS Fixed Rate (A)	13-15%	13-14%	55%	60%	4.15-4.75%	4.50-5.00%
CMBS Fixed Rate (A+B)	10-11%	9.5%+	65-70%	75%	5.40-6.00%	5.00-6.00%
Domestic Banks	11-12%	10-12%	60%	65%	4.25-4.75%	3.25-4.25%
Alternative Lenders, Debt Funds, Mortgage REITs	0%+	7%+	75%	75%	5.50%+	5.00-6.00%

Source: hotelAVE, Cushman, CBRE

Top 25 Projected RevPAR		
CAGR Growth Markets (2017-2020)		
1	Houston	4.3%
2	Dayton	2.8%
3	San Francisco	2.7%
4	Long Island	2.5%
5	Fort Worth	2.4%
6	Boston	2.3%
7	San Diego	2.0%
8	New York	2.0%
9	Anaheim	2.0%
10	San Antonio	1.9%
11	Denver	1.8%
12	New Orleans	1.8%
13	Cincinnati	1.8%
14	Oahu	1.8%
15	Albany	1.8%
16	Portland	1.8%
17	Cleveland	1.7%
18	Sacramento	1.7%
19	Miami	1.7%
20	Dallas	1.7%
21	Columbia	1.5%
22	Washington DC	1.5%
23	Oakland	1.5%
24	Hartford	1.5%
25	West Palm Beach	1.4%
<b>Top 25 Market Avg</b>		<b>2.0%</b>

Reported North America RevPAR Comparison			
	4Q16 vs. 4Q15	2016 vs. 2015	2017 Guidance
Ashford	3.2%	4.3%	No Guidance
Chesapeake	-0.6%	2.3%	-3.5 to -1.5%
Chatham	-0.8%	0.0%	-1.0 to 1.0%
DiamondRock	-0.3%	-0.2%	-1.0 to 1.0%
Extended Stay America	4.1%	3.9%	1.0 to 3.0%
FelCor	-2.0%	0.9%	0.5 to 2.5%
Hersha	0.3%	2.1%	0.0 to 2.0%
Hilton (US Systemwide)	0.9%	1.8%	1.0 to 3.0%
Host (Domestic)	1.7%	2.7%	0.0 to 2.0%
HPT	0.6%	3.6%	No Guidance
Hyatt (US Full Service)	2.0%	2.6%	0.0 to 2.0%
Hyatt (US Select Service)	3.5%	5.4%	0.0 to 2.0%
LaSalle	2.5%	2.5%	No Guidance
Marriott (US systemwide)	1.1%	2.3%	0.0 to 2.0%
Pebblebrook	0.0%	2.4%	-1.0 to 1.0%
RLJ	-0.3%	1.1%	-1.0 to 1.0%
Summit	0.3%	3.3%	-0.5 to 1.5%
Sunstone	0.4%	1.3%	0.5 to 3.5%

Source: 4Q 2016 Earnings Release and Transcripts; hotelAVE  
Note\*: Excludes currency effect and under renovation

4Q16 Construction Pipeline by Chain Scale				
	Q4 2016		% Variance to Q4 2015	
	Proj	Rooms	Proj	Rooms
Total Pipeline	4,960	598,388	12%	10%
Luxury	58	13,872	35%	16%
Upper Upscale	242	53,142	40%	30%
Upscale	1,257	163,719	12%	9%
Upper Midscale	2,019	200,328	14%	15%
Midscale	566	45,047	43%	52%
Economy	148	12,396	-2%	-25%
Casino	31	10,218	-9%	-4%
Unbranded	639	99,666	-10%	-11%

Source: Lodging Econometrics 4Q 2016

U.S. Hotel Buyer Composition					
Year	2016	2015	2014	2013	
Investment Fund/Private Equity	20%	44%	50%	38%	
Public REITs	3%	10%	15%	14%	
Hotel Owner/Operator	14%	11%	10%	17%	
Non-Traded REIT	5%	9%	3%	8%	
Developer	9%	6%	7%	6%	
Off-Shore	43%	18%	12%	11%	
Other: HNWI, Corporates etc.	4%	2%	3%	5%	

Source: JLL January 2017; all transactions greater than \$5M; excludes casino transactions

