FOR IMMEDIATE RELEASE
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U.S. HOTEL FORECAST FOR 2022 PREDICTS STRONG PERFORMANCE

2022 Average Daily Rate and Revenue per Available Room Expected to Surpass 2019 Levels

William P. "Billy" Glass, President of Gentry Mills Capital, issued a statement on Newmark Research's recent Capital Markets Report:

"Across the Gentry Mills Capital portfolio, we are seeing our assets perform well with strong occupancy levels and Average Daily Rates (ADR). Newmark's 2022 U.S. Hotel Forecast predicts that in 2022, occupancy levels and Revenue per Available Room (RevPAR) for upscale/upper midscale hotels will be near 2019 annual levels and that Average Daily Rate (ADR) will exceed 2019 annual levels.

You will recall that at Gentry Mills Capital, we almost exclusively purchase upper midscale hotels, finding those to be the type of hotels that generate the greatest rates of return for our Limited Partners. Newmark's 2022 U.S. Hotel Forecast reinforces what we are already experiencing as the market continues to recover and travel resumes across the U.S.

We look forward to a robust spring and summer across our portfolio, and we will continue to keep you updated with important developments."

Visit GentryMillsCapital.com or call 972-759-8725 for more information.

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NEWMARK

Newmark 2021 Lodging Review and 2022 Outlook

Lodging Capital Markets

February 2022

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Newmark Lodging Capital Markets Team Update

Introduction

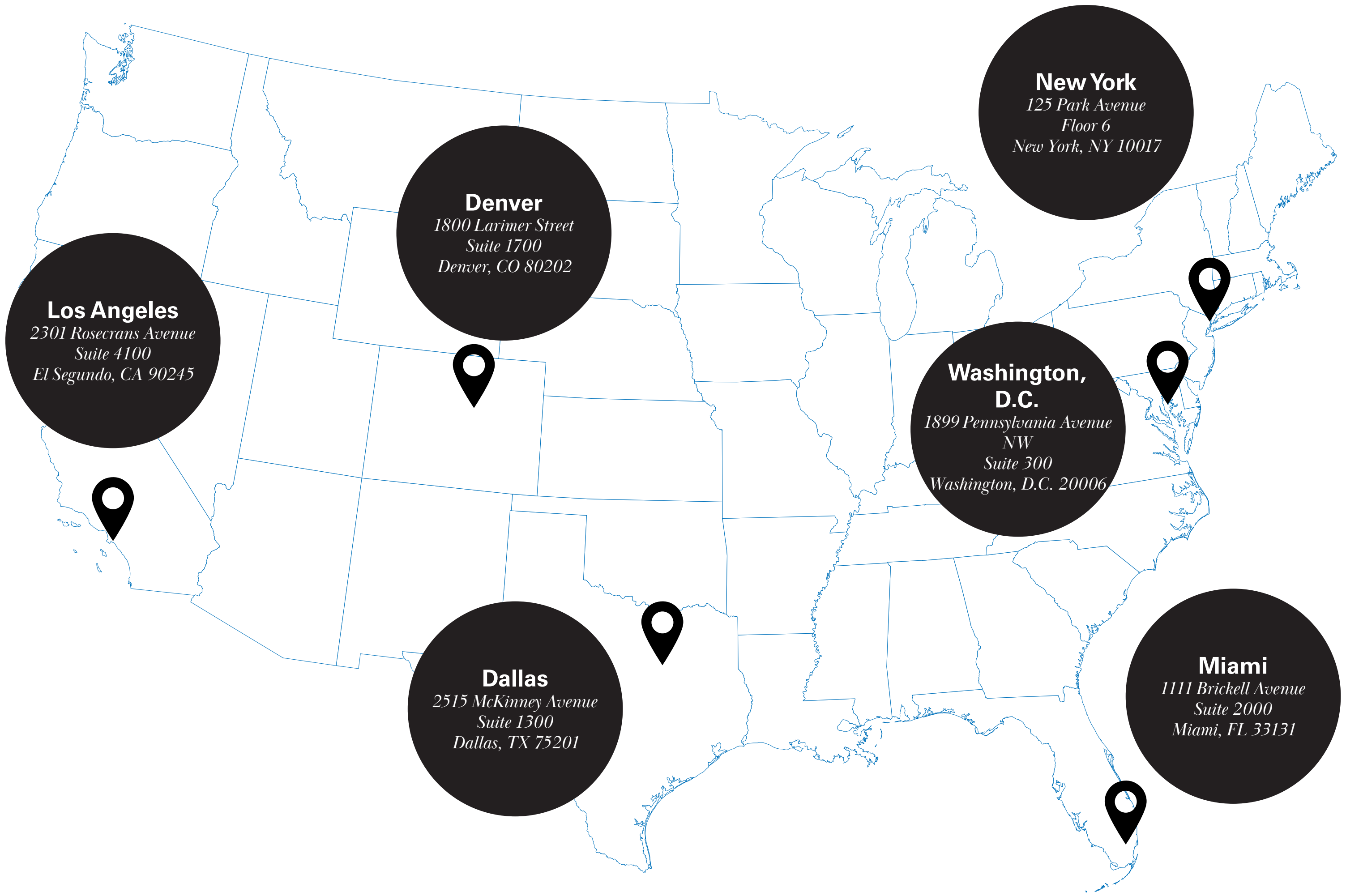
In 2021, the Newmark Lodging Capital Markets team was one of the most active intermediaries in the lodging and leisure space, up and down the capital stack. In addition to traditional asset sales and financings, we have been sourcing preferred equity and growth capital, creating programmatic ventures, selling performing loans and distressed debt, and providing advisory services to countless clients. We continue to maintain open communication with all of the major sources of domestic and international capital, including private equity funds, hedge/credit funds, REITs, owner/operators, and family offices/HNW investors, as well as the most active balance sheet lenders and special servicers. There is tremendous liquidity in the system and an abundance of dry powder waiting to be deployed into the lodging space. Moreover, there continues to be a supply/demand imbalance in the market with an excess of capital chasing relatively few quality investment opportunities. In addition to traditional hotel investors, there are “emerging” sources of capital focused on the sector, driven by the attractive yield profile and inflationary hedge of lodging compared to other asset classes. Overall, as we look towards 2022, we remain very bullish both from an operating fundamental perspective as well as from a transaction perspective.

$3.7 BN
2021 CLOSED TRANSACTIONS

$4.0 BN
IN THE MARKET/UNDER CONTRACT

Newmark Lodging Capital Markets Expansion

In 2021, we established three new office locations in California, Florida, and Texas, hiring several senior-level people (along with a handful of relocations). With the growth of our platform and addition of high-quality personnel, we continue to expand our footprint and will become that much more active in key markets around the country. With this expansion, our team now covers five of the top seven markets with the highest RevPAR in 2021 – New York City, Miami, Tampa, San Diego, and Los Angeles. In addition, we have continued to expand our finance and debt practice with the hiring of key personnel in Miami and Denver.



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NEWMARK

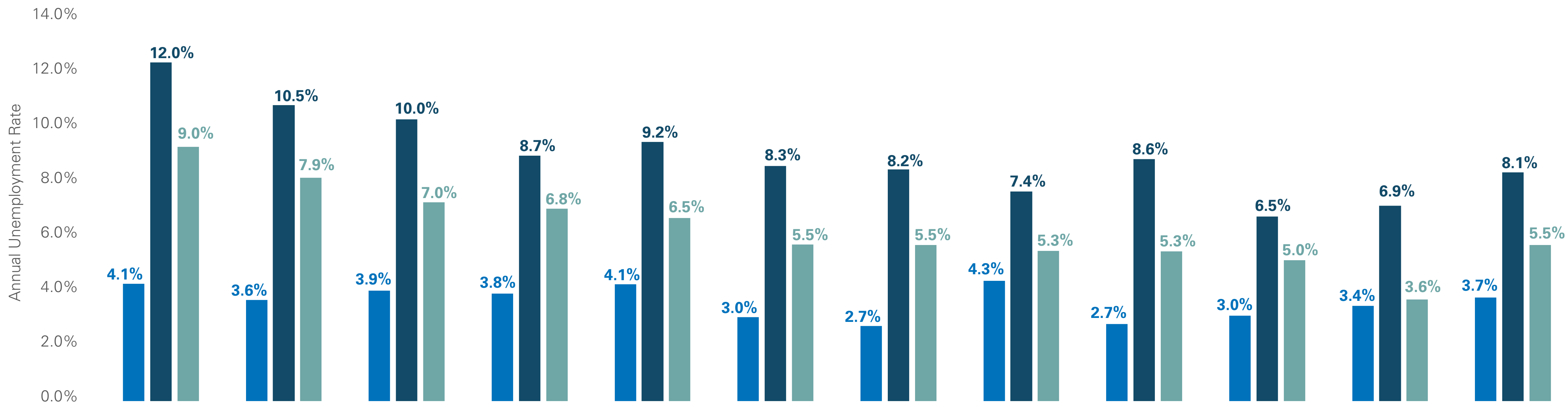
National Macroeconomic Update

National Macroeconomic Update

Employment

- The U.S. unemployment rate as of year-end 2021 was 3.9% (2.8% lower than year-end 2020 and 0.4% higher than year-end 2019).
- The U.S. labor force participation rate was 61.8% to end the year (0.3% higher than year-end 2020 and 2.0% lower than year-end 2019).

Annual Unemployment Rate by MSA: 2019-2021



	Los Angeles-Long Beach-Anaheim, CA	New York-Newark-Jersey City, NY-NJ-PA	Chicago-Naperville-Elgin, IL-IN-WI	Houston-The Woodlands-Sugar Land, TX	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Miami-Fort Lauderdale-West Palm Beach, FL	San Francisco-Oakland-Hayward, CA	Phoenix-Mesa-Scottsdale, AZ	Boston-Cambridge-Nashua, MA-NH	Washington-Arlington-Alexandria, DC-VA-MD-WV	Atlanta-Sandy Springs-Roswell, GA	National
2019	4.1%	3.6%	3.9%	3.8%	4.1%	3.0%	2.7%	4.3%	2.7%	3.0%	3.4%	3.7%
2020	12.0%	10.5%	10.0%	8.7%	9.2%	8.3%	8.2%	7.4%	8.6%	6.5%	6.9%	8.1%
2021	9.0%	7.9%	7.0%	6.8%	6.5%	5.5%	5.5%	5.3%	5.3%	5.0%	3.6%	5.5%

Source: Federal Reserve of St. Louis

Note: Percentages reflect annual averages. 2021 data through November. Not seasonally-adjusted.

Travel Volume

- Total U.S. travel volume has rebounded to 85% of pre-COVID-19 levels and is expected to return above those levels in 2023.
- Leisure travel continues to drive the recovery, with individuals, couples, and families all taking more vacations and spending more money than ever before on vacations. Leisure travel will continue to build on this trend, as it is on pace to surpass pre-COVID-19 levels by the end of this year.
- Although corporate travel has lagged in the recovery thus far compared to other segments, the Global Business Travel Association (GBTA) projects that corporate travel spending will surge in 2022 (+38% year-over-year), with a full recovery to pre-COVID-19 levels by 2024. GBTA's outlook on corporate travel recovery has improved since year-end 2020, when the organization forecasted that corporate travel spending would not return to 2019 levels until 2025.
- International travel has remained hampered by lagged vaccine rollouts and waves of variants. As international markets gradually reopen and demand grows, international travel will return. As of now, this segment is projected to recover slowly and not return to prior peak levels until 2024-25.

U.S. Travel Volume Forecast (% of 2019)

	2020	2021F	2022F	2023F	2024F	2025F
Total	**67%**	**85%**	**95%**	**103%**	**107%**	**109%**
Domestic Person Trips	**68%**	**87%**	**96%**	**103%**	**108%**	**109%**
Leisure	76%	96%	101%	105%	108%	110%
Business	39%	54%	80%	96%	104%	106%
Auto	71%	89%	97%	104%	107%	109%
Air	42%	70%	88%	100%	109%	113%
International Arrivals	**24%**	**27%**	**66%**	**86%**	**98%**	**106%**
Canada	23%	12%	65%	88%	106%	116%
Mexico	38%	51%	92%	101%	102%	104%
Overseas	19%	24%	54%	78%	93%	102%

Source: U.S. Travel Association
Note: 2021 data through Fall 2021

Consumer Spending and Retail Rebound

- U.S. consumer spending swiftly rebounded in 2021 and is likely to continue to grow in 2022, as individuals are willing to spend more on travel and entertainment that was foregone during 2020 and early 2021.
  - **Bank of America's** 67 million customers spent a record $3.8T in 2021 (24% increase over 2019).
  - **JP Morgan** reported that debit and credit card spending was 27% higher in Q4 2021 compared to Q4 2019, with travel and entertainment spending up 13% over that same time period.
  - **Wells Fargo** credit card spending and median account balances for the Q4 2021 were both up 27% compared to pre-COVID-19 levels.
  - The November 2021 U.S. personal savings rate was 6.9% in November 2021 (latest information available), the lowest monthly rate since December 2017.

U.S. Holiday Retail Sales

	2021 vs. 2020	2021 vs. 2019
Total Retail (Ex. Auto)	8.5%	10.7%
In-Store	8.1%	2.4%
E-Commerce Sales	11.0%	61.4%
	2021 vs. 2020	**2021 vs. 2019**
Apparel	47.3%	29.0%
Department Stores	21.2%	11.0%
Electronics	16.2%	19.8%
Jewelry	32.0%	26.2%

Source: Mastercard SpendingPulse
Note: Reflects data from Nov. 1 - Dec. 24

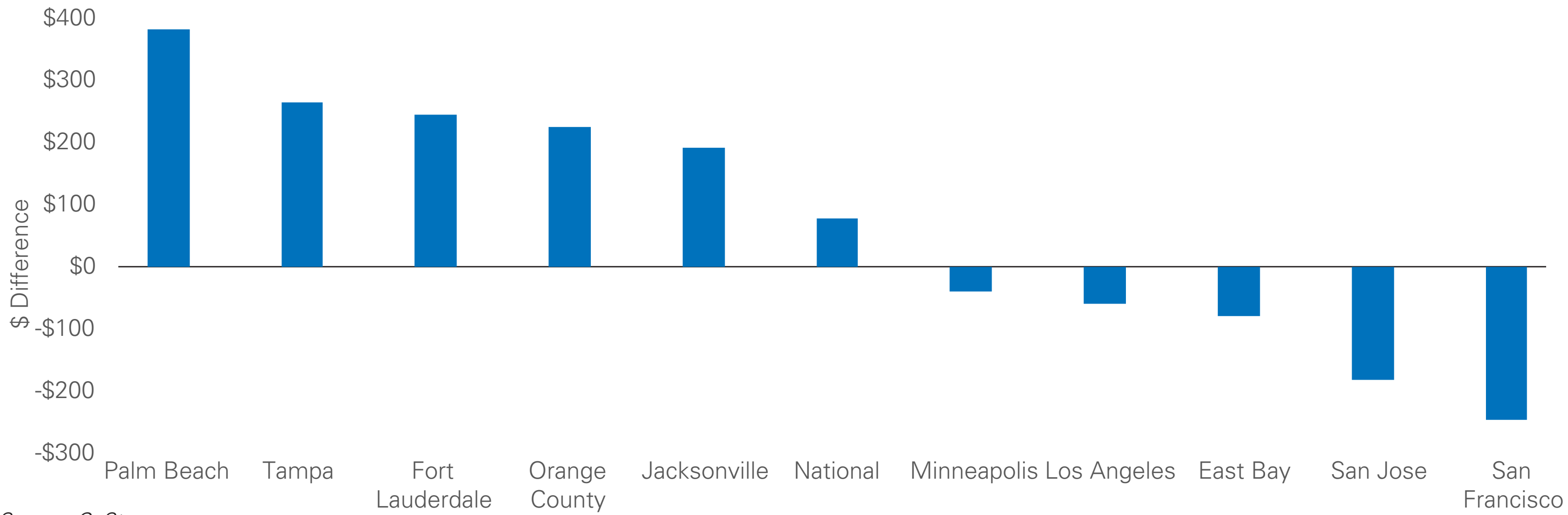
Consumers continued to remain active over the 2021 holiday season, as evidenced by an 8.5% increase in retail spending over the 2020 holiday season and a 10.7% increase in retail spending compared to the 2019 holiday season.

