

hotelAVE Hospitality Dashboard

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Asset Management · Loan Surveillance · Lender Support · Receivership · Acquisition Due Diligence · Manager & Franchise Selection · Development & Repositioning Services
Operational Effectiveness · Property Management

US Topline Forecast Comparison - 2019 to 2023

| | 2019A* | | | 2020A* | | | 2021A* | | | 2022F | | | | 2023F | | | |
|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------|-----|-------|-----|--|--|
| | STR | STR | STR | CBRE | STR | PwC | HVS | CBRE | STR | PwC | HVS | CBRE | STR | PwC | HVS | | |
| Occupancy | 65.8% | 41.5% | 56.4% | 62.9% | 63.0% | 63.1% | 63.0% | 64.2% | 64.6% | 64.5% | 64.5% | | | | | | |
| % Change | - | (36.9%) | 35.8% | 11.6% | 11.8% | 12.0% | 11.8% | 2.1% | 2.5% | 2.2% | 2.4% | | | | | | |
| Index to 2019 | - | 63% | 86% | 96% | 96% | 96% | 96% | 98% | 98% | 98% | 98% | | | | | | |
| ADR | \$131.23 | \$103.31 | \$124.67 | \$143.28 | \$148.00 | \$145.87 | \$143.00 | \$148.22 | \$152.00 | \$152.19 | \$149.00 | | | | | | |
| % Change | - | (21.3%) | 20.7% | 14.9% | 18.7% | 17.0% | 14.7% | 3.4% | 2.7% | 4.3% | 4.2% | | | | | | |
| Index to 2019 | - | 79% | 95% | 109% | 113% | 111% | 109% | 113% | 116% | 116% | 114% | | | | | | |
| RevPAR | \$86.29 | \$42.86 | \$70.25 | \$90.15 | \$93.00 | \$92.08 | \$90.00 | \$95.12 | \$98.00 | \$98.20 | \$96.00 | | | | | | |
| % Change | - | (50.3%) | 63.9% | 28.3% | 32.4% | 31.1% | 28.1% | 5.5% | 5.4% | 6.6% | 6.7% | | | | | | |
| Index to 2019 | - | 50% | 81% | 104% | 108% | 107% | 104% | 110% | 114% | 114% | 111% | | | | | | |

Sources: CBRE (8/22); STR (8/22); PwC (5/22); HVS Research (4/22); *E actuals are from STR TRI methodology

hotelAVE Financing Trends Commentary

| | |
|-----------------|---|
| Who is Lending? | Select debt funds/family offices, and local/regional banks; very limited - CMBS, insurance cos and large banks. |
| Markets | Cash flowing assets; debt for construction and deep turns is challenged. |
| LTV's / Spreads | Senior debt: 50-65% LTV / SOFR + 500+ generally, terms are a little tighter for A+ sponsors and trophy assets. Mezzanine debt at 55-75% LTV / SOFR + 800+; Spreads are higher for refi vs. acquisition. |
| Points | 50-100 bps going in, 0-100 bps on exit. |
| SOFR Caps | Flexibility on term & strike price, requirements for replacements to get through term; some borrowers guaranteeing interest payments in lieu of caps (due to cost). |
| Debt Yields | Lenders are underwriting to 12%+ stabilized debt yields, 10% for luxury. |

Sources: hotelAVE; Cushman & Wakefield; PMZ Realty; Eastdil Secured; Robert Douglas

Investor Surveys

| | Discount Rate | | Going-In Cap | | Terminal Cap | |
|------------------------|---------------|-------|--------------|------|--------------|------|
| | Range | Avg. | Range | Avg. | Range | Avg. |
| PwC Real Estate | | | | | | |
| Luxury/Upper-Upscale | 6.5-11.0% | 9.3% | 4.0-9.5% | 6.9% | 5.8-9.5% | 7.4% |
| Full-Service | 8.0-12.0% | 10.0% | 5.0-9.0% | 7.3% | 5.0-10.0% | 8.1% |
| Limited-Service | 9.0-13.0% | 10.7% | 8.0-11.5% | 9.7% | 8.0-12.5% | 9.9% |
| Select-Service | 9.0-13.5% | 11.0% | 7.0-10.0% | 8.4% | 7.5-11.5% | 9.0% |
| RERC | | | | | | |
| All Hotels/Avg. | 9.0-10.5% | 9.6% | 7.0-9.0% | 7.8% | 7.5-9.5% | 8.3% |