Future Committed Demand (Top 25 Markets)		
Forward 12 Months	Demand	Percent Change
Total Demand as of		
1-Feb-17	0.5%	2.6%
1-Nov-16	2.1%	1.3%
1-Jul-16	5.1%	2.0%
1-Apr-16	2.5%	2.5%
1-Feb-16	3.4%	3.6%
Group as of		
1-Feb-17	0.9%	3.4%
1-Nov-16	2.5%	1.8%
1-Jul-16	6.1%	3.2%
1-Apr-16	3.7%	3.6%
1-Feb-16	4.4%	5.3%
Transient as of		
1-Feb-17	-0.1%	2.4%
1-Nov-16	1.6%	1.1%
1-Jul-16	3.2%	1.6%
1-Apr-16	-0.2%	2.0%
1-Feb-16	1.1%	2.9%

Source: TravelClick, February 2017

Source: CBRE Research Dec. '16 to Feb. '17

Forecast for New Hotel Openings									
Market	2017			2018			2019 & Beyond		
	Proj	Rooms	Growth Rate	Proj	Rooms	Growth Rate	Proj	Rooms	Growth Rate
Top 10 Markets	373	45,384	2.8%	422	51,309	3.0%	953	153,065	8.9%
New York, NY	64	8,384	7.5%	39	5,441	4.5%	89	16,716	13.8%
Denver, CO	22	2,740	6.0%	21	2,237	4.6%	37	6,200	12.7%
Dallas, TX	43	4,754	5.8%	32	3,779	4.3%	65	8,758	10.0%
Seattle, WA	15	2,437	5.5%	15	2,278	4.8%	47	8,240	17.4%
Nashville, TN	20	1,922	4.7%	29	2,718	6.3%	72	10,233	23.7%
Houston, TX	33	3,312	4.0%	51	4,792	5.6%	85	10,269	12.0%
Los Angeles, CA	18	3,728	3.8%	23	3,300	3.2%	70	11,695	11.3%
Detroit, MI	14	1,476	3.4%	17	1,747	3.9%	36	3,863	8.6%
Tampa, FL	14	1,477	3.2%	9	915	1.9%	14	2,016	4.2%
Miami, FL	15	1,532	2.9%	17	2,277	4.1%	51	10,898	19.6%

Source: Lodging Econometrics 4Q 2016

Historical Transaction Volume						
Year	Trans Volume (\$B)	# of Trans	Public-Private/RE M&A (\$B)	All Other Portfolios (\$B)	Single Assets (\$B)	Single-Asset % Chg
2011	\$15.9	247	\$1.0	\$3.1	\$11.9	95%
2012	\$16.3	324	\$2.7	\$2.6	\$11.0	-8%
2013	\$22.4	404	\$2.5	\$6.0	\$13.9	26%
2014	\$26.5	486	\$1.1	\$7.6	\$17.8	28%
2015	\$44.8	585	\$6.0	\$13.0	\$25.9	44%
2016	\$28.1	414	\$7.5	\$4.1	\$16.5	6%

Source: JLL January 2017; all transactions greater than \$5M; excludes casino

Lodging Coverage Universe Summary				
Company	EV/EBITDA Multiples		Dividend Yield	
	2016	2017	1'17	1'16
Host Hotels & Resorts	11.8x	12.2x	4.7%	5.8%
Ashford Hospitality Trust	10.7x	10.6x	6.3%	8.6%
FelCor Lodging Trust	11.5x	11.5x	3.1%	2.3%
LaSalle Hotel	12.0x	12.3x	6.0%	8.1%
Sunstone Hotel	12.0x	11.5x	4.6%	1.7%
DiamondRock Hospitality	11.7x	12.0x	4.4%	6.0%
Hersha Hospitality	10.9x	11.3x	6.6%	1.6%
Pebblebrook Hotel	12.4x	11.2x	5.1%	5.1%
RLJ Lodging	10.4x	11.2x	5.7%	7.2%
Chesapeake Lodging	12.9x	12.9x	6.3%	6.4%
Summit Hospitality	13.9x	13.7x	4.1%	4.6%
Chatham Lodging	10.5x	11.0x	6.6%	6.4%
Apple Hospitality	12.3x	12.6x	6.0%	6.6%
Xenia Hospitality	10.3x	9.6x	6.0%	6.3%
REITs	11.7x	11.7x	5.4%	5.5%

Source: JF Capital Advisors: January 31, 2017