Office and Multifamily

- National office vacancy ended the year at 12.2%, approximately 1.7% above it's 7-year average from 2012-2019.
- CoStar forecasts that occupancy will remain elevated in the low double-digits for the forseeable future due to shifting work trends/tenant demands; however, rent per square foot is projected to continue its upward trajectory with a 3.1% expected CAGR through 2026.

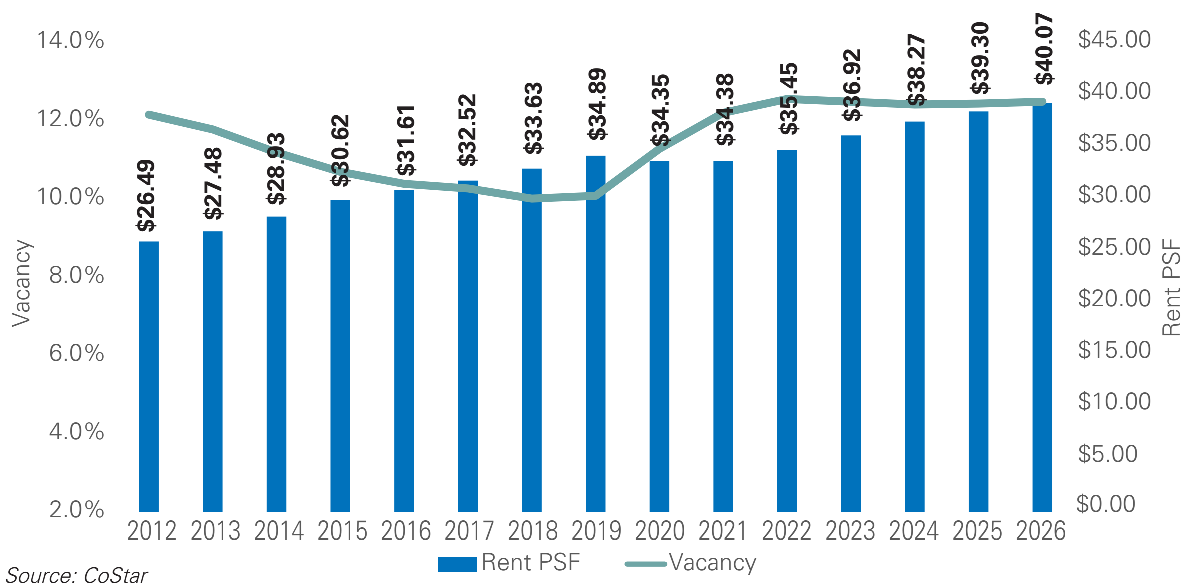
Southeast markets saw atmospheric multifamily unit rent growth in 2021 - Palm Beach, Tampa, Fort Lauderdale, and other exceeding CoStar forecasts by more than $200 per unit.

Difference Between Actual and CoStar Forecasted 2021 Rent



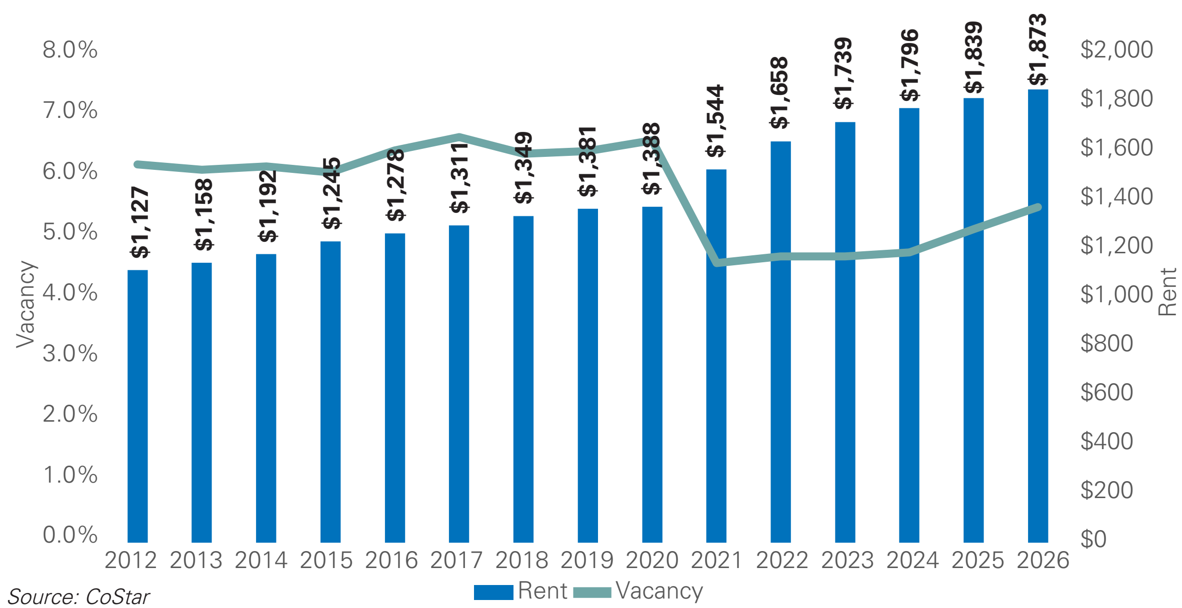
Source: CoStar

National Office Vacancy vs. Rent PSF



Source: CoStar

National Multifamily Vacancy vs. Unit Rent

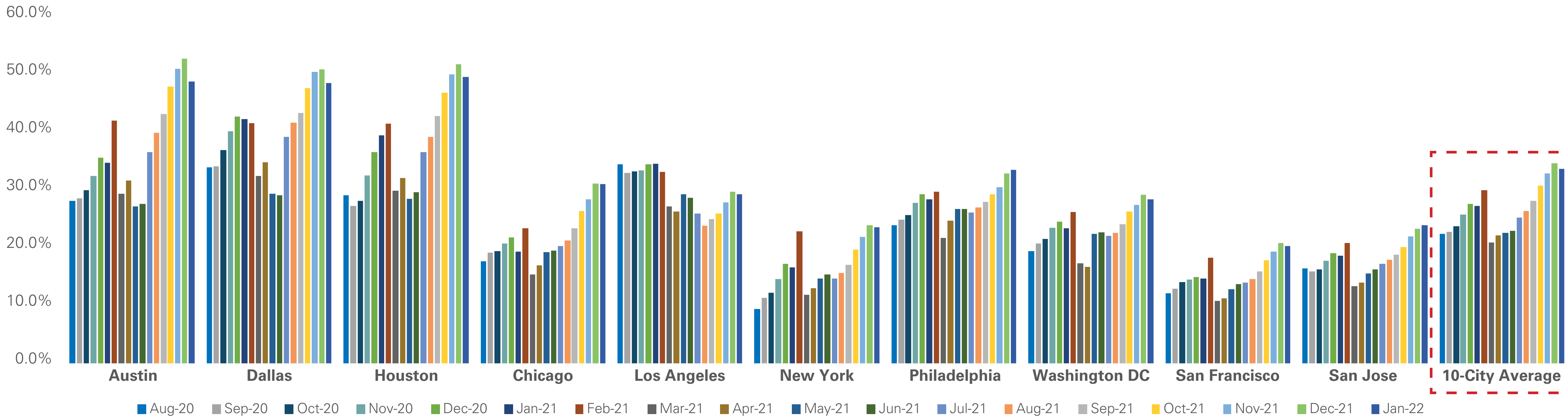


Source: CoStar

Return to Office

- Nationwide, companies continue to reassess their return to office plans due to the spike in COVID-19 variants.
- Kastle, which benchmarks keycard access to office buildings within the ten-largest office markets in the country relative to pre-COVID-19 levels, reported that swipes remain lower than the pandemic-era high of 40.6% on December 1st, 2021 to 30.1% on January 19th.
  - » Austin (43.7%), Dallas (40.9%), and Houston (43.4%) reported the highest office occupancy relative to pre-COVID-19 levels as of late January.
  - » New York City (21.6%), San Francisco (18.0%), and San Jose (21.9%) reported the lowest office occupancy relative to pre-COVID-19 levels as of late January.
- Although the timeline and shape of a return to office is difficult to project, Global Workplace Analytics forecasts that 25-30% of the U.S. workforce will be working from home for one or more days per week after the pandemic.

Office Occupancy Relative to Pre-COVID-19 Levels by Market



Source: Kastle

Notable Corporate Return To Office Policies

- With uncertainty following the spike of COVID cases and the Omicron variant, tenants have begun rethinking their return to office plans. Some have remained in the office, while others have delayed indefinitely.

Wells Fargo: Have option to WFH or go to office, but have to be vaccinated in order to return.

Morgan Stanley: Non-essential employees have option to WFH or go to office.

JPMorgan Chase & Co.: Offered option to WFH for the first two weeks of January, but must return by February 1st.

Amazon: Option to WFH or go to office is left up to individual managers.

Goldman Sachs: Encouraging employees to WFH until January 17th. Will require booster.

Citi: Offering option to WFH for the first "few" weeks of 2022.

BlackRock: Option to WFH through end of January 2022.

Jefferies: Asked employees to WFH through February 1st. Will require booster.

Meta: Delayed RTO plans from January 31st to March 28th and will require booster.

Google: Delayed RTO plans indefinitely from January 10th.

Apple: Delayed RTO plans indefinitely from February 1st.

American Express: Delayed RTO plans indefinitely from January 24th.

2021 Lodging Recap

2021 Lodging Recap

Macro Lodging Market Performance

- The recovery is in full swing in most markets, with only select markets and convention hotels continuing to lag.
- Leisure-oriented markets and resorts have continued to assert themselves as outperformers with several markets experiencing unprecedented demand and performance well above pre-COVID-19 levels.
- After falling nearly 30% in 2020, midscale and economy hotels returned to 2019 levels in 2021 – a testament to the cyclically resistant nature and rising demand within the select service space.

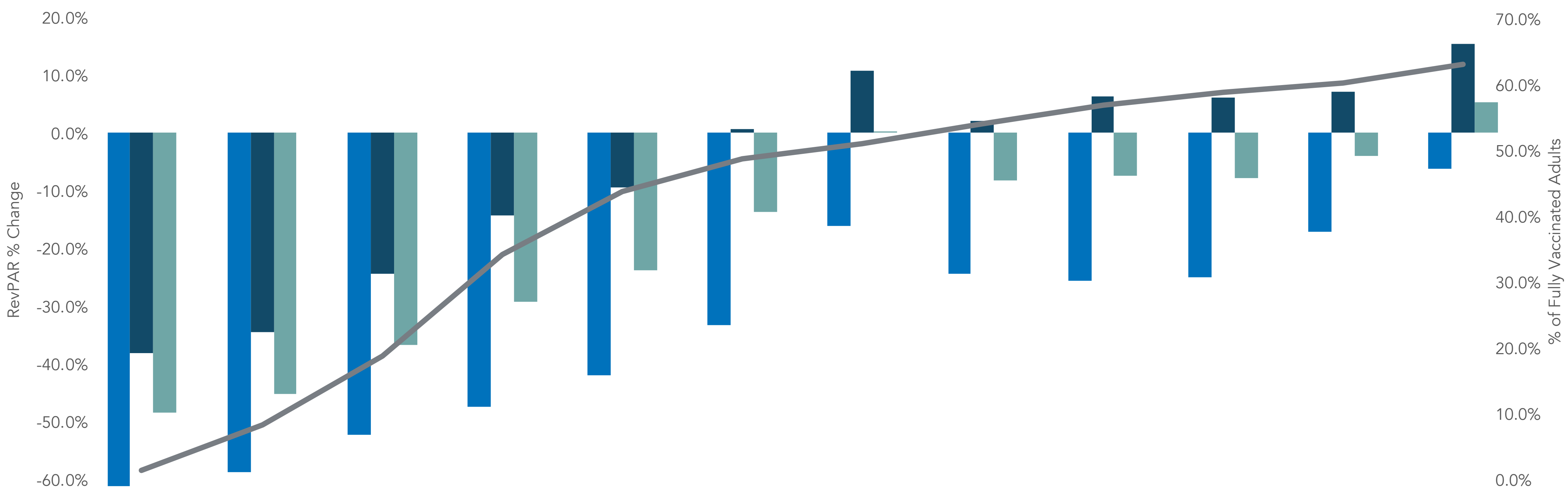
Lodging Debt Markets

- As the wave of distressed hotel activity failed to materialize, lenders reemerged in early 2021.
- Lenders continued to push underwriting fundamentals to provide more aggressive financing options for hotels of all types, including those with little-to-no in-place cash flow.
- We continued to see new lenders enter the marketplace on a weekly basis.
- Construction financing remains challenged given rising costs, a thinner field of construction lenders, LTC constraints, and spreads 2-3x existing hotels.

Operating Performance

- RevPAR predominantly remained below 2019 levels each month throughout the year. However, soaring demand during the summer months fostered strong ADR growth, ultimately surpassing 2019 levels in select markets.
- Most cities/urban markets experienced robust RevPAR growth in 2021 compared to 2020 but remain significantly below pre-COVID-19 levels.
- Resort locations and leisure-driven markets experienced an incredible recovery due to pent-up demand from consumers and continued flexibility in terms of "work from home."

