

# Hospitality Dashboard

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

## US Topline Forecast Comparison - 2020 to 2024

	2019		2020F		2021F			2022F		2023F		2024F	
	STR	STR	CBRE	STR	HVS	CBRE	HVS	CBRE	HVS	CBRE	HVS	CBRE	HVS
Occupancy	66.1%	39.8%	52.3%	52.0%	55.2%	60.2%	63.5%	65.5%	64.5%	66.6%	65.0%	69.1%	70.1%
% Change	0.0%	-39.7%	31.3%	30.5%	40.9%	15.0%	15.1%	8.8%	1.5%	1.7%	0.8%	6.9%	4.1%
Index to 2019	100.0%	60.2%	79.1%	78.7%	83.5%	91.1%	96.1%	99.1%	97.6%	100.8%	98.3%	128.90	126.78
ADR	\$131.20	\$103.71	\$111.89	\$109.56	\$110.14	\$120.52	\$120.74	\$134.12	\$131.85	\$134.20	\$131.85	\$84.37	\$81.77
% Change	1.0%	-20.9%	7.5%	5.6%	7.5%	7.7%	9.6%	9.8%	9.6%	102.2%	100.5%	16.4%	6.6%
Index to 2019	100.0%	79.0%	85.3%	83.5%	83.9%	91.9%	92.0%	98.2%	96.6%	97.3%	94.3%	83.6%	88.4%
RevPAR	\$86.73	\$41.31	\$58.51	\$56.95	\$60.77	\$72.50	\$76.70	\$89.27	\$85.70	97.3%	94.3%	102.9%	98.8%
% Change	0.9%	-52.3%	41.1%	37.9%	51.5%	23.9%	26.2%	16.4%	6.6%	5.8%	4.8%	10.0%	47.6%
Index to 2019	100.0%	47.6%	67.5%	65.7%	70.1%	83.6%	88.4%						

Post-Covid Transaction & Debt Trends	
Buyers	All-Cash.
Sellers	REITs & Note Sellers (debt funds and bank paper, select CMBS positions).
Valuations	Consistent data points still emerging - drive-to destinations, select service, and suburban faring better than urban, airport and convention hotels. 25-30% discounts to pre-Covid levels.
Cap Rates	Buyers rationalizing based on implied cap rates on 2018/2019 income, price per key, and/or discount to seller's basis.
Debt Pricing	Buyer projections look like development proformas, with heavy reliance on residual value to achieve investment hurdles. Premiums range from 100-300 basis points over 2019 cap rates.
Assumable Financing	Approximately 20-30 (and growing) list of debt providers actively quoting/underwriting hotel transactions.
Seller Financing	50-55% LTV at LIBOR + 450-500+ from banks, mainly to relationship borrowers.
Preferred Equity	55-65% LTV at LIBOR + 600-700+ from debt funds.
	5-10% accretive to selling process, depending on terms.
	10-20% accretion to pricing depending on amount and terms.
	10-12% current pay plus participation in cash flow and/or residual; all-in returns ranging from 14-18%.

Source: hotelAVE

Sources: CBRE as of 8/14/20; STR as of 8/13/20 (reflects total room inventory); HVS as of 6/2/20