Sources: PwC Investor Survey Q3 2022; RERC Q3 2022

Public REIT Valuations

| Company | Share Price | Enterprise Value per Key ¹ | Net Debt per Key ² | Implied Leverage ³ | Implied Cap Rate ⁴ |
|----------------------------|-------------|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 10/31/22 | | | | |
| Apple Hospitality REIT | \$17.12 | \$185,271 | \$50,303 | 27.2% | 6.8% |
| Ashford Hospitality Trust | \$8.12 | \$167,268 | \$156,268 | 93.4% | 5.9% |
| Braemar Hotels and Resorts | \$4.93 | \$397,162 | \$297,756 | 75.0% | 9.7% |
| Chatham Lodging Trust | \$12.97 | \$209,205 | \$100,126 | 47.9% | 6.7% |
| DiamondRock Hospitality | \$9.34 | \$341,823 | \$130,472 | 38.2% | 7.1% |
| Hersha Hospitality Trust | \$9.15 | \$300,533 | \$197,198 | 65.6% | 7.9% |
| Host Hotels & Resorts | \$18.88 | \$410,614 | \$86,638 | 21.1% | 7.9% |
| Park Hotels & Resorts | \$13.08 | \$234,831 | \$136,501 | 58.1% | 7.8% |
| Pebblebrook Hotel Trust | \$16.04 | \$405,953 | \$175,497 | 43.2% | 6.2% |
| RLJ Lodging Trust | \$12.17 | \$193,256 | \$82,909 | 42.9% | 7.7% |
| Summit Hospitality Group | \$8.64 | \$195,926 | \$86,483 | 44.1% | 7.1% |
| Sunstone Hotel Investors | \$11.15 | \$434,375 | \$91,767 | 21.1% | 6.9% |
| Xenia Hospitality Group | \$17.08 | \$329,712 | \$124,713 | 37.8% | 6.9% |

Sources: hotelAVE; JF Capital Advisors 10/31/22

¹ Enterprise Value/Key = (Market Cap+Net Debt)/Keys

² Net Debt/Key = Net Debt/Keys

³ Implied Leverage = Net Debt/Enterprise Value

⁴ Implied Cap Rate = EBITDA/Enterprise Value

Reported North America RevPAR Comparison

| Company | Q3'22 vs. Q3'21 | | Q3'22 vs. Q3'19 | | Full Year 2022 Guidance (Indexed to 2019) |
|-----------------------|-----------------|-----------|-----------------|-----------|---|
| | Choice | vs. Q3'21 | vs. Q3'19 | Guidance | |
| Hilton* | 3.4% | 15.2% | 113% | to 115% | |
| Hwyatt* | 29.9% | 5.0% | 94% | to 96% | |
| IHG | 45.9% | -2.9% | 93% | to 96% | |
| Marriott | 16.7% | 6.8% | No Guidance | | |
| Wyndham* | 28.5% | 3.5% | 98% | to 100% | |
| Host Hotels & Resorts | 12.0% | 11.0% | 114% | to 116% | |
| Host Hotels & Resorts | 42.0% | 1.4% | 96.25% | to 97.25% | |

Source: Q3 2022 Earnings Releases; Reported system-wide figures

CMBS Delinquencies by Property Type (%)

| | 10/22 | 9/22 | 8/22 | 3 Mo. | 6 Mo. | 12 Mo. |
|----------------|------------|------------|------------|------------|------------|------------|
| Industrial | 0.4 | 0.4 | 0.5 | 0.4 | 0.5 | 0.5 |
| Lodging | 4.9 | 5.0 | 5.2 | 5.6 | 6.3 | 8.9 |
| Multifamily | 0.9 | 0.9 | 1.0 | 0.9 | 1.2 | 1.7 |
| Office | 1.8 | 1.6 | 1.5 | 1.6 | 1.7 | 1.3 |
| Retail | 6.7 | 6.6 | 6.5 | 6.6 | 7.4 | 7.1 |
| Total | 3.0 | 2.9 | 3.0 | 3.1 | 3.5 | 4.6 |

Source: Trepp (11/22)

2022 Q3 Topline Performance (Index to 2019)

| Metric | Entire U.S. | Top 25 Markets | All Other Markets |
|---------------|-------------|----------------|-------------------|
| Occupancy | 96% | 93% | 97% |
| ADR | 116% | 112% | 119% |
| RevPAR | 111% | 105% | 116% |