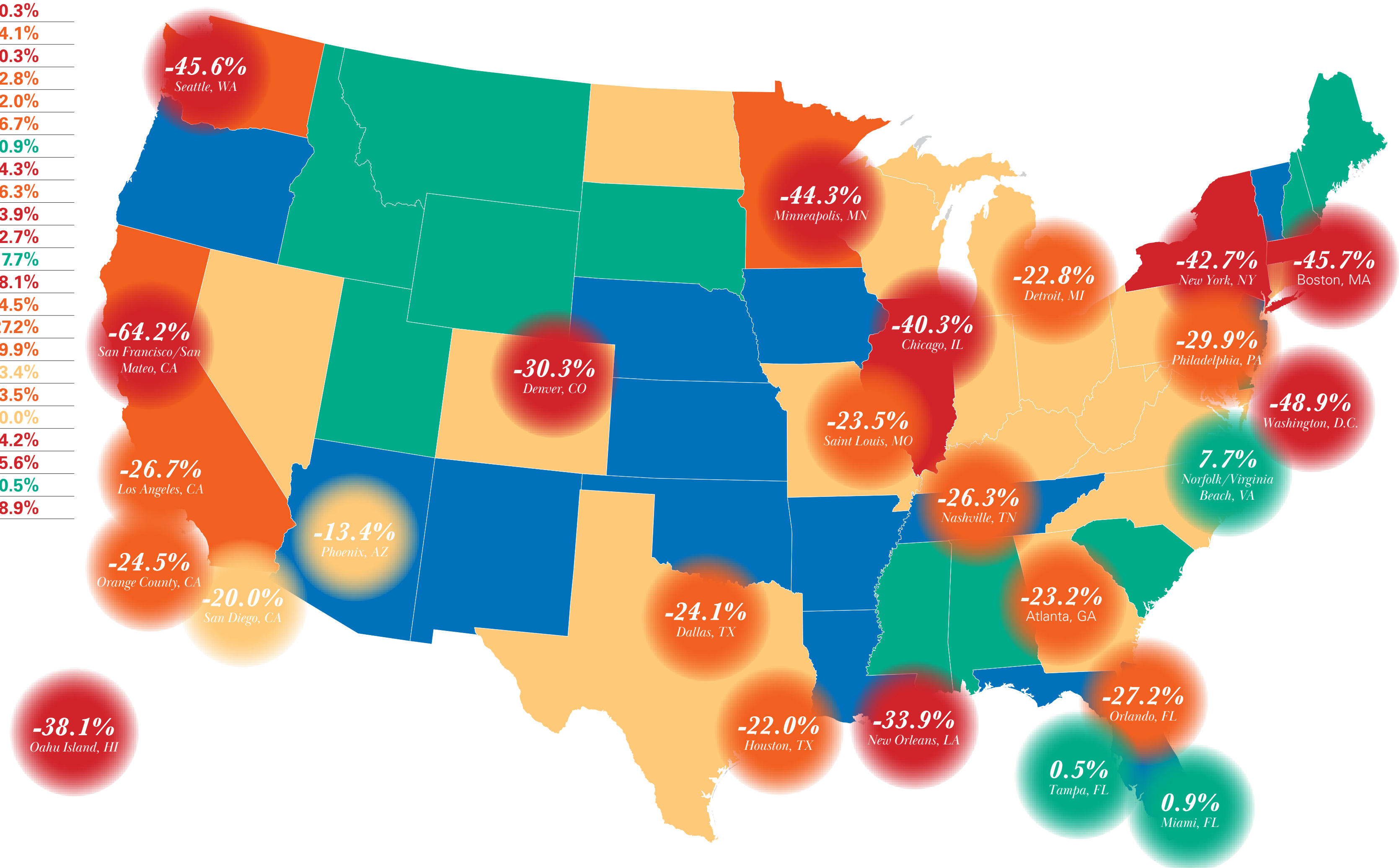
Monthly RevPAR % Change vs. 2019



	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Top 25	-60.1%	-57.7%	-51.5%	-46.7%	-41.4%	-32.8%	-15.9%	-23.9%	-25.2%	-24.5%	-16.9%	-6.1%
All Other	-37.6%	-33.9%	-24.0%	-14.1%	-9.4%	0.7%	10.7%	2.1%	6.3%	6.0%	7.0%	15.2%
Total U.S.	-47.6%	-44.4%	-36.0%	-28.8%	-23.3%	-13.4%	0.2%	-8.1%	-7.3%	-7.6%	-3.9%	5.2%
% U.S. Fully Vaccinated	2.2%	8.9%	19.3%	34.3%	43.8%	48.7%	50.9%	53.8%	56.7%	58.6%	60.0%	62.7%

Top 25 Market 2021 % RevPAR Change Over 2019

Top 25 Markets	
Atlanta, GA	-23.2%
Boston, MA	-45.7%
Chicago, IL	-40.3%
Dallas, TX	-24.1%
Denver, CO	-30.3%
Detroit, MI	-22.8%
Houston, TX	-22.0%
Los Angeles, CA	-26.7%
Miami, FL	0.9%
Minneapolis, MN	-44.3%
Nashville, TN	-26.3%
New Orleans, LA	-33.9%
New York, NY	-42.7%
Norfolk/Virginia Beach, VA	7.7%
Oahu Island, HI	-38.1%
Orange County, CA	-24.5%
Orlando, FL	-27.2%
Philadelphia, PA	-29.9%
Phoenix, AZ	-13.4%
Saint Louis, MO	-23.5%
San Diego, CA	-20.0%
San Francisco/San Mateo, CA	-64.2%
Seattle, WA	-45.6%
Tampa, FL	0.5%
Washington, D.C.	-48.9%



States	
Alabama	3.9%
Alaska	1.7%
Arizona	-7.0%
Arkansas	-0.4%
California	-26.3%
Colorado	-12.7%
Connecticut	-12.5%
Delaware	3.4%
District of Columbia	-58.9%
Florida	-1.9%
Georgia	-12.4%
Hawaii	-16.9%
Idaho	15.8%
Illinois	-34.3%
Indiana	-11.5%
Iowa	-9.4%
Kansas	-9.7%
Kentucky	-14.2%
Louisiana	-9.2%
Maine	21.1%
Maryland	-19.6%
Massachusetts	-32.5%
Michigan	-10.5%
Minnesota	-30.0%
Mississippi	13.9%
Missouri	-11.8%
Montana	23.6%
Nebraska	-4.8%
Nevada	-19.0%
New Hampshire	-2.5%
New Jersey	-21.3%
New Mexico	-5.5%
New York	-35.7%
North Carolina	-12.9%
North Dakota	-12.6%
Ohio	-15.1%
Oklahoma	-3.9%
Oregon	-9.0%
Pennsylvania	-17.8%
Rhode Island	-4.7%
South Carolina	5.4%
South Dakota	14.4%
Tennessee	-7.9%
Texas	-14.5%
Utah	2.5%
Vermont	7.6%
Virginia	-18.0%
Washington	-29.8%
West Virginia	-10.6%
Wisconsin	-11.3%
Wyoming	13.0%

Top 25 Markets	-32.7%
All Other Markets	-4.6%
United States	-16.8%

Key
X > 0%
0.0% > X > -10.0%
-10.0% > X > -20.0%
-20.0% > X > -30.0%
-30.0% > X

Source: STR

Top 25 U.S. Lodging Market Performance

- Leisure-oriented coastal markets, the southeast, Texas, and select west coast markets continue to assert themselves as outperformers as the recovery progresses.
- Of the Top 25 U.S. lodging markets as defined by STR, Norfolk/Virginia Beach, Miami, and Tampa led all markets in 2021 RevPAR compared to 2019 levels.
- Certain markets, including much of Florida, posted significant outperformance during the shoulder/low-season, which points to the continued trend of a prolonged "high-season" in most leisure markets.

Top U.S. 25 Lodging Markets - 2021 RevPAR % of 2019

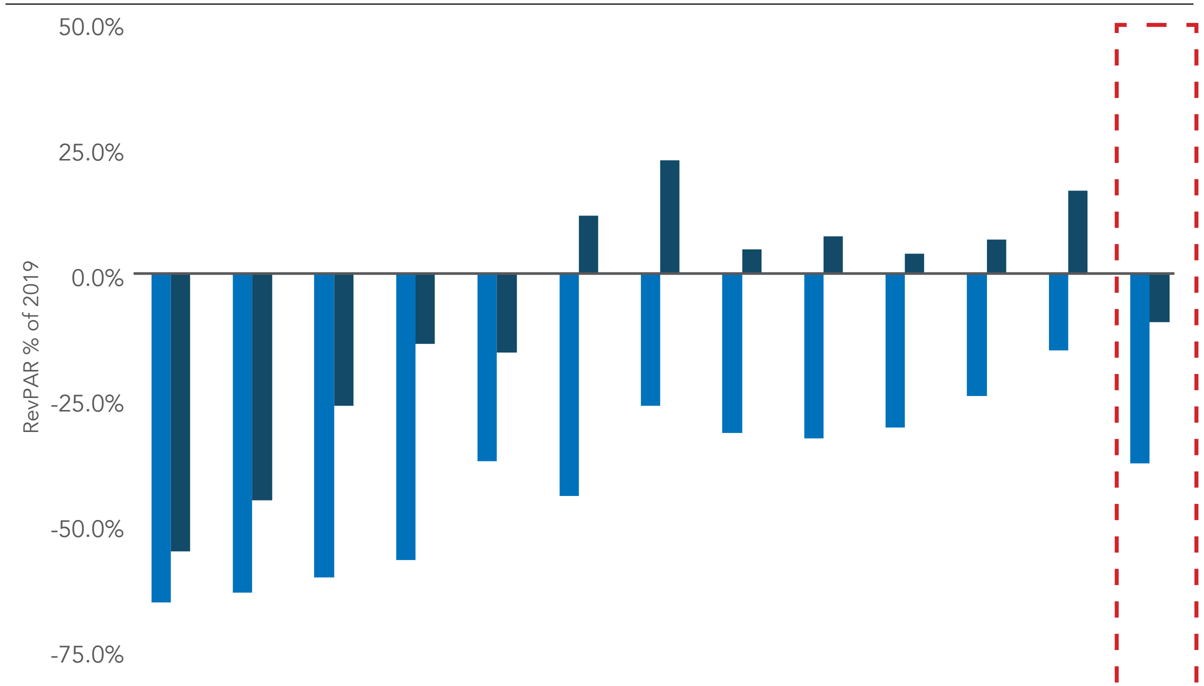
	January	February	March	April	May	June	July	August	September	October	November	December	2021
Norfolk/Virginia Beach, VA	92.5%	89.4%	89.2%	91.5%	101.7%	108.5%	125.6%	110.7%	120.3%	107.2%	109.6%	121.2%	107.7%
Miami, FL	57.8%	64.3%	83.1%	94.9%	129.6%	147.3%	135.6%	101.2%	113.4%	106.1%	114.2%	118.9%	100.9%
Tampa, FL	61.7%	73.1%	74.8%	100.6%	109.4%	122.9%	127.3%	105.9%	114.4%	115.1%	110.7%	124.2%	100.5%
Phoenix, AZ	44.0%	48.3%	62.1%	82.6%	93.4%	108.3%	124.8%	107.1%	109.6%	106.4%	113.7%	122.3%	86.6%
San Diego, CA	32.7%	38.8%	50.1%	62.1%	76.8%	86.2%	98.3%	98.2%	95.0%	97.6%	101.3%	110.3%	80.0%
Houston, TX	47.9%	49.9%	66.3%	73.3%	73.2%	84.6%	89.6%	96.9%	92.4%	80.1%	93.3%	93.7%	78.0%
Detroit, MI	45.8%	57.6%	58.9%	65.7%	68.3%	77.0%	88.2%	92.2%	90.0%	82.7%	90.1%	97.8%	77.2%
Atlanta, GA	44.9%	41.5%	60.0%	67.8%	76.1%	82.5%	99.9%	86.4%	91.8%	86.8%	91.6%	102.2%	76.8%
Saint Louis, MO	56.6%	54.8%	63.2%	67.1%	73.1%	80.6%	88.1%	78.9%	81.6%	87.4%	82.0%	92.1%	76.5%
Dallas, TX	43.0%	49.0%	64.2%	67.5%	76.6%	80.0%	86.1%	85.7%	85.1%	82.5%	93.8%	101.1%	75.9%
Orange County, CA	31.9%	34.3%	37.5%	49.7%	65.2%	78.7%	96.7%	85.4%	94.3%	90.7%	92.4%	107.0%	75.5%
Nashville, TN	37.8%	35.2%	41.6%	50.5%	62.1%	78.4%	103.1%	88.9%	86.0%	89.8%	87.6%	114.1%	73.7%
Los Angeles, CA	37.9%	41.2%	51.3%	59.0%	71.8%	75.4%	87.5%	79.6%	84.7%	88.7%	90.2%	99.8%	73.3%
Orlando, FL	31.4%	34.0%	49.3%	62.6%	71.1%	88.2%	113.9%	81.0%	86.3%	79.1%	87.4%	100.1%	72.8%
Philadelphia, PA	51.5%	53.7%	51.8%	55.9%	54.0%	59.9%	82.4%	82.1%	87.2%	82.9%	79.2%	88.7%	70.1%
Denver, CO	39.1%	43.9%	48.8%	49.7%	61.1%	67.3%	83.1%	78.9%	85.4%	81.4%	76.4%	98.6%	69.7%
New Orleans, LA	29.0%	25.3%	30.3%	44.9%	59.2%	68.3%	86.1%	70.1%	108.5%	90.3%	101.6%	120.1%	66.1%
Oahu Island, HI	19.8%	24.2%	40.5%	49.7%	62.5%	80.4%	92.3%	78.8%	57.3%	54.7%	64.3%	88.7%	61.9%
Chicago, IL	42.8%	43.4%	43.4%	41.2%	41.2%	44.2%	75.9%	69.3%	67.9%	66.4%	73.4%	84.5%	59.7%
New York, NY	35.9%	40.2%	35.1%	33.6%	37.3%	50.0%	64.8%	59.0%	60.0%	59.7%	78.5%	80.2%	57.3%
Minneapolis, MN	36.9%	36.9%	42.7%	40.5%	48.8%	52.1%	62.0%	62.3%	59.5%	65.6%	73.9%	83.1%	55.7%
Seattle, WA	35.0%	33.7%	35.0%	42.0%	43.6%	48.8%	62.0%	62.4%	62.3%	65.2%	70.3%	80.9%	54.4%
Boston, MA	34.3%	34.8%	30.3%	27.6%	33.0%	40.8%	60.6%	68.8%	64.6%	79.4%	73.4%	80.9%	54.3%
Washington, DC	71.6%	41.8%	29.6%	32.4%	35.0%	41.8%	60.7%	71.1%	56.4%	58.1%	65.9%	77.4%	51.1%
San Francisco/San Mateo, CA	14.1%	18.8%	23.6%	28.2%	29.5%	36.6%	49.7%	40.1%	39.4%	41.8%	42.2%	59.8%	35.8%
Top 25 Markets	**39.9%**	**42.3%**	**117.4%**	**53.3%**	**58.8%**	**67.2%**	**84.1%**	**76.1%**	**74.8%**	**75.5%**	**82.7%**	**101.6%**	**67.3%**
All Other Markets	**62.4%**	**66.1%**	**145.0%**	**85.9%**	**90.7%**	**100.7%**	**110.7%**	**102.1%**	**106.3%**	**106.0%**	**106.5%**	**114.7%**	**95.4%**
Total United States	**52.4%**	**55.6%**	**64.2%**	**71.2%**	**76.9%**	**86.6%**	**100.2%**	**91.9%**	**92.7%**	**92.4%**	**95.6%**	**145.0%**	**83.2%**

Source: STR

Tale of Two Cities

- Operating performance in 2021 was distinctly split between urban and resort/leisure-oriented product, with the latter seeing monthly RevPAR performance outpace 2019 levels beginning late Q2 or early Q3.
- Although RevPAR was anemic in most major urban markets for much of the year, there were signs of recovery late in the year, with November and December posting stronger ADR and occupancy numbers than any month since the outset of the pandemic.
- Sustained green shoots in urban markets, coupled with increasing pressure to resolve troubled assets and the ongoing COVID-19 vaccines/treatments, will inevitably lead investors back to core urban markets.
- The basis for assets in urban markets continues to become more attractive relative to leisure/resort opportunities.