## Standard vs. Absolute (Total Room) Occupancy Comparison

August 2020 Results	STR Standard <sup>1</sup>	Total Available Rooms <sup>2</sup>	Difference
Top 25 Markets	41.7%	37.4%	-4.3%
All Other Markets	51.6%	50.7%	-0.9%
United States	48.6%	46.5%	-2.2%
Anaheim/Santa Ana, CA	43.7%	37.0%	-6.8%
Atlanta, GA	47.6%	47.3%	-0.3%
Boston, MA	33.9%	30.4%	-3.5%
Chicago, IL	37.5%	32.9%	-4.6%
Dallas, TX	43.2%	42.5%	-0.6%
Denver, CO	46.9%	46.6%	-0.3%
Detroit, MI	50.8%	50.4%	-0.4%
Houston, TX	42.6%	41.7%	-0.9%
Los Angeles/Long Beach, CA	51.7%	48.3%	-3.3%
Miami/Hialeah, FL	33.9%	29.0%	-5.0%
Minneapolis/St Paul, MN-WI	35.9%	35.5%	-0.4%
Nashville, TN	36.9%	36.6%	-0.3%
New Orleans, LA	33.6%	31.8%	-1.8%
New York, NY	38.6%	26.0%	-12.6%
Norfolk/Virginia Beach, VA	63.0%	62.5%	-0.5%
Oahu Island, HI	26.8%	14.8%	-12.0%
Orlando, FL	28.7%	23.0%	-5.7%
Philadelphia, PA-NJ	51.9%	47.4%	-4.6%
Phoenix, AZ	43.7%	41.6%	-2.1%
San Diego, CA	51.7%	50.6%	-1.1%
San Francisco/San Mateo, CA	43.1%	29.7%	-13.4%
Seattle, WA	37.1%	33.3%	-3.8%
St Louis, MO-IL	39.3%	38.9%	-0.4%
Tampa/St Petersburg, FL	47.3%	46.8%	-0.5%
Washington, DC-MD-VA	35.9%	31.3%	-4.6%

<sup>1</sup> STR Standard = Occupancy against all currently open rooms

<sup>2</sup> Total Available Rooms = Occupancy against all available rooms (TRI)

## Lodging Coverage Universe Summary

Company	Enterprise Value per Key (\$000)		YoY Value Per Key
	2020	2019	
Host Hotels & Resorts	\$232	\$298	-22.0%
Ashford Hospitality Trust	\$181	\$194	-6.5%
Sunstone Hotel Investors	\$225	\$335	-32.8%
DiamondRock Hospitality	\$205	\$308	-33.4%
Hersha Hospitality Trust	\$248	\$302	-17.8%
Pebblebrook Hotel Trust	\$319	\$450	-29.0%
RLJ Lodging Trust	\$146	\$194	-25.0%
Braemar Hotels and Resorts	\$348	\$430	-19.2%
Park Hotels & Resorts	\$197	\$291	-32.3%
Summit Hospitality Group	\$158	\$210	-24.4%
Chatham Lodging Trust	\$178	\$213	-16.1%
Apple Hospitality REIT	\$121	\$170	-28.6%
Xenia Hospitality Group	\$203	\$309	-34.2%
<b>Weighted Average</b>	<b>\$212</b>	<b>\$285</b>	<b>-25.6%</b>

Source: JF Capital Advisors September 30, 2020; hotelAVE

## Construction Pipeline by Market vs. Pre-COVID Inventory

Market	Pre-COVID Inventory	Under Construction	Final Planning	Planning	Active Pipeline	% of Existing
	As of 03/2020	% of Existing	% of Existing	% of Existing	% of Existing	
<b>Top 15 Markets</b>	<b>1,216,017</b>	<b>5.8%</b>	<b>5.1%</b>	<b>4.8%</b>	<b>15.7%</b>	
Nashville, TN	48,716	11.9%	10.4%	10.2%	32.6%	
Miami, FL	59,627	6.2%	9.4%	13.1%	28.7%	
Dallas, TX	93,870	6.0%	8.7%	8.6%	23.3%	
Denver, CO	52,508	6.9%	10.1%	3.9%	20.9%	
New York, NY	127,970	12.6%	2.3%	3.3%	18.2%	
Los Angeles, CA	105,948	7.0%	5.9%	5.1%	18.0%	
Atlanta, GA	102,510	6.1%	6.1%	3.4%	15.6%	
Seattle, WA	50,011	1.8%	6.4%	4.7%	13.0%	
Philadelphia, PA	50,654	4.2%	3.6%	5.0%	12.8%	
Orlando, FL	129,864	5.7%	3.2%	3.1%	12.1%	
Boston, MA	59,920	6.8%	2.5%	3.3%	12.6%	
San Francisco, CA	54,287	1.0%	4.4%	5.9%	11.2%	
Washington, DC	116,130	2.3%	3.2%	4.1%	9.6%	
Chicago, IL	119,540	2.4%	3.4%	2.3%	8.1%	
Minneapolis, MN	44,462	4.4%	2.3%	1.6%	8.3%	