Source: STR

US Hotel Key Performance Indicators Q3 2022

| Market | Total RevPAR | | GOPPAR | | | GOP % | | | LaborPAR | | | Flex/Flow | |
|--------------------|--------------|--------|--------|--------|--------|--------|--------|--------|----------|--------|--------|------------|-------|
| | Q3 '22 | Q3 '21 | Q3 '22 | Q3 '21 | Q3 '22 | Q3 '21 | Q3 '22 | Q3 '21 | Q3 '22 | Q3 '21 | Q3 '21 | vs. Q3 '21 | |
| | | Index | | Index | | Index | | Index | | Index | | | |
| Total USA | \$218 | \$157 | 89% | \$80 | \$56 | 94% | 37% | 36% | 106% | \$72 | \$51 | 83% | 40.3% |
| Atlanta, GA | \$189 | \$138 | 93% | \$64 | \$47 | 94% | 34% | 34% | 101% | \$62 | \$44 | 93% | 33.3% |
| Austin, TX | \$210 | \$144 | 91% | \$74 | \$48 | 85% | 35% | 34% | 94% | \$68 | \$46 | 95% | 39.7% |
| Boston, MA | \$327 | \$192 | 90% | \$145 | \$64 | 93% | 44% | 33% | 103% | \$102 | \$71 | 87% | 59.8% |
| Chicago, IL | \$270 | \$150 | 93% | \$108 | \$46 | 99% | 40% | 30% | 106% | \$93 | \$61 | 90% | 52.4% |
| Denver, CO | \$242 | \$181 | 91% | \$115 | \$85 | 92% | 47% | 47% | 101% | \$62 | \$45 | 90% | 48.6% |
| Houston, TX | \$124 | \$102 | 80% | \$39 | \$35 | 83% | 32% | 35% | 104% | \$41 | \$31 | 75% | 20.0% |
| Los Angeles, CA | \$222 | \$167 | 89% | \$57 | \$45 | 79% | 26% | 27% | 89% | \$93 | \$66 | 93% | 21.7% |
| Miami, FL | \$194 | \$149 | 115% | \$44 | \$38 | 242% | 23% | 25% | 210% | \$76 | \$57 | 93% | 14.6% |
| New Orleans, LA | \$151 | \$102 | 88% | \$37 | \$27 | 67% | 24% | 26% | 76% | \$56 | \$35 | 97% | 20.1% |
| New York, NY | \$325 | \$153 | 91% | \$94 | \$18 | 91% | 30% | 13% | 105% | \$139 | \$80 | 84% | 44.1% |
| Orange County, CA | \$272 | \$203 | 106% | \$111 | \$86 | 110% | 41% | 43% | 104% | \$86 | \$60 | 101% | 35.9% |
| Philadelphia, PA | \$194 | \$137 | 84% | \$67 | \$42 | 87% | 34% | 30% | 104% | \$67 | \$49 | 81% | 43.5% |
| Phoenix, AZ | \$197 | \$150 | n/a | \$39 | \$30 | n/a | 20% | 20% | n/a | \$86 | \$62 | n/a | 19.8% |
| Portland, OR | \$170 | \$105 | 63% | \$66 | \$37 | 54% | 39% | 35% | 85% | \$55 | \$33 | 72% | 43.9% |
| Salt Lake City, UT | \$143 | \$107 | 92% | \$55 | \$42 | 77% | 38% | 39% | 83% | \$41 | \$29 | 104% | 34.5% |
| San Diego, CA | \$353 | \$233 | 111% | \$166 | \$106 | 121% | 47% | 46% | 109% | \$95 | \$62 | 99% | 50.1% |
| San Francisco, CA | \$277 | \$125 | 81% | \$73 | \$4 | 67% | 27% | 3% | 84% | \$124 | \$73 | 85% | 45.5% |
| Seattle, WA | \$281 | \$153 | 92% | \$128 | \$58 | 92% | 46% | 38% | 100% | \$79 | \$47 | 89% | 54.1% |
| Washington, D.C. | \$249 | \$126 | 90% | \$74 | \$19 | 95% | 28% | 16% | 105% | \$104 | \$60 | 87% | 40.9% |

Source: HotStats (10/22) | Note: TRevPAR includes all operating revenues, 2019 Phoenix data unavailable