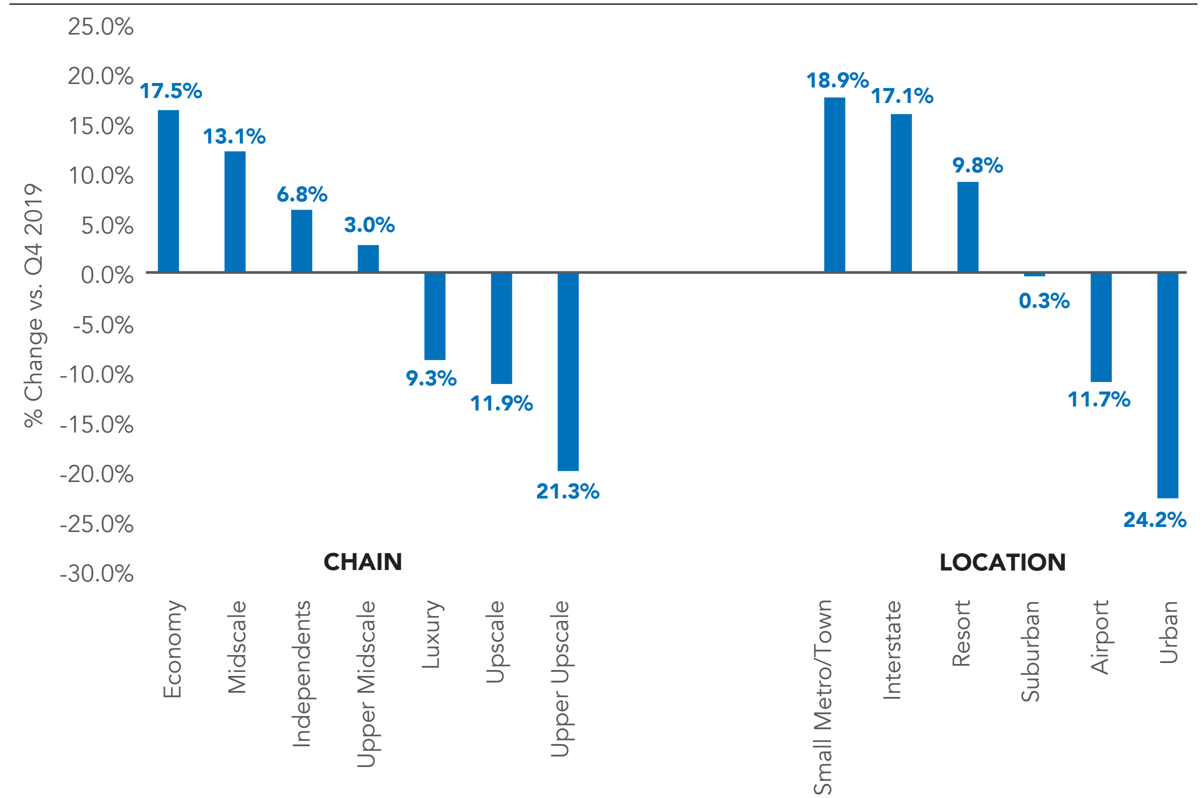
Tale of Two Cities



	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021
Urban	-65.5%	-63.5%	-60.5%	-57.0%	-37.2%	-44.3%	-26.3%	-31.7%	-32.6%	-30.6%	-24.3%	-15.1%	-37.8%
Resort	-55.2%	-45.2%	-26.3%	-13.8%	-15.6%	11.9%	22.9%	5.1%	7.8%	4.2%	7.1%	16.9%	-9.5%

Source: STR and OurWorldData

Q4 2021 U.S. RevPAR by Chain Scale and Location vs. 2019 Levels



Source: STR

Top 10 2021 RevPAR Markets

- The Pacific region has been the highest RevPAR region in the country over the past three years, per STR.
- In 2021, Florida had four of the top 10 markets/submarkets based on RevPAR (Florida Keys – 2 ; Miami – 4; Palm Beach – 6; Fort Myers – 9).

#	Market	Rank Change vs. 2019	2021 RevPAR	2019 RevPAR	% vs. 2019	YOY % Change
1	Maui Island	-	$332.90	$311.20	7.0%	135.9%
2	**Florida Keys**	+ 1	**$306.20**	$209.83	45.9%	85.7%
3	Hawaii/Kauai Islands	+ 2	$204.97	$203.63	0.7%	117.9%
4	**Miami**	+ 3	$145.81	$147.93	-1.4%	69.6%
5	California Central Coast	+ 6	$142.02	$133.39	6.5%	75.2%
6	Palm Beach	+ 6	$133.60	$132.58	0.8%	58.6%
7	New York	- 5	$122.89	$219.04	-43.9%	72.4%
8	Oahu Island	- 2	$122.20	$202.40	-39.6%	44.7%
9	**Fort Myers**	+ 13	$114.27	$107.67	6.1%	48.9%
10	Long Island	+ 5	$112.45	$120.70	-6.8%	58.8%

Source: STR

U.S. Long-Term Lodging Market Trends

REVPAR RECOVERY VS. PREVIOUS CYCLES

- STR forecasts that U.S. hotel RevPAR will return to prior peak levels in 2022, one year faster than the GFC and two years quicker than 9/11.

Year	Occ	% Change	ADR	% Change	RevPAR	% Change	Supply	% Change	Demand	% Change
1994	64.4%	1.9%	$62.50	3.7%	$40.26	5.7%	1,313,129,391	1.3%	845,824,444	3.2%
1995	64.7%	0.4%	$65.48	4.8%	$42.34	5.2%	1,334,256,243	1.6%	862,683,741	2.0%
1996	64.5%	-0.2%	$69.71	6.5%	$44.96	6.2%	1,366,103,205	2.4%	881,173,422	2.1%
1997	63.8%	-1.0%	$73.79	5.9%	$47.10	4.8%	1,413,034,260	3.4%	901,996,282	2.4%
1998	63.1%	-1.1%	$77.11	4.5%	$48.69	3.4%	1,468,688,881	3.9%	927,353,544	2.8%
1999	62.7%	-0.7%	$79.88	3.6%	$50.08	2.9%	1,524,274,020	3.8%	955,595,523	3.0%
2000	63.3%	0.9%	$84.20	5.4%	$53.29	6.4%	1,568,024,480	2.9%	992,316,936	3.8%
2001	59.7%	-5.7%	$83.16	-1.2%	$49.62	-6.9%	1,605,255,095	2.4%	957,757,131	-3.5%
2002	59.0%	-1.2%	$82.09	-1.3%	$48.41	-2.4%	1,630,489,591	1.6%	961,526,947	0.4%
2003	59.1%	0.3%	$82.23	0.2%	$48.62	0.4%	1,647,751,541	1.1%	974,248,299	1.3%
2004	61.4%	3.8%	$85.72	4.3%	$52.60	8.2%	1,655,325,430	0.5%	1,015,782,953	4.3%
2005	63.0%	2.6%	$90.50	5.6%	$56.98	8.3%	1,654,887,197	-0.0%	1,041,918,270	2.6%
2006	63.1%	0.2%	$97.26	7.5%	$61.36	7.7%	1,659,188,485	0.3%	1,046,798,570	0.5%
2007	62.8%	-0.5%	$103.71	6.6%	$65.11	6.1%	1,679,035,389	1.2%	1,054,077,348	0.7%
2008	59.9%	-4.5%	$106.79	3.0%	$64.00	-1.7%	1,717,751,442	2.3%	1,029,534,158	-2.3%
2009	54.5%	-9.1%	$97.67	-8.5%	$53.23	-16.8%	1,765,786,407	2.8%	962,441,411	-6.5%
2010	57.5%	5.5%	$97.56	-0.1%	$56.11	5.4%	1,795,003,281	1.7%	1,032,420,305	7.3%
2011	59.9%	4.2%	$101.26	3.8%	$60.68	8.1%	1,802,014,067	0.4%	1,079,862,637	4.6%
2012	61.5%	2.6%	$105.55	4.2%	$64.89	6.9%	1,807,827,662	0.3%	1,111,519,773	2.9%
2013	62.2%	1.2%	$109.54	3.8%	$68.13	5.0%	1,816,500,262	0.5%	1,129,740,176	1.6%
2014	64.3%	3.4%	$114.70	4.7%	$73.74	8.2%	1,826,608,524	0.6%	1,174,429,655	4.0%
2015	65.3%	1.5%	$119.93	4.6%	$78.29	6.2%	1,842,153,541	0.9%	1,202,553,866	2.4%
2016	65.5%	0.3%	$123.61	3.1%	$80.95	3.4%	1,866,152,000	1.3%	1,222,041,095	1.6%
2017	65.8%	0.5%	$126.40	2.3%	$83.16	2.7%	1,895,505,278	1.6%	1,246,996,257	2.0%
2018	66.1%	0.4%	$129.58	2.5%	$85.60	2.9%	1,930,003,548	1.8%	1,275,014,428	2.2%
2019	66.0%	-0.2%	$130.98	1.1%	$86.37	0.9%	1,964,990,871	1.8%	1,295,821,098	1.6%
2020	44.1%	-33.1%	$103.38	-21.1%	$45.63	-47.2%	1,887,299,718	-4.0%	833,090,390	-35.7%
2021	57.3%	29.9%	$124.63	20.6%	$71.47	56.6%	1,991,362,120	5.5%	1,141,877,675	37.1%
2022F	63.7%	11.1%	$136.54	9.6%	$86.95	21.7%	2,125,607,483	6.7%	1,353,525,678	18.5%
2023F	66.4%	4.2%	$143.70	5.2%	$95.37	9.7%	2,139,144,560	0.6%	1,419,729,808	4.9%
2024F	68.0%	2.4%	$149.93	4.3%	$101.94	6.9%	2,142,418,134	0.2%	1,456,712,954	2.6%
2025F	68.3%	0.4%	$155.36	3.6%	$106.06	4.0%	2,142,911,183	0.0%	1,462,836,401	0.4%

CAGR	Avg.									
1994-2000	63.8%			5.1%		4.8%		3.0%		2.7%
2003-2008	61.5%			5.4%		5.7%		0.8%		1.1%
2009-2019	62.6%			3.0%		5.0%		1.1%		3.0%
2022-2025	66.6%			4.4%		6.8%		0.3%		2.6%

Source: STR

Years Back to Prior Peak RevPAR					
Year	U.S.	Luxury & Upper Upscale	Upscale & Upper Midscale	Midscale & Economy	Event
2000	$53.29	$105.46	$58.85	$33.93	9/11
2001	$49.62	$93.67	$54.72	$32.63	
2002	$48.41	$91.12	$52.92	$31.70	
2003	$48.62	$90.41	$52.85	$31.79	
2004	$52.60	$98.43	$57.09	$33.69	
2005	**$56.98**	**$107.29**	**$61.62**	**$35.78**	
2008	$63.88	$121.22	$68.94	$37.88	GFC
2009	$53.24	$98.12	$57.45	$31.67	
2010	$56.12	$104.69	$60.12	$32.50	
2011	$60.68	$113.61	$64.71	$34.59	
2012	**$64.77**	**$121.45**	**$69.06**	$36.70	
2013	$68.13	$128.19	$72.12	**$38.12**	
2019	$86.37	$156.49	$88.57	$48.24	COVID-19
2020	$45.63	$68.12	$47.36	$33.78	
2021	$71.47	$111.36	$73.59	**$48.94**	
2022	**$86.95**	$141.41	$87.82	$57.66	
2023	$95.37	$154.71	**$97.22**	$62.30	
2024	$101.94	**$167.74**	$103.85	$65.34	

Source: STR

Prior Peak | Major Economic Event | **Recovered to Prior Peak**

Luxury & Upper Upscale Hotel Outperformance

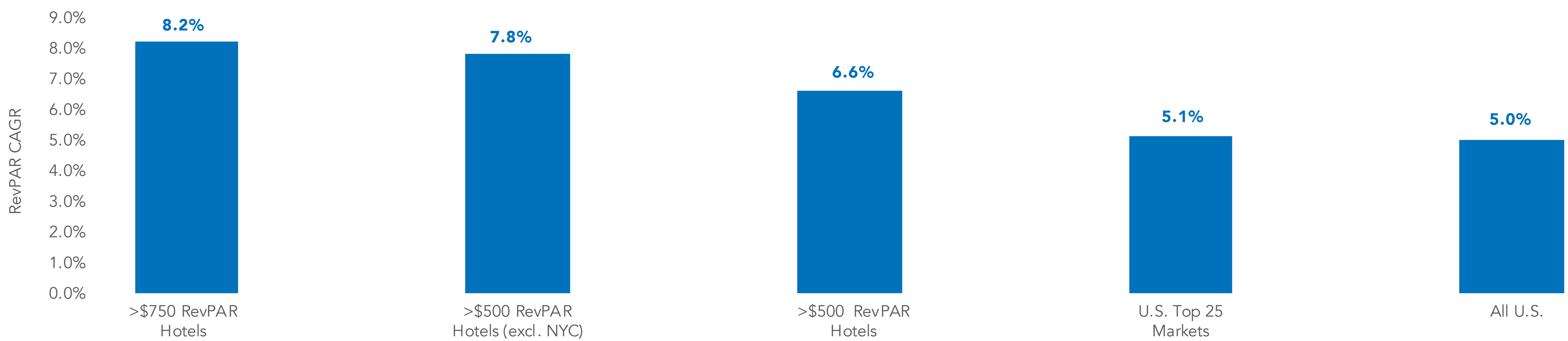
- Luxury and upper upscale hotels have shown significant RevPAR outperformance over the past 30 years, driven largely by the immense wealth creation and development of higher-spend travel habits across the world.

RevPAR CAGR				
Period	**U.S.**	**Luxury & Upper Upscale**	**Upscale & Upper Midscale**	**Midscale & Economy**
1988-2019	3.0%	3.3%	2.8%	2.0%
1988-2008	3.2%	3.8%	3.0%	1.9%
1994-2000	4.8%	6.6%	4.7%	3.1%
2003-2008	5.7%	6.0%	5.5%	3.6%
2009-2019	5.0%	4.8%	4.4%	4.3%
2022-2025	6.8%	7.6%	7.1%	5.2%

Source: STR

- Over the past decade, hotels have seen an incrementally higher RevPAR growth as they move up the luxury chain scale/price point.
- Ultra-luxury U.S. hotels experienced an 8.2% RevPAR CAGR from 2009-2019, more than 300 basis points higher than the top 25 markets' RevPAR CAGR over that same time period.

U.S. Ultra-Luxury & Luxury Hotel RevPAR CAGR 2009-2019



Source: STR

Forging the Path for Luxury and Increased Travel Spend

- Total wealth of U.S. billionaires grew by $1.3T to $4.6T during the first 11 months of the pandemic – a 44.0% increase. The combined wealth of the world's billionaires is $13.1T – a 63.8% increase from March 2020.
- The reduction in consumption opportunities due to lockdowns, combined with stimulus programs, led to a rise in the national savings rate in 2020.