Source: Deutsche Bank Supply Monitor September 2020 & April 2020; hotelAVE

## Luxury & Upper Upscale Segmentation - Recovery Timeline Impacted by Group & International Business

	RevPAR Recovery Time	Segmentation			ADR	Visitation % International
		9/11	GFC	Transient	Group	Contract
Total United States	4 Year(s)	5 Year(s)	64.9%	30.9%	4.2%	\$228
Anaheim, CA	2 Year(s)	4 Year(s)	67.2%	29.8%	3.1%	\$262
Atlanta, GA	4 Year(s)	6 Year(s)	56.6%	39.2%	4.2%	\$175
Boston, MA	11 Year(s)	3 Year(s)	68.0%	27.0%	5.1%	\$265
Chicago, IL	5 Year(s)	5 Year(s)	61.4%	34.4%	4.3%	\$198
Dallas, TX	5 Year(s)	5 Year(s)	56.2%	37.8%	6.0%	\$179
Denver, CO	13 Year(s)	6 Year(s)	58.2%	37.0%	4.8%	\$187
Detroit, MI	4 Year(s)	5 Year(s)	61.6%	29.6%	8.9%	\$173
Houston, TX	4 Year(s)	5 Year(s)	66.4%	27.6%	6.0%	\$174
Los Angeles, CA	3 Year(s)	4 Year(s)	73.6%	19.7%	6.6%	\$263
Miami, FL	3 Year(s)	3 Year(s)	72.3%	23.7%	4.0%	\$289
Minneapolis, MN	4 Year(s)	5 Year(s)	62.7%	32.8%	4.5%	\$165
Nashville, TN	3 Year(s)	4 Year(s)	51.8%	45.8%	2.4%	\$234
New Orleans, LA	11 Year(s)	2 Year(s)	58.9%	37.5%	3.6%	\$189
New York, NY	4 Year(s)	6 Year(s)	80.9%	15.2%	3.9%	\$345
Norfolk/Virginia Beach, VA	1 Year(s)	7 Year(s)	61.0%	35.1%	3.9%	\$172
Oahu Island, HI	3 Year(s)	3 Year(s)	86.2%	11.6%	2.1%	\$306
Orlando, FL	4 Year(s)	5 Year(s)	54.3%	43.9%	1.8%	\$213
Philadelphia, PA	3 Year(s)	6 Year(s)	64.2%	31.0%	4.8%	\$201
Phoenix, AZ	3 Year(s)	8 Year(s)	53.6%	44.2%	2.1%	\$210
San Diego, CA	3 Year(s)	6 Year(s)	58.8%	37.6%	3.6%	\$232
San Francisco, CA	10 Year(s)	3 Year(s)	68.5%	24.9%	6.6%	\$294
Seattle, WA	4 Year(s)	5 Year(s)	72.9%	23.4%	3.7%	\$217
St Louis, MO	3 Year(s)	4 Year(s)	59.2%	34.2%	6.6%	\$156
Tampa/St Petersburg, FL	3 Year(s)	6 Year(s)	67.3%	28.8%	3.8%	\$207
Washington, DC	3 Year(s)	7 Year(s)	62.0%	34.8%	3.1%	\$209

Sources: STR; hotelAVE

## Total US Under Construction By Chain Scale

Scale	Rooms Under Construction	% of Existing Supply
Total	217,171	4.2%
Luxury	13,094	12.9%
Upper-Upscale	30,559	5.5%
Upscale	67,751	8.5%
Upper-Midscale	64,941	5.8%
Midscale	17,636	4.1%
Economy	6,637	0.9%
Unaffiliated	16,553	1.1%

Source: Duetsche Bank and STR September 2020

## % Change in Hotel Valuation

	Best Case	Most Likely	Worst Case
2020	-20%	-27%	-35%
2021	12%	15%	23%
2022	8%	12%	15%
2023	4%	6%	7%
2024	2%	3%	4%
2025	4%	4%	5%

Source: HVS as of June 2020

## Relationship to 2019 Hotel Valuation

	Best Case	Most Likely	Worst Case
2020	81%	74%	66%
2021	91%	86%	81%
2022	98%	96%	93%
2023	103%	102%	100%
2024	105%	105%	104%
2025	109%	109%	109%

Source: HVS as of June 2020