Construction Pipeline by Market

| Market | Existing Inventory | | Under Construction | | Final Planning | | Planning | | Active Pipeline | | |
|-----------------------|----------------------|---------------|--------------------|---------------|----------------|----------------|---------------|----------------|-----------------|-------|---------------|
| | As of September 2022 | Rooms | % of Existing | Rooms | % of Existing | Rooms | % of Existing | Rooms | % of Existing | Rooms | % of Existing |
| Top 25 Markets | 1,811,343 | 63,113 | 3.5% | 57,504 | 3.2% | 102,195 | 5.6% | 222,812 | 12.3% | | |
| Atlanta, GA | 110,337 | 4,469 | 4.1% | 5,458 | 4.9% | 6,869 | 6.2% | 16,796 | 15.2% | | |
| Boston, MA | 62,730 | 1,407 | 2.2% | 1,408 | 2.2% | 1,888 | 3.0% | 4,703 | 7.5% | | |
| Chicago, IL | 121,247 | 2,175 | 1.8% | 2,426 | 2.0% | 4,724 | 3.9% | 9,325 | 7.7% | | |
| Dallas, TX | 97,183 | 4,533 | 4.7% | 6,218 | 6.4% | 7,812 | 8.0% | 18,563 | 19.1% | | |
| Denver, CO | 58,203 | 2,082 | 3.6% | 2,871 | 4.9% | 3,847 | 6.6% | 8,800 | 15.1% | | |
| Detroit, MI | 46,761 | 2,343 | 5.0% | 2,813 | 6.0% | 2,296 | 4.9% | 7,452 | 15.9% | | |
| Houston, TX | 97,947 | 2,816 | 2.9% | 3,306 | 4.0% | 3,623 | 3.7% | 10,345 | 10.6% | | |
| Los Angeles, CA | 114,644 | 3,182 | 2.8% | 5,388 | 4.7% | 9,145 | 8.0% | 17,715 | 15.5% | | |
| Miami, FL | 65,011 | 3,106 | 4.8% | 2,393 | 3.7% | 9,978 | 15.3% | 15,477 | 23.8% | | |
| Minneapolis, MN | 48,275 | 583 | 1.2% | 471 | 1.0% | 434 | 0.9% | 1,488 | 3.1% | | |
| Nashville, TN | 56,448 | 3,181 | 5.6% | 3,663 | 5.8% | 5,332 | 9.4% | 11,776 | 20.9% | | |
| New Orleans, LA | 41,055 | 668 | 1.6% | 2,422 | 5.9% | 566 | 1.4% | 3,656 | 8.9% | | |
| New York, NY | 127,091 | 12,000 | 9.4% | 671 | 0.5% | 2,642 | 2.1% | 15,313 | 12.0% | | |
| Norfolk, VA | 38,180 | 691 | 1.8% | 281 | 0.7% | 1,062 | 2.8% | 2,034 | 5.3% | | |
| Oahu Island, HI | 30,330 | 627 | 2.1% | 544 | 1.8% | 1,440 | 4.7% | 2,611 | 8.6% | | |
| Orange County, CA | 59,953 | 1,551 | 2.6% | 869 | 1.4% | 1,981 | 3.3% | 4,401 | 7.3% | | |
| Orlando, FL | 136,021 | 2,906 | 2.1% | 2,826 | 2.1% | 7,068 | 5.2% | 12,800 | 9.4% | | |
| Philadelphia, PA | 52,369 | 858 | 1.6% | 1,403 | 2.7% | 3,152 | 6.0% | 5,413 | 10.3% | | |
| Phoenix, AZ | 69,239 | 4,558 | 6.6% | 3,077 | 4.4% | 7,449 | 10.8% | 15,084 | 21.8% | | |
| San Diego, CA | 64,641 | 1,747 | 2.7% | 2,361 | 3.7% | 2,774 | 4.3% | 6,882 | 10.6% | | |
| San Francisco, CA | 55,538 | 1,009 | 1.8% | 836 | 1.5% | 3,952 | 7.1% | 5,797 | 10.5% | | |
| Seattle, WA | 50,613 | 1,608 | 3.2% | 2,079 | 4.1% | 2,271 | 4.5% | 5,958 | 11.8% | | |
| St. Louis, MO | 41,514 | 838 | 2.0% | 1,304 | 3.1% | 1,070 | 2.6% | 3,212 | 7.7% | | |
| | | | | | | | | | | | |