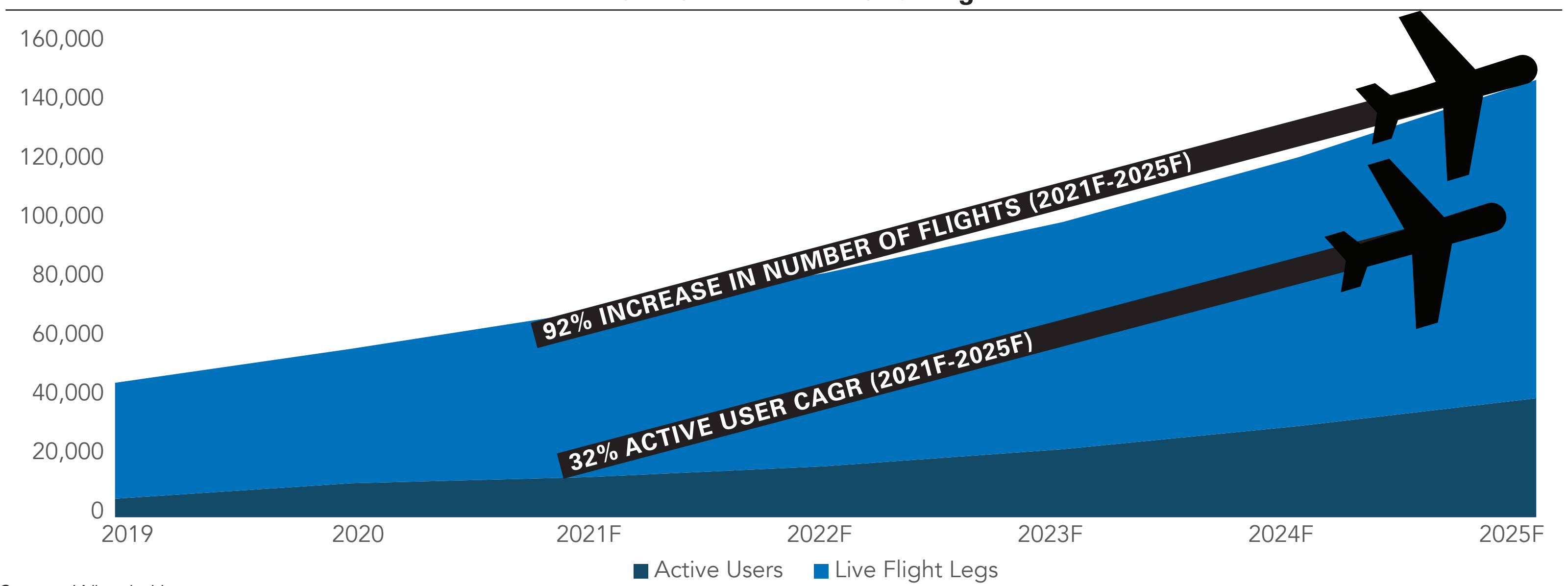
The Forbes World's Billionaires list in 2021 included a record-breaking 2,755 individuals, 493 of whom were new additions.

The number of billionaires in the U.S. is projected to increase by 27.8% by 2025.

Since the pandemic, the total wealth in North America grew by 10.0%, the most of any continent.

- The private aviation industry has taken off amidst the pandemic, as evidenced by October 2021 being the busiest month ever for the number of private jet flights (323,000). The previous record was set in July 2021 with 302,000 flights.
  - » Wheels Up entered the public markets in July through a $650 MM IPO. As a leading indicator of demand for luxury travel, Wheels Up projected a 32% CAGR through 2025 in their number of active users (resulting in 92% flight leg growth over 2021 levels).

Active Users and Number of Flights

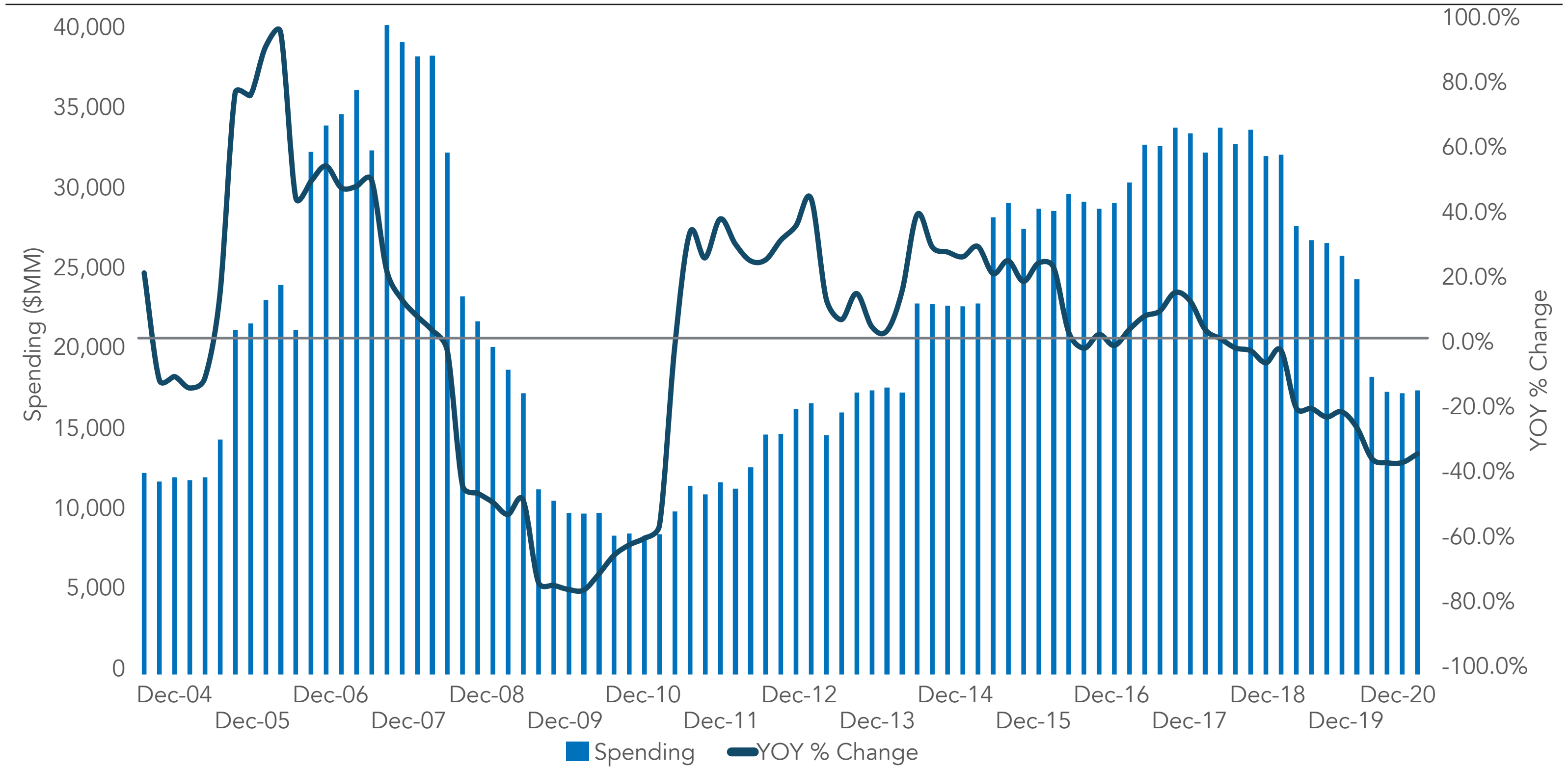


Source: Wheels Up

Hotel Construction Landscape

- Hotel development has slowed in many markets after a multi-year growth cycle. With costs up 25-30% compared to pre-COVID levels and a challenging financing market, countless projects have stalled or been shelved entirely.
- Lodging development spending fell 45.2% in November 2021 compared to the same period in 2019. For reference, over the same two year period during the GFC (Nov. 2008-2010), hotel construction spending dropped by 73.9%.
- As of December, rooms under construction represented approximately 2.9% of existing supply. By chain scale, the luxury and upscale segments have the most anticipated growth as their rooms under construction represent 8.6% and 4.9% of current inventory, respectively.
- The nation's top lodging markets, which currently supply 2+ MM rooms, have almost 85,000 (4.0% of existing supply) under construction. New York City (12.0%), Austin (9.1%), and Nashville (8.6%) are seeing the highest new construction relative to current inventory levels.
- Similar to the vast amount of EB-5 funding that appeared following the GFC, crowd funding for commercial real estate development hit an all-time high during the pandemic ($15 BN in 2020)- likely paving the way for hotel deals that may or may not be necessary given demand and costs.

U.S. Hotel Construction Spending



Source: U.S. Census Bureau

Chain Scale	Current Inventory Rooms	% of U.S. Rooms	Under Construction Rooms	% of Current Inventory
Independent	1,594,969	28.4%	25,841	1.6%
Upper Midscale	1,183,201	21.1%	42,235	3.6%
Upscale	870,534	15.5%	42,930	4.9%
Economy	738,533	13.2%	6,047	0.8%
Upper Upscale	657,996	11.7%	18,940	2.9%
Midscale	432,705	7.7%	13,078	3.0%
Luxury	131,361	2.3%	11,320	8.6%
Total	**5,609,299**	**100.0%**	**160,391**	**2.9%**

Source: STR

Construction Pipeline by MSA

Market (MSA)	Current Inventory Rooms	Under Construction Rooms	% of Current Inventory
New York	128,737	15,455	12.0%
Austin	46,229	4,220	9.1%
Nashville	54,659	4,708	8.6%
Miami	64,674	4,466	6.9%
Raleigh/Durham	31,279	2,117	6.8%
Detroit	47,930	2,708	5.6%
Salt Lake City	24,433	1,337	5.5%
Dallas	97,309	4,764	4.9%
Denver	57,891	2,780	4.8%
Atlanta	109,966	5,178	4.7%
Charlotte	42,461	1,853	4.4%
Los Angeles	115,168	4,617	4.0%
Washington, D.C.	113,526	4,487	4.0%
Phoenix	70,045	2,659	3.8%
Charleston	23,120	862	3.7%
San Antonio	49,156	1,611	3.3%
Seattle	49,949	1,448	2.9%
Minneapolis	48,047	1,360	2.8%
Las Vegas	167,780	4,746	2.8%
San Francisco/San Mateo	55,084	1,293	2.3%
Boston	63,204	1,470	2.3%
Houston	97,907	2,140	2.2%
Chicago	121,903	2,585	2.1%
Saint Louis	41,541	864	2.1%
Philadelphia	52,581	960	1.8%
Orlando	136,955	2,435	1.8%
Norfolk/Virginia Beach	37,501	418	1.1%
New Orleans	42,414	471	1.1%
Oahu Island	30,551	195	0.6%
San Diego	64,570	145	0.2%
Total	**2,086,570**	**84,352**	**4.0%**
Total (excl. Las Vegas)	**1,918,790**	**79,606**	**4.1%**

Source: STR

NEWMARK

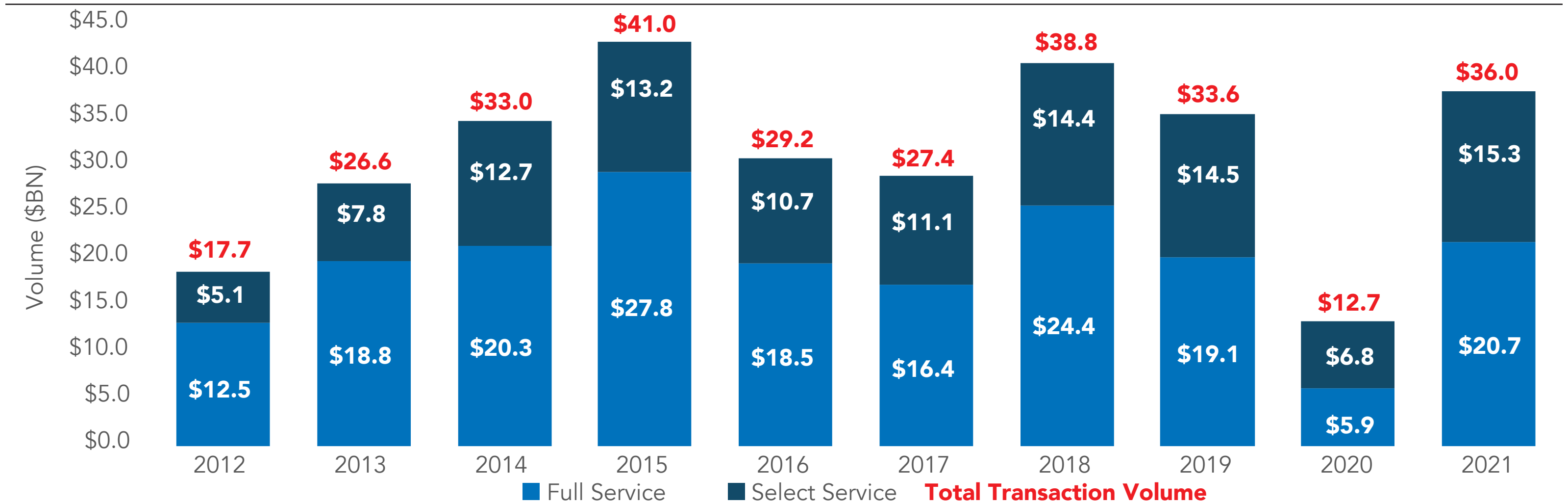
2021 Lodging Transaction Overview

2021 Lodging Transaction Overview

- The lodging transaction market made a swift comeback in 2021, as investors began to aggressively pursue deals again.
- Driven in part by the tremendous liquidity in the system, pent-up demand, and search for yield (given where multifamily and industrial have trended), transaction activity picked up earlier than experts had predicted.
- Most investors were focused on assets in leisure-oriented markets or drive-to destinations that recovered quickly and were performing near or above pre-pandemic levels.
- High-quality select service assets in high-growth markets were also widely sought-after given their relative lack of volatility.
- Investors with a lower cost of capital or longer-dated capital aggressively pursued high-quality, well-located real estate, regardless of market or in-place cash flow.
- Valuations surpassed pre-COVID-19 levels in many markets by the second half of the year.
- In addition to traditional asset sales and financings, joint ventures, recapitalizations, preferred equity investments, and platform deals became more prevalent.
- The most active investors were PE/hedge funds, HNW investors/family offices, select public REITs, and owner/operators.
- Many of the public REITs disposed of assets and shored up their balance sheets and then started to go on the offensive.
- There was also a significant increase in alternative use investors (student housing, multifamily, assisted living, etc.) acquiring hotels in select markets.
- Overall, the transaction market recorded a solid year that was highlighted by record price per key transactions and a few portfolio trades.

2021 U.S. hotel transaction volume was 6.9% higher than 2019 levels, with more select service transaction volume than ever before.

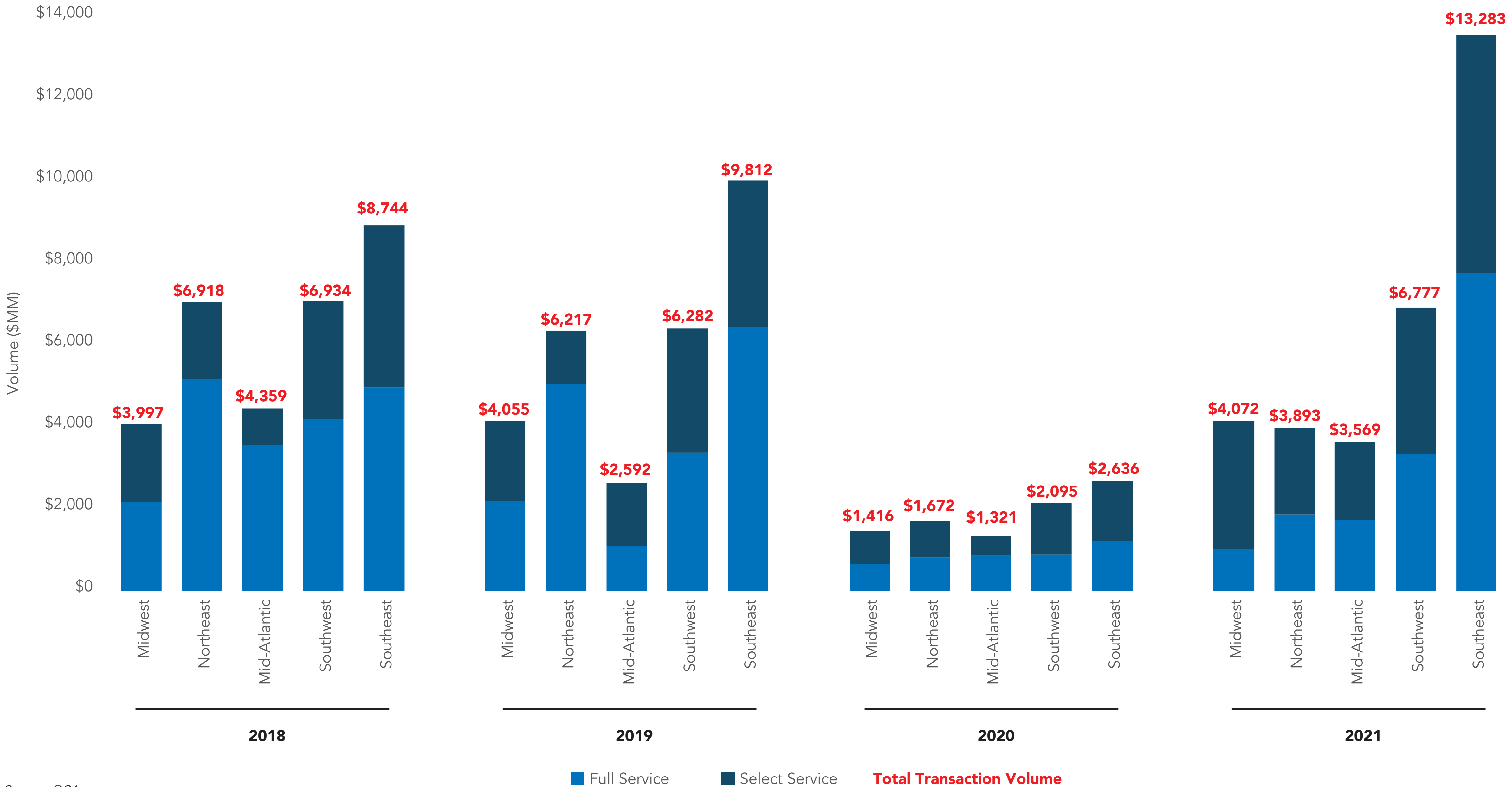
U.S. Hotel Transaction Volume by Year



Source: RCA

Note: Includes individual and portfolio transactions

Hotel Transaction Volume by Region



Source: RCA

Most Active Investors by 2021 Transaction Volume

Company	Investor Type	Acquisitions ($MM)	Dispositions ($MM)	Net Transactions ($MM)
Blackstone	Eq. Fund	$8,195	$715	**$7,480**
Starwood Capital	Eq. Fund	$6,089	$210	**$5,879**
Highgate Holdings	Dev/Own	$3,992	$190	**$3,802**
Cerberus	Eq. Fund	$3,837	$35	**$3,802**
Host Hotels & Resorts	Pub. REIT	$1,186	$745	**$441**
KKR	Inv. Mgr.	$1,011	-	**$1,011**
GIC	SWF	$873	-	**$873**
Fontainebleau Development	Dev/Own	$850	-	**$850**
Koch Real Estate	HNW	$850	-	**$850**
Summit Hotel Properties	Pub. REIT	$847	$84	**$763**
KSL Capital Partners	Eq. Fund	$641	$270	**$371**
Lone Star	Eq. Fund	$551	-	**$551**
MGM Resorts International	REOC	$535	$981	**-$446**
PIMCO	Inv. Mgr.	$529	-	**$529**
Ohana Real Estate Investors	Dev/Own	$527	$265	**$262**
Trinity Investments	Inv. Mgr.	$490	-	**$490**
Henderson Park	Inv. Mgr.	$479	-	**$479**
MCR Hotels	Dev/Own	$475	-	**$475**
Pebblebrook Hotel Trust	Pub. REIT	$472	$264	**$208**
Magna Hospitality Group	Dev/Own	$469	-	**$469**

Source: RCA
Note: Includes individual asset sales, portfolio sales, and entity transactions. Investor type defined by RCA.

Most Active Full Service Investors by 2021 Transaction Volume

Company	Investor Type	Acquisitions ($MM)	Dispositions ($MM)	Net Transactions ($MM)
Blackstone	Eq. Fund	$1,541	$379	**$1,161**
Host Hotels & Resorts	Pub. REIT	$1,186	$745	**$441**
Highgate Holdings	Dev/Own	$1,087	$113	**$974**
Cerberus	Eq. Fund	$997	-	**$997**
Fontainebleau Development	Dev/Own	$850	-	**$850**
Koch Real Estate	HNW	$850	-	**$850**
Lone Star	Eq. Fund	$551	-	**$551**
MGM Resorts International	REOC	$535	$981	**-$446**
PIMCO	Inv. Mgr.	$529	-	**$529**
Ohana Real Estate Investors	Dev/Own	$527	$265	**$262**
Trinity Investments	Inv. Mgr.	$490	-	**$490**
Henderson Park	Inv. Mgr.	$479	-	**$479**
Pebblebrook Hotel Trust	Pub. REIT	$472	$264	**$208**
CGI Merchant	Inv. Mgr.	$455	-	**$455**
KKR	Inv. Mgr.	$446	-	**$446**
GIC	SWF	$444	-	**$444**
Monarch Alternative Capital	Inv. Mgr.	$443	-	**$443**
Sunstone	Pub. REIT	$443	$245	**$197**
Summit Hotel Properties	Pub. REIT	$410	$59	**$351**
Rockpoint Group	Eq. Fund	$404	$114	**$290**

Source: RCA

Note: Includes individual asset sales, portfolio sales, and entity transactions. Investor type defined by RCA.

Most Active Select Service Investors by 2021 Transaction Volume

Company	Investor Type	Acquisitions ($MM)	Dispositions ($MM)	Net Transactions ($MM)
Blackstone	Eq. Fund	$6,654	$336	**$6,318**
Starwood Capital	Eq. Fund	$6,089	$210	**$5,879**
Highgate Holdings	Dev/Own	$2,904	$76	**$2,828**
Cerberus	Eq. Fund	$2,840	$35	**$2,805**
KKR	Inv. Mgr.	$565	-	**$565**
Summit Hotel Properties	Pub. REIT	$437	$25	**$412**
GIC	SWF	$429	-	**$429**
Apple Hospitality REIT	Pub. REIT	$373	$158	**$215**
Magna Hospitality Group	Dev/Own	$347	-	**$347**
Dauntless Capital Partners	Dev/Own	$307	-	**$307**
KSL Capital Partners	Eq. Fund	$298	-	**$298**
Property Reserve	Endow.	$238	-	**$238**
Noble Investment Group	Eq. Fund	$166	$187	**-$21**
MCR Hotels	Dev/Own	$163	-	**$163**
Davidson Kempner	Inv. Mgr.	$142	-	**$142**
Flynn Investments	Dev/Own	$133	-	**$133**
Varde Partners	Inv. Mgr.	$123	$19	**$104**
OTO Development	Dev/Own	$120	-	**$120**
Lodging Dynamics	Dev/Own	$115	$7	**$108**
TPG	Eq. Fund	$111	-	**$111**

Source: RCA
Note: Includes individual asset sales, portfolio sales, and entity transactions. Investor type defined by RCA.

NEWMARK

Market Winners & Losers

Market Winners & Losers

- The COVID-19 pandemic has caused individuals and businesses to re-think where they call home, which has had a profound effect on the lodging sector – both in terms of hotel operating performance and transactions.
    - » **Business Climate:** Companies are moving their headquarters to "business-friendly cities" at an unprecedented rate. Certain MSAs – Miami, Nashville, Dallas, Austin, and Phoenix, just to name a few - have seen an influx of companies from traditional U.S. economic powerhouse cities, such as New York City, Los Angeles, Chicago, and San Francisco.
    - » **Remote Work/Leisure:** A hybrid office/work-from-home environment, and fully remote work in certain industries, might be here for longer than anyone had initially anticipated. People and companies have increasingly relocated to states and cities with a higher quality of life, lower cost of living, and better climate.

2021 Population Trends

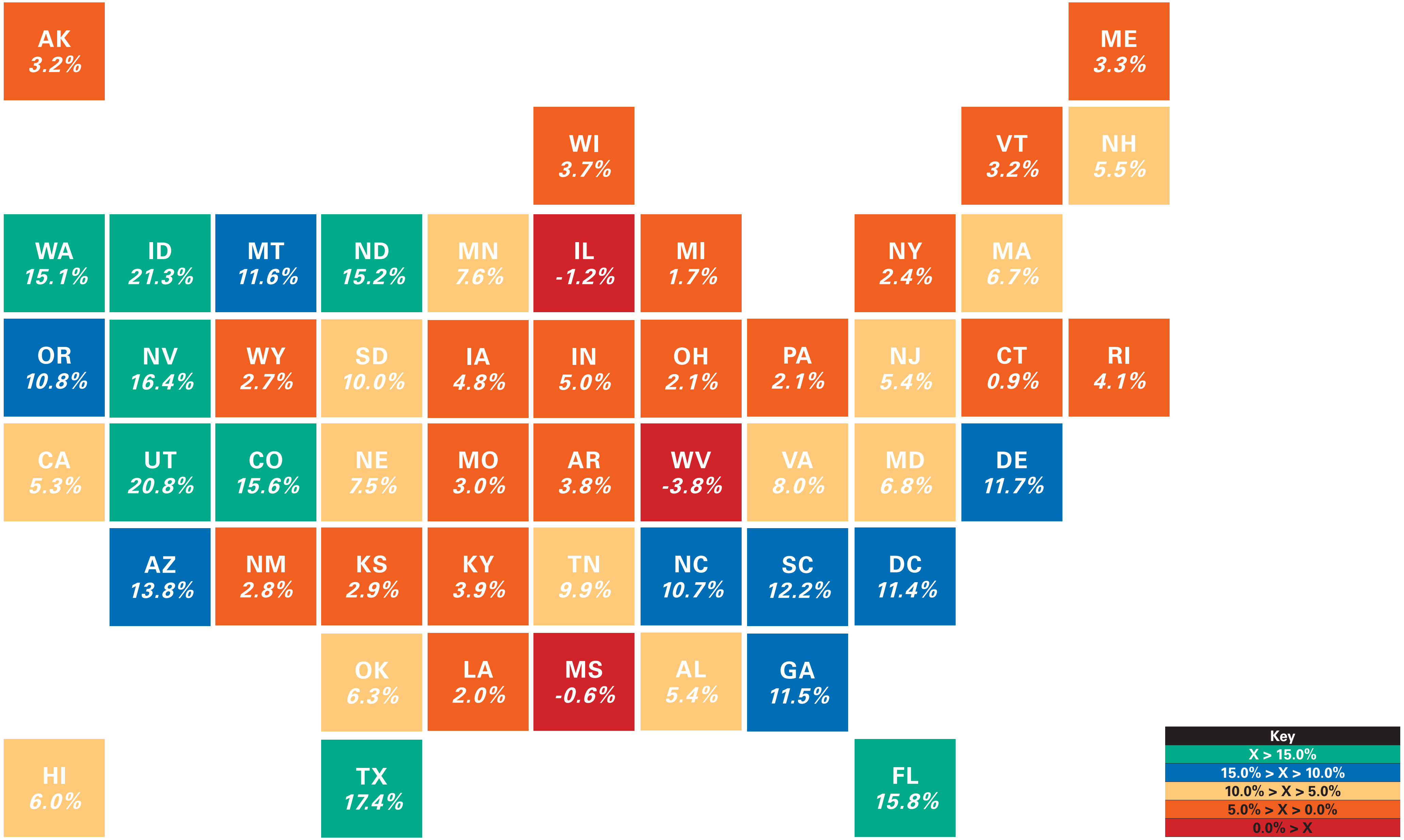
Largest Net Domestic Migration Gains:

Florida (+220,890)
Texas (+170,307)
Arizona (+93,026)

Largest Domestic Migration Losses:

California (-367,299)
New York (-352,185) I
llinois (-122,460)

Population Change 2010-2021



Source: U.S. Census Bureau

- **Austin:** Austin's population grew by 28.9% from 2010-2019, cementing itself as one of the fastest-growing cities in the country.
- **Orlando:** Strongest RevPAR growth from 2010-2019 of the high population growth markets. Supply is expected to grow the second slowest of any market over the next four years (0.2%).
- **Salt Lake City:** 2025 RevPAR is projected to be 24.1% above 2019 levels, which is among the highest percent increases of all major MSAs.
- **Phoenix-Scottsdale:** RevPAR is expected to be 21.9% above 2019 levels in 2025, a testament to the improving hotel market and demand in the area. Since 2010, the market has experienced only a 0.23% growth in supply, despite a 17.7% increase in population.
- **Charlotte:** RevPAR is expected to grow at a 19.0% CAGR over the next four years, fueled by a relatively low cost of living and rapidly expanding health/life sciences sector.
- **Nashville:** Nashville CBD RevPAR grew at a 8.5% CAGR from 2010-2019, despite a 8.6% new supply CAGR. It is forecasted that the Nashville CBD will continue to be resilient to new hotel inventory, with a projected RevPAR CAGR of 7.7% from 2021-2025, while supply is projected to increase at a 2.7% CAGR over that same time period.

Fastest-Growing U.S. MSAs

		RevPAR			Supply	
Market	Population % Change since 2010 (2019 base)	CAGR (2010-2019)	CAGR (2021-2025)	2025 % over 2019	CAGR (2010-2019)	CAGR (2021-2025)
Austin	28.9%	5.7%	13.6%	-6.5%	6.9%	2.5%
Salt Lake City	22.3%	5.5%	13.6%	24.2%	0.6%	2.5%
Orlando-Central	21.9%	8.5%	2.6%	-7.5%	2.4%	0.7%
Houston	18.8%	3.7%	18.1%	5.5%	5.9%	1.0%
San Antonio	18.5%	2.8%	13.5%	23.5%	0.9%	2.6%
Dallas	18.5%	5.9%	13.0%	5.6%	2.5%	1.3%
Phoenix-Scottsdale	17.7%	6.2%	10.2%	22.0%	0.2%	2.2%
Charlotte	17.2%	5.2%	19.0%	7.5%	3.7%	1.2%
Nashville	17.2%	8.5%	7.7%	-10.9%	8.6%	2.7%
Denver	16.2%	4.7%	13.3%	-0.9%	3.8%	2.3%
Seattle	15.4%	5.6%	26.7%	13.4%	2.5%	1.4%
Tampa	14.6%	6.3%	6.7%	4.0%	0.8%	0.7%

Source: Source: U.S. Census Bureau, CoStar, STR
Note: Population data for entire MSA. RevPAR and supply data for CBD

Denotes Top Three Markets in Each Respective Category

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Public Markets

Public Markets

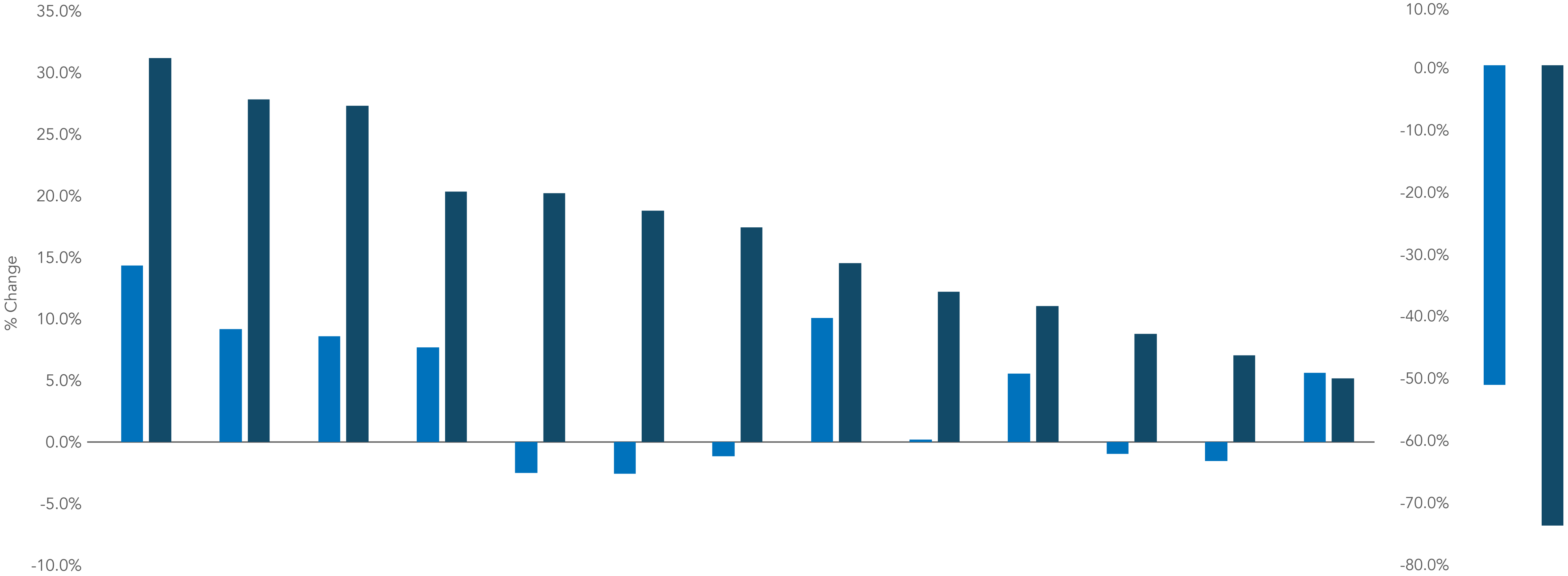
- Lodging REITs continue to trend in the right direction as omicron proved to only have a minor impact on holiday travel and operating performance.
- Given the strong 2021 operating performance of many resort markets, REITs aggressively pursued luxury, leisure-oriented assets. During the year, there were six transactions that exceeded the $1.0 MM per key mark.
- Braemar led Q3 ADR outperformance, as its portfolio of luxury/upscale hotels saw ADR increase to $358 Q3-YTD, up 26.9% over the same period in 2019.
  - » Braemar's December 2021 RevPAR increased approximately 29% compared to December 2019
- Sunstone doubled down on wine country, acquiring both the Montage Healdsburg and Four Seasons Napa.
- Ryman's presence in strong, COVID-friendly markets, coupled with its unique focus on convention center resorts and live music, led to impressive ADR growth over 2019 levels in 2021 (as of Q3).
- Host acquired three assets over the $1.0 MM per key threshold in 2021, including Alila Ventana Big Sur, which at $2.5 MM per key, broke the per key record for a U.S. resort sale.
- Diamondrock sold $220 MM of assets at a weighted average 5.3% cap rate on 2019 NOI and recycled sales proceeds into the acquisition of four southern U.S. assets for combined $293 MM.
- Select service REITs have significantly outperformed their full service lodging peers over the last 6-12 months, pointing to their operating resilience and investors long-term confidence in the space.

Q3 2021 YTD REIT RevPAR

REIT	2019	2021	% Change
AHT	$131	$75	-43.0%
APLE	$110	$80	-27.1%
BHR	$230	$190	-17.4%
CLDT	$136	$83	-38.8%
DRH	$186	$109	-41.7%
HST	$198	$100	-49.6%
HT	$188	$109	-41.8%
INN	$131	$77	-41.7%
PEB	$217	$94	-56.7%
PK	$184	$75	-59.0%
RHP	$149	$73	-51.3%
RLJ	$146	$82	-44.2%
SHO	$208	$94	-55.1%
XHR	$173	$100	-42.2%

Source: SEC Filings

Lodging REIT Stock Price Performance

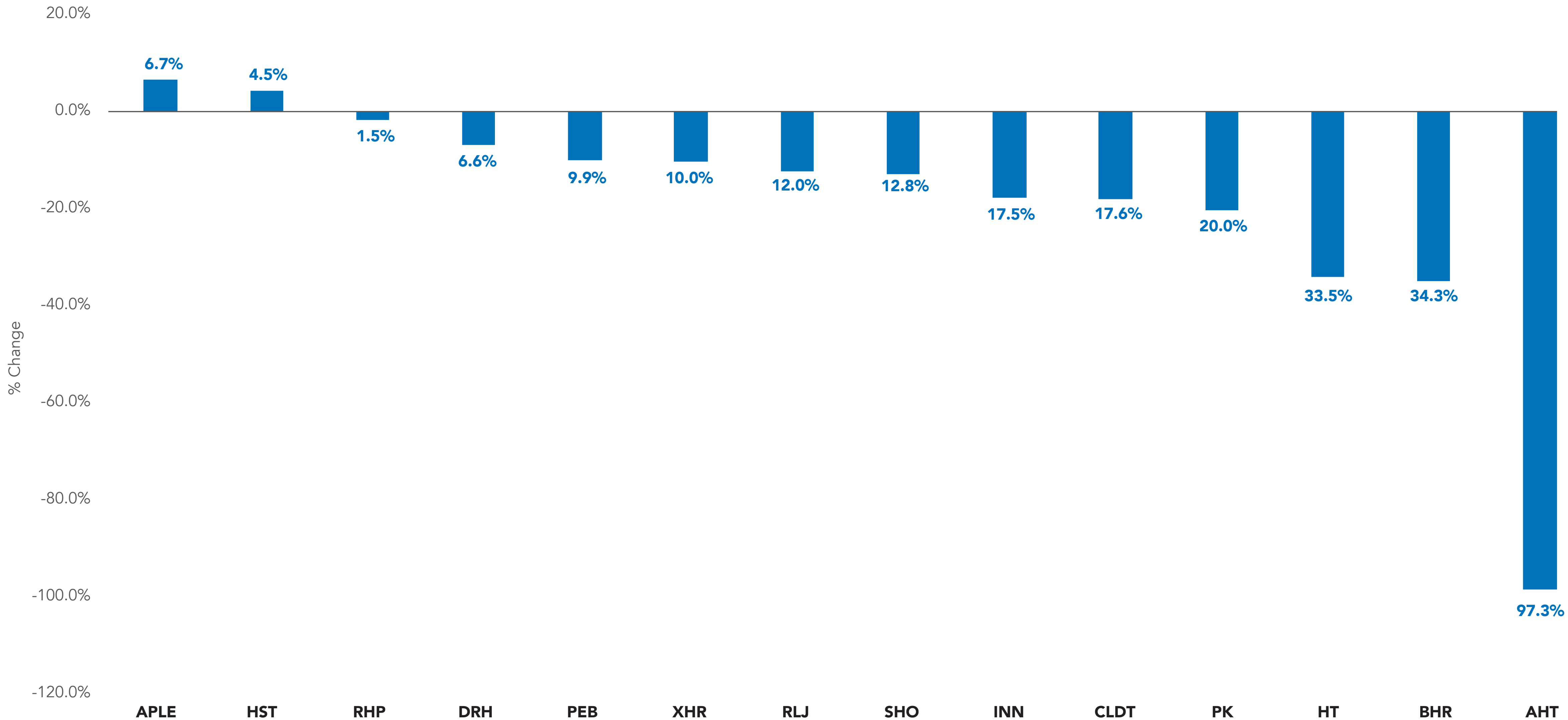


	RHP	HST	APLE	CLDT	PEB	HT	XHR	DRH	PK	INN	SHO	RLJ	BHR	AHT
T-6 Performance	14.1%	9.0%	8.4%	7.6%	-2.5%	-2.6%	-1.1%	9.9%	0.2%	5.4%	-1.0%	-1.5%	5.5%	-50.3%
T-12 Performance	30.6%	27.3%	26.8%	20.0%	19.8%	18.5%	17.2%	14.3%	12.0%	10.9%	8.7%	6.9%	5.1%	-72.4%

Source: Bloomberg

Notes: Stock price data as of market close 2/2/2022.

Lodging REIT Two-Year Stock Performance



Source: Bloomberg

Notes:

(1) Reflects stock prices as of market close on 2/3/2022 and 2/3/2020

(2) AHT performance adjusted for two seperate stock splits in July 2020 and July 2021

Top 10 Per Key 2021 Lodging REIT Acquisitions								
Property	**Location**	**Keys**	**Date**	**Purchase Price**	**Per Key**	**Cap Rate**	**Buyer**	**Seller**
Alila Ventana Big Sur	Big Sur, CA	59	Sep-21	$150,000,000	$2,542,000	-	Host	Hyatt Hotels
Four Seasons Resort and Residences Napa Valley	Calistoga, CA	85	Dec-21	$177,500,000	$2,088,000	N/A	Sunstone	Bald Mountain Development
Montage Healdsburg	Healdsburg, CA	130	Apr-21	$265,000,000	$2,038,000	N/A	Sunstone	Ohana Real Estate Investors
Dorado Beach, a Ritz-Carlton Reserve	Dorado, PR	110	U/C	$186,600,000	$1,696,000	9.8%	Braemar	CPG Real Estate/D.E. Shaw/Prisa Group
Four Seasons Resort Orlando at Disney World	Bay Lake, FL	444	Apr-21	$610,000,000	$1,374,000	4.7%	Host	Silverstein Properties/Dune/Four Seasons
Baker's Cay Resort Key Largo	Key Largo, FL	200	Jul-21	$200,000,000	$1,000,000	6.2%	Host	KHP Capital Partners
Henderson Park Inn	Destin, FL	37	Jul-21	$27,500,000	$743,000	6.0%	DiamondRock	Dunavant Enterprises
Margaritaville Hollywood Beach Resort	Hollywood, FL	369	Sep-21	$270,000,000	$732,000	5.3%	Pebblebrook	KSL Capital Partners
The Henderson Salamander Beach	Destin, FL	170	Dec-21	$112,500,000	$662,000	6.4%	DiamondRock	Dunavant Enterprises
Avalon Bed & Breakfast and Duval Gardens	Key West, FL	31	Oct-21	$20,000,000	$645,000	-	Pebblebrook	Timothy Ryan

Source: RCA and Newmark market knowledge

Top 10 Per Key 2021 Lodging REIT Dispositions								
Property	**Location**	**Keys**	**Date**	**Purchase Price**	**Per Key**	**Cap Rate**	**Buyer**	**Seller**
Embassy Suites Hotel San Diego- La Jolla	San Diego, CA	340	Dec-21	$226,700,000	$667,000	4.0%	Blackstone	Sunstone
W Hotel Hollywood	Los Angeles, CA	305	Dec-21	$194,000,000	$636,000	4.6%	Trinity Investments/Oaktree Capital Management	Host
Le Meridien San Francisco	San Francisco, CA	360	Jul-21	$221,500,000	$615,000	5.9%	KHP Cap Partners	Park
Hotel Adagio	San Francisco, CA	171	Jul-21	$82,000,000	$480,000	6.6%	Magna Hospitality Group	Park
Villa Florence San Francisco on Union Square	San Francisco, CA	189	Sep-21	$87,500,000	$463,000	7.2%	AWH Partners/Roxborough Group	Pebblebrook
Duane Street Hotel	New York, NY	43	May-21	$18,000,000	$419,000	4.3%	Premier Equities	Hersha
Sir Francis Drake	San Francisco, CA	416	Apr-21	$157,600,000	$379,000	7.2%	Northview Hotel Group	Pebblebrook
Hotel Indigo/Courtyard Washington Navy Yard	San Diego, CA/Washington, D.C.	414	Jun-21	$149,000,000	$360,000	7.4%	Blackstone	Park
Capitol Hill Suites/Holiday Inn Express Boston Cambridge	Washington, D.C./Cambridge, MA	265	Mar-21	$83,000,000	$313,000	-	TPG Capital	Hersha
Courtyard San Diego Downtown	San Diego, CA	245	Feb-21	$64,500,000	$263,000	9.0%	PIMCO Real Estate	Hersha

Source: RCA and Newmark market knowledge

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Outlook & Predictions for 2022

2022 Outlook

- We remain bullish on the both the recovery, as well as the overall transaction market, with a deep field of investors pursuing lodging opportunities.
- The transaction market will be extremely robust with strong sales and financing activity fueled by the macro recovery, unprecedented liquidity, demand for quality for lodging opportunities, and availability of low-cost debt.
- It is expected that there will continue to be strong performance within the resort segment and leisure-oriented assets/markets as consumer sentiment remains high and there continues to be unprecedented pent-up demand from consumers.
- We expect that inbound international travel and corporate business will begin to return in a meaningful way as the year progresses, which will expedite the recovery in markets like New York City and San Francisco.
- Group and convention business will return in a meaningful way, but it will still take another year or two for this segment to return to prior peak levels.
- There will be ongoing labor pressures (availability, wages, and unions) in many markets.
- Supply is expected to remain muted in most markets given construction challenges (exorbitant costs, labor shortages, and lack of financing), which will also help drive ADR growth throughout the country.

Operating Performance

- Newmark's outlook on 2022 hotel operating performance remains positive due to the continued strong performance of leisure assets, expected return of business and international travel to urban markets, and a curbed new supply pipeline in most markets.
- Despite initial worries about the Omicron variants' impact on operating performance, U.S. hotels performed extremely well over the holidays, as STR reported that U.S. RevPAR for the week of December 26th indexed at 117% of 2019 levels. Moreover, while much more contagious, Omicron data continues to point to more mild symptoms and lower rates of hospitalization and death compared to previous variants, which should result in a minor blip rather than a sustained impact on the economy in 2022.
- The recovery of large urban markets (New York City, San Francisco, and Seattle among others) will largely rely on the pace at which international travel comes back and employees return to the office.
- With a stunted supply pipeline due to rising construction and financing costs, U.S. hotels will see occupancy rebound significantly in 2022.
- As the hotel market recovers, operations will continue to be impacted by labor shortages and inflationary pressures. From May 2020 to November 2021, room attendant wages grew 9.4%.

TripAdvisor Traveler Survey

2022 leisure travel intent is up 8% compared to 2019, with 71% of people saying they are likely to travel for leisure in 2022.

American travelers are expected to spend 29% more on their average trip in 2022 than they did in 2019.

Only 29% of Americans said they are likely to travel overseas in 2022, indicating sustained performance for U.S. leisure markets.

U.S. Hotel Forecast by Chain Scale

	All			Luxury & Upper Upscale			Upscale & Upper Midscale			Midscale & Economy		
Period	**Occ**	**ADR**	**RevPAR**	**Occ**	**ADR**	**RevPAR**	**Occ**	**ADR**	**RevPAR**	**Occ**	**ADR**	**RevPAR**
2019	66.0%	$130.98	$86.37	72.2%	$216.87	$156.49	69.1%	$128.13	$88.57	59.4%	$81.21	$48.24
2020	44.1%	$103.38	$45.63	35.5%	$192.03	$68.12	44.4%	$106.76	$47.36	47.8%	$70.71	$33.78
2021	57.3%	$124.63	$71.47	50.2%	$221.70	$111.36	59.9%	$122.96	$73.59	58.2%	$84.12	$48.94
2022	63.7%	$136.54	$86.95	61.1%	$231.62	$141.41	64.6%	$135.90	$87.82	64.0%	$90.11	$57.66
2023	66.4%	$143.70	$95.37	64.0%	$241.67	$154.71	67.7%	$143.65	$97.22	66.1%	$94.21	$62.30
2024	68.0%	$149.93	$101.94	66.4%	$252.83	$167.74	69.5%	$149.40	$103.85	67.2%	$97.30	$65.34
2025	68.3%	$155.36	$106.06	67.3%	$262.28	$176.38	69.8%	$154.52	$107.86	67.1%	$100.19	$67.19
CAGR	**Avg.**			**Avg.**			**Avg.**			**Avg.**		
2019-2025	**62.0%**	**2.9%**	**3.5%**	**59.5%**	**3.2%**	**2.0%**	**63.6%**	**3.2%**	**3.3%**	**61.4%**	**3.6%**	**5.7%**
2022-2025	**66.6%**	**4.4%**	**6.8%**	**64.7%**	**4.2%**	**7.6%**	**67.9%**	**4.4%**	**7.1%**	**66.1%**	**3.6%**	**5.2%**

Source: STR

Current Lodging Debt Environment

- Newmark's outlook on the 2022 hotel financing market remains positive and upbeat. While the Omicron variant has caused a modicum concern on behalf of lenders, Newmark has yet to see any effect on spreads or lender appetite for new originations.
- We expect lenders to continue to chase opportunities in the hotel space given the outsized yields compared to other product types such as multifamily and industrial.

Hotel debt financing liquidity is ample with improving fundamentals.

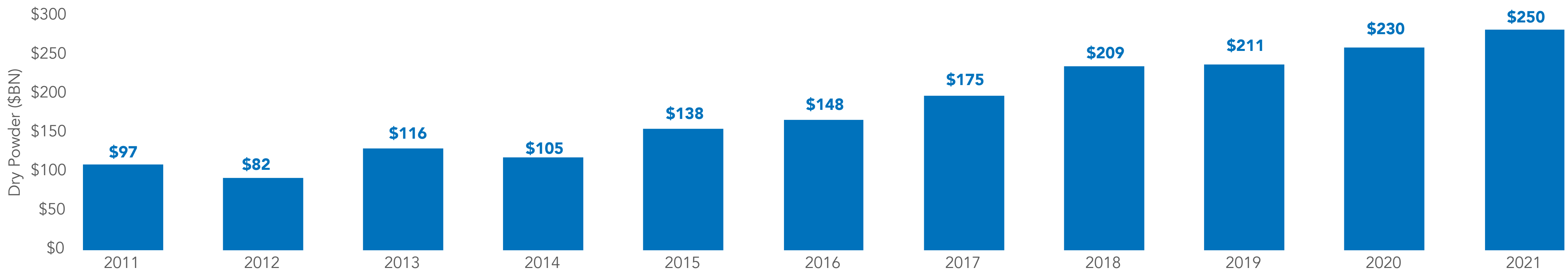
	Asset Acquisition	Asset Refinancing	Note-On-Note Financing	Construction
LTV/LTC	60-70%	55-65%	50-60% (Advance Rate) 65-80% (Advance Rate)	50-60%
Interest Rate	3.75-5.50%	4.00-5.75%	4.50-5.50% 5.50-7.50%	6.00-8.00%
Stabilized Debt Yield	10.0-12.0%	11.0%-13.0%	N/A	10.0-12.0%

Notes:
[1] Deals will be heavily dependent on sponsorship, submarket fundamentals, and loan basis.
[2] LTV representative of as-is value today with lenders willing to future fund good news renovation dollars on a select-basis.
[3] For assets that were previously stabilized, lenders are generally sizing to a 10-12.% pre-COVID-19 debt yield with a strong growth story to return to those levels within 18-24 months.

Dry Powder

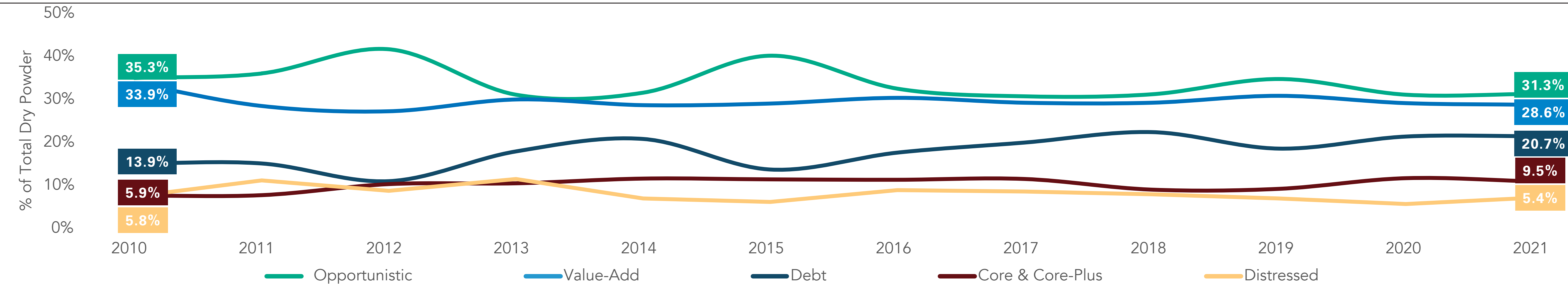
- North American-focused real estate funds have accumulated $250 BN of dry powder as of Q4 2021, a record high and an 8.5% increase year-over-year.
- Opportunistic and value-add strategies make up 60% of this dry powder, however this is in part due to many core and core-plus funds falling under the open-ended structure to accommodate longer holding periods.

Dry Powder - Closed-End Funds



Source: Newmark Research

Dry Powder by Strategy



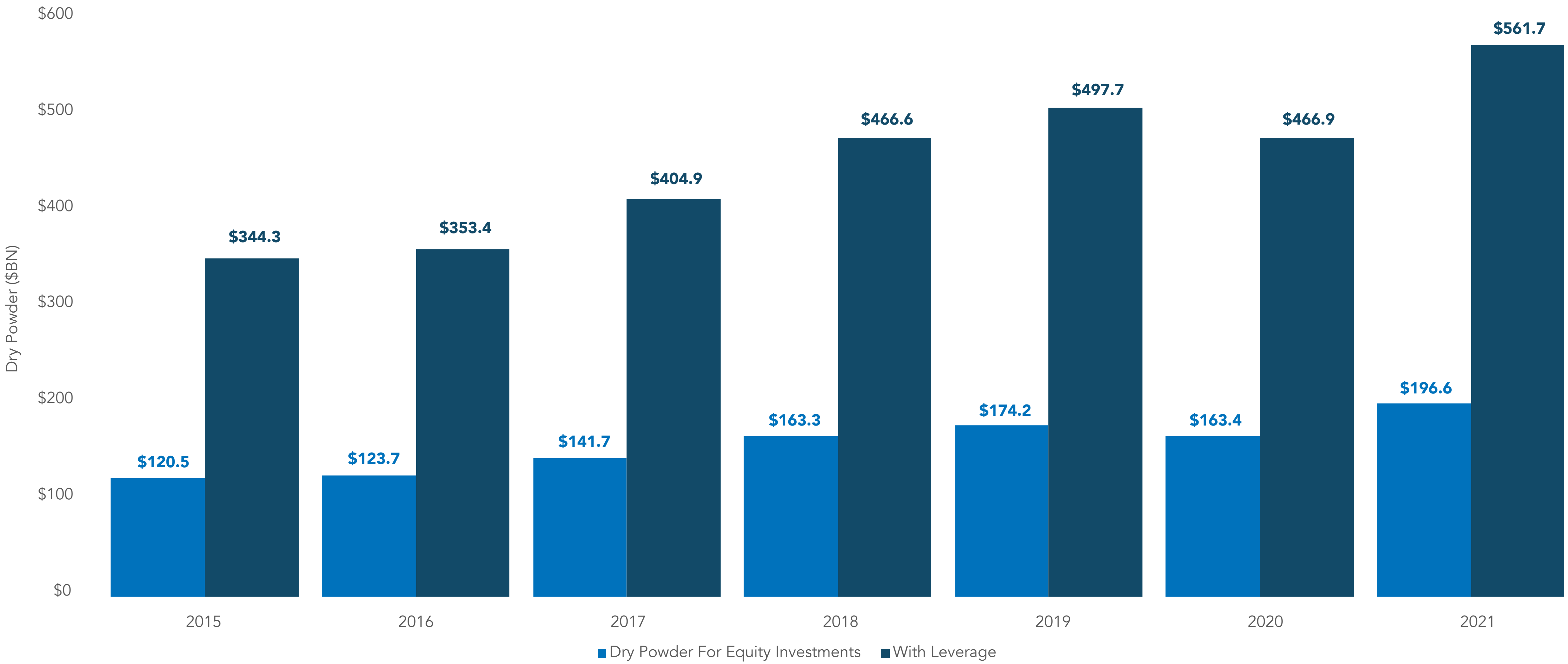
Source: Newmark Research

Note: Does not include fund of funds, co-investments, and secondaries dry powder

Dry Powder with Leverage

- The $196.6 BN in dry powder raised for equity investments – not including dry powder raised for debt strategies – equates to a leveraged purchasing power of $561.7 BN, using a 65% LTV ratio.

Dry Powder at 65% Leverage



Source: Newmark Research

Predictions for 2022

1. Investors will continue to underwrite sustained ADR growth.

- Renewed work patterns will open the door to a new type of business-leisure travel, creating a new higher-paying traveler who is willing to spend more to "live-work-play" on their company's dime. These shifts will also fill early-mid week days (Monday-Wednesday) at a higher rate than previously possible.
- Consumers' inflation expectations will not damper their willingness to pay higher rates, particularly for better product/experiences.
- Corporate and group events will remain at lower volumes compared to pre-pandemic levels but will generate a higher spend per guest given the scarcity of gatherings.
- There will continue to be fewer hotels developed ground-up given construction and financing costs.

2. Price per key will continue to be a less relevant metric.

- Through 2021, it became evident across all segments of the lodging spectrum, that investors are willing to overlook previous price per key ceilings to acquire strategic assets across the country.
- Rising materials and labor costs have driven up replacement cost to record per key levels, making existing assets more valuable and compelling from an investment perspective.
- There is an ongoing yield premium in the lodging sector compared to other asset classes (multifamily, industrial, student housing, office, etc.).
- Hotels will continue to be an attractive hedge against inflation.

3. Total RevPAR will become a leading indicator of hotel operating performance.

- Ancillary revenue streams, including food & beverage, are being driven by consumers' propensity to spend at record levels.

4. Best-in-class meeting/convention hotels will start to attract capital.

- Given the record valuations of leisure-oriented assets and select service hotels, some investors will look toward large-scale urban and convention center hotels for investment opportunities.
- Markets with positive labor dynamics, overall business-friendly environments, and more temperate climates should be the first to benefit with groups coming back in a meaningful way.
- Given rising construction costs, it has become increasingly cost-prohibitive to develop new large-scale, convention hotels.
- Given the prevalence of remote work and potential for greater decentralization, meetings and conventions will become more valuable than ever for internal and external business, socializing and networking.

5. Alternative use investors, including student housing, senior/assisted living, and residential, will become more active in the hotel space as they look for conversion opportunities.

6. Rising wages, labor shortages and escalating pressures from labor unions (in certain markets), will continue to be front and center for owners and operators as this will remain a challenge throughout the year.

7. Transaction activity will pickup dramatically in several major urban markets including New York City, Boston, and Los Angeles.

8. Nashville and Austin will set new price per key records.

9. Secondary markets, including Phoenix/Scottsdale, Tampa/west coast of Florida, Salt Lake City, Denver, and Philadelphia, will all see an increase in transaction activity.

10. The supply pipeline will remain relatively muted in most markets given continued high construction costs, supply chain issues, financing challenges/costs, and labor shortages.

11. If private market valuations continue on a similar trajectory as they have over the last 6-12 months, there could be public markets M&A activity this year.

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U.S. Hotel Forecast by Chain Scale

	All			Luxury & Upper Upscale			Upscale & Upper Midscale			Midscale & Economy		
Period	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2019	66.0%	$130.98	$86.37	72.2%	$216.87	$156.49	69.1%	$128.13	$88.57	59.4%	$81.21	$48.24
2020	44.1%	$103.38	$45.63	35.5%	$192.03	$68.12	44.4%	$106.76	$47.36	47.8%	$70.71	$33.78
2021	57.3%	$124.63	$71.47	50.2%	$221.70	$111.36	59.9%	$122.96	$73.59	58.2%	$84.12	$48.94
2022	63.7%	$136.54	$86.95	61.1%	$231.62	$141.41	64.6%	$135.90	$87.82	64.0%	$90.11	$57.66
2023	66.4%	$143.70	$95.37	64.0%	$241.67	$154.71	67.7%	$143.65	$97.22	66.1%	$94.21	$62.30
2024	68.0%	$149.93	$101.94	66.4%	$252.83	$167.74	69.5%	$149.40	$103.85	67.2%	$97.30	$65.34
2025	68.3%	$155.36	$106.06	67.3%	$262.28	$176.38	69.8%	$154.52	$107.86	67.1%	$100.19	$67.19
CAGR	**Avg.**			**Avg.**			**Avg.**			**Avg.**		
2019-2025	**62.0%**	**2.9%**	**3.5%**	**59.5%**	**3.2%**	**2.0%**	**63.6%**	**3.2%**	**3.3%**	**61.4%**	**3.6%**	**5.7%**
2022-2025	**66.6%**	**4.4%**	**6.8%**	**64.7%**	**4.2%**	**7.6%**	**67.9%**	**4.4%**	**7.1%**	**66.1%**	**3.6%**	**5.2%**

Source: STR